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State, Class and the Organic Elite:
The Formation of an Entrepreneurial Order in Brazil 1961-1965

by
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Doctor of Philosophy (Ph.D.) to the Faculty of Social Sciences,
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Summary

This thesis is about the organization for action of a power bloc of multinational and associated interests, their policy of disruption of the Brazilian regime which took place from 1961 to 1964, and their subsequent take-over of the State. The thesis does not attempt to present a historical reconstruction of the period. Rather, it aims to bring new evidence to bear on the little known activity of individuals and organizations which were crucial in shaping the period in question and its aftermath.

Chapter I outlines the formation of the populist polity, since the fall of the oligarchic state in 1930.

Chapter II describes the economic ascendancy gained by multinational and associated interests throughout the 1950s under the political aegis of an industrial-oligarchic populist polity.

Chapter III describes the corporate-political power structure of multinational and associated interests. The chapter examines the social and political agents who over a period of ten years shaped an incipient bloc of modernizing-conservative interests. The chapter also describes the different political means and administrative channels whereby the multinational and associated bloc was able to press its interests within the populist polity.

Chapter IV describes the crisis of populism brought about by the political mobilization of the working classes and the militant action of the multinational and associated interests through their own political organizations.

Chapter V examines the recruitment pattern, decision-making structure and organization for action of the organic elite of the multinational and associated interests, organized in IPES/IBAD.

Chapter VI describes the ideological campaign of the organic elite against the regime and the working classes, and its attempts to indoctrinate the general public and in particular the dominant classes and the military.

Chapter VII examines the political campaign of the organic elite among students, the female population, the middle classes, the peasantry, the industrial working classes, and the political parties.

Chapter VIII describes the political campaign of the organic elite among the military and focuses upon the civilian-military movement which brought about the downfall of Goulart.

Chapter IX describes the occupation of the State's key agencies of policy-formation and decision-making by the organic elite of IPES/IBAD.

The thesis attempts to demonstrate how entrepreneurs and techno-entrepreneurs representing multinational and associated interests were an active force in Brazilian politics before and after the downfall of Goulart in 1964.

Glossary of Brazilian terms, acronyms and abbreviations

- ABA - Associação Brasileira de Anunciantes (Brazilian Association of Advertisers)
- ABCAR - Associação Brasileira de Crédito e Assistência Rural (Brazilian Association for Rural Credit and Assistance)
- ABDIB - Associação Brasileira das Indústrias de Base (Brazilian Association for the Development of Basic Industries)
- ABIMAQ - Associação Brasileira da Indústria de Máquinas (Brazilian Association of the Machinery Industry)
- ABM - Associação Brasileira de Municípios (Brazilian Association of Municipalities)
- Ação Integralista Brasileira - Neo-fascist movement of the 1930s. Many of its members and supporters were to be found years later in IPES.
- ACM - Associação Cristã de Moços (Youth Male Christian Association)
- ACREFI - Associação de Crédito, Financiamento e Investimentos (Association of Credit, Financing and Investment)
- ACRJ - Associação Comercial do Rio de Janeiro (Commercial Association of Rio de Janeiro)
- ADCE - Associação dos Dirigentes Cristãos de Empresa (Association of Christian Managers of Enterprises)
- ADECIF - Associação das Empresas de Crédito, Investimento e Financiamento (Association of Credit, Investment and Financing Enterprises)
- ADELA - Atlantic Community Development Group for Latin America
- ADEP - Ação Democrática Popular (Popular Democratic Action)
- ADESG - Associação de Diplomados da ESG (Ex-Alumni Association of ESG)
- ADF - Associação Democrática Feminina (Female Democratic Action)
- ADIPES - Associação dos Diplomados do IPES (Ex-Alumni Association of IPES)
- ADP - Ação Democrática Parlamentar (Parliamentary Democratic Action)
- Aerobrás - State controlled aviation industry
- AFL-CIO - American Federation of Labor
- AID - Agency for International Development

- AIFLD - American Free Labor Development Institute
- ALALC - Associação Latinoamericana de Livre Comércio (Latin American Free Trade Association-LAFTA)
- ALEF - Aliança Eleitoral da Família (Electoral Alliance for the Family)
- ALPRO - Alliance for Progress
- AMES - Associação Metropolitana de Estudantes Secundários (Metropolitan Union of Secondary Students)
- AMFORP - American and Foreign Power Company
- ANMVAP - Associação Nacional de Máquinas, Veículos e Autopeças (National Association of Machinery, Vehicles, Accessories and Parts)
- ANPES - Associação Nacional de Programação Económica e Social (National Association of Social and Economic Programming)
- Anteprojeto de Lei - Bill of Law
- AP - Ação Popular (Popular Action)
- Apadrinhamento - Clientelistic protection
- APEC - Análise e Perspective Económica (Economic Perspective and Analysis)
- Apostilas - Basic text papers
- APP - Associação Paulista de Propaganda (Paulista Association of Propaganda)
- ARENA - Aliança Renovadora Nacional (National Renovation Alliance)
- Associação Comercial de Londrina - Commercial Association of Londrina
- Associação Comercial do Paraná - Commercial Association of Parana
- Associação Comercial de Pernambuco - Commercial Association of Pernambuco
- Associação dos Empregados de Comércio (Association of the Employees of Commerce)
- Ato Institucional - Institutional Act, a 'constitutional' decree amending the political legislation
- Automóvel Clube - Social club in Rio de Janeiro
- Banco do Brasil - Bank of Brazil
- BEG - Banco do Estado da Guanabara (Bank of the State of Guanabara)

BGLA - Business Group for Latin America

Bilhetinhos - Short notes, handwritten decrees

BIR - Bureau of Intelligence and Research, Department of State

BNDE - Banco Nacional de Desenvolvimento Económico (National Bank for Economic Development)

Boletim - Bulletin

Boletim Cambial - Financial Bulletin

BOLSA - Bank of London and South America

Brigadeiro - Brigadier, Air Force rank

cabo - corporal

CACB - Confederação das Associações Comerciais do Brasil (Confederation of the Commercial Associations of Brazil)

CACEX - Carteira de Comércio Exterior do Banco do Brasil (Foreign Trade Department of the Banco do Brasil)

CACO - Centro Académico Cândido de Oliveira (Academic Centre Cândido de Oliveira)

Caixa Económica - Savings institution run by the government

Caixinha - Kitty

Câmara dos Deputados - Chamber of Deputies

Cambaõ - The peasant's obligation to work for the estate owner for a number of days per week at a lower than normal wage

CAMDE - Campanha da Mulher pela Democracia (Women's Campaign for Democracy)

CAMIG - Companhia Agrícola de Minas Gerais (Agrarian Company of Minas Gerais)

Campanha da Mulher Brasileira - Campaign of the Brazilian Woman

Carioca - Native of the city of Rio de Janeiro and of the former state of Guanabara

Carteira de Cambio - Foreign Exchange Department of Banco do Brasil

Carteira de Crédito - Credit Department of Banco do Brasil

Casa Civil - Civilian Staff Office of the Presidency

Casa Militar - Military Staff Office of the Presidency

Cassação - Deprivation of political rights

- CBP - Consórcio Brasileiro da Produtividade (Brazilian Consortium of Productivity)
- CBTC - Confederação Brasileira dos Trabalhadores Cristãos (Brazilian Confederation of Christian Workers)
- CD - Comissão Diretora (Directing Commission)
- CDM - Cruzada Democrática das Mulheres (Women's Democratic Crusade)
- CE - Conselho Executivo (Executive Council)
- CEC - Campanha de Educação Cívica (Civic Education Campaign)
- CED - Committee for Economic Development
- CEDES - Centro de Documentação Económica e Social (Centre of Social and Economic Documentation)
- Cédula Única - Single Ballot
- CEMIG - Centrais Elétricas de Minas Gerais (Electric Power Station of Minas Gerais)
- CENPI - Centro Nacional de Produtividade Industrial (National Centre of Industrial Productivity)
- Centrais Elétricas de Furnas (Electric Power Station of Furnas)
- Central Única dos Trabalhadores - Central Union of Workers
- Centro de Indústrias de MG - Industrial Centre of Minas Gerais
- CEPAL - Comissão Económica para a América Latina (Economic Commission for Latin America - ECLA)
- CESB - Centro de Estudos Sociais Brasileiros (Centre of Brazilian Social Studies)
- CETESP - Conselho Técnico de Economia Sociologia e Política (Technical Council for Economics, Sociology and Politics)
- CEXIM - Carteira de Exportação e Importação do Banco do Brasil (Export and Import Department of the Banco do Brasil)
- CFC - Confederação das Famílias Cristãs (Confederation of Christian Families)
- CFR - Council for Foreign Relations
- CGG - Comando Geral da Greve (General Strike Command)
- CGT - Comando Geral dos Trabalhadores (General Command of the Workers - former CGG)
- CHEVF - Companhia Hidroelétrica do Vale de São Francisco (São Francisco Valley Hydroelectric Company)

- CI - Curso de Informações (Intelligence Course of the ESG)
- CIA - Central Intelligence Agency
- CIERJ - Centro de Indústrias do Rio de Janeiro (Centre of Industries of Rio de Janeiro)
- CIESP - Centro de Indústrias do Estado de São Paulo (Centre of Industries of the state of Sao Paulo)
- Círculos Operários - Worker circles formed by Catholic leaders
- CLA - Council for Latin America
- classe - literally class - used in the corporatist system of representation to refer to sectoral interests
- Classes Produtoras - Euphemism for the propertied classes
- clientelism - system of co-optation based on material or administrative favours, privileges and immunities
- CLMD - Cruzada Libertadora Militar Democrática (Military Democratic Crusade of Liberation)
- CLT - Consolidação das Leis do Trabalho (Consolidation of Labour Laws)
- Clube da Lanterna - Lantern Club, of which Carlos Lacerda was an outstanding figure. The Clube was politically active against the post-Vargas 'Getulistas' and was closed down by Kubitschek's military ministers in November, 1956.
- Clube dos Diretores Lojistas do Rio de Janeiro - Club for Retail Merchant Directors of Rio de Janeiro
- Clube Militar - Military Club - social and political centre of the Army
- CMN - Conselho Monetário Nacional (National Monetary Council)
- CNC - Confederação Nacional do Comércio (National Confederation of Commerce)
- CNCO - Confederação Nacional de Círculos Operários (National Confederation of Workers' Circles)
- CNE - Conselho Nacional de Economia (National Economic Council)
- CNEC - Confederação Nacional dos Empregados do Comércio (National Confederation of Commercial Employees)
- CNI - Confederação Nacional da Indústria (National Confederation of Industry)
- CNRA - Conselho Nacional de Reforma Agrária (National Council of Agrarian Reform)
- CNTC - Confederação Nacional dos Trabalhadores no Comércio (National Confederation of Workers in Commerce)

CNTI - Confederação Nacional dos Trabalhadores na Indústria (National Confederation of Workers in Industry)

CO - Conselho Orientador (Orienting Council)

CODEPAR - Companhia de Desenvolvimento do Paraná (Development Company of Parana)

CODERN - Cia. de Desenvolvimento do Rio Grande do Norte (Company for the Development of the State of Rio Grande do Norte)

Colegiado - National Executive

Comício - Public meeting, rally

Comissão de Estudos e Projetos Administrativos (Commission for Administrative Studies and Projects)

Comissão Mixta Brasil-Estados Unidos para o Desenvolvimento Económico
(Brazil-United States Mixed Commission for Economic Development)

Conchavos - Political wheelings and dealings

CONCIN - Conselho de Coordenação Interdepartamental (Interdepartmental Council for Co-ordination of the CIESP/FIESP)

CONCLAP - Conselho Superior das Classes Produtoras (Superior Council of the Producing Classes)

Conscientização - Gathering of consciousness of the masses

CONSPLAN - Conselho Consultivo do Planejamento (Consultative Council on Planning)

CONSULTEC - Sociedade Civil de Planejamento e Consultas Técnicas Ltda.

Consultor Geral da República - General Attorney

CONTAG - Confederação Nacional dos Trabalhadores na Agricultura (National Confederation of Workers in Agriculture)

CONTEL - Conselho Nacional de Telecomunicações (National Council of Telecommunications)

Continuismo - Continuation in office beyond agreed period

Convenio - Agreement

Conversações - Conversations among governors and party leaders

Coronelismo - System of political bossism by landowners (coronéis) and local notables in rural areas

COS - Centro de Orientação Social (Centre for Social Orientation)

COSIBA - Companhia Siderúrgica da Bahia (Steel Corporation of Bahia)

- COSIGUA- Companhia Siderúrgica da Guanabara (Steel Corporation of Guanabara)
- COSIPA - Companhia Siderúrgica Paulista (Paulista Steel Corporation)
- CPDSP - Centro de Pesquisa e Documentação Social e Política (Centre for Research and Social and Political Documentation)
- CPI - Comissão Parlamentária de Inquérito (Parliamentary Commission of Inquiry)
- CRB - Confederação Rural Brasileira (Brazilian Rural Confederation - became the CNA in 1966)
- CREIA - Carteira de Crédito Industrial e Agrícola (Industrial and Agricultural Credit Agency of the Banco do Brasil)
- CRF - Cruzada do Rosário em Família (Crusade of the Rosary in Family)
- Cruzada Democrática - Democracy Crusade - an anti-Communist group of military officers
- cruzeiro - Brazilian unit of currency
- CSG - Curso Superior de Guerra (Superior War Course)
- CSN - Companhia Siderúrgica Nacional (National Steel Company)
- CSN - Conselho de Segurança Nacional (National Security Council)
- CTB - Companhia Telefônica Brasileira (Brazilian Telephone Company)
- CTB - Confederação dos Trabalhadores do Brasil (Confederation of the Workers of Brazil)
- CTESP - Conselho Técnico de Economia, Sociologia e Política da Federação de Comércio do Estado de São Paulo (Technical Council of Economy, Sociology and Politics of the Federation of Commerce of the State of São Paulo)
- Curral Eleitoral - Concentration sites of the rural voting population
- CVRD - Companhia Vale do Rio Doce (Vale do Rio Doce Company)
- DASP - Departamento Administrativo do Serviço Público (Administrative Department of the Public Service)
- Depoimento - Testimony, statement, deposition
- Diário Oficial - Official daily gazette covering legislative activities
- Diretorio Académico - Student Council
- Dispositivo - Refers to backing, support, arrangements of a source of power at the disposal of someone
- Dispositivo Militar - The political power base in the military

Dispositivo sindical - The political power base in the labour organizations

DOPS - Departamento de Ordem Política e Social (Department of Political and Social Order)

EBASCO - Electricity Bond & Share Co.

ECEME - Escola de Comando e Estado Maior do Exército - Army Staff and Command School

ECLA or CEPAL - Economic Commission for Latin America (Comissão Económica para a América Latina)

economicism/economistic - non-political economic demands

EFL - Escola de Formação de Líderes (School for the Formation of Leaders)

Eletrobrás - Government-owned and operated electric power company

ELO - Escola de Líderes Operários (School of Labour Leaders)

EMFA - Estado Maior das Forças Armadas (The Armed Forces General Staff)

Entreguista - Pejorative term used to designate a Brazilian working to turn Brazil's riches and assets to foreigners, or favouring foreign influence

EPEA - Escritório de Planejamento Económico e Social (Office of Social and Economic Planning)

Escritório Técnico - Techno-entrepreneurial Agency

ESG - Escola Superior de Guerra (Superior War College)

Estado Cartorial - Literally 'notorial or sine cure state' - a system of cooptation especially by means of public employment

Estado Maior - General Staff

Estado Maior Informal - Informal Staff

Estado Novo - Literally New State, the authoritarian-corporatist regime established in 1937 and lasting until 1945

estatização - nationalization

Estatuto da Terra - Land Statute

étatisme - statism

Faculdade - Faculty

FACUR - Fraterna Amizade Cristã Urbana e Rural (Fraternal Christian Urban and Rural Friendship)

FAREMG - Federação das Associações Rurais do Estado de Minas Gerais
(Federation of the Rural Associations of the State of
Minas Gerais)

FARESP - Federação das Associações Rurais do Estado de São Paulo
(Federation of Rural Associations of Sao Paulo)

FAS - Fundo de Ação Social - São Paulo anti-Communist funding organi-
zation established by entrepreneurs associated with multi-
nationals

favela - city slum

FCESP - Federação de Comércio do Estado de São Paulo (Federation of
Commerce of the State of São Paulo)

FCO - Federação dos Círculos Operários (Federation of the Workers'
Circles)

FEB - Força Expedicionária Brasileira (Brazilian Expeditionary Force)

FEBRASP - Federação Brasileira de Propaganda (Brazilian Federation
of Propaganda)

federação - federation

FGTS - Fundo de Garantia do Tempo de Serviço - a fund to guarantee
severance pay

FGV - Fundação Getulio Vargas

FIEGA - Federação das Indústrias do Estado da Guanabara (Federation
of Industries of the State of Guanabara)

FIESP - Federação de Indústrias do Estado de São Paulo (Federation
of Industries of the State of São Paulo)

FJF - Frente da Juventude Democrática (Democratic Youth Front)

FMP - Frente de Mobilização Popular (Popular Mobilization Front)

Força Pública - State Police Force

FPN - Frente Parlamentar Nacionalista (Parliamentary Nationalist
Front)

frente - front

FRIMISA - Frigoríficos de Minas Gerais (Slaughterhouse of Minas
Gerais)

GAP - Grupo de Ação Parlamentar (Parliamentary Action Group)

GAP - Grupo de Atuação Patriótica (Patriotic Action Group)

GEA - Grupo de Estudos e Ação (Study and Action Group)

GREAT - Grupo Executivo de Ensino e Aperfeiçoamento Técnico (Executive
Group for Teaching and Technical Improvement)

GEIA - Grupo Executivo da Indústria Automobilística (Executive Group of Automobile Industry)

GEIMAPE - Grupo Executivo da Indústria Mecânica (Executive Group of the Heavy Mechanics Industry)

GEMF - Grupo Executivo de Minério de Ferro (Executive Group for the Export of Iron Ore)

Getulismo - Current of opinion supporting Getulio Vargas and his ideals

Goiádo - Native from the State of Goiás

Grêmio - Student federation

Grupos de Onze Companheiros - Literally Groups of Eleven Companions, revolutionary cells of 11 members masterminded by Leonel Brizzola

Grupo Executivo - High level working group within the public administration, usually concerned with industrial promotion and mainly staffed by industrialists

GTA - Grupo de Trabalho e Ação (Action and Work Group)

IBAD - Instituto Brasileiro de Ação Democrática (Brazilian Institute for Democratic Action)

Ibadiano - Follower and supporter of, or supported by IBAD

IBRA - Instituto Brasileiro de Reforma Agrária (Brazilian Agrarian Reform Institute)

IBC - Instituto Brasileiro do Café (Brazilian Institute of Coffee)

IBGE - Instituto Brasileiro de Geografia e Estatística (Brazilian Institute of Geography and Statistics)

IBRE - Instituto Brasileiro de Economia (Brazilian Institute of Economy)

ICS - Instituto de Ciências Sociais (Social Science Institute of the Federal University of Rio de Janeiro)

ICT - Instituto Cultural do Trabalho (Cultural Institute of Labour)

IDB - Instituto Democrático Brasileiro (Brazilian Democratic Institute)

IFC - International Finance Corporation

IFS - Instituto de Formação Social (Institute of Social Formation)

Imposto Sindical - Obligatory tax for the support of workers' and employers' syndicates

INCRA - Instituto Nacional do Colonização e Reforma Agrária (National Institute of Colonization and Agrarian Reform)

INDA - Instituto Brasileiro de Desenvolvimento Agrário (Brazilian Agrarian Development Institute)

Inquérito Militar - Military Inquiry

Integralista - Pertaining to or supporting the Ação Integralista Brasileira

Interventor - An appointive executive officer who takes the place of a previously elected one by indication of the central government

IPE - Instituto de Pesquisas Econômicas (Institute of Economic Research)

IPEA - Instituto de Planejamento Econômico e Social (Institute of Social and Economic Planning)

IPES - Instituto de Pesquisas e Estudos Sociais (Institute for Research and Social Studies)

Ipesiano - Follower or supporter of IPES

IPESUL - IPES of Rio Grande do Sul

ISEB - Instituto Superior de Estudos Brasileiros (Higher Institute of Brazilian Studies)

IUCSP - Instituto Universitario de Ciencias Sociais e Políticas (University Institute of Social and Political Sciences)

IUL - Instituto Universitário do Livro (University Institute of the Book)

Jango' - Nickname of João Goulart

Janguista - Follower of João (Jango) Goulart

Janista - Follower of Janio Quadros

JEC - Juventude Estudantil Católica (Catholic Student Youth)

JFK Archives - John Fitzgerald Kennedy Archives

JOC - Juventude Operária Católica (Catholic Workers Youth)

JUC - Juventude Universitária Católica (Catholic University Youth)

LAIC - Latin American Information Committee

legalidade - legality

Le-Ex - Abbreviated form of reference to the document 'Lealdade ao Exército' (Loyalty to the Army), drawn up by Army officers against Goulart

Legenda - Party banner of party political grouping for electoral purposes within one party or across party trends

- LIDER - Liga Democrática Radical (Radical Democratic League)
- Liga Cristã contra o Comunismo - Christian League against Communism
- Ligas Camponesas - Peasant Leagues
- LIMDE - Liga da Mulher pela Democracia (Woman's League for Democracy)
- MAC - Movimento Anti-Comunista (Anti-Communist Movement)
- MAF - Movimento de Arregimentação Feminina (Movement for Female Regimentation)
- Manifesto - Manifesto - generally referred to the Colonels' Manifesto of 1954
- MAP - Military Assistance Program
- MASTER - Movimento dos Agricultores sem Terra (Movement of Landless Peasants)
- MDB - Movimento Democrático Brasileiro (Brazilian Democratic Movement)
- MEB - Movimento de Educação de Base (Basic Education Movement)
- MECOR - Ministério para Coordenação Regional (Ministry for Regional Co-ordination)
- MED - Movimento Estudantil Democrático (Democratic Student Movement)
- MFC - Movimento Familiar Cristão (Christian Family Movement)
- Mineiro - Native of the State of Minas Gerais
- MOBRAL - Movimento Brasileiro de Alfabetização (Brazilian Literacy Movement)
- MOS - Movimento de Orientação Sindicalista (Movement of Syndicalist Orientation)
- MPJQ - Movimento Popular Janio Quadros (Popular Movement Janio Quadros)
- MRS - Movimento Renovador Sindical (Syndical Renovating Movement)
- MSD - Movimento Sindical Democrático (Democratic Syndical Movement)
- MTR - Movimento Trabalhista Renovador (Renovating Labour Movement, a right-wing splinter group of the PTB)
- MUD - Movimento Universitário de Desfavelamento (University Movement of 'De-slumming')
- Município - Local government unit below state level, roughly comparable to a municipal district

- MUT - Movimento de Unificação dos Trabalhadores (Movement of Unification of the Workers)
- NSF - National Security Files
- OESP - O Estado de São Paulo newspaper
- Opus Dei - Powerful semi-secret Roman Catholic organization of firm traditionalist views founded in 1928 by the Spanish priest Josemaría Escrivá de Balaguer
- ORIT - Organizacion Regional Interamericana de Trabajadores (Inter-american Regional Organization of Workers)
- PAR Archive - Paulo Assis Ribeiro Archive
- Parecer - Technical evaluation
- Paulista - Native of the city and state of São Paulo
- Paz Social - Social Peace - the slogan of the Dutra regime and of Brazilian conservatives in general
- PDC - Partido Demócrata Cristão (Christian Democratic Party)
- pelego - literally sheepskin which is placed under a saddle, as a cushion between rider and horse. Colloquially, it served to depict the professional trade union activist manipulated by the government and linked to the entrepreneur
- peleguismo - term used to describe the practices of the pelego
- Pessedismo - The practice of PSD political tactics
- PL - Partido Libertador (Liberator Party)
- Plano de Metas - Target Plan
- Plano Trienal - three yearly plan of the government
- Poder Dirigente - Leading power
- Poder Moderador - Moderating of mediating power of the emperor to intervene to restore 'balance' to the political system
- Polícia Militar - Military Police
- Política Reivindicatória - Policy of forwarding social and economic demands, not political ones
- Prontidão - Political or military emergency (readiness)
- PR - Partido Republicano (Republican Party)
- PRP - Partido de Representação Popular (Party of Popular Representation), of Plinio Salgado, the former Integralista leader

- PSB - Partido Socialista Brasileiro (Brazilian Socialist Party)
- PSD - Partido Social Democrático (Social Democratic Party)
- PSP - Partido Social Progresista (Social Progressist Party)
- PTB - Partido Trabalhista Brasileiro (Brazilian Labour Party)
- PTN - Partido Trabalhista Nacional (National Labour Party)
- PUA - Pacto de Unidade e Ação (Trade Union Pact of Unity and Action)
- PUC - Pontificia Universidade Católica (Pontificia Catolica University)
- Rede Mineira de Viação - Railway System of Minas Gerais
- REDETRAL - Resistencia Democrática dos Trabalhadores Livres (Democratic Resistance of Free Workers)
- Reivindicações - Working class short term socio-economic demands
- RFF - Rede Ferroviária Federal (Federal Railway Network)
- reitoria - rectorship
- República Sindicalista - Syndicalist Republic
- R. I. - Regimento de Infantaria (Infantry Regiment, commanded by colonel)
- SAR - Serviço de Assistencia Rural (Rural Assistance Service)
- SEI - Sociedade de Estudos Interamericana (Interamerican Society for Studies)
- SENAC - Serviço Nacional de Aprendizagem Comercial (National Service of Commercial Apprenticeship)
- SENAI - Serviço Nacional da Indústria (National Service of Industry)
- Senhor de Engenho - the owner of sugar plantations
- SESC - Serviço Social do Comércio (Social Service of Commerce)
- SESI - Serviço Social Industrial (Industrial Social Service)
- Sindicatos - Working class trade unions or employers' group
- sítio - country place
- Solidarismo - Doctrine of Christian Social Solidarity of which Padre D'Avila was the ideological mentor
- SCRPE - Serviço de Orientação Rural de Pernambuco (Rural Orientation Service of Pernambuco)
- SRB - Sociedade Rural Brasileira (Brazilian Rural Society)

- SUDAM - Superintendencia da Amazonia (Superintendency of the Amazonia)
- SUDENE - Superintendencia do Desenvolvimento do Nordeste (Superintendency for the Development of the Northeast)
- SUMOC - Superintendencia da Moeda e do Crédito (Superintendency of Money and Credit)
- SUNAB - Superintendencia Nacional de Abastecimento (National Superintendency for Supply)
- SUPRA - Superintendencia para a Reforma Agrária (Superintendency for Agrarian Reform)
- Técnico - Highly trained public administrator, often an economist or engineer
- Tenentes - General name given to the young and middle rank officers who rebelled against the central government and brought about the coup d'etat of 1930
- testemunho - testimony
- turma - school class, group
- UBES - União Brasileira de Estudantes Secundários (Brazilian Union of Secondary School Students)
- UDN - União Democrática Nacional (National Democratic Union)
- ULTAB - União dos Lavradores e Trabalhadores Agrícolas do Brasil (Union of Tillers and Rural Workers of Brazil)
- Umbanda - Sincretic cult comprising Christian, African and Indian beliefs
- UME - União Metropolitana de Estudantes (Metropolitan Union of Students)
- UNAF - União Nacional de Associações Femininas (National Union of Female Associations)
- UNE - União Nacional de Estudantes (National Union of Students)
- UPES - União Paulista de Estudantes Secundários (Union of Secondary School Students of the State of Sao Paulo)
- USIMINAS - Brazilian-Japanese steel consortium based in Minas Gerais
- VARIG - Empresa de Viação Riograndense (Brazilian private commercial airline)
- VASP - Viação Aérea São Paulo (state owned airline of the State of São Paulo)
- Vila Militar - Army garrison outside Rio de Janeiro
- Voto de Cabresto - Bridle vote

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Chapter I: The Formation of the Populist Polity

This chapter provides a schematic description of what, for the purposes of this thesis, are significant features of the Brazilian populist historical bloc,¹ namely the political and ideological incorporation of the subordinate classes to the state, and the integration of the interests of all the people under the leadership of an industrial-oligarchic² power bloc.³

In this chapter we search for the roots of populism back into the 1930s and describe its nature after the downfall of the Estado Novo, in 1945. Although the chapter is not concerned with an historical review of populism, it aims to emphasize some of the features which in the early 1960s were called into question by different social forces.

Until 1930, the Brazilian state was led by an agrarian-commercial oligarchy, in which the coffee planters of São Paulo and related commercial exports interests had been dominant.⁴ This oligarchy formed a power bloc of agrarian interests, agro-export and import business within a neo-colonial context and was marked by the deformities of a 'client-dominant' class.⁵

It was under the political and ideological tutelage of this oligarchic power bloc, and also under the influence of British commercial supremacy in the last quarter of the 19th century that the industrial bourgeoisie was formed.⁶

Throughout the 1920s, new regional economic centres were consolidated, founded on new economic bases, such as the agrarian Rio Grande do Sul and industrial São Paulo and Rio de Janeiro. Banking, much of which had developed from agrarian interests, was concentrated especially in São Paulo, Rio de Janeiro and Minas Gerais. These economic changes forced a shift of political power to the

south-east, away from the traditional agrarian and commercial centre-north and north-east, and from the landed elites to new urban groups.⁷ These changes paved the way for the rise of such public figures as Getulio Vargas, João Daudt d'Oliveira, Oswaldo Aranha (Rio Grande do Sul), Vicente Galliez, Valentim Bouças, Ary Frederico Torres (Rio de Janeiro), Roberto Simonsen, Teodoro Quartim Barbosa (São Paulo) and Euvaldo Lodi (Minas Gerais), entrepreneurs and politicians who dominated an era.⁸

Urbanization and industrial development exerted disruptive pressures on the narrow framework of the oligarchic state. Well into the nineteen twenties, through the delicate São Paulo-Minas Gerais state government combination known as the 'coffee and milk agreement', a form of 'civilian Bonapartism',⁹ which gave its name to the period, the oligarchic power bloc attempted to fend off the challenge of the bourgeoisie and surmount the crisis of the oligarchy and of the coffee sectors in particular. The crisis of oligarchic domination allowed for increasing pressures from the industrial fraction, which acquired support from other social groups, especially the middle classes.

The industrial fraction formed a bourgeois bloc which strove to re-define the power relations within the Brazilian polity, a task eased by pressures experienced by the oligarchic economy as a result of the capitalist crisis of 1929.¹⁰

The emergent bourgeoisie did not, however, do away politically or economically with the former landed ruling classes in order to establish its presence in the state and it even accepted the traditional values of the landed elite.¹¹ Whether it did not have sufficient political or economic strength or lacked the will or the need to demolish the rural political bastions and socio-economic fabric

of the oligarchy is irrelevant to this thesis. What is significant is that the industrial bourgeoisie achieved political identity vis-a-vis the oligarchic power bloc and established at the same time with landed interests, in particular the agro-exporting sectors, a new 'class compromise' in power. It is precisely by this twofold action that the emergence and consolidation of the bourgeoisie must be understood, for their umbilical attachment to the oligarchy was to have significant historical consequences, being at the root of what has been termed the 'state of compromise',¹² institutionalized by the constitution of 1934. The government of Getulio Vargas would thus have always to manoeuvre within a complicated network of short lived conciliations between conflicting interests. None of the groups participating in the mechanisms of power - the middle classes, sectors linked to agro-export, industry or banking - could establish political hegemony, and were unable to present their own particular interests as the general interests of the nation.¹³ This unstable equilibrium among the dominant groups, and more to the point, the incapacity of any of these groups to take control of the state for their own sake as well as being the expression of the whole of the propertied interests, constituted a typical element of Brazilian politics throughout the decade, expressing the crisis of oligarchic political hegemony which was marked by the Revolution of 1930.

Although industry and the agro-exporting interests established a 'state of compromise', theirs was an uneasy co-existence, and the period was marked by continuous crises from 1932 onwards, which led to the establishment of the Estado Novo, in 1937.¹⁴

To the industrial bourgeoisie, which was now asserting its economic might, both articulated dissent within the dominant classes, such as was expressed in the civil war of 1932 or the fascist (integralista)¹⁵

upsurge of the mid-1930s, which impregnated the nationalist ideology of that period, were unacceptable. Moreover, organized reaction from the subordinate classes, such as the communist 'putsch' of 1935, the constitution of a Black Nationalist Front¹⁶ in the mid-1930s, or the rise of the Aliança Nacional Libertadora¹⁷ had to be quelled. Industrialists realized that they required strong leadership in order to discipline the national effort and to exact and administer appropriate class and regional sacrifices for the consolidation of an industrial society.¹⁸

The 'state of compromise' forged in the socio-political process of the early 1930s was then reshaped by the experience of a new state, expressed through corporatist forms of association¹⁹ and supported by authoritarian forms of domination.²⁰ The Estado Novo emerged because the industrial bourgeoisie proved unable to lead the oligarchic components of the 'state of compromise' or to impose itself upon the nation by consensual means, so as to build a socio-economic infrastructure for industrial development.²¹ The Estado Novo guaranteed the economic supremacy of the industrial bourgeoisie and shaped the basis of a bourgeois historical bloc, concentrating national energies and mobilizing resources legitimated by military notions of national order and progress²² whose interests in industrialization mutually reinforced those of industrialists. Under the aegis of the Estado Novo the industrialists and the landowners became allies. However, convergence of interests did not dissolve into an identity of interests.²³ Conflicts and tension underlined their relationship and this element of mutual competition made it possible, if not necessary, for the bureaucratic-military apparatus of the Estado Novo to play an intermediary role²⁴ which favoured the continual interference of the Armed Forces in

the political life of the nation. The very interference of the bureaucratic-military apparatus in political life, while securing the cohesion of the system, became a disrupting factor in attempts at long-term political institutionalization.²⁵

The inter-dependency of the industrial and landowning sectors was marked by four phenomena. First, the demand for industrial products arose in part from the agro-exporting sector. Secondly, the inputs for industrialization were mostly bought in foreign centres, with the incomes obtained from exports. Thirdly, the agrarian sectors were producers of raw materials for the incipient local industry, as well as developing agro-industrial enterprises. Last, but not least, there was some degree of interpenetration of agrarian and industrial sectors, both as a result of family ties or through joint enterprises. It is also important to note that the entrepreneurial power bloc operated in the economic and political space opened by the decline of British commercial and industrial interests vis-a-vis the competing American and German interests. Industrialization had the specific character of 'import-substitution'. This type of industrialization effort was reinforced by the relative marginalization of foreign interests due to the depression years and the consequent occupation of these interests in the Second World War effort.²⁶

Under the aegis of the Estado Novo occurred the first stage of formal nationalization of the economy with the creation of state enterprises, mixed autarchies and the establishment of national control over certain strategic productive areas like mining, steel and oil. The state became an important producer of infrastructural goods and services and paved the ground for the private industrial

development of Brazil.²⁷ The state also served industrial capital by creating a series of mechanisms aimed at re-organizing the economy, giving priority to the process of capitalist expansion and transferring resources from other sectors to industry.²⁸ Industrialization was also stimulated by the vital metamorphosis of non-productive consumption by landlords throughout the country into money capital in the industrial centres.²⁹ This was accomplished by the banking network, which greatly expanded in the early 1940s and was connected in part to the landed sectors and to industry by commercial and family ties, reinforcing the inter-dependency of the oligarchy with industry.

The reshaping of the class-convergent polity during the Estado Novo involved new forms of class articulation and class domination.³⁰ Corporatist thought, which conceived the socio-economic formation as a network of 'functional' economic and political groups, resulting from a necessary and even 'natural' division of labour, strongly influenced the ideology and action of the dominant industrial-banking power bloc.³¹ The industrial-banking power bloc redefined the channels of access to the power centre, through the establishment of a series of mechanisms for policy formation and decision-making which amounted in effect to an institutionalized 'mobilization of bias'³² against displaced agrarian interests.³³ Industry expressed its demands without political intermediation, introducing itself directly into the state apparatus.³⁴ The Executive became a stronghold of industrializing interests, open to the demands of the Confederação Nacional da Indústria and the Confederação Nacional do Comércio,³⁵ while for the agrarian interests which had lost their privileged position, orderly communication with the state machinery was established through the Institutos, which were boards of

representation of the commodity producers.³⁶ A National Economic Council was formed, where the industrialists were the first, and until 1946 the only occupational groups to take full advantage of the corporatist opportunities.³⁷

The Estado Novo also stimulated a 'national' policy-making process, attempting to subordinate regional leaderships and bringing about administrative reforms which aimed at modernizing the state apparatus, and at controlling foreign capital in favour of local enterprises.³⁸ Moreover, the Executive launched a major reformulation of the state bureaucracy, creating DASP, the Administrative Department of the Public Service. Besides its significance for administrative modernization and for centralization, DASP also had two other effects. It affected the practice of clientelism and patronage by wresting the bureaucracy from the control of the oligarchy. By controlling the state bureaucracy DASP in effect transferred patronage facilities to central government, effectively, though not exclusively, enabling the industrial bourgeoisie to indulge in paternalistic and cartorial practices.³⁹

A significant factor in the Estado Novo's role in industrialization was the participation of middle-class professionals and military, alongside the entrepreneurs themselves, in the administrative state apparatus.⁴⁰ The participation of the military enhanced 'nationalistic' discourse, which was equated with the private industrial development of the country.⁴¹ However, despite the importance of 'political society'⁴² encompassing the bureaucracy and the military, and the latter's convergence of interests with industrialists, industrial development was guided by policies which were charted by the industrial-banking bloc in the centre-south of the country.⁴³

In the name of the defence of 'social peace', the Estado Novo also intervened in the 'regulation' of the labour force, through the enactment of 'labour laws', thus meeting a basic requirement in the process of accumulation. The establishment of a minimum wage in 1939 allowed a levelling of wages at the 'lowest' feasible rung of the scale, i.e., at subsistence level, for the urban labour force. Given the relative scarcity of qualified and semi-qualified labour, the establishment of the minimum wage prevented the market forces from establishing wages of equilibrium at higher levels which would have tended to inhibit the easy expansion of capitalist industrialization.⁴⁴ Moreover, this policy produced two significant benefits favouring capitalist accumulation: Firstly, this policy, by determining wages institutionally, allowed for effective economic calculus, while productivity increases were not incorporated into wage rises. Secondly, a significant effect of the imposition of a minimum wage was to co-opt the working class, showing the 'acceptable face of corporativism'. The state was projected and perceived as the protector of the poor, with Vargas as the paternal figurehead.

As the Second World War approached its end, some substantial changes occurred.⁴⁵ Working class unrest, stemming from miserable living conditions, came to a head in the mid-1940s, despite the existence of tame trade unions, which over the years had channelled their grievances. New, independent trade unions were formed in the most industrialized state, outflanking the structure of control of the Minister of Labour and Justice, Alexandre Marcondes Filho. National unions came into being, such as the Unifying Movement of Workers and the Confederation of Workers of Brazil (CTB) in 1944. In the precarious

'civil society'⁴⁶ of the mid-1940s the renaissance of the left, which had been smashed by the Estado Novo, and in particular the growth of the Communist Party allied to incipient working class organizations seemed to the bourgeoisie to be a serious threat beyond their means of control. In such a climate of uncertainty, entrepreneurial associations began to hold national conventions and congresses in order to rethink their post-war role. The most important of these was the First Conference of the Productive Classes of Brazil, held in Teresópolis, in May 1945. The conference was called jointly by the Federation of Commercial Associations of Brazil and the National Confederation of Industry, and was presided over by Roberto Simonsen. About 600 rural, commercial and industrial associations from every state in the country attended the conference. After five days of meeting, an Economic Charter was produced, which cautiously proclaimed the wish of the participants to join in the construction of a new social order. The entrepreneurial 'Declaration of Principles' was premised on the association of freedom and private enterprise, qualified by 'precepts of justice' and 'unavoidable limitations imposed by the fundamental interests of national life' for whose realization the bourgeoisie acknowledged a certain necessary degree of interference by the state.

Moreover, the resolution of the conference called for the 'harmonious development of all regions', a guarantee for men from city and countryside of a salary allowing them to 'live with dignity', 'the necessity for economic planning' and a recommendation that the state be given an increasing role in conservation, in agricultural development, in the production of energy and expansion of transport, in tariff protectionism, in developing basic industries, in preventing the formation of cartels, in import controls, and, most important,

in stimulating foreign investments, which obligingly with the end of the war effort had by the late nineteen forties renewed their active participation in the Brazilian economy.⁴⁷

At this point, some remarks deserve to be made about the so-called 'national' bourgeoisie which had so strongly developed under the aegis of the Estado Novo. A popular intellectual belief, fostered by the Communist Party and taken up later by nationalist intellectuals, especially of the Instituto Superior de Estudos Brasileiros - ISEB,⁴⁸ had it that there were 'two bourgeoisies'. One was supposed to be entreguista, directly connected to transnational capital, and the other nacionalista, opposed to the action of foreign interests. The latter were sought politically and considered theoretically by the nationalist intellectuals as potential, if not actual allies of the working classes and of those sectors of the middle classes opposed to imperialism, because of the industrialists' expected policy of strengthening local centres of decision-making and because of their alleged view of the state as an instrument of opposition to foreign penetration. Nationalist intellectuals also ascribed to these industrial and financial 'national' sectors' 'progressivist' goals. In particular, industrial sectors were assumed to be interested in some form of redistributionist national development and in supporting a reformist stance against archaic agrarian structures.

However, the expected nacionalista-entreguista confrontation was premised on an erroneous appraisal, assuming structural antagonisms where only conjunctural conflicts existed. The Brazilian industrial bourgeoisie might have shown a duality of trends in its growth, one being of direct association with multinational interests and

the other of indirect links to secure foreign know-how.⁴⁹ But it had one nature, and that was that of capital. In so far as the Brazilian bourgeoisie developed itself and the country's economy, the 'national' industrialists were not so much the vital force of Brazil as the agents of the country's integration in the international dominant productive system, i.e. capitalism. 'Entreguismo' of a party or a sector of the bourgeoisie exposed its conjunctural relation with a specific transnational pole of influence, namely, the subordination to the hegemonic nation, the United States, but it disguised the systematic structural commitment of the whole of the bourgeoisie,⁵⁰ and this commitment would be critical. The assumptions of nationalist politicians and intellectuals alike about the purported national-reformist stance of the national bourgeoisie corresponded to the ideology of national-populist rather than to the interests of the industrialists. The Brazilian bourgeoisie was certainly national, though not necessarily nationalistic.

The entrepreneurs at their national convention in 1945 adopted as their political slogans several demands which were obviously directed towards the middle and working classes, reflecting the growing feeling among the dominant classes that at least in the urban centres change was expected. Among the slogans adopted were the calls for 'fight against pauperism', the 'increase in national income', the 'development of the productive forces', 'economic democracy' and 'social justice'.⁵⁷

It was becoming clear to the dominant classes that new forms of government had to replace the coercive measures of the Estado Novo. Popular disaffection had to be pre-empted, by absorbing their leadership and achieving the bureaucratization of their demands, through

instruments of pacific repression such as those provided by the patrimonial and cartorial state.⁵²

Furthermore, the anti-fascist tide brought in its wake a middle-class reaction against the authoritarianism of the Estado Novo. This was particularly evident in the behaviour of the Armed Forces. The Brazilian government, which in the early stages of the war had wavered between a neutralist and pro-Axis position while senior officers such as General Góes Monteiro and General Eurico Dutra showed public sympathy for Germany, came out now in favour of the allies and even sent a contingent to Europe, the Fôrça Expedicionária Brasileira - FEB, which participated under the direction of the Americans in the campaign of Italy. The result of this participation was a close alliance between Brazilian officers and those of the United States and a whole set of close personal friendships which persisted and were even reinforced throughout the next two decades. Many of these officers were taken to the United States, from where they returned with new ideas about industrial development and political organization of the country. Strongly anti-Vargas, whom they saw as the leader of a neo-fascist regime, the officers plotted against him.⁵³ The high point in the reaction against Vargas was the formation of the Democratic Front, encompassing a wide political spectrum in what seemed an alternative political convergence to the one in power.

Vargas himself realized the need for change and attempted to shift the socio-political basis of the Estado Novo to an alignment formed by the working classes and the industrial bourgeoisie, seeking to constitute a centre-left labourite polity with nationalist undertones. National elections were scheduled for December 1945, for which Vargas stimulated the creation of two parties, the Partido

Trabalista Brasileiro - PTB, based on Marcondes Filho's trade-union machine, and the Partido Social Democrático - PSD, which had nothing in common with its European namesakes and was based on the state interventores and oligarchic political bosses, the coronéis.⁵⁴ Vargas' opposition formed the União Democrática Nacional - UDN, a broad alignment of anti-Communist, anti-nationalist, anti-Vargas (and later anti-populist) positions, which found its constituency mainly in the middle classes and was led by liberal professionals, entrepreneurs and politicians. Vargas also granted a political amnesty and began to woo the urban working classes and the Communist Party with measures of socio-economic reform and political participation, in order to organize his own power base. Moreover, and most significantly, Vargas was laying the grounds for the constitution of a new polity. New socio-economic forces and socio-political demands had to be accommodated. Limited class convergence in power, associational corporatism and the authoritarianism of the Estado Novo were integrated and synthesized into a national formula for 'development' which attempted to establish a bourgeois hegemony from the mid nineteen-forties onwards under the general name of populism.⁵⁵ Through populism, the Executive sought to establish a scheme of national political limited mobilization of the urban masses, based upon a state-controlled trade-union structure as well as on the institutional support of the PSD and the PTB. Both these parties, although vague in their programmatic appeal, were effective machines of ideological domination and social control, the first one operating as the party of power, the second having the role of the party of legitimation of the prevailing order. After years of authoritarianism and executive predominance, populism favoured the re-entry into the political scene of the professional politician

alongside the party-political activities of the industrialists and bankers, in a re-activated Congress. Nevertheless, the privileged position which the industrialists had gained in the Executive through the corporatist structure of association was preserved, although checked by Congress.

Vargas' strategy was viewed with alarm by the dominant classes and with suspicion by the middle classes, for it could only enhance Vargas' own charismatic appeal to the working classes and his role at the helm of the state as a political intermediary. The mobilization of the working classes, however limited, was feared by the dominant classes, for it could then have provided Vargas with the necessary support for the establishment of a relatively independent Executive. Such an Executive was anathema to the industrialists and oligarchy alike, and would have put Vargas above the control of the Armed Forces. Moreover, Vargas' strategy entailed the development of the economy along a nationalistic and étatiste-distributive path. All these reforms, however, were perceived as the remnants of the unwanted excesses of the Estado Novo which the industrialists and others aimed to curb. For the national industrialists were by now seeking to strengthen their links with multinational interests in their search for capital and technology.

Before Vargas was able to consolidate such a strategy and form a new power bloc, the Army, spearheaded by the FEB officers, moved in and ousted him, supported by an alignment of local industrialists, the oligarchy, middle classes and, last but not least, multinational concerns which had renewed their interests in Brazil.⁵⁶

Although Vargas and his purported policies were not accepted, the entrepreneurs adopted his political model and the party system he had fostered. The passage from the Estado Novo to the populist form

of domination and articulation of interest was eased by the fact that the same political and economic elite which had commanded the deposed regime remained in power after the removal of Vargas from office, and under their direction the first national elections were promoted. Moreover, continuity was underlined by the fact that the Constitution of 1946 left practically intact the institutional framework of the Estado Novo.⁵⁷

The elections were won by General Eurico Gaspar Dutra, Vargas' former Minister of War, heading a PSD slate with the support of the PTB and the endorsement of Vargas, against Brigadier Eduardo Gomes, the candidate for the UDN. Rather surprisingly, the Communist Party, which had been legalized shortly before and contested the elections on its own, won the same percentage of votes as the PTB.

Under the guise of liberal democracy with which the Dutra regime was clothed, many of the central features of the Estado Novo remained, especially the privileged position of the industrialists in the Executive and authoritarian relations of the dominant classes towards the working classes. But some important changes did take place, especially the political revival of Congress. Its elected Chambers were used, within certain limits, as tribunes from which the political debate reached society at large.⁵⁸

Although General Dutra was elected through the PSD-PTB party machines and had been endorsed by Vargas, he soon showed that his policies differed greatly from those of his predecessor, particularly with reference to his stance on nationalism and working-class participation.

Dutra's change of tack was symbolized by his bringing into the cabinet some of the outstanding UDN figures, such as entrepreneur

Raul Fernandes, who became his Foreign Minister. Dutra's government was strongly influenced by entrepreneurs, who kept hold of the key administrative posts in an almost exclusive manner. The government favoured economic laissez-faire policies, and after experimenting for a short period with pluralist politics, advocated strong political control of the subordinate classes.⁵⁹

The economic policies of Dutra's government clearly favoured free enterprise. State organizations were dismantled and the trend towards nationalistic and etatiste development was reversed. Both the Dutra government and the UDN in particular, looked upon the possibilities of building a special relationship with the United States, and consequently the economy was re-opened to foreign capital in very favourable conditions. Furthermore, under the aegis of Dutra the government established both the Superior War College (ESG) to which anti-Vargas and pro-UDN officers flocked, and a joint mission with the United States government, the Comissao Mista Brasil-Estados Unidos, to study the Brazilian situation and outline a programme of economic development for the country.⁶⁰

Initially, the means of domination and the tactics whereby the entrepreneurial-oligarchic power bloc which supported Dutra's government attempted to exact political consent from the subordinate classes and impose consensus among subaltern fractions of the dominant classes were primarily paternalistic. During the unrestful years of 1945-1946, the Federation of Industries of the State of Sao Paulo - FIESP and the Centre of Industries of the State of Sao Paulo - CIESP, were engaged in two related efforts to placate the growing demands of the workers.⁶¹ The FIESP and CIESP urged their members to contribute to the establishment of Commissions of Efficiency and Social Well-Being, with the aim of dispensing paternalistic

services, mainly selling foodstuffs and clothing at cost prices. The FIESP/CIESP also set up a Commission of Relations with the Public, an agency intended to modify the demands of workers by means of public relations and indoctrination, and so defend the interests of Paulista private industry. To that effect, in June 1946 Dutra, in response to personal urging of Roberto Simonsen and Morvan Dias de Figueiredo, leaders of the FIESP and of the National Confederation of Industries (CNI), signed a decree creating the National Service of Industry (SESI), whose long-term goal was to combat the resurgence of autonomous organizations among the working classes and to construct an attitudinal and ideological basis for a capitalist industrial society.⁶² Several months later, reinforcing the efforts of the entrepreneurs, Morvan de Figueiredo became Minister of Labour, Industry and Commerce, 'bringing together' as it were, in one cartorial cabinet post the control over the worker and the expression of the entrepreneurial interests, making it the capitalist ministry par excellence.

However, the impetus of working-class organization and expansion of its political awareness made this type of manipulation rather difficult. The first signs of the 'Cold War' coincided with the Communist Party making another show of force in the state elections of January 1947, retaining its position as the fourth largest party in terms of the popular vote. Moreover, the Communist Party displaced the UDN to become the third party in terms of the popular vote in the very important industrial state of São Paulo and it succeeded in returning a majority of members of the municipal assembly in the federal capital itself. The fragile 'civil society', a legacy of the Estado Novo, was not an appropriate structure of containment of the working classes, and made the institutionalization

of the regime a difficult task.

Furthermore, the PTB showed itself to be no match for the Communist Party, either ideologically or organizationally.⁶² That same year, the Communist Party was declared illegal by a court decision at the request of the government. General Dutra also dissolved the Confederation of Workers of Brazil - CTB, and interfered in the affairs of 400 trade unions because of their alleged attachment to the already outlawed Communist Party, besides carrying out a purge of state functionaries.

This renewed disruption of autonomous working-class expression resulted in authoritarian measures within the populist polity. Nevertheless, a measure of consent and consensus was built on the credence in the democratic equality of all citizens, except for those stigmatized as 'communists', the illiterates, who were totally excluded from the electoral process, and the rural working population, under the yoke of the coronel and clientelistic practices, which prevented their recruitment into parties. In short, it was an urban - and very selective indeed - democratic equality that was upheld by populism.⁶⁴ An 'exclusionary' system had been created.⁶⁵ Moreover, the populist stronghold of the Ministry of Labour, the pelego structure and the populist political parties were responsible for the incorporation of the social forces created by modernization into the body politic as well as for the disaggregation and conformity of the working classes⁶⁶ and for the legitimation of the capitalist state of affairs.⁶⁷

In 1950 elections were held, with the Communist Party illegal and the unions still under intervention. Vargas was the candidate for the PTB, in alliance with the Partido Social Progressista, headed by Adhemar de Barros,⁶⁸ the archetype populist boss

of industrial São Paulo, where the PSP controlled the working population. Vargas was opposed by Brigadier Gomes heading the UDN who had the support of Plinio Salgado, the former Integralista leader heading the Partido de Representação Popular - PRP. The PSD ran with its own candidate.

Vargas campaigned enthusiastically throughout Brazil. Although he modified his emphasis according to his audience, there were several strands to his programme. He promised to renew the drive for nationalistic industrialization with state backing which the Dutra regime had compromised. He inveighed against inflation, fiscal management and the lack of real progress in earnings for urban workers, promising a renewed drive to protect the proletariat with social welfare measures. In spite of his emphasis on social reform, he was largely silent on rural issues and sparse, almost negligible, references were made to agrarian reform and the lot of the peasant. This was because of his hope to catch votes from the local PSD bosses, the rural coronéis. Pursuing the PSD vote, Vargas reached agreement in Minas Gerais, the centre of PSD politicking (pessedismo), with a rising young politician, Juscelino Kubitschek, who was running for the governorship of the state. Vargas supported his election and by a quid pro quo was able to make inroads into the PSD vote.

Despite his commitment to nationalistic industrialization and his defence of Brazil's right to own and develop her own oil and mineral resources, Vargas made it clear in his campaign that he would welcome foreign investment, showing a degree of continuity with his own past attitudes and manoeuvring in such a way as not to anger those interests which had strengthened their positions under Dutra. Although he stretched out his hand to the American government and private investors, in a bid for reconciliation and

with an eye on a similar programme of development to the Marshall Plan, Vargas made it plain that he would steer the country clear of siding with the Americans in their military involvement in Korea, countering the support which the Dutra government had hinted at.

Vargas was returned to office with a clear majority by a populist bloc which extended from north to south of the country, reuniting politicians from the most diverse parties comprising the traditional alignment of local entrepreneurs, agrarian interests mainly of the south, and the urban working classes.

Vargas formed his cabinet with a heterogeneous set of appointments, many of them entrepreneurs and of oligarchic background reflecting the composition of the populist bloc which had supported him, as well as the set of policies he was intent on pursuing.

Against popular expectations, he gave the PTB only one seat, that of the critical Ministry of Labour, underlining the post's central positions for working-class manipulation and the PTB's role of legitimation. The PSD obtained most ministries, proving itself to be the party of power. Vargas appointed as his new Minister of Agriculture João Cleofas, a conservative UDN leader of Pernambuco, a state where rural poverty was most scandalous and where the UDN resembled the PSD, thus paying off the support he had received from the rural oligarchy. The strong embrace of the PSD and the apparent snub to the PTB implied not only a more conservative set of policies than those promised during the electoral campaign, but it also had the effect of allaying military fears of a 'syndicalist'-style republic, of which Perón seemed to be the prototype, and it suggested a willingness to work with the PSD Congressional majority.

During the second Vargas administration, the polity underwent significant changes. Congress became stronger and politically more

significant, and stood side by side with the Executive as a locus of interest articulation. Congress represented the locus where the different fractions of the ruling classes had the possibility of sharing government with the dominant power bloc. It was an institution basically regulated by conciliations and alliances, as it exercised a degree of control over the Executive's policies. The interests of the president's electorate at large were echoed through the alliance of PSD/PTB in Congress, and the interests of his immediate constituency through the economic policies of the Executive.⁶⁹ In the class convergent populist policy, control of the Executive became the central political issue. It favoured intense personalization of political life and was at the root of the various crises of this period.

Congress had a dual representation role. For one, through the PSD/PTB alliance, popular pressures were aggregated and channelled. Parties could pressure the system, structure their alliances and gain popular support for their bids for power through Congress. On the other hand, the landed classes, who did not suffer greatly under Vargas (nor under Kubitschek for that matter) once the system of authority and property remained untouched in the rural areas, expressed their political demands also through Congress. In spite of the consolidation of relations of industrial wage-labour and the economic pre-eminence which the entrepreneurs had gained throughout the 1940s, industrial-banking supremacy was not translated into national political and ideological hegemony. 'General Café' (who had diversified into banking and industry) and its subaltern agrarian-commercial forces were still 'in office'. The rural interests remained economically powerful and politically active with a crucial role exerted through the congressional system, keeping the Chamber

of Deputies and the Senate as a locus of routinization of demands and of aggregation and institutionalization of popular pressures, reflecting the growing political participation of the middle and working classes.

The second Vargas administration was divided into three periods.⁷⁰ In the first phase, it was characterized by a strong entrepreneurial presence, an anti-inflation policy and enthusiastic pursuit of financial aid from the United States. This phase was terminated in mid-1953 under the combined pressure of the trade unions and assorted nationalist groups. The government failed to control inflation, and the benefits of foreign aid remained unfulfilled. In mid-1953 the cabinet was reorganized, and a second phase began. Although Vargas kept his options open both in relation to the industrial-oligarchic bloc and to the United States, by appointing Oswaldo Aranha, Vicente Rao and José Américo de Almeida, he strongly appealed to labour as a pressure group. Vargas replaced his Minister of Labour with João Goulart, a young PTB political figure from Rio Grande do Sul, who was his political protegé and who took on the job with a much more radical approach. This second phase, which reflected the growing political and ideological polarization on nationalist and labour issues, went hand in hand with growing opposition to Vargas, and, by the same token, to Goulart, by the Army, culminating with the famous Colonel's memorandum signed by over eighty influential officers in February 1954, which led to the dismissal of both Goulart and the Minister of War, nationalist and pro-Vargas General Estillac Leal. The third phase, inaugurated under considerable military pressure strongly supported by entrepreneurs and the American government, was in reality a long succession of defensive and ad hoc manoeuvres by Vargas,

heavily attacked in Congress and through the press by such politicians as Carlos Lacerda,⁷¹ the UDN firebrand of Rio de Janeiro, and this phase led to the coup and to his suicide in 1954.⁷²

Under the presidency of Vargas, the strategy of capital accumulation and industrialization was based on two main financing devices: the maintenance of exchange policy and control of exchange rates transferring part of the surplus from the agro-exporting sector to the industrial one, and the relative containment of real wages, softened in its effect upon the workers by the function of the state and private enterprises producing subsidized goods and services, thus partially transferring buying power to the salaried workers.⁷³ Vargas attempted to impose a nationalistic policy of capitalist development, supported by a combination of state and private industrial enterprises.⁷⁴

This policy materialized in the highly controversial creation of Petrobrás⁷⁵ and the formulation of a general developmental policy, which aimed to combine economic growth with social democracy.⁷⁶ Moreover, the kind of polity envisaged by the Executive led by Vargas involved the reiteration of a proposition which had already been defeated once, namely, an administrative and policy-making state apparatus relatively free from the exclusive hold of the dominant classes, supporting national industrialization, together with the curbing of multinational interests while striving for the implementation of an industrial-working class bloc backed by the state and accommodating the agrarian interests. However, as seen earlier on, the local entrepreneurs, far from being hostile to multinational penetration, even favoured it.⁷⁷ Entrepreneurs put the emphasis of the nationalistic campaign on the question of industrial production on Brazilian soil rather than on the origin of the capital or the

technology involved. The entrepreneurs also shied away from a state-led form of nationalistic development. The process of concentration of capital would develop instead hand in hand with a process of internationalization of the economy.

Furthermore, the political and economic arrangement envisaged by Vargas raised another serious problem. Multinational interests, which were re-entering the Brazilian economy after their withdrawal during the Second World War, would be left without adequate representation in the channels of policy formation. Multinational interests would aggressively seek to change this situation, together with local interests who feared the political ascendancy of Vargas, and with reactionary forces appalled by the social democratic measures with which Vargas seemed to threaten them. Overthrown by another military coup in 1954, Vargas refused to resign and committed suicide. In so doing he explicitly condemned what he saw as the anti-national conspiracy of reactionary forces supported by imperialist interests, a condemnation to which his testament-letter bears witness.⁷⁸

Vargas' suicide in 1954, and the subsequent direction of the economic policies by Eugenio Gudin⁷⁹ as Minister of Finance in Café Filho's presidential interlude, opened up a radically different period in terms of economic policy. Government policy explicitly favoured multinational corporations who would agree to import industrial equipment for the production of those goods given high priority by the administration. In 1955, Café Filho's government issued the famous Instruction 113, of the Superintendency of Money and Credit - SUMOC, allowing multinational corporations to import equipment at 45 per cent below the tariff level and exempting them from providing the foreign exchange 'waiver' for importing machinery, an advantage not enjoyed by Brazilian-owned firms.⁸⁰

Café Filho's brief government, supported by an informal centre-right alliance of entrepreneurs, politicians of the National Democratic Union - UDN, and the Social Progressive Party - PSP aimed at the containment of the working classes and the stimulus to the penetration by multinational interests, through a political understanding with coffee and financial sectors. Despite its efforts, what was for a short while a UDN-led power bloc was defeated in the subsequent elections by an effective alliance of PSD and PTB politicians, trade unionists and entrepreneurs. This alliance was headed by the Juscelino Kubitschek-João Goulart slate. The PSD/PTB alliance broadly corresponded to the formation of a 'national front' - not its actual name -, which was a loose coalition of social forces expressing the desire for a process of national development based on the expansion of industry in Brazil. The PSD/PTB alliance incorporated the industrial bourgeoisie, a sector of the commercial bourgeoisie specialized in the trading of locally produced industrial products, and the progressive middle classes (liberal professionals, managers) as well as urban politicians and trade unionists.⁸¹ Goulart campaigned for what seemed to be the continuity of the more étatiste, nationalistic and reform-oriented policies of the second Vargas administration, of which Goulart was the heir-apparent, while Kubitschek campaigned on an ambitious planning and development programme. However, the Kubitschek administration, although apparently based on the same correlation of political forces as the Vargas regime, implemented a policy of development which resulted in a drastic change in the pattern of accumulation, reinforcing a pattern of 'associated development',⁸² by the realization of the so-called Plano de Metas, from 1956 to 1961.⁸³ Moreover, Kubitschek's strategy

of development led to a redefinition of the role and function of the state machinery and in its relation with civil society, finally exhausting the possibilities for the combination of political forces that were its original base.⁸⁴

Under the cover of Kubitschek's developmentalist policies entered the technological package for the incipient indústrias de proa (dynamic industries), such as automobile and shipbuilding, chemicals and pharmaceutical, machinery and electrical goods, paper and cellulose, providing the economic matrix for the renewed development of an associated bourgeoisie.⁸⁵ The recourse to foreign technology and managerial techniques as well as transnational financial resources was expected to be a solution to the problems of lack of primitive accumulation and a shock treatment for an agro-exporting economy suffering from a relative scarcity of machinery, equipment and know-how.⁸⁶

Kubitschek's policies of development exacerbated the transformations that were already being experienced in the Brazilian socio-economic formation, such as the greater sophistication of the internal market, increasing size of the enterprises, more complex production, the expansion of the basic industries,⁸⁷ the trend towards urbanization and metropolitan concentration, intensification of sectoral disparities, and social and regional inequalities.⁸⁸

Moreover, Kubitschek's policies of development set the conditions for the economic pre-eminence of multinational and associated oligopolistic capital. The internal relations of Brazil were at this stage the result of a combination which was 'original' and in a certain sense unique, namely, the populist class convergence and form of domination interacting with transnational monopoly capital.

However, problems arose at the institutional level, as the

political and administrative inadequacies for such a concentrated and centralized model of development became evident.

Congress initially supported Kubitschek through the PSD/PTB alliance, giving credibility to his programme of 'state-led' development, while the government represented the interests of the parliamentary majority.

But once the Executive had embarked on its policy of modernization, Congress consolidated its political presence with a conservative attitude towards the Executive and the industrializing interests it represented, on account of the logic of alliances and the need for conciliation, the politics of clientelism, the traditional interests and the rural oligarchy represented therein.⁸⁹

In this respect, the practices of the populist polity made Congress a conservative locus, slow and inappropriate for the articulation of the multinational and associated interests favoured by Kubitschek's government. Congress also allowed for the denunciation of multinational penetration and the particular conditions under which it was achieved, as well as being a locus where representatives of the working classes made themselves heard and participated in the control of the Executive's policies.

Another serious political shortcoming consisted in the cartorial state's basic inability to function usefully because of an entrenched petty bureaucracy and higher administrative echelons which responded to traditional interests, together with a vast number of 'more or less parasitical functionaries assigned to more or less useless public jobs'.⁹⁰ Multinational and associated interests had to look elsewhere to produce economic policies conducive to their consolidation. Kubitschek provided the appropriate structure. In effect, with the implementation of the Target Plan, and as a requisite for

its realization, a whole range of planning and consulting bodies and executive commissions of working groups (Grupos Executivos) were set up.⁹¹ They amounted to a 'parallel administration' co-existing side by side with the traditional Executive and duplicating or superseding the old unserviceable bureaucracies. This parallel administration, staffed by directors of private enterprises and entrepreneurs with professional qualifications, the so-called técnicos, and by military officers, allowed the multinational and associated interests to bypass traditional policy-formation channels and decision-making centres, thus side-stepping the structure of representation of the populist polity. In effect, it meant to incorporate into the populist polity exclusive channels of industrial policy-making which allowed for the co-existence of local and multinational capital. Moreover, the new interests would avoid the populist levers of control and authority, such as Congress, and the public criticism which could have been levelled at the multinational and associated interests by opposing parliamentarians, because the agencies making part of the parallel administration were not only shrouded in administrative secrecy but operated under the cover of an ideological veil of 'technical rationality', and 'apolitical expertise' which made them unaccountable to partisan or private pressures. Furthermore, by using the mechanisms of 'mobilization of bias' and avoiding public scrutiny, the parallel administration was able to favour or block, according to its choice, the access to finance and technology of different groups and corporations.

However, there was one weakness in the scheme. The parallel administration's efficiency depended largely on the positive attitude and goodwill that the Executive showed towards its functioning. For the multinational and associated interests, therefore, the political

command of the state and the occupation of bureaucratic posts in the administration became necessary.

Under the Plano de Metas occurred what can be considered to be the second stage of 'formal nationalization' of the economy, with the state being established as the direct producer of infrastructural strategic goods and services and it becoming an indirect controller of substantial mechanisms of economic policy. However, the state's role as developer effectively concealed the real dominance of capital. Despite the state's impressive presence in the economy, it did not 'orient' the new structure of production. Rather, it was transnational capital, which, having penetrated the dynamic sectors of the economy, controlled the process of capitalist expansion.⁹² State intervention in the economy, beyond the allocation of public resources for private activities, was largely discouraged, if not condemned outright, by the big entrepreneurs. The figure of an omnipotent state was never thought of politically, nor was it a part of the ideological perspective of, the national industrial entrepreneurs.⁹³ Moreover, the state's already considerable economic influence elicited a traditional entrepreneurial fear of an increasing interference in capitalist affairs.⁹⁴ Reassertion of the absolute necessity for private ownership of means of production became a central battle-cry of both the entrepreneurs and even of the military.⁹⁵

The development policies under Kubitschek also meant transformations of the social division of labour, through the creation of a large industrial working class, the greater urbanization of the country, the expansion of tertiary activities and the formation of new segments of salaried functionaries. Populist

politics, with its characteristics such as clientelism, cartorialism and paternalism, served for a short term to reproduce ideologically and recreate politically the belief in a neutral, benevolent state, a myth which was to be shattered in the early 1960s.⁹⁶ Through populist politics the ruling classes also attempted to preserve the lack of socio-political differentiation which was the hallmark of the previous regimes, seeking to block the emergence of autonomous working-class organizations. The attainment of such objectives was reinforced by authoritarian measures, such as keeping the ban on the Communist Party and the restrictions on autonomous trade unionism. However, the industrializing drive of the Kubitschek administration went ahead, swiftly increasing the number and concentration of the working class in the big urban centres, thus modifying the political and ideological contours of the regime and establishing the pre-conditions for the disruption of the populist polity.⁹⁷ By the late nineteen fifties, class struggle kept breaking through the corrupt institutional political structure controlling the working class with its rhetoric of nationalism and its demagoguery about economic progress.⁹⁸

Industrial development and urbanization had transformed the working classes' psychology and collective consciousness, weakening the ideological hold that the dominant classes had over the subordinate ones. Furthermore, Peasant Leagues, which had emerged in the mid-1950s, mobilized the rural workers, and the first attempts were made to trade-unionize the rural labouring masses. The late nineteen fifties witnessed the flourishing of trade-union activities and working-class organizations, as well as intense student mobilization and intra-military debate, largely polarized on the issue of

nationalism, and with distributionist undertones. The mass of industrial workers and even of peasants had to be finally recognized as political contenders, although as usual not legitimate ones from the perceptual stance of the dominant classes. It was not by chance that under Kubitschek the notions of internal military security were concretized; it was Kubitschek himself, addressing the Superior War College, who was to urge the latter to dedicate itself to the study of the potential subversive threat of social forces unleashed by modernization against the established order. The emphasis on consent pressed by the Kubitschek administration should not be taken to imply passivity on the part of the bourgeoisie. In fact, the growth of the repressive state apparatus, its reorganization and the crucial ideological and operational shift of the Armed Forces' orientation from national territorial defence to counter-insurgency and internal warfare, as well as the intermittent use of coercive measures, were a feature of this period, and the pluralistic and liberal rhetoric of the mid-1950s should not be allowed to obscure this.

Towards the end of Kubitschek's administration, it was clear that his 'model of development', in spite of its achievements, had reached its limits, and the government itself implicitly admitted this by openly adopting a policy of 'problem-postponement'.⁹⁹ Tactical postponement was visible; it consisted in transferring the accumulating unsolved problems to the next administration. Strategic postponement consisted in having bought a truce with the reactionary landed sectors, while allowing for growing imbalance between the urban-industrial and the rural-agricultural systems, and increasing regional imbalance, with the economic strengthening

of the centre-south at the expense of the rest of the country. Strategic postponement also involved allowing the political institutions to function mainly through their politics of clientèle, blurring the meaning of the political parties and rendering them inoperative and incapable of reaching programmatic coherence.

By the early 1960s, the populist class convergence in power and the populist form of domination were to be challenged by two divergent social forces which had been brought forward in the concentrated industrialization of the 1950s propitiated by the Kubitschek government, itself under the aegis of the industrial-oligarchic power bloc.

These two fundamental social forces were the multinational-associated interests and the fast growing and increasingly unruly industrial working classes. Together, though opposed to each other, they undermined, by the early 1960s, the myth of the neutral state developed by the Kubitschek administration.

The multinational and associated interests were economically pre-eminent by the end of the Kubitschek period and during the Quadros administration, as shall be seen in Chapter II. To side-step Congress and popular pressures alike, the multinational and associated interests stimulated the creation of a parallel administration which provided exclusive representation of their interests. Moreover, these interests were endorsed by the anti-populist and anti-popular ideals of the ESG, whose modernization values were roughly congruent with those of the multinational and associated interests, as shall be seen in more detail in Chapter III.

In the meantime, the industrial working classes, as part of the so-called popular classes,¹⁰⁰ made of Congress an increasingly effective platform for the expression of popular interests in direct opposition

to the industrial oligarchic bloc, and against multinational and associated interests.

With increasing nationalistic and reformist demands being pressed against the Executive and backed by the government, and with Congress also functioning as a locus of regional and local interests, it became imperative for the multinational and associated interests to have political command of the State administration. This was partly achieved with Janio Quadros' accession to power. Under great pressures, he attempted to solve the contradictions of the regime by a 'civilian-Bonapartist'¹⁰¹ gambit after only seven months in office, as shall be seen in Chapter IV. His resignation misfired and Goulart unexpectedly became president, leading a national-reformist bloc.¹⁰²

A radical and highly unfavourable situation unfolded for the multinational and associated bloc, which launched a campaign, as shall be seen in Chapters V, VI, VII and VIII, to find a new political arrangement to express their blocked interests. This campaign encompassed the whole of the dominant classes, including the so-called 'national' bourgeoisie, from which so many politicians and intellectuals and even military officers expected a nationalistic and reformist stance. Contradicting such expectations, the 'national' bourgeoisie would passively assist and even actively support the fall of Goulart, in practice condemning his distributive and nationalistic socio-economic alternative and helping - in spite of themselves - to anchor the Brazilian state firmly to the global strategy of multinational corporations.

Footnotes - Chapter I

- 1 The concept of historical bloc is taken from Antonio Gramsci. Broadly defined, the historical bloc is the 'unity of structure and superstructure, of opposites and of distincts', 'that is to say, the complex, contradictory and discordant ensemble of the superstructures is the reflection of the ensemble of the social relations of production.' Quentin Hoare and Geoffrey Nowell-Smith, Selections from the Prison Notebooks of Antonio Gramsci (London, Lawrence & Wishart, 1973), p.366 and also pp. 137-138, 356-357, 376-377. See also A. Gramsci, Il Materialismo Storico (Roma, Editori Riuniti, 1971), pp.46-47.
The concept of historical bloc is employed as the 'internal articulation of a given historical situation', i.e., the integration and incorporation (articulation) of different social classes (opposites) and social categories (distincts) under the leadership of a dominant class or bloc of fractions, which through its capacity to define and maintain the norms of social and political exclusion is able to secure the consent and the consensus of subordinate and subaltern classes and groups. In this respect, the political translation of the notion of historical bloc is that of hegemony. However, hegemony is not to be taken as mere legitimacy or acquiescence to a set of values, for it involves the exercise of different forms of coercion in the very definition of the basic class relations of force. On hegemony and historical bloc, see Hughes Portelli, Gramsci y el Bloque Histórico (México, Siglo XXI, 1979), pp.70-91, 119. See also Maria Antonietta Macciocchi, A Favor de Gramsci (Rio de Janeiro, Paz e Terra, 1976), pp.148-150.
The historical bloc is then aufgehebt (preserved and concealed, negated and reproduced) through the state, i.e. through 'civil' and 'political society'. See Christine Buci-Glucksmann, Gramsci e lo Stato (Roma, Editori Riuniti, 1976), pp.63-88, 95-140; B. de Giovanni, V. Gerratana and L. Paggi, Egemonia, Stato, Partito in Gramsci (Roma, Editori Riuniti, 1977).
- 2 The term 'oligarchy' is used in this thesis to encompass commercial capitalists associated with export business, latifundiários and agrarian bourgeois elements, designating the restricted circle of the ruling classes in the Old Republic and who were still economically powerful during the IIInd Republic.
On the concept of oligarchy and the question of oligarchic legitimation, see Alain Rouquié, Oligarquía o Burguesía: El Problema de los Grupos Dominantes en América Latina - Mimeo (Bielefeld, March 1978).
- 3 For the notion of power bloc, see Nicos Poulantzas, Political Power and Social Classes (London, NLB, 1975), pp.141, 229-245.
- 4 For an analysis of the period, see Fernando H. Cardoso and Enzo Faletto, Dependencia e Desenvolvimento na América Latina (Rio de Janeiro, Zahar, 1970), and Luciano Martins, Pouvoir et Developpement Économique (Paris, Editions Anthròpos, 1976), Ch.I

- 5 Octavio Ianni, 'Processo Político e Desenvolvimento Económico', in O. Ianni, P. Singer, G. Cohn and F. Weffort, Política e Revolução Social no Brasil (Rio de Janeiro, Civilização Brasileira, 1965) pp.16-17.
- 6 On the origins of industry, see Sergio Silva, Expansão Cafeeira e Origens da Indústria no Brasil (Rio de Janeiro, Editora Alfa-Omega, 1976).
- The growth of industry was phenomenal. It climbed from 600 industrial establishments in 1890 to 14,000 in 1920. Peter Evans, Dependent Development: The Alliance of Multinational, State and Local Capital in Brazil (Princeton, Princeton University Press, 1979), p.104.
- About one-half of foreign capital in Brazil was British and one-quarter American by 1930 - see Richard S. Nefarmer and Willard F. Mueller, Multinational Corporations in Brazil and Mexico: Structural Sources of Economic and Non-Economic Power - Report to the Sub-Committee on Foreign Relations, United States Senate - US Government Printing Office, Washington, August 1975, p.96.
- 7 From 1920 onwards, the southern region was responsible for more than 50% of industrial production and from 1940 onwards, it produced more than 50% of the total agrarian production, while the north-east and east produced less than 43%. See Paulo de Assis Ribeiro, Quem elege Quem - Mimeo Draft - IPES, Rio de Janeiro, 1962, p.4
- See also P. Evans, op.cit., Chapters II and III, and Warren Dean, The Industrialization of São Paulo, 1880-1945 (Austin, University of Texas Press, 1969).
- 8 On the role of these entrepreneurs, see Eli Diniz, Estado e Capitalismo no Brasil 1930-1945 (Rio de Janeiro, Paz e Terra, 1978); Warren Dean, op.cit., and Luciano Martins, op.cit., Chapter II.
- Many of these entrepreneurs, their sons and other relatives were to be in the leadership of the coup of 1964.
- 9 The notion of 'Bonapartism' is used as a cannon of historical interpretation rather than as the concrete military-imperial combination which took over government in France. See Q. Hoare and G. Nowell-Smith, op.cit., pp.216-217, 227. 'Bonapartism' refers then to the re-stabilization of threatened political equilibrium, i.e., the supremacy of the ruling classes by means of political intervention which stifles political movement. The agreement of the civilian elites of the states of São Paulo and Minas Gerais to 'hold hands' and control the situation represented such a stifling intervention. The governors of the states operated as 'parties', over and above the parties themselves.
- 10 E. Diniz, op.cit., pp.50-51, Francisco de Oliveira, 'A Economia Brasileira: Crítica a Razão Dualista', in Seleções CEBRAP No.1 (São Paulo, Editora Brasiliense/Edições CEBRAP, 1975), p.9.
- 11 The industrial bourgeoisie and Vargas adopted a tutelary ideology, but only aimed at a partial transformation of society. (For the

notion of tutelary ideology, see Samuel Huntington and Clement H. Moore (eds.), Authoritarian Politics in Modern Society: The Dynamics of Established One-Party Systems (New York, Basic Books, 1970), p.510)

Another form of control which belied the notion of the creation in 1930 of a bourgeois-legal state was the denial of universal suffrage to the Brazilian population. By 1933, 1,500,000 voters were registered - approximately 4% of the total population.

Paulo de Assis Ribeiro, op.cit., p.5.

Even the Tenentes, who with their modernizing impetus had been a spearhead of the Revolution in 1930 and who could have been a cementing ideological and organizational factor in the formation of an anti-oligarchic and industrial-middle class bloc in power, were soon absorbed by regional politics or the military hierarchy, or were dismembered by factional strife.

- 12 For the conditions in which the 'State of Compromise' was formed, see Juarez Brandaõ Lopes, Desenvolvimento e Mudança Social: Formação da sociedade urbano-industrial no Brasil (São Paulo, Companhia Editora Nacional/MEC, 1976). See also Francisco Weffort, 'El Populismo en la Política Brasileña', in Brasil Hoy, Jean Claude Bernadet et al. (México, Siglo XXI, 1968), pp.64-71.
- 13 For an account of the various conflicting economic groups, the clashing social classes and the political system of the period between the revolution of 1930 and the Estado Novo, see Edgard Carone, A República Nova (1930-1937) (São Paulo, DIFEL, 1976), pp.21-77, 81-151, 155-279; Luiz Werneck Vianna, Liberalismo e Sindicato no Brasil (Rio de Janeiro, Paz e Terra, 1976), Chapters III, IV and V; Moniz Bandeira, Presença dos Estados Unidos no Brasil (Rio de Janeiro, Civilização Brasileira, 1973), Part III; Glauco Carneiro, História das Revoluções Brasileiras (Rio de Janeiro, Edições O Cruzeiro, 1965), Vol.II, Chapters XVI, XVII, XVIII and XIX; and José Maria Bello, A History of Modern Brazil 1889-1964 (Stanford, Stanford University Press, 1968), pp.279-296.
- 14 For the succession of political and social conflicts, conspiracies and attempted coups, see Leoncio Basbaum, História Sincera da República: de 1930 a 1960 (São Paulo, Editora Alfa-Omega, 1968), pp.13-101; Edgard Carone, op.cit., pp.283-378.
- 15 The integralistas were the Brazilian version of the Fascists. See Helgio Trindade, 'A Ação Integralista Brasileira: aspectos históricos e ideológicos', in DADOS No.10 (Rio de Janeiro, IUPERJ, 1973), pp.25-60; Helgio Trindade, Integralismo (O Fascismo Brasileiro na Década de 30) (São Paulo, Difusão Européia do Livro, 1974); José Chazin, O Integralismo de Plínio Salgado (São Paulo, Editorial Grijalbo, 1978); Evaldo Amaro Vieira, Oliveira Vianna & O Estado Corporativo (São Paulo, Editorial Grijalbo, 1976).
- 16 See Eduardo de Oliveira e Oliveira, 'Movimentos Políticos Negros no Início do Século XX no Brasil e nos Estados Unidos', in Caderno de Estudos sobre a Contribuição do Negro na Formação Social Brasileira - Instituto Ciências Humanas e Filosofia, Universidade Federal Fluminense, 1976, pp.6-10.

- 17 The National Alliance of Liberation, born in 1935 in the heels of the creation of Popular Fronts in Europe and outlawed the same year, became the first national political organization of the popular classes. See Ronald H. Chilcote, The Brazilian Communist Party 1922-1972 (Oxford: Oxford University Press, 1974).
- 18 O. Ianni, op.cit., p.49.
- 19 Phillipe C. Schmitter has produced an 'in-depth' study of associational corporatism as a form of interest articulation and exclusion which is extremely valuable for the understanding of this period. See Interest, Conflict and Political Change in Brazil (California, Stanford University Press, 1971).
- 20 For a thorough analysis on the politically authoritarian supervision over the Brazilian labour movement and the working classes, see Kenneth Paul Erickson, The Brazilian Corporative State and Working Class Politics (Berkeley, University of California Press, 1977).
- 21 See Regis de Castro Andrade, 'Perspectives in the Study of Brazilian Populism', in LARU Working Paper No.23 (Toronto, 1977), pp.9-17.
- 22 What the industrial bourgeoisie and the new interests linked to entrepreneurial development needed was for a new force - the 'New State' - independent of any previous compromise or condition, to become the tutelar power of the nation. The 'New State' was not expected to be the 'arbiter' above classes, but the overseer of an historical bloc led by the bourgeoisie, in which traditional agrarian interests and other pressures were accommodated. By apparently being set above and beyond the classes and regional differences, the state became the party of the whole of the dominant bloc. But the bourgeois appeal for a military-bureaucratic solution to the social and economic problems of industrialization did not mean that the industrialists and bankers would slide into political apathy. The bourgeoisie was not satisfied with the sole 'domination of their interests'. It wanted its own people and ideas to rule. And accordingly, throughout the Estado Novo (1937-1945) and indeed later, entrepreneurial figures held key positions in the Executive. Only after the fall of the Estado Novo did politicians attempt to generalize the entrepreneurial particularistic proposals. The form in which the bourgeoisie approved of the Estado Novo can be seen in Edgard Carone, A Terceira República (1937-1945) (São Paulo, DIFEL, 1976), pp.349-397. See especially the open letter to Getulio Vargas, published in O Estado de São Paulo, on April 19, 1942 and signed by the Federation of Industries, the Commercial Association of São Paulo and a number of distinguished corporations.
See also Regis de Castro Andrade, op.cit., p.15 and fn.23 and Eli Diniz, op.cit., Chapter II, especially pp.94-109.
- 23 The term 'class convergence' applies to a situation where different classes are mutually accommodated in the state apparatus in a contradictory and competing relation, basically reconcilable

because of their structural connection and mediated by the realm of politics. This convergence of interests has been studied by Hamza Alavi, in his 'The State in Post Colonial Societies: Pakistan and Bangladesh', New Left Review, No.74, pp.59-82. It is from his analysis that the underlying framework of this chapter lies.

On the concrete historical form of such convergence, see L. Martins, op.cit., pp.114-120. On the supremacy of the industrial interests, see E. Diniz, op.cit., Chapters IV and V.

- 24 For accounts of the economic and political role of the Estado Novo, see Edgard Carone, A Terceira..., op.cit., pp.134 et passim; L. Basbaum, op.cit., pp.105-106; E. Carone, O Estado Novo (1937-1945) (São Paulo, DIFEL, 1976); Eli Diniz, op.cit., Chapters V, VI; L. Martins, op.cit., pp.202-266, 288-309.
- 25 For an account of the political role of the Armed Forces during this period, see Edmundo Campos, Em Busca da Identidade: O Exército e a Política na Sociedade Brasileira (Rio de Janeiro, Forense Universitária, 1976). See also E. Diniz, op.cit., pp.292-293.
- 26 See Magda Fritscher, 'Desarrollo de la Política Nacionalista en Brasil', in Latino América: Anuario de Estudios Latinoamericanos No.4, 1971, p.135; Theotônio dos Santos, 'El Nuevo Carácter de la Dependencia', in La Crisis del Desarrollismo y la Nueva Dependencia, edited by José Matos Mar, Instituto de Estudios Peruanos (Buenos Aires, Amorrortu Editores, 1969), pp.64-65; Nelson Mello de Souza 'Subdesenvolvimento Industrial', in Cadernos Brasileiros, 1967, pp.28-34; Maria da Conceição Tavares, Da Substituição de Importações ao Capitalismo Financeiro (Rio de Janeiro, Zahar Editores, 1975), pp.67-79; W. Dean, op.cit., and P. Evans, op.cit.
- 27 For the changing role of the state, see P. Evans, op.cit., pp.83-90; E. Diniz, op.cit., Chapters VI and VII; Octavio Ianni, Estado y Planificación Económica en Brasil 1930-1970 (Buenos Aires, Amorrortu Editores, 1971), pp.18-70.
- 28 See Paulo Singer, 'A Política das Classes Dominantes', in Política e Revolução, op.cit., pp.86-90; Francisco de Oliveira, op.cit. This nationalization was actually supported, even led, by the industrialists themselves. See E. Diniz, op.cit., pp.103-105.
- 29 Regis de Castro Andrade, op.cit., p.9.
- 30 E. Diniz, op.cit., pp.76-77.
- 31 See Evaldo Amaraõ Vieira, op.cit., Chapters III and IV. E. Diniz, op.cit., pp.94-109.
- 32 On the notion of 'mobilization of bias', see Peter Bachrach and Morton S. Baratz, 'Two Faces of Power', in The American Political Science Review, Vol.LVI, December 1962.
- 33 Four categories of bodies were created or revived in the mid-

thirties and early forties, aiming at supporting the expansion of industry:

- a) the institutos destined to regulate consumption and production in agrarian and extractive sectors;
- b) bodies destined to apply incentive measures for private industry, such as the Comissão de Similares, the Conselho Nacional de Política Industrial e Comercial, the Conselho Técnico de Economia e Finanças, while industrialists headed key agencies of policy-making such as the Department of Export and Import of the Banco do Brasil - CEXIM;
- c) entities aimed at implementing the expansion or overhaul of basic infrastructural services for industrialization, such as the Comissão do Vale do Rio Doce, Conselho de Aguas e Energia, Comissão Executiva do Plano Siderúrgico Nacional, Comissão do Plano Rodoviário Nacional, Comissão de Combustíveis e Lubrificantes, Conselho Nacional de Ferrovias, Comissão Nacional de Gasogenio; and
- d) bodies destined to participate directly in productive activities, such as mining and siderurgy.

See Maria do Carmo Campello de Souza, Estado e Partidos Políticos no Brasil - 1930 a 1964 (São Paulo, Editora Alfa-Omega, 1976), pp.98-100; E. Diniz, op.cit., p.151, fn.1-2.

34 E. Diniz, op.cit., pp.106-107.

35 Between 1930 and the end of the Estado Novo in 1945, several class organizations were created, such as the Federation of Industries of the State of São Paulo - FIEESP; the Centre of Industries of São Paulo - CIESP; the Industrial Centre of Rio de Janeiro; and the various Commercial Associations of Rio de Janeiro, São Paulo, Paraná, Rio Grande do Sul, Minas Gerais and Pernambuco, as well as the Industrial Confederation of Brazil, and the National Council of Industries. Their leaders were Roberto Simonsen (CBI), Euvaldo Lodi (CNI), João Daudt D'Oliveira (Assoc. Commercial), Ricardo Xavier da Silveira (Centro Industrial do Rio de Janeiro) and Vicente de Paulo Galliez.

36 Among those 'institutes' or boards of representation were those for sugar and alcohol, manioc, wheat, cotton, coffee, tobacco, sisal, vegetable oils, wines, pine, meat and salt. Some producers were represented through Regional Boards, such as the Rice Institute, the Federation of Wool Growers, the Meat Institute of Rio Grande do Sul and Cacao Institute of Bahia.

37 M. Campello de Souza, op.cit., p.85; Philippe Schmitter, op.cit., pp.181-183; E. Diniz, op.cit., Chapters IV and VI.

38 E. Diniz, pp.94-109. The ideological and political linkages between nationalism, industrial development and authoritarianism were encompassed by the ideology of development of Roberto Simonsen, strongly influenced by Mihail Manoilescu. Although the industrialists rejected the adoption of an explicit integralista or plain fascist ideology, largely due to its mobilizational aspects and the large degree of autonomy it entailed for the state bureaucratic-military apparatus, they adopted many of its economic and political tenets.

- However, it is worth noting that many entrepreneurs and professionals such as Pupo Nogueira, Antonio Gallotti, Conde Matarazzo, Rodolfo Crespi and Miguel Reale were integralista members and supporters.
- 39 DASP was created in 1938 and its key figure was Luis Simões Lopes who was to become a director of Hanna Mining Co. See Chapter III of this thesis.
On the DASP, see Maria Campello de Souza, op.cit., pp.96-98 and Lawrence Graham, Civil Service Reform in Brazil (Austin, University of Texas Press, 1968), pp.27-30.
- 40 T. dos Santos, op.cit., p.23. Whenever bureaucratic or military figures were placed in steering positions within the new state apparatus, appearing to be dominant, their commitment to entrepreneurial order and progress showed them to be really 'functional', and so, truly subaltern. By enmeshing industrial development in a bureaucratic-military web, the state gave the impression of an omnipresent entity, regarded both as an impartial administrator, and as the outright benefactor of the 'producing classes' (the industrialists) and the working classes alike. See P. Schmitter, op.cit., pp.181-182; E. Carone, A Terceira..., op.cit., pp.349-352. The industrial-banking bloc entrenched itself behind the expertise of the bureaucracy and the Army, buttressed by a state apparatus staffed by the middle classes who objectively performed as their auxiliary classes. Industrial growth equated with national development reinforced the myth of the ideal aloofness of the state. By the same token, nation-building received a precise and definite class content. The state, concealing the supremacy of the bourgeoisie, then played a nationalistic role, while performing an entrepreneurial class function.
For the concept of entrepreneur, see Fernando H. Cardoso, Empresário Industrial e Desenvolvimento Económico no Brasil (São Paulo, DIFEL, 1972), Chapters I, III and IV.
- 41 On the role of the Armed Forces, see Maria Campello de Souza, op.cit., pp.101-104; E. Diniz, op.cit., p.274.
- 42 For the notion of 'political society', see Quentin Hoare and Geoffrey Nowell-Smith, op.cit., pp.12, 206-209, 268; H. Portelli, op.cit., pp.27-44.
- 43 See P. Evans, op.cit., Chapter III; E. Diniz, op.cit., Chapters III, V and VI; Warren Dean, op.cit., pp.209-239.
- 44 On the Brazilian labour legislation, see José Albertino Rodrigues, Sindicato e Desenvolvimento no Brasil (São Paulo, DIFEL, 1968), Kenneth Erickson, op.cit. pp.27-46.
- 45 See Richard Bourne, Getulio Vargas of Brazil 1883-1954 (London, Charles Knight & Co. Ltd., 1974), Chapter IV; L. Martins, op.cit., pp.309-320; Moniz Bandeira, Presença..., op.cit., Chapter 38.
- 46 On the notion of 'civil society', see Q. Hoare and G. Nowell-Smith, op.cit., pp.12-13, 235-238, 245, H. Portelli, op.cit., pp.13-26, 30-44.

- 47 E. Diniz, op.cit., Chapter VI; P. Schmitter, op.cit., pp.182-183.
- 48 See Caio Navarro de Toledo, ISEB: Fábrica de Ideologias, Análise de Uma Instituição (Ph.D. Thesis, FFLC de Assis, 1973), Mimeo.
- 49 For an insight into the deep connection of local industry with multinational interests on account of technological dependence, see Werner Haas, A contribuição do Know How estrangeiro a Indústria Brasileira (São Paulo, Anuário Banas, 1961).
- 50 On the leading role of the local industrialist to establish association with foreign capital and the efforts to stimulate foreign investment in Brazil, see E. Diniz, op.cit., pp.160-168.
- 51 P. Schmitter, op.cit., pp.182-183.
- 52 For the meaning and uses of the notions of cartorial state and patrimonial state, see Raymundo Faoro, Os Donos do Poder (Rio de Janeiro, Editôra Globo, 1958); Riordan Roett, Brazil: Politics in a Patrimonial Society (Boston, Allyn & Bacon, 1972), pp.27-32; Helio Jaguaribe, 'The Dynamics of Brazilian Nationalism', in Claudio Veliz (ed.), Obstacles to Change in Latin America (London, Oxford University Press, 1965), pp.162-187.
- 53 On the role of the FEB, see A. Stepan, The Military in Politics: Changing Patterns in Brazil (Princeton, Princeton University Press, 1971), pp.87, 117, 128. On the changing mood in the military, see R. Bourne, op.cit., pp.114-118; Lourival Coutinho, O General Goes Depõe (Rio de Janeiro, Editôra Coelho Branco, 1955), pp.395-469.
- 54 L. Martins, op.cit., p.132.
A good analytical history of the PSD and the PTB is still lacking. On the UDN, see Octavio Dulci, A União Democrática Nacional e o Anti-Populismo no Brasil - M.A. Dissertation, Universidade Federal de Minas Gerais, 1977 (forthcoming in book form by Forense University).
- 55 Populism has received many interpretations. I take it to be the historical bloc which was constructed by the dominant classes within the particular conditions of Brazil, i.e., the integration and articulation of different social classes under the leadership of an industrial-oligarchic power bloc. Although populism was the form which attempted to conceal the class supremacy of this power bloc, it also allowed for a political space in which the working classes were able to express certain of their grievances and to develop organizational forms which attempted to break the ideological and political populist straightjacket. See Chapter IV of this thesis for further discussion on populism. For some suggestive analyses of populism, see Michael Lee Conniff, Rio de Janeiro during the Great Depression 1928-1937: Social Reform and the Emergence of Populism (Ph.D. Dissertation, Stanford University, 1976); Regis de Castro Andrade, op.cit.; Populism and the Conceptualization of Popular Ideologies - Transcripts of 1978 Conference, University of Toronto - LARU Studies, Vol.III No.2/3, Special issue; Ernesto Laclau, Politics and Ideology in Marxist Theory: Capitalism, Fascism, Populism (London, NLB, 1977),

- pp.143-199; Fernando Henrique Cardoso, Ideologías de la Burguesía Industrial en Sociedades Dependientes (México, Siglo XXI, 1972); and Francisco Weffort, 'El Populismo en la Política Brasileña', in Brasil Hoy, op.cit.
- 56 Vargas' removal from office had been helped by US Ambassador Adolf Berle, when he set off the train of events leading to the overthrow. See Arthur Schlesinger, A Thousand Days (USA, Dell Paperback, 1967), p.66.
- 57 M. Campello, op.cit., p.64.
- 58 Regis de Castro Andrade, op.cit., pp.26-27.
- 59 Osvaldo Trigueiro do Vale, O General Dutra e a Redemocratização de 45 (Rio de Janeiro, Civilizaçãõ Brasileira, 1979).
- 60 See Octavio Ianni, Estado..., op.cit., pp.84-97. On the formation of the ESG and its political significance, see A. Stepan, op.cit., Chapter 8.
- 61 On the FIESP and CIESP, see P. Schmitter, op.cit., pp.180-203.
- 62 The specific objectives of SESI were 'to study, plan, and executé, directly or indirectly, means that contribute to the social well-being of workers in industry and similar objectives'. Although its immediate function was to lower the cost of living by providing the workers with various benefits, it attempted to dampen political protest 'by stimulating the sentiment and spirit of social justice between the classes'. The long term goal was to lay out the 'attitudinal and ideological basis for a capitalist industrial society'. SESI aimed at the 'social education' of workers in small groups, providing 'a clear comprehension of their duties before the community' and showing them 'the possibility of a profound betterment of their economic, social and moral conditions... without the necessity of a revolution or a break in the traditions of our Christian civilization'. Simonsen's view went well beyond crude indoctrination. Workers were also to be instructed in 'their rights under the labour laws with lawyers put at their disposal' and workers' leaders had to be taught organizational techniques while their associations had to be financially assisted. Only a strong, well organized, well-informed labour movement could ensure the kind of social peace Simonsen envisaged as the basis of an industrialized Brazilian society. The entrepreneurial strategy also involved the social education of employers, 'to explain to them the social function of private property, to habituate them to the necessary limitations of economic power and political power for the realization of a capitalist democracy'. P. Schmitter 1971, 185-186. Among participants in these courses was a young teacher, Janio Quadros, who in 1961 became president as the candidate of big enterprises. See Chapter IV of this thesis.
- 63 Alberto Pasqualini, a major ideologist of the PTB and one of Vargas' closest collaborators in the creation of the party in their home state of Rio Grande do Sul explained that; 'I am not a man of the left or the right. I am certainly not a socialist.

- I just think the bourgeoisie should give a little. There is a lot of selfishness among the rich. It seems to me the bourgeois are growing steadily blinder and deafer.' R. Bourne, op.cit., p.148.
- 64 F. H. Cardoso, Ideologias..., op.cit., Chapter II.
- 65 S. Huntington and C. Moore, op.cit., p.510.
- 66 E. Erickson, op.cit., Chapters II, III and IV.
The intense internal migration from countryside to city of workers without political tradition, accounting for the 'rural-urban' composition of the working class, explains much of the political naiveté of the Brazilian industrial masses. See Octavio Ianni, Crisis in Brazil (New York, Columbia University Press, 1970), p.51.
- 67 Through the pelego structure were set up among others the National Confederation of Industrial Workers (CNTII); the National Confederation of Commercial Workers (CNTC), in 1946; the National Confederation of Land Transport Workers (CNTT), in 1953; the National Confederation of Workers in Credit Establishments (CONTEC) in 1958; the National Confederation of Workers in Marine, River and Air Transport (CNTFMA) and the National Confederation of Workers in Communications and Publicity (CONTOP) in 1960.
Further control was exercised through the spoils system which kept the labour unions dependent upon the Ministry of Labour via the management of financial resources. O. Ianni, op.cit., p.51.
- 68 On the ideology of Adhemar de Barros, a shrewd politician and entrepreneur and owner of Carbonífera Brasileira, S.A., see Guita Grin Debert, Ideologia e Populismo (São Paulo, T.A. Queiroz Editor Ltda, 1979), Chapter III.
- 69 On the relations between Executive and Congress, see Sergio Abranches, O Processo Legislativo: Conflito e Conciliação na Política Brasileira - M.A. Dissertation, University of Brasília, Mimeo, 1973, pp.1-15, and Celso Lafer, O Sistema Político Brasileiro (São Paulo, Editora Perspectiva, 1975), pp.62-68.
- 70 See R. Bourne, op.cit., pp.160-161.
- 71 On the ideology of Carlos Lacerda, see Guita Grin, op.cit., Chapter V.
- 72 An appraisal of this phase and of the key issues involved is to be seen in Moniz Bandeira, Presença..., op.cit., Chapters 40-42.
- 73 Francisco de Oliveira, A Economia da Dependência Imperfeita (Rio de Janeiro, Graal, 1977), pp.79-80.
- 74 For discussion on the nationalistic trends of the second Vargas administration between 1950 and 1954, see O. Ianni, Estado..., op.cit., pp.98-123; Gabriel Cohn, Petróleo e Nacionalismo (São Paulo, DIFEL, 1968); Medeiros Lima (ed.), Jesús Soares Pereira,

- Petróleo, Energia Elétrica, Siderurgia: A Luta pela Emancipação (Rio de Janeiro, Paz e Terra, 1975); Moniz Bandeira, op.cit., pp.323-365; John D. Wirth, The Politics of Brazilian Development (Stanford, Stanford University Press, 1970).
- 75 R. Bourne, op.cit., pp.161-164, G. Cohn, op.cit.
- 76 Helio Jaguaribe, 'Political Strategies of National Development in Brazil' - Studies in Comparative International Development, Volume III, No.2, 1967/68, Social Science Institute, Washington University, St. Louis, Missouri, pp.31-32. See also R. Bourne, op.cit.
- 77 On competition and collaboration of these interests, see P. Evans, op.cit., pp.131-143.
- 78 M. Bandeira, op.cit., pp.363-365; R. Bourne, op.cit., pp.185-197.
- 79 Eugenio Gudín was a director of Companhia Força e Luz Nordeste do Brasil (Brazilian Electric Power Co.), Electric Bond & Share Co., EBASCO (I.T.T.), Empresas Elétricas Brasileiras, Cia. Paulista de Força e Luz (AMFORP) and Standard Oil. He was also a leading economist at the Fundação Getúlio Vargas.
- 80 Frank Ackerman, 'Industry and Imperialism in Brazil' in The Review of Radical Political Economics, Volume III, No.4, Spring 1971, pp.17-21; Nathaniel Leff, Economic Policy-Making and Development in Brazil 1947-1964 (London, John Wiley, 1968), pp.59-66; R. Newfarmer and W. Mueller, op.cit., p.97; M. Bandeira, op.cit. pp.365-372.
- 81 Helio Jaguaribe, Problemas do Desenvolvimento Latinoamericano (Rio de Janeiro, Civilização Brasileira, 1967), p.12.
- 82 An account of the pattern of associated development propitiated by Kubitschek and of his political period is to be found in: O. Ianni, Estado..., op.cit., pp.124-164; Carlos Lessa, 15 Anos de Política Económica no Brasil (São Paulo, Unicamp, 1975); Maria Victoria de Mesquita Benevides, O Governo Kubitschek: Desenvolvimento Económico e Estabilidade Política (Rio de Janeiro, Paz e Terra, 1976), pp.199-240.
- 83 Celso Lafer, The Planning Process and the Political System in Brazil: A Study of Kubitschek's Target Plan - 1956-1961 (Ithaca, Cornell University, Dissertation Series No.16, Latin American Studies Program, 1970).
- 84 F. de Oliveira, op.cit., pp.83-84.
- 85 By 1959, the total number of American based corporations operating in Brazil was more than 400. - ESG document Tg-10 - 59 - p.17. The local industrial concerns showed a marked trend towards linking themselves with multinational oligopolistic companies. See Nelson de Mello e Souza, op.cit., pp.28-29. It is then not surprising to learn that one-third of the US multinational corporations originally entered the Brazilian market by acquisition rather than by risking new investment. Moreover,

- between 1960 and 1972 one-quarter of all growth in US firms' assets was due to takeover. Furthermore, there is a shift in the sectoral choice of penetration by US direct investment. While in 1929 the US investment occupied 64% of commerce, services and others and only 24% in manufacturing, leaving 12% for extractive and primary sector, in 1950 the figures are, respectively, 39%, 44% and 17%, with investment in manufacturing showing a marked tendency to continual growth. By 1929, the book value of US direct investment was 194 million dollars, by 1946 it reached 323 million dollars. By 1950 it was 644 million dollars and 953 million dollars by 1960. See P. Evans 'Continuities and Contradictions in the Evolution of Brazilian Dependence', in Latin American Perspectives, Issue No.9, Spring 1976, Volume III No.2, p.44.
- 86 F. de Oliveira, A Economia..., op.cit., pp.85, 116-117; M. Bandeira, op.cit., p.375; H. Ferreira Lima, 'Capitais Europeus no Brasil', in Revista Brasiliense No.4, March/April 1956, pp.45-64.
- 87 The outcome of Kubitschek's policies was impressive. Industries for which more than 50 per cent of the total supply had been imported in 1949 became key growth centres for the industrial sectors. Between 1949 and 1962, the chemical industry provided 14.8 per cent of all growth, followed by transportation at 14.4 per cent, metals at 11.3 per cent, manufactured foods at 10.8 per cent and textiles at 8.9 per cent. The share of total growth produced by multinational corporations was estimated at 33.5 per cent of the 1949-1962 expansion in manufacturing and 42 per cent of the import substitution industry growth. R. Newfarmer and W. Mueller, op.cit., p.97.
- 88 In 1955 Roberto Campos spelled out, with remarkable frankness, what was to be the rationale of the Kubitschek era: 'Opting for development implies the acceptance of the idea that it is more important to maximize the rate of economic development than to correct social inequalities. If the rate of development is rapid, inequality can be tolerated and corrected with time. If the rate of development falls because of inadequate incentives, the practice of distributive justice (justiça distributiva) becomes a sharing of poverty. Obviously, this does not mean that one can leave uncontrolled the predatory instincts occasionally present in certain capitalist sectors. It merely implies that, at our stage of cultural evolution, preserving incentives for the growth of output ought to have priority over measures aimed at its redistribution.' As quoted in Thomas Skidmore, Politics in Brazil 1930-1964: An Experiment in Democracy (Oxford, Oxford University Press, 1967), p.387 fn.
- 89 C. Lafer, op.cit., p.89.
- 90 H. Jaguaribe, Political Strategies..., op.cit., p.40 Contrary to neo-Weberian arguments, the development of governmental bureaucracies did not have implicit in it norms of universalistic treatment of similar cases in accordance with a code of rules. Rather, they incorporated the old ascriptive system of patronage of family and friends. See C. Lafer, op.cit., p.67.

- 91 Entrepreneur Antonio Carlos do Amaral Osorio, who was to play a very important part in the events that led to Goulart's downfall, later observed that Kubitschek's industrialization 'generated a series of problems within the economic, social and political structures. In the field of public administration, (industrialization) reverberated with the creation of a series of parallel organizations within the State... in order to fulfil the necessities arising from the economic and social problems that were accumulating.' See L. Martins, op.cit., p.136.
- 92 See P. Evans, Dependent..., op.cit., Chapters IV and V.
- 93 F. de Oliviera, op.cit., pp.39-40.
- 94 C. Lessa, op.cit., p.65.
- 95 In the early 1960s, the alternatives of state-led nationalistic development or association with foreign interests and integrated development reappeared as a critical dilemma. The position against the state was firmly argued by influential military figures, such as Marshal Ignácio José Veríssimo, who by then was an important anti-populist activist. At a meeting of the FIESP Marshal Verissimo warned that 'When Brazilians witness without a flick of the eye the action of the State becoming the overlord of iron by means of the Volta Redonda complex and the Vale do Rio Doce company; the overlord of the railway transportation by means of the Rede Ferroviaria Federal; the big shipbuilder through Loide, ITA, Navegação do Prata and Navegação da Amazonia; the overlord of a whole series of economic activities through the Institutes of Salt, Pine, Coffee, Sugar and others; and, moreover, becoming the owner of radio stations, newspapers and taking over electric energy enterprises and becoming the sole producer of oil, and having factories producing alkali, automobiles, food-stuffs, shoes etc.; when Brazilians witness all those things without getting disturbed, then Brazilians are committing moral "harakiri" (sic).' Marshal I. Veríssimo, Speech at FIESP, quoted in O Estado de São Paulo, February 20, 1963.
- 96 On the role of ISEB, the Instituto Superior de Estudos Brasileiros, in the development of such a belief, see M. Benevides, op.cit., pp.241-243.
- 97 The industrial workers increased from 450,000 in 1930 to 2,100,000 in 1960, almost doubling from 1950 to the end of Kubitschek's period. See General Edmundo Macedo Soares - ESG Document C-25-63, pp.22-23.
- 98 On the ideology of development as consolidation of a hegemonic process, see Miriam Limoeiro Cardoso, La Ideologia Dominante, (Mexico, Siglo XXI, 1975).
- 99 H. Jaguaribe, Political Strategies..., op.cit., p.37.
- 100 On the notion of popular classes, see Francisco C. Weffort, Classes Populares e Política, Ph.D. Thesis, Faculdade de Filosofia, Ciências e Letras da Universidade de São Paulo, 1968, p.1.

On the notion of masses, see F. C. Weffort, 'Política de Massas', in Política e Revolução Social no Brasil, ed. by O. Ianni et al., pp.173-178.

- 101 On the Bonapartismo Janista', see Helio Jaguaribe, Economic and Political Development' (Cambridge, Mass., Harvard University Press, 1968), p.184
See also Carlos Estevam Martins, Brasil-Estados Unidos dos Anos 60 aos 70 - Paper for the Seminar on Political Relations between Latin America and USA, Instituto de Estudos Peruanos, Lima, Perú, September 1972.
- 102 The term national-reformist bloc designates the loose combination of political forces represented in the circle surrounding Goulart and favouring policies of nationalistic industrialization with strong state backing, agrarian reform with land distribution, nationalization of natural resources, social welfare measures, and neutralist or Third World aligned foreign policies, strong curbing of multinational corporations and expropriation in many cases.
It is worth noting that João Goulart, ten years later, reiterated the same pattern of cabinet composition and implementation of policies as that followed by Vargas. This eventually led to Goulart's own downfall, after he had forfeited the support of the dominant classes as a whole.

CHAPTER II: The Economic Ascendancy of Multinational and
Associated Capital

INTRODUCTION

Chapter I singled out the basic elements constituting the populist form of domination and association. It showed how this form supported the structural class convergence in power, and also pointed to the rise of multinational and associated capital within the industrial-oligarchic historical bloc.

This chapter is concerned with the ascendancy which the multinational and associated interests gained vis-à-vis the populist economic interests,¹ favoured by the developmentalist policies of J. Kubitschek which also gave rise to a process of economic and political differentiation within the populist historical bloc.

The Second World War can be regarded as a historical watershed which marked the economic consolidation and political supremacy of monopoly capitalism in the industrial and financial centres.² The new forms of capitalism, which were realized at a global level by means of a complex and contradictory articulation with the various national social formations had the multinational corporations as their basic organizational form.³ Brazilian late and dependent capitalism was to be both transnational and oligopolistic, subordinated to the centres of capitalist expansion. 'National' capital which had ruled with Getulio Vargas, would coexist meaningfully only in its associated form, or in state owned enterprises.⁴ Even in the latter form, transnational capital would still play a central part, through the state's joint ventures with multinational corporations and through the multinational partial control of the shares of Brazilian state enterprises.

Multinational Penetration and Integration of Industry

The changes in the international division of labour ⁵ and the penetration of a multinational bloc, led by US-American interests, in the Brazilian economy gave rise to new economic and political relations, namely: a) an increasing economic concentration and centralization of capital ⁶ with the predominance of big integrated industrial and financial units; and b) a process of oligopolistic control of the market. ⁷

The growing economic weight and relative political importance of the Brazilian multinational and associated power bloc in the early 1960s is made very clear by the data provided by a seminal research study carried out at the Institute of Social Sciences, ICS, of the Federal University of Rio de Janeiro. ⁸

The ICS study surveyed and listed 276 economic groups with capital assets of over 900 million cruzeiros each. 221 of these groups, which had capital of over 900 and less than 4,000 million cruzeiros, were known as the 'millionaire group'. The remaining 55 groups, each with capital assets of more than 4,000 million cruzeiros were called, for purposes of identification, the 'multimillionaire groups'. These 55 groups which held a strategic role in the Brazilian economy occupied the leading positions of the principal sectors in which they operated, controlling a substantial part of the production and circulation of goods. ⁹ More than half of these groups had their headquarters in São Paulo, approximately one third of them in Rio de Janeiro and a small proportion in Minas Gerais.

The ICS study examined a sample of 83 groups drawn from the estimated total of 221 millionaire units. Of the 83 groups, 54 (64.8%) were 'national' and 29 (34.9%) multinational. Of those 54 national groups, 25 (46%) had share-links with multinational groups. If those percentages are generalized to the universe of

the millionaire groups, a total of 221 groups, they would show 144 'nationals' (65.1%) and 77 multinationals (34.9%), of which 43 (55.2%) were non-US-American multinational groups.¹⁰ Out of a total of 144 'national' groups, only 78 had no clear-cut links with multinational interests. The classification by value of capital of the millionaire groups showed the following picture:

TABLE 1

Value of capital	Foreign groups	%	National groups	%
900 to 1.500 mil.	19	65.5	15	27.7
1.500 to 3.000 mil.	10	34.5	34	62.9
3.000 to 4.000 mil.	--	----	5	9.4

Source: T. dos Santos, 1969, 52-53

(In 1962 the value of 1 dollar increased from 100 cruzeiros to 200 at the end of the year)

Although national groups in the millionaire range were numerically preponderant, they suffered from a lesser capacity for competition, they were constrained by technological disadvantages and they had to operate within oligopolistic markets controlled by multinational companies. Furthermore, 58% of the transnational millionaire groups and 37.5% of the non-US-Americans were part of the predominant nucleus of the market of their principal product. Ten groups with an outstanding position (8 US-Americans and 2 other multinationals) were the biggest producers in their respective markets.¹¹ North-American transnational capital was pre-eminent within millionaire multinational groups. The US-Americans represented 13 groups (48%)

and the other countries 16 (52%) of the total of multinational millionaire groups. The Americans also represented 48% of the total of multinational interests and 15.6% of the total of both national and multinational millionaire groups.

Of the 55 multimillionaire groups found in Brazil, 31 (56.4%) were multinational and 24 (43.6) were local or 'national', of which 62.5% had variable links with foreign groups. Of those 24, only 9 (37.5%) had no stock ownership by multinationals or relevant links with multinational interests, and 2 of them had interlinking directorates with multinational corporations.¹² Multinational supremacy appeared even more intense once a comparison was made of the differences between the total amount of capital of multinational and local groups. Nineteen 'national' groups (79%) out of a total of 24 had between 4.000 and 10.000 million cruzeiros in capital; 18 multinational groups, (58% of the total) fell into this category. In an intermediary position, between 10.000 and 20.000 million cruzeiros, there were 3 national groups (14%) and 10 multinational (32%). In the highest range of more than 20.000 million there were 2 national groups (10.8%) and 3 multinational ones (10%). Transnational capital tended to predominate in the range of higher capital assets.

Within the multinational multimillionaire groups, the US-Americans held a pre-eminent position. Fifteen out of a total of 31 groups were US-Americans. The remainder consisted of 4 German, 3 British, 2 French, 1 Canadian, 1 Anglo-Dutch, 1 Dutch, 1 Argentinian, 1 Italian, 1 Swiss and 1 Anglo-Belgian-US-American. US-American groups comprised 45% of the multinational multimillionaire groups and made up 25% of the total of national and multinational multimillionaire groups taken together.¹³

The following chart gives an idea of the quality of the links of national and multinational groups:

TABLE 2

	Multinational groups		National groups with foreign share links		Other National groups		Total	Percentage of I and II
	I	II	Number	%	Number	%		
Capital								
Millionaires 900 - 4.000 millions	77	66	34.9	29.9	78	35.2	221	64.8
Multi-Millionaires Over 4.000 millions	31	15	56.4	27.3	9	16.3	55	83.7
Total	108	81	39.1	29.3	87	31.6	276	68.4

Source: T. dos Santos, 1969, 38

The composition of the universe of the multinational millionaire and multimillionaire economic groups, added to the 'national' groups (linked or associated through share ownership with foreign interests) constituted 68.4%, 189 groups out of a total of 276 economic groups with more than 900 million cruzeiros as capital assets. The conclusions that can be drawn are clear. Big 'national' enterprises and their controlling groups were predominantly multinational, closely bound by technological dependence or financially integrated with multinational groups. The big 'national' enterprise was mainly an associated concern. This process of internationalization would be pushed even further after 1964.

Oligopolistic control of the market was due mainly to two elements: a multinational preference for selected sectoral penetration and technological and financial integration. Up to the 1950s, transnational capital had been established in services, extraction, commercialization of agrarian products and to a lesser degree in industrial enterprises. Through the Plano de Metas, multinational concerns in Brazil redirected their investments to other sectors and expanded the local economy solidly into manufacturing, in what has been termed the 'second stage of import-substitution'.¹⁴ This process was clearly seen in the pattern of US investments. In 1929, one half of US investments was in public utilities. Mining, petroleum and trade constituted 26%. By the end of the war, manufacturing was on a par with public utilities, each with 39%, and the rest being trade, mining and petroleum. By 1950, manufacturing was already 44%; it climbed to 54% by 1960 and reached 68% in 1966.¹⁵

By the early 1960s, 78.1% of the multimillionaire groups were directly involved in industry, and the preference that foreign (mainly American) capital showed for the industrial sector was quite clear. In comparison with multinational groups, the local multimillionaire groups were outstanding in import-export business, in banking and the non-durable goods industry; they were equal to the foreign interests in the investment sector and their position was approximate to multinational groups in basic industries, where the state had pre-eminence. 'National' groups had a definite disadvantage in distribution, industrial services, durable goods and heavy machinery. ¹⁶

Multinational groups clearly preferred the industrial sector. Among the 55 multimillionaire groups, the following division by sectors of principal activity was found:

TABLE 3

SECTORS ↓	Millionaires				Multimillionaires			
	Foreign		National		Foreign,		National	
	No	%	No	%	No	%	No	%
Industry	25	86.2	40	74.1	26	83.9	17	70.8
Commerce	2	6.9	10	18.5	4	12.9	3	12.5
Banks	2	6.9	4	7.4	1	3.2	4	16.7
Total	29	100.0	54	100.0	31	100.0	24	100.0

Source: T. dos Santos, 1969, 54

The distribution of the multimillionaire groups per sector of activity and type of control in the early 60s was as follows:

TABLE 4

<u>Sector of Activity</u>	<u>National</u>	<u>Multinational</u>
<u>Non Industrial</u>		
(export, import, financial societies, services) insurances and banks	8 (33.3%)	6 (20.7%)
<u>Industrial</u>		
Non Durable consumer goods	8 (33.3%)	5 (17.2%)
Durable consumer goods	1 (4.2%)	7 (24.1%)
Heavy Machinery	1 (4.2%)	4 (13.9%)
Basic Industries	6 (25%)	7 (24.1%)
Total	24 (100%)	31

- Sources: ICS Study in L. Martins, 1976, 437.

ICS Study in F. H. Cardoso - Cebrap No. 8 - p. 59.

In the millionaire range such trends were reinforced. Twenty five out of 29 (86.2%) of the foreign groups were in the industrial sector against 35 out of 54 (64.8%) of the national groups. ¹⁷

The highly integrated technological production of trans-national capital also had a bearing on its market position. Technological integration favoured the trend to concentrate in specialized sectors of activity, thus allowing multinational companies a deeper integration, and they tended to dominate the

market in their competition with 'national' economic groups. The latter were mainly dispersed in several and varied sectors of production, not related technologically, as is shown in Table 5.

TABLE 5

	Multimillionaires		Millionaires	
	Foreign	National	Foreign	National
Strictly Specialized	5	-	11	-
Varied Activities related horizontally and specialized	20	11	9	2
Vertically related activities and little diversification	5	5	4	-
Diversified	1	5	5	-
Very diversified	-	3	-	52

Sources: ICS Study 1965

T. dos Santos, 1969, 54-56

Besides the technological integration and specialization of production, another index of the integration of multinational groups compared to 'national' groups is the relationship between the number of enterprises and the volume of capital.

TABLE 6

National			Multinational		
Groups	Enterprises	Capital	Groups	Enterprises	Capital
24	506	219.000 millions	31	234	306.000 millions
Average per enterprise: 432 million			Average per enterprise: 1.307 million		

Figures are in cruzeiros. Source: T. dos Santos, 1968, 448

Among the sample of 83 millionaire groups, 10 multinational and only 2 national groups were foremost or sole producers of the sector in which they carried out their principal activities. Two national groups had enterprises occupying the second place in the sector of their principal activity; 3 groups had enterprises among the principal ones controlling the market in which they operated and 1 group had effective monopoly of its principal sector.¹⁸ National millionaire groups also operated in an oligopolistic market, or one of imperfect competition, in spite of not having leading positions like their multinational counterparts.

Fourteen out of the 29 multinational multimillionaire groups operated in an oligopolistic market; 4 groups (all US-American) functioned in conditions of quasi-monopoly and 9 performed in a market with imperfect competition, (or monopolistic competition); 5 of them operated in markets of concentrated monopolistic competition, i.e. where one group controlled more than 50% of the market, and 4 operated in monopolistic competition without concentration.¹⁹ The degree of control of the market by multinational multimillionaire groups can

be observed in Table 7.

TABLE 7

Degree of control	Foreign groups	%	U.S. Americans	%	Others	%
Over 90% foreign	10	34.5	6	46.2	4	25.0
Great	9	31.0	6	46.2	3	18.8
Medium	4	13.8	1	7.6	3	18.8
Little	6	20.7	-	-	6	37.4
Total	29	100.0	13	100.0	16	100.0

Source: T. dos Santos, 1968, 448

Over 65% of the multinational groups operated in areas of activity where they had total or near total control of the market. The US-American groups operated in sectors where they had a complete or near total control (92.4%) of the market. None of the US groups acted in sectors where there was low control of the market by multinationals.

Seventeen (58.6%) of the multinational groups (less than one fifth of the total 83 multimillionaire groups of the sample) occupied the core of the market and only 12 (41.6%) were outside it. The situation of the local millionaire groups was different. Only 8 (14.8%) had a position of control in the market in which they operated, and 46 (85.2%) were out of it. Even so, one should remember that almost a half of the 'national' groups had relevant links with multinational ones. Eleven (84.6%) of the US-Americans were either the predominant nucleus, being the only producers or

first producers in the millionaire group.²⁰ Additional evidence of the tendency by multinational groups to establish the oligopolistic control of the market can be obtained from Table 8, which shows the degrees of monopolization in the São Paulo based metallurgy sector.²¹

TABLE 8. Oligopoly in the metallurgical industry of São Paulo

<u>Branches of Activity</u>	<u>Number of Enterprises</u>	<u>Part of production corresponding to the three biggest enterprises (%)</u>
Metallic structures	8	76
Agrarian tools	9	97
Ploughs	17	76
Electric motors	9	86
Refrigerators	8	91
Washing Machines	6	82
Scales	19	74
Lifts	6	99

Source: T. dos Santos, 1969, 38

Big business, multinational and even 'national' dominated the economy.²² Multinational interests predominated in the secondary sector, the most dynamic one. Through their oligopolistic control of the market, multinational companies dictated the pace and orientation of the Brazilian economy. In the capitalist centres, finance capital reigned supreme in the circle of American hegemony. US capital, holding only 2% of overseas investment in the first quarter of the century, had risen by 1960

to a position of pre-eminence, owning close to 60% of all foreign investments. Meanwhile, the share of Great Britain, France and the Federal German Republic fell to 30%.²³

A report by the Bureau of Intelligence and Research of the Department of State, produced in early 1963, provided an important over-view of US private investment in Brazil. By indicating the 'character of the large US private investments in that country in terms of its size, location and company origin', the report aimed at serving 'to place this significant factor in Brazil's economy and in US-Brazilian relations in its setting'.²⁴

According to the report, foreign private investments in Brazil totalled approximately 3.5 billion dollars. US interests were the largest single group of foreign investors, with about one third of the total foreign capital. Unlike the pattern of US investments in many other Latin American countries, public utilities and mining enterprises in Brazil represented a relatively small portion of private US holdings, while the largest US investments were in machinery manufactures; automotive, appliances. The bulk of US investments in Brazil was made by top-ranking US multinational corporations organized locally under Brazilian law in order to gain administrative and tax advantages. Sometimes these corporations were organized with a name which was not readily identified with that of the parent company in order to gain a local identity.²⁵ These investments were mostly in industries whose production was geared for the middle class consumer market, not so much for export. It was this much needed internal market that was consolidated after 1964, by favouring the middle layers to the detriment of the industrial and rural working classes.

The report of the Department of State listed four general categories of economic activity in which all foreign private capital in Brazil was to be grouped. These were: 1) basic industry and heavy manufacturing; 2) light industry and processing; 3) non-manufacturing activities; and 4) public utilities. In three of these categories US interests predominated through their locally organized Brazilian subsidiaries. The above mentioned report also indicated that United States capital comprised about 40% of foreign investment in basic industries, followed by Federal Germany with 15% and Great Britain with 11%. 38% of the foreign investments in Brazilian light industries was of United States origin; Argentina representing about 13% of foreign capital in this sector and Great Britain 12%. The United States had invested about 40% of private foreign money in finance and trade, with 10% each coming from Great Britain and France. ²⁶

The research memorandum provided a more detailed examination of the areas in which US investments predominated among foreign capital. In the category of basic industries and heavy manufacturing, which attracted about 40% of all private foreign investment (approximately 1.4 billion dollars of a total of 3.5 billion dollars), US investments accounted for about 45% of the total foreign capital. The major sectors in which US funds had been invested were: a) automotive, appliances and other machinery manufactures, where US investments constituted over half of the foreign investments of approximately 830 million dollars. Next came Federal German and British interests. US automotive manufacturers in Brazil were General Motors, Ford Motor Co, Willys Motors and International Harvester. Important

tractor and road equipment companies were Caterpillar, Fruehauf, Le Tourneau-Westinghouse and Hyster. Major automobile parts manufacturers included Bendix, Clark Equipment and Armsted industries (ex-American Steel Foundries). The largest US investors in machinery and appliance manufacturing were General Electric, IBM, Singer Sewing Machine, RCA, Timken Roller and Muncie Gear Works; b) the steel and metals industry sector was dominated by Belgian investments, followed by Japan. US capital represented about 15% of the total foreign private capital, an estimated 275 million dollars. Next came Canadian and West German interests. US metallurgical corporations included among others, the Gillette Co and Revere Cooper; c) the largest US investors in the mining and petroleum sector were Bethlehem Steel in the former and Standard Oil, Texaco, and Atlantic Refining in the distribution of the latter. US investors had invested about 65% of all foreign private capital, which totalled about 200 million dollars. Next came British and Italian interests; d) in the cement and glass sector France had the most important interests, with about half of the 125 million dollars of total foreign investment, followed by the United States and Switzerland. Pittsburgh Plate Glass with French association and Corning Glass were the most important US corporations in glass manufacturing. Lone Star Cement and Dolphin Shipping, the latter associated with an Italian company, were important US cement producers. ²⁷

In the category of light industries and processing, which accounted for approximately 1.1 billion dollars (one third of the total foreign investments) US capital which represented over one third, was distributed as follows: a) chemicals, pharmaceuticals,

plastics, with 420 million dollars of foreign investment, 40% of which was invested by US companies. Among the most important were Union Carbide, Celanese Corporation and Eastman Kodak. Other foreign investments were mainly French, German and Swiss; b) in food processing, US interests were second to British in the size of their investments, with Argentine capital (Bunge & Born mainly) in third place. Of a total of 240 million dollars of foreign capital, the US held about one fourth of the investments. Corn Products Company, International Packers and Anderson Clayton were the most important US corporations; c) in textiles, foreign interests invested about 165 million dollars. This sector was led by British and French interests, while the US represented about 12% of the total. J.B. Martin and Ranch River Wool, associated with French interests were prominent US corporations; d) in rubber, wood and hides, out of a total of 150 million dollars of foreign investments, the US accounted for 50% followed by Italy and Great Britain as the source of capital. The US giants were Firestone, Goodyear and B.F. Goodrich; e) multipurpose industrial concerns included corporations engaged in a wide variety of activities, both industrial and commercial. The investment group Bunge & Born was the leader in the sector, with US corporations accounting for about one third of the total of 92 million dollars of foreign capital. Anderson Clayton was the largest of the US interests, followed by United Shoe Machinery and Minnesota Mining and Manufacturing; f) paper and cellulose accounted for about 70 million dollars of foreign investment, with the US representing 70% of it. The most important corporations were Champion Papers and International Paper.

In non-manufacturing activities, which included finance, retail trade, publicity, real estate and agriculture, about 280 million dollars were invested, of which about one third was from the United States. a) in banking and finance, the US led foreign investment, with about 25% of the total 152 million dollars. Canada was second, followed by Great Britain, France and Federal Germany. Large US financial interests included the First National City Bank and the First National Bank of Boston, while a number of manufacturing corporations overlapped into the credit and investment areas, such as General Electric, Bethlehem Steel and Eastman Kodak; b) in retail trade, the US interests were the largest among the total of 80 million dollars of foreign investment with about 55%. Great Britain was next. The largest US corporations were Sears Roebuck, Pittsburgh Plate Glass²⁹ and Singer Sewing Machine; c) in publicity, real estate and agriculture, the total foreign capital was about 50 million dollars, of which US interests represented about 40%. Esteve Brothers and King Ranch were among the big US investments in agriculture, McGann Erickson in publicity.³⁰

In the sector of public utilities US private investments had only a small part. Here the Canadian holding Company, Brazilian Light and Traction - Brascan³¹ accounted for about 85% of the total foreign investments. The major US utility interests which accounted for most of the rest of foreign capital were American and Foreign Power and International Telephone and Telegraph.

The Department of State report also provided a listing of the largest US firms in Brazil, wholly owned or with predominant US capital. These were, in decreasing size of approximate amounts of capital and reserves, from 60 million dollars to 10 million dollars: General Motors do Brasil S.A., Ford Motors do Brasil S.A., Esso Brasileira de Petróleo S.A., ³² Willys Overland do Brasil S.A., General Electric S.A., Fôrça e Luz de Minas Gerais - EBASCO (Morgan Group), ³³ Industria de Pneumáticos Firestone S.A., Industrias Reunidas Vidrobrás, Texaco Brasil S.A., International Harvester Maquinas S.A., Champion Cellulose S.A., Union Carbide do Brasil S.A., Industrias Anderson, Clayton & Co - ACCO, Bendix do Brasil Ltd, Cia. Goodyear do Brasil, Cia. Paulista de Fôrça e Luz (American Foreign Power), I.T.T., Caterpillar do Brasil S.A., Refinações de Milho (Corn Product Co), IBM do Brasil, Cia. Energia Elétrica da Bahia (American & Foreign Power) Sears Roebuck S.A., Cia. Atlântica de Petróleo S.A. (Atlantic Refining Co), B.F. Goodrich do Brasil S.A., Swift do Brasil. ³⁴

One might stress at this point that important techno-entrepreneurs and entrepreneurs who were linked to most of the above mentioned corporations as well as the other companies that appeared in the research memo were to be found in key posts with the organized ideological, political and military efforts of the bourgeoisie to topple João Goulart's executive. Many of these corporations, some through their subsidiaries and others directly or through class associations were also important financial contributors to the campaign which led to the breakdown of the populist regime.

Other Aspects of the Process of Concentration

The process of industrial concentration was accompanied by an extreme concentration of land ownership. From 1950 to 1960 the number of large estates dropped from 2.38% of the total agrarian establishments to 0.98%, while they controlled as much as 47.29% of the land. ³⁵ (10.40%) of the agrarian establishments controlled 79.90% of the land). Agricultural commerce was connected with a great part of the banking structure.

In the banking sector, the process of concentration determined that between 1958 and 1963 the number of bank agencies increased from 3.937 to 5.943, while the number of head offices decreased from 391 to 324. These figures gain added significance if one considers the high degree of interpenetration between the directories of the big banks, their joint operations and the share of cash-flow and financial operations controlled by single establishments of the biggest 30 banks. The 30 biggest banks held 3.563 agencies out of a total of 5.943. Those 30 banks handled 2.736.632 million cruzeiros in deposits, out of a total of 3.398.737. Twenty five banks were private and 5 were owned by the state. Ten were based in São Paulo, 9 in Minas Gerais and 5 in Rio de Janeiro. ³⁶ Banks became central agents of the process of concentration and accumulation. ³⁷

The general process of international economic concentration and centralization had another aspect besides the process of monopolization of the market. Economic concentration operated also at the financial level and was realized through the process of integration between enterprises and by the control of a single group over a number of enterprises and different branches. The process of integration between enterprises took place especially through transnational holding companies - the financial organizations

that coordinated the share control and operations of a certain group of enterprises. With national capital, this integration had the characteristics of an interfamilial organization, under the leadership of a family head. This was the case in oligopolistic groups such as Ermirio de Moraes, Bueno Vidigal, Quartim Barbosa, Villares and Matarazzo, among others. The national groups were controlled by family groups who distributed the shares and the positions of management among themselves. By the early 1960s, of the multimillionaire national groups, only three did not follow family structures, 7 being formed by the reunion of isolated entrepreneurs and only 12 groups could be considered as being led by managers. From the 55 multimillionaire groups, 28 (50.2%) possessed stock in the firms they integrated, mostly being national groups of local origin, not immigrants. The multinational groups operated through direct share control of their enterprises. Transnational capital sought to preserve securely the financial control of its enterprises.³⁸ In the case of the multimillionaire multinational groups, they had 80 to 90% of the control of the shares; only 3 had minority control. The multinational millionaire groups showed a similar tendency.

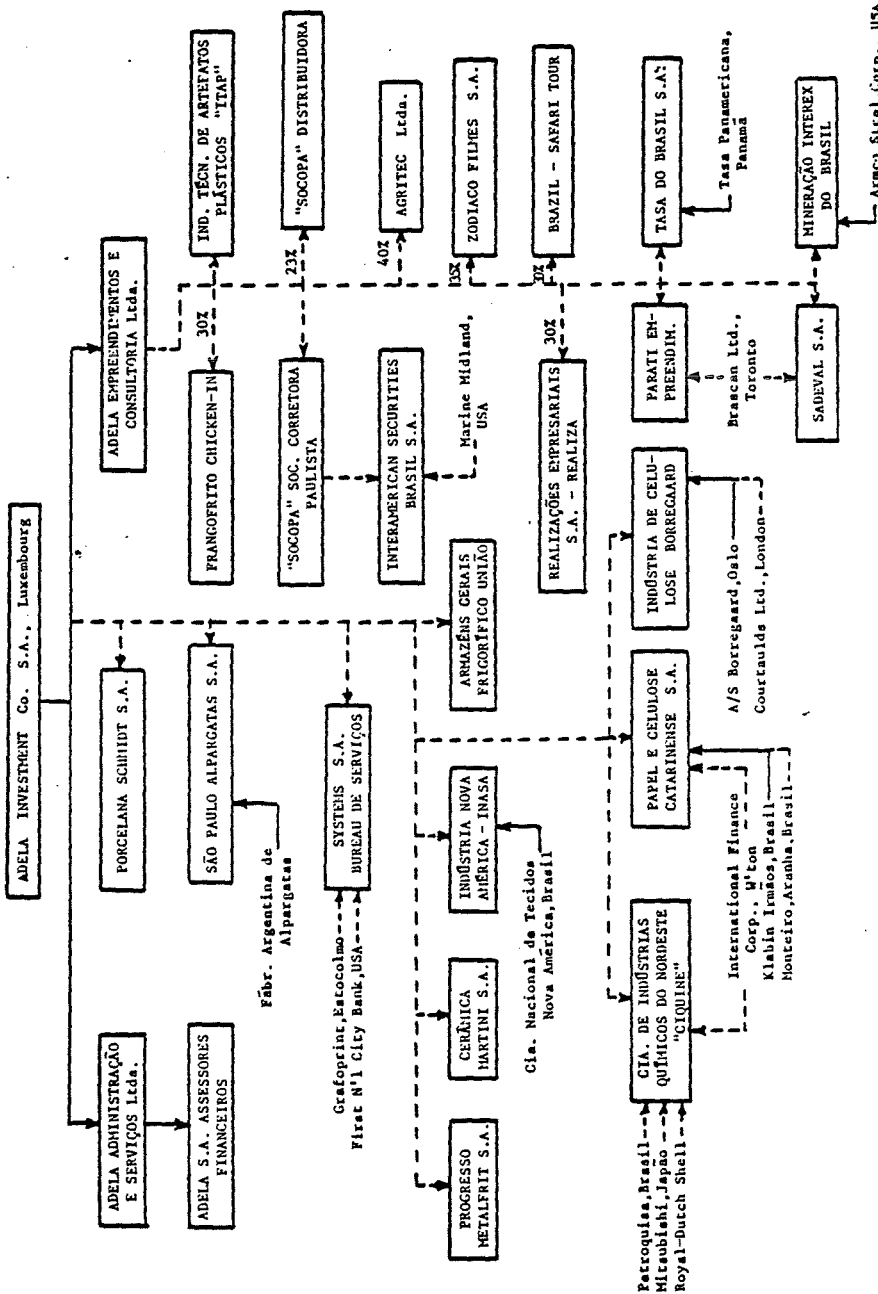
No other formation is more representative of the process of capitalist integration (internationalization, organizational centralization and financial-industrial fusion and interpenetration) occurring in the mid-1950s and early 1960s than the gigantic Atlantic Community Development Group for Latin America - ADELA. ADELA was formed in 1962, out of the recommendations of a think-tank committee chaired by the vicepresident

of Standard Oil of New Jersey (Rockefeller Group) and the vice-chairman of FIAT (Agnelli complex).³⁹ ADELA was set in motion by NATO parliamentarians and US senators, amongst whom US based Council for Foreign Relations members (then senators) Hubert Horatio Humphrey and Jacob Javits played important roles. ADELA was registered in the Grand Duchy of Luxembourg in September 1964. It operates in Latin America through an operations office in Lima, Peru.

By the end of 1972, ADELA shareholders included around 240 industrial companies, banks and financial concerns (which are listed in Appendix A) from 23 countries. Because the organization is financed by some of the biggest international industrial and financial complexes in the world, it possesses considerable resources and channels of information. ADELA is also capable of exerting powerful pressure on host governments.⁴⁰ Its functions are to explore investment opportunities for the multinational corporations and by engaging local partners to create a favourable climate for investments, a political role formerly interpreted by national governments. Moreover, it aims to develop a strategy of penetration through direct investments, technical assistance and managerial expertise, market analysis and functional communications with local foci of power. ADELA also aims at the realization of contracts with international financial institutions, and to extend its activities practically to all the economic sectors.

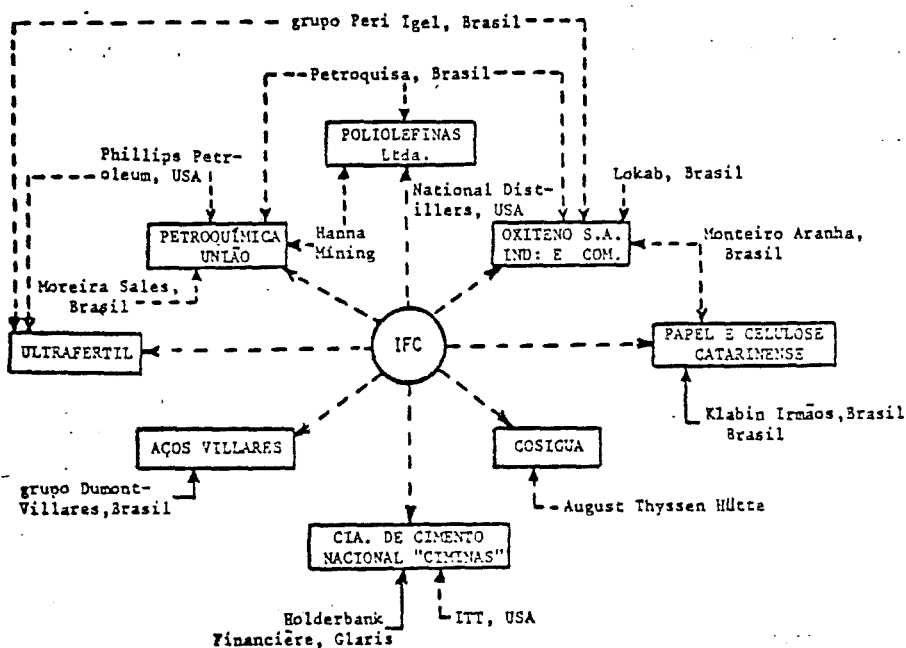
The list of multinational corporations included within ADELA provides a very good impression of the power behind the organization. ADELA is a supranational body for international marketing. But not only this. Besides being a

consultant organization, ADELA also operates as a direct investor and is directly involved in economic activities. In Brazil, ADELA operated directly through the following companies:



Source: Guia Interinvest, 1973: 722

ADELA also took up the role of mediator between international financial institutions and Latin American countries, in the planning of the development of the latter. An Annual Report of 1968 noted that ADELA had, together with the International Finance Corporation - IFC, and the Interamerican Development Bank 'continuous contact and a free exchange of information, in order to avoid duplicity of efforts in developing areas and to share jointly the analysis of the opportunities for investment'. With the International Finance Corporation, ADELA has had an increasing number of common projects, including joint ventures in big investments. ⁴¹ IFC was founded in 1956, on a similar basis as ADELA. IFC invests on its own or jointly with other multinational corporations some of the big associated groups and public enterprises in Brazil. Its operational network is as follows:



It is interesting to note that companies involved in ADELA and those linked to IFC would be in the forefront of the campaign against the Goulart government, as financial backers and through their managing directors operating as political activists.

Monopoly capital, mediated through the penetration of multinational corporations, redefined the international division of labour and established a new and key productive centre and organizational bloc within the Brazilian socioeconomic structure. The industrialization of Brazil was to be integrated and subsumed by multinational corporations within the strategy of global capital expansion, underlining the new degrees of internationalization, centralization, and concentration of capital. Transnational monopoly capital gained a strategic place in the Brazilian economy, determining the pace and the direction of industrialization and stipulating the form of national capitalist expansion.

The trend towards denationalization, concentration and sectoral predominance of multinationals increased fundamentally after 1964, once the economic and political conditions for this upwards swing were imposed. In this process, US-American capital established its supremacy among the multinational interests. The 'ownership' of Brazilian economy by foreign interests was by 1969 a fait accompli. Multinational companies controlled 37.7% of the steel industry; 38% of the metallurgy; 75.9% of chemical and petroleum products; 81.5% of rubber; 60.9% of machines, motors and industrial equipment; 100% of automobile and trucks; 77.5% of vehicle parts and accessories; 39.8% of

naval construction; 71.4% of highway equipment; 78.8% of steel furniture and office equipment; 49.1% of electrical appliances; 37.1% of leather and furs; 55.1% of food products; 47.0% of beverages; 90.6% of tobacco; 94.1% of pharmaceutical products; 41.0% of perfumes and cosmetics; 29.3% of textiles. ⁴²

In a study prepared for the Subcommittee on Multinational Corporations of the Committee on Foreign Relations of the United States Senate, Richard Newfarmer and Willard Mueller say that the high penetration of multinational investments in the Brazilian economy and its concentration in key economic sectors gave rise to significant industrial denationalization and they mention that corporate decision making in the foreign dominated industries seems to have been effectively transferred to home offices in nations abroad. ⁴³ In their estimation, about 70% of the 7 billion dollars of foreign investments in Brazil in 1972 is in manufacturing, three major industries, - transportation, chemicals and machinery - accounting for over three-quarters of all US net fixed assets and over two-thirds of sales in manufacturing. "Moreover, a handful of multinational corporations in each industry control the bulk of these assets and sales. American and other foreign firms account for 153 of the largest 500 non-financial enterprises in Brazil in all sectors. In manufacturing, they account for 147 of the 300 largest firms. More importantly, multinational corporations control 59 of the largest 100 corporations in manufacturing (the top 100 own over three-fourths of the assets of the 300 largest)". ⁴⁴ Consequently, Newfarmer and Mueller drew attention to the fact that in only three industries did private Brazilian

corporations enjoy a similar position of pre-eminence: non-metallic minerals, wood and paper products, and food manufacturing. State enterprises were predominant in steel production and petroleum refining. (In steel production state enterprises have associated with multinationals). Moreover, they point out that "Denationalization is intertwined with industrial concentration as multinational corporations generally are located in concentrated markets. Manufacturing generally is quite concentrated: in 176 of 302 industries, the four leading plants produced more than 50 percent of the value of production. Foreign firms owned three or four of the four leading plants in 32 industries, which accounted for 26 percent of industrial production. When combined with the industries in which at least two of the leading four plants belonged to multinational corporations, foreign firms were leaders in 66 industries, comprising 44 percent of manufacturing production. Foreign firms are associated with higher average concentration than are national firms, since they operate more frequently in oligopolistic industries".⁴⁵ Thus, with nearly half of industry under multinational control, the US Senate report noted that multinational corporations conduct themselves as "a critical determinant of Brazilian economic performance". Moreover, the report continues, "as many foreign firms are oligopolistic, denationalization is linked to concentration in product markets. Market concentration confers additional power on those multinational corporations freed from the discipline of the competitive market place. If denationalization and product market concentration continue to rise, the Brazilian economy will find itself increasingly vulnerable to the power of foreign decision-

makers in the home offices of multinational corporations". 46

Conclusion

The sheer economic weight of multinational interests in the Brazilian economy, became by the late 1950s, a central political factor. But in order to advance its particular interests, multinational capital relied not only on its economic power but also developed its own organizational expertise and political capacity to influence policy in Brazil. Such expertise and capacity were embodied in a political, military, technical and entrepreneurial intelligentsia, i.e. the organic intellectuals of multinational and associated interests and the organizers of Brazilian capitalism. They were in effect the political corporate power structure of transnational capital, which evolved in the process of insertion and consolidation in Brazil of multinational corporations. As noted previously, from the mid-1950s onwards, the multinational and associated interests grew fast and steady and by the early 1960s had become without any doubt the economically dominant force. Lacking political leadership which was in the hands of the populist interests, and excluded from associational representation by the ruling class convergence, the organic intellectuals of the oligopolistic bloc would attempt to bypass the traditional political and administrative channels of articulation and aggregation of demands. The new interests aimed at effectively breaking or pre-empting the populist associational corporativism, by establishing new loci and foci of economic power within the state apparatus and new forms of class communication with the decision-making centres.

This chapter has attempted to show the economic dominance of multinational capital in the Brazilian economy. In the next chapter we intend to look at the agencies and agents created and utilized by multinational and associated interests as well as the formation of new political actors that responded to the development in Brazilian society.

Footnotes - Chapter II

- 1 In this chapter we make use of the information and conclusions provided by three interesting studies. One is the Report to the Subcommittee on Multinational Corporations, of the Committee on Foreign Relations of the United States Senate. This report was prepared by Richard S. Newfarmer and Willard F. Mueller for the commission headed by Senator Frank Church, on 'Multinational Corporations in Brazil and Mexico', August 1975.

The second study is the pioneering research by Mauricio Vinhas de Queiroz, Luciano Martins and José Antonio Pessoa de Queiroz, about (respectively) the 'Grupos Multibilionários', 'Grupos Bilionários Nacionais' and 'Grupos Bilionários Estrangeiros', which appeared in Revista do Instituto de Ciencias Sociais, Rio de Janeiro, No. 2, 1965. Both studies have provided factual information for a number of explanatory studies on the economic and political process of Brazil which we have used in this chapter.

The third study is the 'Research Memorandum of the Bureau of Intelligence and Research' produced for the Department of State in February 1963, a copy of which is to be found in the John F. Kennedy Archives in Boston, Massachusetts.

- 2 For an analysis of monopoly capital and the changes in the structure of national and international capital, see Paul Sweezy, The Theory of Capitalist Development, London, D. Dobson Ltd., 1962, pp. 254-269 and 287-319. See also P. Baran and P. Sweezy, Monopoly Capital, G. Britain, Pelican Books, 1965, pp. 215-323.
- 3 Herbet de Souza, 'Notes on World Capital', in LARU, Vol. II, No. 2, February 1978, pp. 9, 55 and 69. See also Teotonio dos Santos, 'El Nuevo Carácter de La Dependencia' in La Crisis del Desarrollismo y La Nueva Dependencia, José Matos Mar (Editor), Instituto de Estudios Peruanos, Argentina, Amorrortu Editores, 1969, p.12.
- 4 See Eli Diniz, Empresário, Estado e Capitalismo no Brasil: 1930-1945, Rio de Janeiro, Paz e Terra, 1978; also Eli Diniz and Renato Raul Boschi, Empresariado Nacional e Estado no Brasil, Rio de Janeiro, Forense Universitaria, 1978.
- 5 T. dos Santos, The Multinational Corporation - Cell of Contemporary Capitalism in LARU, Vol. II, No. 2, February 1978, pp. 34-39.

- 6 For the process of world capitalist integration and centralization, see S. Menshikow, Millionaires and Managers, Moscow, 1969. For theoretical assumptions underlying this analysis, see K. Marx, O Capital, Livro I, Rio de Janeiro, Editôra Civilização Brasileira, 1968, 712 et passim; 728-730. For an insight into the Brazilian process of concentration and centralization, see Maria da Conceição Tavares, Da Substituição de Importações ao Capital Financeiro, Rio, Zahar, 1975, pp.125-147, 173-208.
- 7 Information on the oligopolistic control of the market by multinational and associated corporations is obtainable from the series of BANAS guides, on the sectoral composition of the Brazilian economy, for the years 1960-1965.
- 8 Among the authors that have made use of this important research one should mention the following: O. Ianni, Crisis in Brazil, London, New York, Columbia University Press 1970, pp. 148-149; F. H. Cardoso, 'As Tradições do Desenvolvimento Associado', Estudos Cebrap, No. 8, April-June 1974: pp. 43-73; T. dos Santos, 1969, op.cit., pp. 37-60.
- 9 O. Ianni, op.cit., 157.
- 10 T. dos Santos, 1969, op.cit., 38-39.
- 11 F. H. Cardoso - 'Hegemonía Burguesa e Independencia Económica: Raíces Estructurales de la Crisis Política Brasileira' in Brasil Hoy by Celso Furtado, Helio Jaguaribe, Francisco C. Weffort et al., México, Siglo XXI Editores, 1968, p. 105.
- 12 F. H. Cardoso, 1968, idem.
- 13 T. dos Santos, op.cit., 1969, 52.
- 14 T. dos Santos, op.cit., 1969, 53. See also Francisco de Oliveira, A Economia da Dependencia Imperfeita, Rio de Janeiro, Graal, 1977.
- 15 R. Newfarmer and W. Mueller, op.cit., 103-104.
- 16 Taking 1955 as a base year (1955=100) the more sophisticated and internationalized industry of production goods rose to 323 by 1960. See O. Ianni, op.cit., 157-158.
- 17 F. H. Cardoso, op.cit., 1968, 154-185. See also F. H. Cardoso, Mudanças Sociais na América Latina, 1969, 170, DIFEL, São Paulo. According to Newfarmer and Mueller, op.cit., 105: "US manufacturing investments remained sharply concentrated in key manufacturing industries - chemicals, transportation and machinery. They have also been the most dynamic growth industries in Brazil. A Department of Commerce survey found that these three major industry groups comprised well over 75 percent of all net fixed assets held by reporting US manufacturers in Brazil in 1970. Non-electrical and

electrical machinery combined constituted another 11 percent". "Within each of the three major industries that account for the great majority of all US net fixed assets and sales in manufacturing, less than 15 firms control the bulk of US assets and sales". "The same top three industries account for 71 percent of all net fixed assets and 77 percent of all US sales in Brazil".

- 18 T. dos Santos, op.cit., 1969, 56.
- 19 T. dos Santos, op.cit., 1969, 36-37 and 56-57.
- 20 T. dos Santos, op.cit., 1969, 58-59.
- 21 T. dos Santos, op.cit., 1969, 38.
- 22 Among the millionaire groups that controlled the Brazilian economy, 11 (84.6%) of the North American groups included in the sample were among the 500 biggest of the United States; 6 groups of the sample (46%) were among the biggest 200 and among them were the 4 biggest producers of their respective sectors. Among the non-American which constituted the millionaire's sample, 41.6% were among the 500 biggest financial groups outside the United States. In this form, the financial control of the Brazilian economy was ultimately in the hands of the 1000 principal private global economic groups. It is obvious that these figures acquire a different significance if one considers the degree of interrelation among the international groups and their insertion in common holding complexes, centred in family groups in many cases, such as Rockefeller, Morgan, Mellon, Dupont, Wallenberg, Agnelli. See T. dos Santos, op.cit., 1969, 39.
- 23 Newfarmer and Mueller, op.cit., 31.
- 24 Department of State - Bureau of Intelligence and Research - 14th February, 1963 - US Private Investment in Brazil - Research Memorandum RAR - 8, in John F. Kennedy Archives, Boston.
- 25 BIR - Department of State, idem. p.5.
On recommendations for multinational corporations' behaviour in host countries, see W. Baer and M.H. Simonsen, 'American Capital and Brazilian Nationalism', Yale Review, Vol. LIII, No. 2, Winter 1964 (USA), pp. 192-198.
- 26 BIR - Department of State, ibid., pp. 1-2.
- 27 BIR - Department of State, ibid., 2.
- 28 BIR - Department of State, ibid., 3.

29 The Mellon Group operated in Brazil through:

- * Gulf Oil Cia. Brasileira de Petróleo Gulf
- * Westinghouse Westinghouse Elétrica do Brasil
Electric Tratores do Brasil
- * Aluminium of Cia. Alumínio Poços de Caldas
America Alumínio do Brasil S.A.
 Aluminium Limited Sales
 EletroQuímica Brasileira S.A. -
 ELQUISA
- * Pittsburgh Cia. Vidraria Santa Marina
Plate Glass Pittsburgo de Vidros e Cristais Ltda.
 Vidros Corning do Brasil S.A.
- * Koppers Cia. Brasileira de Estireno
Revere Co. Cia. Brasileira de Plásticos Kopper S.A.
 Kopper Comercio e Serviços Ltda.
- * Jones and Cia.
Langhlin Langhlin
International Co. International Co.
- * ARMCO Steel Co. ARMCO Industrial e Comercial S.A.
 ARMCO Tubos.

30 BIR - Department of State, op.cit., 4

31 Brazilian Traction - Light & Power, in which the Morgan group participated with 30% of total assets, operated in Brazil as follows:

- Rio Light S.A.
- São Paulo Light S.A.
- Brazilian Hidroelétrica Co. Ltd.
- Cia. Brasileira Administradora de Serviços COBAST
- Cia. Ferrocarril J. Botânico
- Cia. Telefônica Brasileira
- Cia. Telefônica do E. Santo
- Cia. Telefônica de M. Gerais
- City of Santos Improvement Co. Ltd.
- Fôrça e Luz de Vera Cruz
- Listas Telefônica Brasileiras
- São Paulo Electric Co. Ltd.
- The São Paulo Gas Co. Ltd.
- Society Anonyme do Gaz do Rio de Janeiro
- Cia. Carris Luz e Fôrça do Rio de Janeiro
- Cia. Eletricidade São Paulo e Rio - Cia. Luz e Fôrça
 - Guaratingueta
 - Fôrça e Luz Norte de São Paulo
 - Fôrça e Luz Jacareí e Gurarema
 - Empresa Luz e Fôrça Jundiaí
 - Empresa de Melhoramentos Porto Feliz

31 (contin)

- Empresa Eletricidade São Paulo e Rio
- Empresa Hidroelétrica Serra da Bocaina

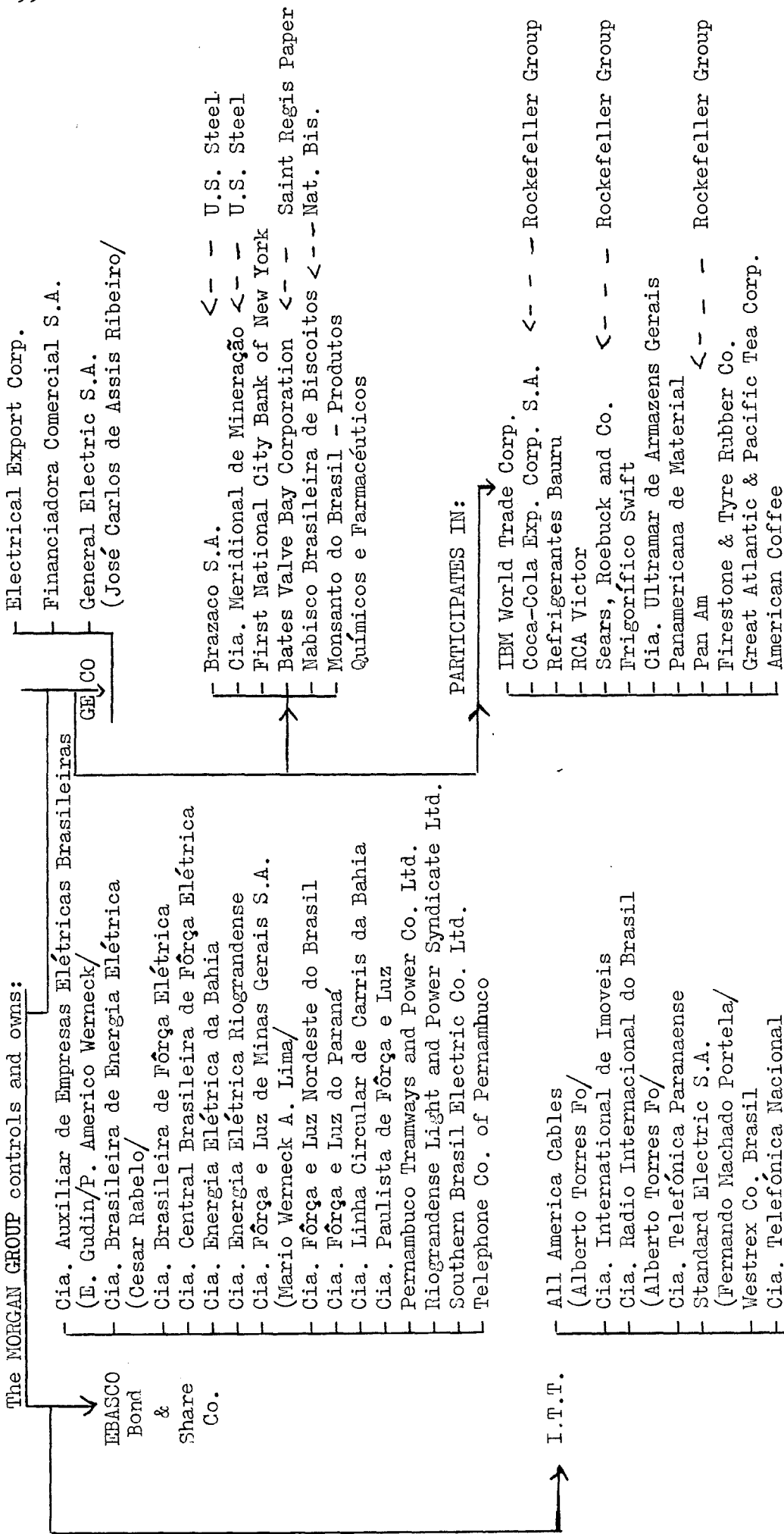
Light S.A. controls 57% of consumption and 54% of power.

32 The Rockefeller group controlled among others:

- * Standard Oil of New Jersey- Esso Brasileira de Petróleo
 - Cia. Marítima Brasileira
 - Brasilmar Meridional de Navegação
 - Cia. Brasileira de Gas - GASBRAS
 - Cia. Ultragás S.A.
- * Atlantic Refining Co.
 - Atlantic Refining Co. of Brazil
 - Empresa Importadora Carioca S.A.
- * Socony Vacuum
 - Socony Vacuum Serviços Técnicos
- * Standard Oil of California
 - Asfaltos California S.A.
- * Texas Co.
 - Texas Oil Co.
 - Transmar S.A.
 - Oleos Galena Signal S.A.
- * Manhattan Chase National Bank
 - Interamericana de Financiamentos e Investimentos
 - Int. Basic Economy Group- IBEC
 - Cargill Agrícola e Comercial S.A.
 - Sementes Agroceres S.A.
 - Empresa de Mecanização Agrícola
- * DELTEC Corporation

The Rockefeller group also participated in:

- * BORDEN Co.
- * ALBA S.A. Adesivos e Laticínios Brasileiros
- * Coca-Cola S.A.
- * Metro Goldwyn Mayer
- * 20th Century Fox
- * Bethlehem Steel Corp. - ICOMI



- 34 BIR - Department of State, op.cit., 6-7.
This data has been coupled with the information provided by the Banas Investment Guides, especially 'Quem Controla O Que' - O Capital Estrangeiro no Brasil, by Roberto Borgeard, Benedito Ribeiro, Regina Lorch and Elisabeth Banas, Editôra Banas S.A., 1961, São Paulo, 2 Volumes, see page 35.
- 35 T. dos Santos, op.cit., 1969, 41.
- 36 Anuario Banas - Bancos, Investimentos e Bolsa, São Paulo, 1964, 44. See also T. dos Santos, 'Foreign Investments and the Large Enterprises in Latin America: The Brazilian Case' in Latin America: Reform or Revolution (Edited by James Petras and Maurice Zeitlin, New York, Fawcett Publications, 1968).
From 1950 to 1964, according to the Statistical Annual of Brazil, the number of banks and agencies increased from 2.596 to 6.878, while the number of main offices decreased from 413 to 328.
- 37 The information used on the relations of financial groups with the agrarian and commercial structure is from H. Ferreira Lima Notas sobre a Estrutura Bancária Brasileira, Revista Brasiliense, Rio, No. 8, p. 147 et passim.
- 38 T. dos Santos, op.cit., 1968, 450-451.
- 39 Newfarmer and Mueller, op.cit., 97.
- 40 Luciano Martins, Nação e Corporação Multinacional, Rio de Janeiro, Paz e Terra, 1975, pp. 81-85.
- 41 Annual Report ADELA, in L. Martins, op.cit., 83.
- 42 Newfarmer and Mueller, op.cit., 112.
- 43 Newfarmer and Mueller, op.cit., 116.
- 44 Newfarmer and Mueller, op.cit., 117.
- 45 Newfarmer and Mueller, op.cit., 117.
- 46 Newfarmer and Mueller, op.cit., 117.

Chapter III: The corporate-political power structure of multi-national capital and its associated interests

Introduction

Stimulated by Kubitschek's policies of development, the multinational and associated interests grew fast and steadily. By 1960 these interests had become the economically dominant socio-economic force. At the same time this process was taking place, a new set of sociopolitical agents emerged in the Brazilian economy and polity. These sociopolitical agents formed a civilian and military modernizing apparatus in charge of the productive affairs and political management of the multinational and associated economic bloc.

This chapter is concerned with the structure of the political class power of the multinational and associated bloc, which was represented in an entrepreneurial, ¹ technobureaucratic and military intelligentsia, composed of three modernizing-conservative ² social agents.

In the new phase of development these three groups, all organic intellectuals, ³ were:

- a) the directors of multinational corporations and the directors and owners of associated interests, many of whom were professionally qualified; ⁴
- b) private managers, technical experts and state executives who were part of the technobureaucracy; and
- c) military officers.

This chapter also examines the political support that the multinational interests received from their own governments, as well as the assistance which the political organizations of the dominant classes of their own base countries gave to multinational companies and associated interests in Brazil.

Finally, this chapter attempts to show the basic organizational forms of multinational and associated class action, expressing the development of their class consciousness. Since the new economic bloc, in spite of its economic ascendancy, lacked political leadership, the new interests were thus excluded from associational representation by the ruling industrial-oligarchic class convergence in power. It was left to the organic intellectuals of the multinational and associated bloc to create and form administrative-political structures capable of providing a parallel representation of interests and new forms of class association outside the established channels. This chapter aims to highlight how the multinational and associated interests attempted to bypass the traditional political and administrative channels of articulation of interests and aggregation of demands, by establishing new loci of economic power within the state apparatus and new forms of communication with the decision-making centres. This chapter is then, a synchronic presentation of social and political agents and their forms of articulation and organization for economic action, rather than a diachronic exposition of the events that marked the period.

I. The organic intellectuals of the new economic bloc

Entrepreneurs and technoentrepreneurs

The obvious sources of multinational and associated power lay, as seen in Chapter II, in their technological strength and command of capital resources. However, the world-wide process of accumulation and annexation, amounting to the formation of 'global monopoly capital' meant not only the concentration of production and centralization of capital ⁵ but also the concentration of corporate-political power. ⁶ As Giovanni Agnelli, chairman of FIAT and co-founder of ADELA remarked: "In a sense, the network of multinational companies represents in embryonic form the central nervous system of an emerging global economic order". ⁷

The structure of such a central nervous system was established within the national social formations of the host countries themselves. Multinational corporations created or favoured in their host countries local 'elites', organically linked by sociocultural ties, standards of living, career aspirations, shareholding interests and economic-political attitudes. An international leadership of entrepreneurs and directors of boards was established. These were dependent on the transnational centres and detached from their own country's pressing social problems and basic solutions. "As members of an international bourgeoisie, they were concerned about growth, but not about national independence". ⁸

In spite of their economic dominance, the strategy of transnational monopoly capital in Brazil and of local industrial-financial concerns to express their interests at national state level was not limited to their economic imposition. It rather depended upon their political action. Control over the policy of the enterprises was ensured by the utilization of Brazilian directors and professionals who accumulated influential state functions and provided political support through their positions.⁹ Their activities, which were related to macro-marketing were geared to ensuring favourable political conditions for production and were determined by the multinational companies' national policies. These professionals and entrepreneurs also accumulated directorships of different multinational and associated companies, thus being able to wield considerable economic pressure in the Kubitschek and Quadros administrations. Politically important examples of this accumulation of directorships by native entrepreneurs were such multinational directors as Antonio Gallotti, João Baptista Leopoldo Figueiredo, Paulo Reis Magalhães, who were to become political articulators of their class against the populist regime and the popular social forces, and of whom we shall hear more in the following chapters. (For their connections and links, see Appendix B). Other influential entrepreneurs were João Baptista Pereira Almeida Filho,¹⁰ João Pedro Gouvêia Vieira,¹¹ Manoel Ferreira Guimarães,¹² and Jorge de Souza Rezende,¹³ directors of many companies which, in the early 1960s would provide funds for the political operations of the multinational and associated bloc, or whose co-directors were leading figures in such political action. As for the professionals, the so-called técnicos

or technocrats after 1964, their professional qualifications and expertise, as economists, engineers, administrators, lawyers, etc., should not obscure the fact that these men held positions in the boards of directors of the big companies. These social agents are hereafter designated as technoentrepreneurs, so as to underline their entrepreneurial function in their wider 'neutral' roles. Their presence in the state political and bureaucratic apparatuses was largely instrumental for the establishment and development of an integrated industrial-financial-state complex of production and domination, which took root in the early 1950s and expanded enormously with the Kubitschek administration. One of the initial roles of the technoentrepreneurs was that of organizing and structuring their own corporations. However, they also became the vanguard of the capitalist class, systematizing particular interests in general terms, i.e., making them 'national'. The technoentrepreneurs with other directors and owners of the multinational-associated interests formed a bourgeois modernizing-conservative economic bloc, which constituted an opposition to the populist industrial-oligarchic economic structure and polity. These technoentrepreneurs were to be central figures in the bourgeois reaction against the popular upsurge of the early 1960s and key articulators of their class in the struggle for state power.

The Techno-bureaucracy

The multinational and associated power bloc included not only influential shareholders and enterprise directors, but their executives, - administrators, managers and technicians -,

and their techno-bureaucratic network of influence within the state apparatus. The leading technicians and administrators of the companies installed in Brazil were immediately responsible for the combination of economic and managerial factors affecting production. These technical experts and administrators did not possess any degree of autonomy and did not form a proper part of the multinational oligopolistic bourgeoisie; rather they represented it. They were the bearers (träger) and legitimators of the internationalization of the economy.

For the purpose of articulating their interests, the multinational and associated interests constituted with the technobureaucratic structure a series of entrepreneurial-bureaucratic rings of power¹⁴ which diminished initially and later displaced the influence of traditional politicians in the formation of economic policy. They were able to sponsor a true 'parallel administration', free of popular scrutiny and populist control during the Kubitschek administration (which is examined in more detail when discussing the techno-entrepreneurial agencies).

The technobureaucratic network of influence within the state apparatus was formed by the upper layers of the public administration and the technical experts of state enterprises and agencies who had operational links and interests with the multinational and associated power bloc. These state executives secured for the multinational and associated interests the channels of policy formation and decision making, organizing public opinion. They extended the capitalist rationale of private enterprise to the solution of national socioeconomic problems, and provided the public counterpart to entrepreneurial

macromarketing in the guise of limited planning and technical recommendations.¹⁵ Such a technical intelligentsia, umbilically connected to the entrepreneurs, both by interests and congruence of values, placed the emphasis on scientific management, prescriptive public administration, formalization and routinization of tasks.¹⁶ The technobureaucratic network expressed the twin aspect of the process of oligopolistic control of the market, i.e. an entrepreneurial approach to developmental problems and the very statement of those problems in capitalistic terms, exemplified by the wellknown development policies of Juscelino Kubitschek.

In the analysis of the 'basic factors' affecting the rhythm of development, public figures who influenced the ideological mainstream of development placed the emphasis on the evolution of the entrepreneurial rationality and on the leading role of private enterprises in the process of growth. For technoentrepreneur Eugenio Gudín, the ideological mentor of a whole generation of entrepreneurial political economists such as Roberto de Oliveira Campos, Mario Henrique Simonsen, Antonio Delfim Netto and Octavio Gouvêia de Bulhões, all the emphasis was to be given to organizational and technical innovations¹⁷ which were then introduced by the multinational corporations. Those values were persistently disseminated and refined by the entrepreneurial organic intellectuals, through seminars and conferences for the 'elites', at the Superior War College, as well as in commercial and industrial associations, clubs of social prestige and cultural centres, and finally through the creation of action organizations which became the foci for their ideological activities.¹⁸

By its very nature, capitalist concentration, with its large scale multinational production which was both regionally diversified and integrated and which utilized the mobilization of enormous resources in capital, specialized expertise and complex equipment, made it necessary for the oligopolistic power bloc to have accurate information for efficient macro-marketing. Planning had successfully resolved production and retailing problems at corporation level in the mid 1950s. By the end of that decade, indicative planning was urged by influential economists, military, technical experts and entrepreneurs as a necessary national endeavour.¹⁹ Indicative planning was presented as an important factor in capitalist development, an element of societal guidance and macroeconomic policy supervision, and the arguments for its institutionalization were hotly debated in entrepreneurial class associations, at the Superior War College and in governmental think tanks.²⁰

Planning was a necessity for monopoly capitalism for another important reason. It was intended to serve two immediate purposes: firstly, to select themes, issues and policies, and secondly, to determine the access, of fractions or sectors, to bureaucratic decision-making centres.²¹ These aims were secured by the allocative aspect of planning. By the late 1950s, Colonel Golbery do Couto e Silva, the most politically able and theoretically minded of the 'cold warriors' fighting for a secure entrepreneurial development of Brazil, stated the point in a precise manner. For him, it was "necessary to avoid, at all costs, any incoherence of the whole in order to guarantee the non-existence of conflict between different objectives, which would in the end impede their simultaneous attainment or preservation and would destroy the system as such".²²

Furthermore, it was as a calculated allocation of resources ²³ that planning was upheld by the entrepreneurial classes. The implementation of indicative and allocative planning meant to intervene in the process of the accumulation of the potential of the multinational-associated interests, serving primarily the purposes of maintaining the complex social system in balance (stabilization policies) and channeling limited resources and savings to both potential industrial bottlenecks and crisis situations. Simultaneously, indicative and allocative planning served to induce new performance characteristics through changes in some of its structural relations, the so-called 'points of germination'.²⁴ The technoentrepreneurs were then able to control the 'evolutive march of the process'.²⁵ At the same time, the projection of planning as a state device, which was engineered by technocrats supposedly void of particularistic interests and class determinations, helped to quell criticisms and pressures from both the ruling populist bloc and from the subordinate classes. Moreover, planning was necessary as the institutional device that concealed interest relations from the reach of the public.²⁶ In fact, indicative and allocative planning, or entrepreneurial rationalization of the nation's human and material resources (where the nation would be the object; the state, the agent and the multinational-associated bloc, the 'elliptic' or concealed subject) would become one of the pillars of the post-1964 regime, when planning was to become a dimension of the 'rationalization of the interests of the dominant classes and the expression of those interests as National Objectives'.²⁷

To accomplish indicative and allocative state planning, government policy had to be founded upon a clear entrepreneurial rationality in policy formation and decision making, removed from populist socioeconomic considerations and largely disregarding popular aspirations. Of course, this demanded a strict control of the state apparatus, unquestioned planning for economic growth and encompassing institutional change, action orientations and resource mobilization.²⁸ In the absence of indicative planning as a cabinet policy and at ministerial level, oligopolistic mobilization of bias, directed research, pre-conceptual standpoints and agenda building, would determine the representation of economically predominant interests from the mid-1950s onwards, throughout Kubitschek's parallel administration.²⁹

The endeavour to introduce the modern concepts of indicative planning and capitalist rationality was to some extent achieved from 1951 to 1953 by the Brazil-U.S. Mixed Commission for Economic Development (established in December 1949) and whose recommendations and projects were published in 17 volumes in 1953-1954.³⁰ The Brazilian team was composed of the technoentrepreneurs: Roberto Campos (Economic Matters); Ary Frederico Torres (President); Lucas Lopes (Technical Questions); Glycon de Paiva (Geological and Mining Matters); and Valentim Bouças (Financial Matters).³¹ Roberto Campos and Glycon de Paiva were also members of the commission which wrote the report, together with the technical expert, Paulo de Assis Ribeiro and Colonel Mario Poppe de Figueiredo, of the Superior War College. In the wake of the recommendations of the Comissão Mista, a series of agencies

and public bodies was subsequently set up, of which the National Bank for Economic Development (BNDE) seems to have been the crucial one.³² The BNDE was set up in order to give financial support to private investors. Beneficiaries of BNDE monetary aid were mostly multinational companies, for whose establishment in Brazil the bank provided the financial backbone. The first economic director of the BNDE was Roberto Campos, while Glycon de Paiva became technical director. Campos was appointed president of the BNDE under Kubitschek. Other technoentrepreneurs who occupied key positions in the policy making structure of the BNDE throughout the period were the technoentrepreneurs: Octavio Gouveia de Bulhões, Lucas Lopes, José Luiz Bulhões Pedreira, and Helio Beltrão.³³

The BNDE played a major role in the economic policies of Kubitschek's internationalized industrial development. Along with other techno-bureaucratic agencies and the executive groups, they became the new loci of power for the multinational and associated interests. It was indeed the analysis of the mixed BNDE/CEPAL and ESG think-tanks in 1953-1954 which provided the guidelines for Kubitschek's Plano de Metas (Target Plan).³⁴ Under the heading of the Target Plan were subsumed the attempts to introduce the kind of entrepreneurial rationality in policy-making which the large-scale operations of trans-national capital required. The plan established priorities for investing national public resources in five key sectors: energy, transportation, foodstuffs, basic industries and education. The policy aims in these five key sectors were translated into 30 goals or 'targets', and the foundation of Brasília was envisaged as the symbol of a new epoch.

Multinational interests were refracted in governmental decision-making as national developmental needs through the development targets. Class power was in this process internalized in the State, under the guise of technical rationality, necessity and expertise (all neutral in connotation), legitimated by executive groups and technoentrepreneurial agencies. Moreover, under the aegis of technical 'rationality' entrepreneurs justified their underlying decision-making process as well as the choice of developmental policies. The 'fifty years in five' slogan, with which Kubitschek exhorted the Brazilian people, expressed the technoentrepreneurs' sense of urgency. Military officers were engaged in planning commissions and think-tanks, as well as in the newly created administrative bodies together with leading technoentrepreneurial figures. The Armed Forces, imbued with the ideology of order and progress were hitched to the wagon of industrial growth, a process of development inspired by transnational interests and guided by the state, where the military provided the efficiency oriented action and the much needed legitimation which the ideology of 'national security' demanded.

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To accomplish state planning, specialized personnel were required, in the persons of the técnicos. They were to be drawn from the ranks of engineers, economists and lawyers, professionals who were not, in general, informed by social considerations, but by entrepreneurial rationality, efficiency and private profit. These técnicos would mostly thrive in an organized entrepreneurial oriented industrial development, while reinforcing the demands and pressures for the implementation of nationally organized marketing. Planning for specific

ends would establish 'an area of independent action' for the planner in the 'twilight zone which separates the politician from the bureaucrat'.³⁶

The demand for qualified personnel would stimulate the multiplication of technical centres throughout the 1950s.³⁷ Within the framework of the Target Plan, education meant the formation of a stratum of technical experts. By 1959, the Executive Group for Teaching and Technical Improvement - GTEAT was set up, as part of the parallel administration.

As a consequence of the ideological and political stance which considered that the stage of development reached by Brazil required the technique, expertise and managerial knowhow which had been evolved in the international centres of capitalism,³⁸ several schools of public and business administration and governmental technobureaucratic agencies were also set up. Their double aim was to prepare cadres for private and public administration as well as to establish policy recommendations and provide legitimate analysis of the economic and political situation, i.e., to operate as entrepreneurial-governmental think tanks. Among them were the Escola de Administração de Empresas (School of Business Administration) founded in 1950; the Instituto Brasileiro de Administração de Empresas (Brazilian Institute of Business Administration); the Instituto Superior de Administração e Vendas (Higher Institute for Administration and Sales); the Office for Economic and Social Planning - EPEA, forerunner of the current Economic and Social Planning Institute - IPEA; the Centres for Managerial Training set up in Rio and São Paulo under the auspices of the American Management Association³⁹ and last but not least two key ideological centres: the Brazilian Institute of Economy - IBRE and the Getúlio Vargas Foundation - FGV, which had been created earlier on.

By the early 1960s the influential IBRE had Eugenio Gudin as its president, and Gouveia de Bulhões as its vice-president. In its Comissão Diretora were Roberto Campos and Alexandre Kafka. IBRE's Centro de Análise de Conjuntura (Centre for Analysis of the Conjuncture) was led by José Garrido Torres, while the Equipe de Estudos da Renda Nacional (Team for Studies of National Income) was under the supervision of Julian Magalhães Chacel.

During the same period, the FGV was staffed by president Luis Simões Lopes, also head of the Directing Council; Gudin was vice-president; Rafael da Silva Xavier and Alim Pedro, Executive Directors; and the Executive Members were: Jorge Oscar de Mello Flores; João Carlos Vital; Alberto Sá Souza de Brito Pereira; Rubens D'Almada Horta Porto, who also served as executive in the state mining complex CVRD - Companhia Vale do Rio Doce, (a joint venture with Cia. Sul America Capitalização, to which Mello Flores was linked) and with SESI - The Social Service of Industry; and José Joaquim Sá Freire Alvim, who by 1963 also served as president of the IBGE - Brazilian Institute of Geography and Statistics (the state's data centre). Other councillors were technoentrepreneurs Brasílio Machado Neto, of the National Confederation of Commerce and of other Commercial Federations of São Paulo; Ary F. Torres; César Reis Cantanhede e Almeida and Carlos Alberto de Carvalho Pinto. Most of these technoentrepreneurs had by the mid-1950s and early 1960s important oligopolistic links, as well as being members of several technoentrepreneurial private agencies and governmental bodies such as BNDE.

The Rio based FGV, jointly with the Brazilian Institute of Economy and the Centre of Analysis of the Conjuncture produced 'Conjuntura Económica' (Economic Conjuncture), an influential monthly on economic affairs. The publication's director was José Garrido Torres; Denio Nogueira was its chief editor. Its editorial staff included Antonio Abreu Coutinho, Eduardo S. Gomes, Alexandre Kafka, Basilio Martins and Estanislau Fischlowitz.

The multinational and associated interests were strongly represented in the structure of technical think-tanks of the early 1960s. By 1962, most of the above mentioned techno-entrepreneurs as well as those technical experts of IBRE and FGV were part and parcel of the ideological and the political decision-making apparatus of the multinational and associated interests in their campaign against the populist class convergence and its executive, or took part in various ways in the organized political action of the bourgeoisie to topple the regime in 1964.

The Military Officers

A small group of officers within the Armed Forces was another category which, since the end of the Second World War, had become a modernizing-conservative cluster in the process of development. Some of the leading figures can be traced historically from their common ideological and military experience throughout the Italian campaign and reinforced afterwards by American schooling. Their common experience was later continued by their affiliation to particular political parties, mainly the UDN, the National Democratic Union, and to a minor degree, the PDC, the

Christian Democratic Party, and by their organization as an ideological and political stronghold in the Superior War College - ESG, of which they were co-founders. Among others, this group included the then middle rank officers Golbery do Couto e Silva, Orlando Geisel, Ernesto Geisel, Aurélio de Lyra Tavares, Jurandir Bizarria Mamede, Heitor Almeida Herrera, Edson de Figueiredo, Geraldo de Menezes Cortes, Idalio Sardenberg, Belfort Bethlem, João Bina Machado, Liberato da Cunha Friedrich, Ademar de Queiroz and generals Cordeiro de Farias and Juarez Távora.

These military officers shared a high degree of value congruence with the technoentrepreneurs, many of whom were regular lecturers at the ESG, where they imbued the school with their own developmentalist values. Among them it is worthwhile recalling Lucas Lopes, Roberto Campos, Eugenio Gudín, Octavio Gouveia de Bulhões. Some prominent figures of the entrepreneurial class associations were also able to put across their case for capitalist industrial development through their lectures and publications. The ESG cluster shared with the multinational and associated interests both the outlook and sense of urgency to transform the pace and direction of the process of growth in the direction of an industrial capitalist society.

But it was not only a question of congruence of values that bridged the positions of entrepreneurs and some of the military officers. It is important to note that already in the mid-1950s and even more so in the early 1960s, military participation in private business was a fact, although not as widespread a phenomenon as their participation in technobureaucratic agencies or as their presence in the board of

directors of multinational and associated corporations after 1964. Military officers were important directors and shareholders of private corporations, ⁴⁰ as exemplified by the cases of General Riograndino Kruehl and General James Masson (Eletrônica Kruehl S.A.); General Paulo Tasso de Resende (Moinhos Riograndenses SAMRIG SA - Bunge & Born group); Brigadier Eduardo Gomes (Kosmos Engenharia S.A.); General Joaquim Ribeiro Monteiro (Cia. Carbonos Coloidais C.C.C. - Wolney Atalla Group); General Edmundo Macedo Soares e Silva (Volkswagen, Mesbla S.A., Banco Mercantil de São Paulo, Light S.A., Mercedes Benz); General Euclides de Oliveira Figueiredo (Industrias Químicas e Farmacéuticas Schering S.A. - Schering Corporation and Assis Chateaubriand Group); General Ademar de Queiroz (Bakol Ind. e Com. Química - Chemische Werke Huels A.B./Ralph Rosenberg Group); Admiral Álvaro Alberto da Motta e Silva (Rupturita S.A. Explosivos - Sociedade Financeira Portuguesa); General Juracy Montenegro Magalhães (Ericsson do Brasil - Enskilda Bank/Wallenberg family). ⁴¹

The ideological rapport between Brazilian military and entrepreneurs and their shared understanding of the ways and means for industrial growth was inscribed in the Brazil-USA Military agreement of 1952. Section 516 of its 'law of Mutual Security' stated the urge to encourage 'the elimination of barriers and to provide incentives for a firm increase in the participation of free private enterprise in the development of the resources of the foreign countries ... (and) ... to discourage as far as possible, and without interfering in the enactment of the aims of this law, the practice of monopoly and cartel which prevails in certain countries ...' ⁴² Bearing in mind the

oligopolistic practices of multinational capital, the provisos of the Military Agreement directed against national state control of strategic resources, had, by the late 1950s, an ironical, if not cynical ring. Brazil was swiftly becoming a 'penetrated polity'.⁴³

Two vehicles were crucial in the process of education and training. One was the Escola Superior de Guerra - ESG (Superior War College) whose thoroughly prepared yearly class trips to the USA crowned a year of directed information. The other was the political complex of US-Brazil military agreements, among which stood out the Military Assistance Program - MAP, and the Mutual Defense Assistance Agreement.⁴⁴ Through these vehicles political-ideological indoctrination neatly overlapped with 'technical' information, combining both into one encapsulated norm which identified the military mind of the Americas with the hegemonic military centre, as well as with a particular form of socioeconomic development.⁴⁵ US-American officers helped to establish the ESG, which was to be the Brazilian equivalent of the US National War College, in 1946-1947. The ESG, which had started operations in 1948, was officially inaugurated in 1949. American officers remained on the regular ESG staff until 1960 and until at least 1970 the US kept a liaison officer with faculty status on its premises. Together with Brazilian staff officers, the US officers "propagated the idea of a US-Brazilian partnership against Communism". The US officers reinforced this orientation; "and after 1947 together with the continual US pounding of Latin America at all levels to be alert to the danger of Communism, they may have supported an expansion of the Brazilian military's definition of Communism and its anxiety

where it was perceived". The position of the US officers in Brazil after the Second World War was propped up by transfers of military hardware. As observed by Raymond Estep in his study on the military in Brazil, "the United States, however, may also have furthered the split in the military between those most associated with the ESG and the nationalists who sought a more independent foreign policy".⁴⁶

The ESG subsumed on Brazilian soil the dominant international 'manichean' beliefs of the 'Cold War'. As an institution, the ESG encouraged within the Armed Forces norms of associated development and entrepreneurial values, i.e., multinational industrial chartered growth and a technically steered state. This state was to be made secure by political authoritarianism subsumed in the doctrine of national security. American ideologies of 'nation-building' were disseminated to the Brazilian Armed Forces, a trend reinforced by entrepreneurial indoctrination.⁴⁷

The ESG operated and disseminated a closed belief system⁴⁸ based on an acceptance of social, economic and political assumptions, rarely made explicit beyond the static vision of a society divided eternally between elite and masses. This belief system reproduced itself within a particular socio-economic formation, with permanent and even natural relations of private property and appropriation as its 'raison d'être'.⁴⁹ This line of thought excluded theoretically and avoided practically any structural transformation⁵⁰ but allowed for conservative-modernization. This approach also excluded the presence of representatives of the working classes, or even of the middle layers as regular or guest lecturers at the ESG.

The case for development at the ESG was propounded only by entrepreneurs, technoentrepreneurs, politicians to a lesser degree and foreign guests, both civilian and military.

The ESG, as a nodal centre of indoctrination for the military of a particular form of national development and security based on the premises of hemispheric capitalism was also instrumental in establishing organic links between military and civilians, both throughout the state apparatus and in private enterprise.⁵¹ Industrialists and technoentrepreneurs linked with the multinational structure transmitted and received training in political management and entrepreneurial goals at the Superior War College. As observed by Celso Furtado, the outlook developed by these industrialists and technoentrepreneurs was quite different from the liberal or populist orientation of elite groups that had been able to come to power through elections. Sharing their military counterparts' ideology of national security, these businessmen viewed discipline and hierarchy as the essential components of an industrial system.⁵²

An example of the extent to which the ESG socialized the most varied political actors within Brazilian 'civil and political society' can be obtained by examining the composition of one of its turmas (classes), that of 1965. The Honoris Causa graduates of the Superior War Course - CSC - were significantly Roberto Campos and General Orlando Geisel, while the Honoris Causa graduates of the Intelligence Course were General Golbery, General Lindolpho Ferraz Filho, Colonel Newton Faria Ferreira and Colonel João Baptista Figueiredo, son of General Euclides de Figueiredo and nephew of entrepreneur João Baptista Leopoldo Figueiredo. The class of 1965 had 130 students. 30 of them

went to the Course of General Staff and Command of the Armed Forces. The participants were all military. 87 went to the CSG and 13 went to the Intelligence Course - CI. Those students who came from military and civilian state agencies and autarquies were distributed as follows:

Table 9

	Military from Civilian Bodies	Military from Military Bodies	Civilian from Military Bodies	Civilian from Civilian Bodies
<u>Courses</u>				
CSG	13	30	-	44
CI	-	8	5	-

Source: List of Students - ESG, 1965 -

About 62 percent of the participants were military. ⁵³

By 1975, the ESG had instructed 1.294 civilians and 1.621 of the military, while ADESC, the association of former ESG alumni disseminated its doctrine to more than 25.000 civilians and military. ⁵⁴ Furthermore, ESG-ADESC introduced their texts as basic study material in other military training and educational centres and civilian courses, notably the university based programme of civil education.

As for the Military Assistance Program, Ambassador Lincoln Gordon acknowledged that it was 'a major vehicle for establishing close relationships with personnel of (the) armed forces' and that it was a 'highly important factor (in) influencing (the Brazilian) military to be pro-United States'. ⁵⁵ In order to

preserve the 'specifically pro-American orientation of (the) officer corps (of the) Brazilian Armed Forces', Gordon recommended that the supply of military equipment should be used to increase the influence ⁵⁶ which 'our friends in the military' have 'on shaping the regime', ⁵⁷ as well as fending off possibilities of linkages with other countries. Moreover, General George Robinson Mather, head of the American Delegation and commander of the US Army section of the Mixed Military Commission Brazil-USA, and Chief of the Military Assistance Program, explained in his address to the ESG, at the beginning of 1964, that the principal threat to which Brazil was exposed was that of "communist subversion and indirect aggression, rather than direct aggression, from outside the Hemisphere". ⁵⁸ Thus, the MAP had, in General Mather's view, as a fundamental goal (objetivo primordial), to "ensure the existence of sufficient military and paramilitary native forces, to combat communist inspired subversion, espionage, insubordination and other threats to internal security, without direct military intervention by the United States and other forces of the free world". ⁵⁹ Against the background of intense political mobilization occurring in Brazil during the early months of 1964, General Mather's address seemed to be a loaded message.

Direct influence of military officers through schooling was also a means of shaping and consolidating the attitude of the Brazilian Armed Forces. Until the beginning of 1964 approximately 4,000 officers and NCOs underwent training in selected schools in the 150 strong circuit of US-American based military centres, in addition to others who went to the training centres of the Panama Canal Zone. ⁶⁰

One result of the close cooperation between civilian and military and between US-Brazilian Armed Forces and security services was the growing conviction within the Army that they ought to play a 'moderator' role in conflicts between fractions of the dominant classes.

The myth of the societal moderating power of the Army has been taken up and legitimated in historical writing by many students of Brazilian politics. But the moderator role was contradicted by the partisan political identification of military officers. Despite the apparent unity displayed by the Armed Forces and their belief in restraining factional political attitudes for the sake of corporate survival, the political activity of the military officers overrode institutional cohesion, even to the point of resulting in overt confrontations within the military organization. Officers in Brazil have been divided politically along the spectrum of right-wing parties and centre-right ideologies, in a broad identification with the 'people', at whose centre were middle class values and dominant bourgeois norms. Partisan identification was so widespread that many of the central figures of the 1961-1964 military conspiracy as well as those of the post-1964 administration were party political leaders, had been electoral candidates for Congress and the Presidency or had publicly identified with certain parties of the centre-right, basically the National Democratic Union - UDN, the Christian Democratic Party - PDC, and the Social Democratic Party - PSD.⁶¹

However, although a politicized and heterogeneous military has been the norm, value-congruence with what can be broadly called the 'masses' of Brazil has been ideologically excluded by schooling or politically condemned by the military hierarchy. Consequently,

not all civilian political actors have been allowed by the 'rules of the moderating game' to appeal to their military 'counterparts'.⁶² The Brazilian Labour Party - PTB - had no significant cooption policies within the military nor made any significant impact upon them. When PTB leader, João Goulart, became president, he followed the unwritten rules of the UDN-PDC-PSD civilian-military relations and strove to establish a similar relationship with the Armed Forces. He also attempted to rebalance the strongly UDN and right-wing PSD biased military structure which had been consolidated in the late 1950s and early 1960s. In doing so, he was seeking support for reform policies through a 'dispositivo militar' leaning strongly towards labour. However, unlike Kubitschek who had done the same thing before him, but with UDN/PSD oriented officers, Goulart was strongly condemned for illegitimately tampering with the Army hierarchy.

In practice, Goulart was breaking the narrow and exclusive limits of civilian-military relations, uncovering them for what they really were, i.e. constitutionally sanctioned military Bonapartism. Nevertheless, and in spite of historical evidence, the myth of the moderating role provided the rationalization for military authoritarian control of the polity after 1964.⁶³

II. Solidarity of interests among the new economic bloc

The basic organizational forms by which the multinational and associated bloc expressed their common interests, broke or pre-empted the associational corporativism of the populist polity. The bloc pushed forward their demands for change and parti-

cipation establishing three different political structures.

These political structures were:

- A) Technoentrepreneurial agencies, such as CBP and CONSULTEC;
- B) Refurbished entrepreneurial class associations (FIESP, CIESP, and the American Chambers of Commerce); class associations expressing the new sectoral industrial activities of the Brazilian bourgeoisie (ABDIB) and new general entrepreneurial class associations (CONCLAP);
- C) Action groups of the modernizing-conservative entrepreneurial interests, the most important of them being IBAD.

A) The Technoentrepreneurial agencies

Private technoentrepreneurial agencies were created alongside the governmental technobureaucratic institutions. These technoentrepreneurial agencies (escritórios técnicos) were a logical consequence of the entrepreneurial awareness of the need for planning, technical expertise and efficient administration, which specialized agencies seemed able to provide. They had the ostensible function of providing necessary technical expertise and advice, and the execution of feasibility studies as well as legal counselling. The technoentrepreneurial agencies were also consultant firms for the multinational and associated interests, which were penetrating a new market and having to deal with what seemed a complicated populist legislation and an intractable bureaucracy. Some of the relevant agencies are listed below.

TechnoentrepreneursTechnoentrepreneurial agency

Juan Missirlian	T.O.C. - Técnica de Organização e Consultoria
David Beatty III	Técnica de Avaliações e Pesquisas VALIT Ltda. (Deltec S.A./Deltec Corporation)
Octavio Pereira Lopes Lelio Toledo Pizza	IDCRT - Instituto de Organização Racional do Trabalho
Paulo Ayres Filho	BCRA - Bureau de Organização Racional Aplicada Ltda. (Instituto Farmacêutico Pinheiros)
Frederico Augusto Schmidt	Estudos Técnicos Europa-Brasil S.A. (S.A. des Chaux et Cements de Lafargue et du Teil; Société des Gerances et Participations Financières; Worms et Co; Potasse et Produits Chimiques S.A.; Soc. Generale Maritime; Fabrique de Produits Chimiques de Thann et de Mulhouse; Société des Produits Chimiques des Terres Rares).
Eduardo Caio da Silva Prado	Technical Assistance & Administration (Grace Mercantil Ltda.)
João Batista Isnard de Gouveia	E.T.A. - Estudos Técnicos e Administração S.A. (Cie. Financière et Industrielle Intercontinentale COFICO; Société d'Etudes de Participations et d'Enterprises Industrielles SEPES; N.V. Handel Industrie Transport Maatschappij HTMA).
Ary Frederico Torres	I.P.T. - Instituto de Pesquisas Tecnológicas
Luis Simões Lopes Lucas Lopes	CETAP - Comp. de Estudos Técnicos, Administração e Participações (Banque de l'Indochine - holding of Companhia de Estanho São João del Rei; Cia. Estanho Minas do Brasil)
João Baylongue	J.R.B. Administração e Organização
Paulo Mario Cerne Oswaldo Zanelli	Cia. Aliança Comercial e Industrial e Serviços Técnicos
José Carlos Leone	José Carlos Leone e Associados - Consultores Industriais
Anibal Villela	BRASTECC - Sociedade Brasileira de Serviços Técnicos e Econômicos Ltda. Escritório Técnico de Aplicação ao Brasil do Ponto IV (Vega Engenharia e Comercio S.A.; Investor in Mineração de Amianto S.A.) S.A. Brasil Europa Estudos e Participações (Int. Bahamas; The Royal Bank of Canada)
Milton Cesar Efraim Tomas Bo	CONSEMP - Consultores de Empresas

By fulfilling these functions, the technoentrepreneurial agencies were part of the first stage of collective consciousness, that in which reforms were sought by individual members of the class in relation to their private interests. But they also bridged the passage to the increasing solidarity of interests among the multinational and associated bloc, and thus expressed a second stage of collective consciousness, that in which solidarity of interests is expressed in the search for common economic reforms through the machine of the state and within the limits of the existing regime.

In reality, the technoentrepreneurs' technical role encompassed a wider political function, that of acting as power brokers within the parallel administration. The technoentrepreneurial agencies provided a very important link in the articulation of interests of the multinational and associated bloc. It was through the various technoentrepreneurial agencies that the multinational and associated bloc established the earlier mentioned bureaucratic-entrepreneurial rings in their interaction with the state administration. These rings were able to advance their concrete economic interests and to secure reforms within the limits of the existing populist historical bloc, by outflanking the corporatist associational structures. In this respect, one of the most interesting and politically important technoentrepreneurial agencies was the Consórcio Brasileiro da Produtividade - CBP (Brazilian Consortium for Productivity). The CBP was among the most active and authoritative agencies advocating the introduction of planning techniques in private and public enterprises, as well as in public administration.

In the late 1950s, the CBP interacted with the state apparatus and the parallel administration through the BNDE, whose president at the time was Roberto Campos. The CBP had offered its services as an advisory technical agency for specific studies.⁶⁴ Other state agencies were interested in the CBP's services.⁶⁵ Among them were the Executive Group of the Automobile Industry - GEIA, the Brazilian Oil Institute, the Industrial and Agricultural Credit Agency (Carteira de Crédito) of the Banco do Brasil, the Income Tax Office. The CBP also offered its services to municipal authorities, such as the Council for Economic Development of the Municipality of Santo André. Class associations were among the CBP's clients, such as the National Centre of Industrial Productivity - CENPI, of the National Confederation of Industry, the Industrial Federation of Rio de Janeiro. The CBP also worked with state governments, seeking contact with prominent political and bureaucratic figures of the states such as Cid Sampaio of Pernambuco, General Juracy Magalhães of Bahia, Carvalho Pinto and José Bonifacio Coutinho Nogueira of São Paulo, Tancredo Neves and Eneas Nóbrega Fonseca de Assis of Minas Gerais.⁶⁶ In the state of Minas Gerais, the CBP established working relations with the Companhia Agrícola de Minas Gerais - CAMIG, the Japanese-Brazilian state joint venture USIMINAS, the Frigoríficos de Minas Gerais - FRIMISA, the Rede Mineira de Viação, one of the railway systems of Minas Gerais, and FAREMG. The CBP also sought the support of individuals of prestige for its contacts with the private and public companies and agencies, such as UDN leader and entrepreneur Herbert Levy and Colonel Macedo Soares, who was considered by

the CBP members to be a 'great apologist of productivity'.

In the same period, the CBP established working relations with national oligopolistic enterprises, such as Votorantim S.A. (José Ermirio de Moraes group), commercial groups such as Casa José Silva and expanded considerably its connections with the multinational bloc.

The CBP was also a type of umbrella organization for a number of technoentrepreneurial agencies, pulling their resources together. Some of the individuals and agencies that integrated the CBP were:

- * Alfredo Goulart de Castro Filho, of ORGAMEC S.A.;
- * Afonso Campiglia, director of the Department of Productivity of the Federation of Industries of Rio de Janeiro;
- * Álvaro Porto Moitinho, of Racionalização-Administração-Auditoria, who was also a director of SEMAC, the National Service of Commercial Apprenticeship;
- * Cesar Cantanhede, of Organizações Serviços Hollerith, where he was linked to V. Bouças; he was also president of Organização e Engenharia S.A.; executive of the FGV;
- * João Carlos Vital and his team of technical experts, to which was linked the technoentrepreneur Helio Beltrão; executive of the FGV;
- * Paulo de Assis Ribeiro and his team of technical experts;
- * Paulo Accioly de Sá, director of Organização-Racionalização-Planejamento, ORPLAN S.A. (once the president of the CBP).
- * Rubem D'Almada H. Porto, member of IDORT and founder of Agir Editôra, an important outlet and printing house for the organic intellectuals in 1962-1964; executive of the FGV.

Moreover, the following were also part of the CBP network:

Roberto da Silva Porto, C.T. Javes, Humberto Porto, Oswaldo Zanelli, Paulo Mario Cerne, Fernando Lacerda de Araújo, Mario Lorenzo Fernández, Luiz da Rocha Chataignier, José Gomes Coimbra Jr. and Pedro Velho Tavares de Lyra. At the suggestion of

Paulo de Assis Ribeiro, both Wanderbilt Duarte de Barros and Paulo's brother Carlos de Assis Ribeiro, of General Electric do Brasil, were incorporated into the CBP, as well as two other technoentrepreneurial agencies: Geofoto, which dealt in mineral survey, and Henry Maksoud's technical team, Hidrologia.⁶⁷

Indeed, the CBP counted upon some of the most distinguished and well-equipped technoentrepreneurial agencies and a most powerful network of political, bureaucratic and entrepreneurial contacts. However, in spite of the dissemination of conservative-modernizing capitalistic values, the populist polity in which they were expected to be established led to considerable frustrations for the 'rationality' seeking power bloc. By the early 1960s, bourgeois awareness of populist sociopolitical and ideological constraints was reaching new stages. The technoentrepreneurs had to acknowledge that, in order to implement a particular form of 'national planning', they needed to ensure social peace and hold political command, i.e. to control the state. The technoentrepreneurs would then take part in the organized action of the bourgeoisie to break the class convergent populist polity and take state power in 1964.

CONSULTEC: a case study of bureaucratic-entrepreneurial entrenchment

By far the most outstanding and successful technoentrepreneurial agency and a bureaucratic-entrepreneurial ring in its own right was the Sociedade Civil de Planejamento e Consultas Técnicas Ltda. - CONSULTEC, also known as Companhia Sulamericana de Administração e Estudos Técnicos. CONSULTEC was outstanding for the professional quality of its members, successful for their political weight and active 'administrative advocacy', their widespread penetration into the techno-

bureaucratic channels and their connections with the power cluster of multinational and associated concerns to which their individual members belonged.⁶⁸

CONSULTEC: The Technoentrepreneurial agency

CONSULTEC provided channels to bypass both the traditional corporatist state agencies of interest articulation and congress. By establishing direct connections with state agencies, it avoided public scrutiny and the need to be accountable to popular demands or other pressures.

CONSULTEC's activities ranged from advising on loans demands made by multinational companies to the BNDE, to the writing of public speeches; from preparing law projects, decrees and regulations, to securing commercial agreements. CONSULTEC even prepared the programme presented by Prime Minister Tancredo Neves to Parliament in 1962,⁶⁹ as well as the Government's plan on oil for which the technoentrepreneurial agency was also chosen by the Prime Minister.⁷⁰

CONSULTEC's technobureaucratic position and individual economic links were especially useful to the mining, oil, energy and transport interests which they served as consultants. CONSULTEC had a crucial role in the BNDE-SUMOC-CACEX, the key agencies for multinational and industrial growth during the Kubitschek years. A survey of loans conceded by the BNDE and of the recommendations and economic studies which instructed those loans showed that more than 50% of such evaluations (pareceres) were sponsored by CONSULTEC.⁷¹

That entrepreneurial interests handled through CONSULTEC would meet with obvious success is clear once the individuals who made up the team and their technobureaucratic positions are known to us.⁷²

Some of the most important members of CONSULTEC were:

- * Roberto Campos President of BNDE; member of GEMF - Executive Group for the Export of Iron Ore; member of CDE; roving ambassador under President Janio Quadros and Ambassador to the United States under President João Goulart; lecturer at the Superior War College - ESG. Throughout his political career, Campos has been linked to Hanna Mining, Bond & Share, Camargo Corrêa Construtores, Mercedes Benz and Banco de Desenvolvimento Comercial. 73
- * Vitor da Silva Alves Filho Director of BNDE.
- * Miguel Osorio Almeida Minister for Economic Matters at the Brazilian Embassy in Washington and Itamaraty official.
- * J.O. Mello Flores Executive of FGV and director of Banco Hipotecário Lar Brasileiro, Sul América Seguros, Mecânica Pesada S.A. (Westinghouse, Cia. Siderúrgica Belgo Mineira, Schneider et Cie., S.A. de la Challeassière) and Sulacap.
- * Frederico Heller Economic Editor of O Estado de São Paulo (Julio de Mesquita Filho's national newspaper).
- * Edmar de Souza Head of the Administration Sector of BNDE.
- * J.L. Bulhões Pedreira BNDE counsellor; director of COPLAN, the governmental Planning Commission; director of the Federal Railway System-RFF; and of the Hanna Mining Complex.
- * Eduardo Silveira Gomes SUMOC advisor and editor of 'Conjuntura Económica'.
- * Admiral Aniceto Cruz Santos LLoyde New York and Comissão Marinha Mercante (Merchant Navy Commission).
- * Denio Nogueira FGV, Conjuntura Económica and Head of Cabinet of Gouveia de Bulhões; lecturer, Superior War College.

- * John Cotrim Director of Centrais Elébricas de Furnas.
- * Gabriel Ferreira Filho Lawyer of BNDE.
- * Mario Henrique Simonsen Head of the Economic Council of the National Confederation of Industry (CNI), executive and lecturer at FGV.
- * Augusto Tito de Oliveira Lima R. Campos' relative.
- * Harold Cecil Polland Cia. Metropolitana de Construções; Banco Portugues do Brasil; Unitor S.A. Com. e Ind. de Soldas Elébricas.
- * Jacinto Xavier Martins RFF
- * Teodoro Onega Rio based National Institute of Technology.
- * João Batista Pinheiro Itamaraty official, GEMF and director of BNDE.
- * Mario Abrantes da Silva Pinto Director of the Department of Mineral Production; Technical Advisor of CACEX and GEMF; member of the Comissão de Estudos e Projetos Administrativos, of the Presidency (Commission for Administrative Studies and Projects).
- * Alexandre Kafka FGV; International Monetary Fund and National Council of Economy; Lecturer, Superior War College.
- * J. Garrido Torres SUMOC, BNDE, FGV, Conjuntura Económica; Interamerican Development Bank and National Council of Economy; Lecturer, Superior War College; banker
- * Helio Schlittler Silva Advisor to BNDE's directorship.
- * João Alberto Leite Barbosa Editor of Boletim Cambial an economic pace-maker; editor of the economic section of O Globo (one of Rio de Janeiro based most influential national newspapers belonging to the Marinho group); vice-president of the Commercial Association of Rio de Janeiro.
- * Glycon de Paiva Cia. Vale do Rio Doce - CVRD, BNDE; lecturer, Superior War College; ADESC and multinational entrepreneur.

- * Mauro Thibau CEMIG - Centrais Elétricas de Minas Gerais.
- * O. Gouveia de Bulhões SUMOC, GEMF; Lecturer, Superior War College.
- * A. Abreu Coutinho GEMF; Conjuntura Económica; Division Head of SUMOC, in charge of the Balance of Payments Sector.
- * Lucas Lopes CEMIG, CVRD, BNDE; Minister of Transportation under Café Filho and Minister of Finance under Kubitschek; Lecturer, Superior War College and Hanna Mining director.
- * Rodrigo Pessoa Lopes son of Lucas Lopes and son-in-law of Kubitschek.
- * Aldo Franco Maciel CACEX; head of SUMOC.
- * Other members were Alfredo Pessoa, Eduardo L. Gomes, José Cruz Santos, José Soares, Sarmento Barreto and Carlos Moacyr Gomes de Almeida.

Linked to CONSULTEC were several other important bureaucratic and political figures, such as, Henrique Alves Capper de Souza (CACEX) and Arnaldo Walter Blank (CEXIM, Bethlehem Steel).⁷⁴ From the list of names, it is clear that CONSULTEC was a classic example of bureaucratic entrenchment with the agency's personnel overlapping in state autarquies and agencies, multinational companies and public think-tanks.⁷⁵ CONSULTEC, so important in the parallel articulation of entrepreneurial interests throughout the 1950s, would, in the early 1960s, be central in the effort to break the populist regime. Many of its key members would serve in the central policy and decision-making bodies of the entrepreneurial organic intellectuals in their two-fold capacity as entrepreneurial revolutionaries and advocates of capitalism within the state apparatus.

The core of CONSULTEC spawned a significant technoentrepreneurial and political bureaucratic organization: APEC - Analise e Perspectiva Económica (Economic Perspective and Analysis). APEC was formed by a group of economists, government administrators and entrepreneurs. As in the case of other technical agencies the three roles of the APEC members overlapped. These technoentrepreneurs intended to create a specialized publication of high technical quality which had the 'aim of defending public and private interests' (sic). Their decision was justified by what they perceived and proclaimed as the 'threat of ideologies and ideologues' that sought to place Brazil on a course they believed would lead to a totalitarian society.⁷⁶ APEC was constituted under the guidance of and with the participation of Roberto Campos, M.H. Simonsen, O. Gouveia de Bulhões, J. Garrido Torres, Aldo B. Franco, Admiral A. Cruz Santos, Glycon de Paiva, Lucas Lopes (president in 1964), F. Heller, A. Kafka, V.A. da Silva Filho, D. Nogueira, T. Onega, Edmar de Souza, Gabriel Ferreira Filho, A. Pessoa, J.O. Mello Flores, J. Batista Pinheiro, J.L. Bulhões Pedreira, Carlos Moacyr Gomes de Almeida, Sergio Pinho Mellão, all of whom were in leading positions of the organization by 1964.

As it developed, APEC recruited from and linked itself to some key public functionaries and important entrepreneurs, thus becoming a sort of top forum of the modernizing-conservative economists, ideologues and technobureaucrats. Among them should be included Raul Fontes Cotia (BNDE); Mircea Buescu; Ernane Gálveas (BNDE); João Paulo dos Reis Velloso (EPEA); Iberé Gilson (director of COSIPA and vice-president of the Brazilian Railway System).

APEC was based on an economic structure of 200 shareholders, ⁷⁷ many of whose members were interlinked through business association. At the height of its power it was composed of a team of over 150 técnicos and collaborators of various kinds. (See the list of collaborators in Appendix D). Later on, it was to organize ASAPEC, a professional body of advisors on economic matters for private enterprises and public agencies.

APEC was a source of important publications dealing with the economy, public enterprises and the role of private capital in the development of the country, disseminating its view among entrepreneurs and shaping their ideological position. In this, APEC epitomized another facet of organized class efforts to win the ideological and political battle against the populist power bloc and the state apparatus at large, as well as directing its propaganda efforts against the intellectuals of the subordinate classes. Several of the APEC members were associated in different ways to the Superior War College, in the capacity of students, lecturers or occasional guest speakers, thus having an exceptional advantage in propagating their views within the military. APEC members would acquire singular importance in the ideological and political campaign which the multinational-associated power bloc was to wage up to April 1964 and most of them would be part of the militant action of the organic intellectuals of the dominant classes against Goulart's executive. Together with CONSULTEC and CBP members they would have important functions within the post-1964 government, preparing studies and policy suggestions and as personnel in charge of the reshaping of the political economy of the new regime.

CONSULTEC: The entrepreneurial-bureaucratic ring of power

CONSULTEC was crucial, among others, for the handling of the Hanna Mining Co. affairs in Brazil. Other important clients were Brazilian Traction, Light and Power and Bunge & Born.⁷⁸ Its 'technical' role and economic-political function was to be understood from the proceedings of the Parliamentary Inquiry Commission - CPI, of the Chamber of Deputies, established to investigate the activities of the Hanna Mining Complex in Brazil. Through CONSULTEC, the narrow economic interests of the Cleveland, USA-based complex, comprising close to 30 companies operating in mining, metallurgy and related activities, were articulated in the broadest possible 'technical' sense within the state apparatus.

According to General Antonio Bastos, former member of the National Oil Council and engineering coordinator for the Hanna Mining Co., the latter paid CONSULTEC three million dollars for one of the most important mining projects, that of Aguas Claras.⁷⁹ (The reserves of the Minas Gerais iron ore region (Quadrilátero Ferrífero) had by then an estimated reserve worth 200 billion dollars).

Contact was established for this project with CONSULTEC members, among others Kubitschek's Minister of Finance, Lucas Lopes, himself a director of the Hanna Mining Complex; and also with Roberto Campos (BNDE), Mario da Silva Pinto, head of the National Department for Mineral Production in Brazil and Mauro Thibau, of CEMIG. In a letter to General Nelson de Mello, then Head of the Military Household of President J. Kubitschek, and Secretary of the Council for National Security (later Minister of War), Lucas Lopes communicated that "a group of planning, of

which I am a consultant, was sought by representatives of Hanna Co., so as to obtain economic and technical orientation for the execution of a program of iron ore export".⁸⁰ And he added in a separate note: "The president (Juscelino Kubitschek) told me he would be grateful for all that could be done in favour of the ores of Morro Velho".⁸¹

For the exploration of the Morro Velho ores, Hanna Mining joined the Cia. de Produtos Alimentícios Morro Velho S.A., directed by Fernando de Mello Viana Fo, of the Ferrostaal group, to form the Mineração Morro Velho S.A. As for the ores of Agua Claras, General Bastos explained that the Hanna Project would be conducted by Mineração Agua Claras S.A., a consortium of English, German, and American Steel Mills.⁸² General Bastos forwarded the information that the Hanna project conformed ipsis literis to Document No. 18 of the National Council of Development. It is highly probable that, in reality, it was Document No. 18 which conformed ipsis literis with the Hanna project. After all, most of the individuals that had drafted Document No. 18 were CONSULTEC members and CONSULTEC members were Hanna Mining directors.⁸³

How did Document No. 18 emerge? On the 25th February, 1957, Kubitschek formed a Commission for the purpose of analyzing the problem of mineral ore export incentives. The commission included the Ministers of Transportation and Agriculture, the secretary of the National Security Council, the secretary of the Council for Development, the heads of the Foreign Exchange Department (Carteira de Cambio) and the Department of Foreign Trade (Carteira de Comércio Exterior - CACEX), of the Banco do Brasil, the president of the Companhia Vale do Rio Doce, and

a representative of the mining entrepreneurs, under the presidency of the Minister of Finance. The absolute majority of the members of this commission belonged to the cadres of CONSULTEC. The document was ready on the 8th August, 1957. Through the document, Hanna Mining, besides other facilities would be the recipient of: a) special and guaranteed favourable exchange rates for their operations; b) satisfactory security for the remittance of interests and royalties, keeping a coverage for minimum earnings; and c) the mineral ore would leave Brazil under the lowest price in the international market. The person directly responsible for the drafting of this document was none other than CONSULTEC member and Head of the Department of Mineral Production, Mario da Silva Pinto. To execute Document No. 18, the Minister of Finance, José Maria Alkmim (a PSD associate of President Kubitschek) submitted it to the latter who then subscribed in transforming the document into Decree No. 42.020 on the 10th August, 1957, two days after being submitted. This decree also created within the Council for Development, the Grupo de Exportação de Minerio de Ferro - GEMF (Executive group for the export of iron ore), which was responsible for the coordination of studies, agreements and negotiations dealing with mineral ore. Not surprisingly, GEMF was constituted by: Minister of Finance, Alkmim; the Secretary of the National Security Council, General Nelson de Mello; the secretary of the Council for Development, Lucas Lopes; the director of the Department for Export and Import of the Banco do Brasil - CEXIM, J. I. Tosta Filho; the director of the Carteira de Cambio of the Banco do Brasil, P.A. Pook Correia; the director of the Department of Mineral Production, M. da Silva Pinto;

the director of the Federal Railway System, initially Geraldo Mascarenhas and later J.L. Bulhões Pedreira; and the director of the BNDE, Roberto Campos. As coordinator of the GEMF was placed J. Batista Pinheiro, another CONSULTEC member. Other participants of the GEMF were O. Gouveia de Bulhões and A. Abreu Coutinho, both CONSULTEC members.⁸⁴ Moreover, for the development of its plans and projects, the Hanna Mining Complex sought the help of individuals of recognized influence. The group that constituted the 'General Staff' of the Hanna Mining Complex in Brazil included:⁸⁵ John W. Foster Dulles, son of the US-American secretary of state J.W. Foster Dulles and nephew of Central Intelligence Agency head, Allen Dulles. He served on the boards of directors of Mineração Aguas Claras.⁸⁶ Another influential and well-known name was Herbert Hoover Jr., son of the late US-American president and former under-secretary of state with General D.D. Eisenhower. As shareholder of St. John del Rey he came to Brazil in 1960, at a time when Foster Dulles began to establish political contacts for the forthcoming presidential elections where Janio Quadros was a candidate. Hoover would soon after become director of Hanna Mining Co.⁸⁷

Among Brazilians, or locally based influential figures, Hanna Mining counted first and foremost upon Lucas Lopes, member of the board of directors of the Hanna Mining Complex and of a number of other important corporations.⁸⁸ Other directors were: J.L. Bulhões Pedreira, of Cia. Mineração Novalimense, Mineração Hanna do Brasil Ltda., Mineração Curral del Rey Ltda. and Mineração Aguas Claras Ltda.; Arthur Bernardes Filho, of Mineração Hannaco and president of the Republican Party as well as director of other multinational concerns,⁸⁹ and Alberto Torres Filho, director of Cia. Mineração Novalimense, Mineração Hanna do

Brasil Ltda., Pesquisas Mineraias Meco Ltda., Mineração Curral del Rey Ltda., and Mineração Aguas Claras Ltda. A. Torres Filho was also director of a number of powerful multinational corporations and associated enterprises.⁹⁰ Still, in an executive or advisory capacity were linked the following: E.M. Irving; Robert Clark Wallace; H.C. Watson; Benedito Munhoz Carvalho; B. Novitt Weber; Pedro Maciel; Antonio Falabella de Castro; Roberto Campos; Dario de Almeida Magalhães; Mauro Thibau; M. da Silva Pinto; Vicente Rao (of Banco Francês e Italiano para a América do Sul); Jurist Francisco Campos; Jurist Pontes de Miranda and Jurist Orozimbo Nonato, minister of the Federal Supreme Court and one of the four jurists consulted for the Constitution of 1967.⁹¹ Furthermore, Hanna had interlocking directorates with some of the major financial, industrial and commercial complexes operating in Brazil, including the Rockefeller group; the Mellon group (ALCOA); and Morgan Guaranty Trust Co., (ITT and General Electric).

However, in June 1962, Gabriel Passos, Minister of Mines and Energy under the national-reformist government of João Goulart, ordered the cessation of the activities of the Novalimense, a Hanna Mining subsidiary, as part of an attempt to curb the company's extraordinary corporate-political power. The 'Hanna case' had begun and would be at the centre of discussion throughout the period of Goulart's administration. The case was to become the symbol of the 'entreguista-nacionalista' polarization of Brazilian politics, together with the attempts to nationalize the Bond and Share interests in the State of Rio Grande do Sul, by governor Leonel Brizzola.

The political action of the Hanna Mining Complex would be felt in many more ways than through traffic of influence. In 1963, for example, Hanna (along with a Walter C. Lawson) funded a conference on 'The Political-Military Defence of Latin America' at Arizona State University's Bureau of Governmental Research. A participant in that conference, US Army Lieutenant Colonel Theodore Wyckoff, warned that the communists all over Latin America were 'getting ready to strike when the time is ripe' and that 'an anticommunist counteroffensive may provide a far better defence for free peoples and institutions than any passive measures'. Hanna's contribution to this 'counter-offensive' structured by the entrepreneurial elite, included the provisions of trucks for the Minas Gerais troops that launched the 'Revolution' of 1st April, 1964.⁹²

B) The Class Associations

New conditions for development in the 1950s, and the perception by the multinational and associated entrepreneurs of their common interests in the modernization of the country and the need for the establishment of appropriate channels for their increased penetration stimulated a rapid expansion of associational coverage, and experimentation with new forms of interest organizations.⁹³ The newly found solidarity of interests among the multinational and associated economic bloc was expressed by refurbished and new class associations, which provided active economic assistance and oriented the entrepreneurial class on legislative, administrative, productive and wider political matters. Moreover, these class associations of modernizing-conservative entrepreneurs and techno-entrepreneurs functioned, in effect, as lobbying agencies, reaching

their highest political expression in their attempts at sharing government with traditional socioeconomic forces in the Quadros presidency of 1961. Most of the existing class associations, such as, the National Confederation of Industries - CNI, the Commercial Associations and Federations of Industries of the various states were in the mid-1950s under new management, as the oligarchies of ageing merchants (often Portuguese), commercial bankers and local industrialists were replaced by a more aggressive, younger group of entrepreneurs, who were less tied to export and foreign commercial interests.⁹⁴ They represented instead the new forms of industrial and financial interests, both multinational and associated.⁹⁵ Moreover, the existence of these class associations expressed the higher stages of collective consciousness reached by the entrepreneurial interests. The corporate protection of their economic affairs gave way to the political advancement of their economic interests.

Three of the most important foci of political pressure, where multinational and associated interests predominated were the renewed Federation of Industries of the State of São Paulo - FIESP and its twin organization the Centre of Industries of the State of São Paulo - CIESP, the Federation of American Chambers of Commerce of Brazil and CONCLAP, the National Council of the Producing Classes.

FIESP/CIESP had been born in the late 1950s as the expression of the structural differentiation occurring within the dominant classes, when the industrialists left the Commercial Associations seeking greater representative specificity. By the early 1960s, FIESP/CIESP had become significant channels of representation for the big local industrialists, mostly associated with

multinational corporations, as well as for some of the multinational concerns themselves.⁹⁶ Among the individuals and corporations represented in FIESP/CIESP by 1964 were:

*Rafael Noschese, president, Empresa de Mineração Esperança.

*José Ermirio de Moraes Filho, 1st vice-president, Grupo Votorantim.

*Mario Toledo de Moraes, 2nd vice-president, Cia. Melhoramentos de São Paulo Ind. de Papel; Cia. Universal de Fósforo British Match.

*Lelio Toledo Pizza e Almeida, VEMAG S.A. Auto Union GmbH; Banco Novo Mundo.

*Eduardo Garcia Rossi, Reila Refratarios.

*Oscar Augusto de Camargo, Duratex S.A., Maluf Group.

*Jorge Duprat de Figueiredo, Nadir Figueiredo Ind. e Com. S.A.

*J. Soares do Amaral Netto, secretary, Centrais de Concreto do Brasil.

*Nelson de Godoy Pereira, treasurer, Cia. Luz e Força Santa Cruz.

*Daniel Machado de Campos, Commercial Association of São Paulo.

*Egon Felix Gottschalk, S.A. Moinho Santista Indust. Gerais.

*Georges Schnyder, Cia. Bras. de Construção Fichet & Schwartx-Hautmont.

*Gilberto Wack Bueno, Sociedade Técnica de Materiais S.A. SOTEMA.

*Joaquim Gabriel Penteado, Ind. e Com. Dako do Brasil S.A.

*Luiz Rodovil Rossi, Auto-Comercio e Industria, ACIL ltda.

*Humberto Reis Costa, Cia. Fiação Pedreira.

*César Augusto de Camargo Pinto, Anderson Clayton Co. - ACCO.

*Peter Murany, P. Murany Ind. e Com. S.A.

*Francisco de Paula Machado de Campos, SANBRA - Bunge & Born Banco Geral de Finanças.

*Mauro Lundberg Monteiro, Refinaria Nacional de Sal S.A.

*Hernani Azevedo Silva, Cia. Bras. de Estireno; Cia. Comercial Brasileira S. A. - Grupo Simonsen; Eletro Metalurgica Abrasivos Salte S.A. Carborundum International.

*Waldemar Clemente, Walita S.A. Eletro Industrial;

*Francisco de Salles Vicente de Azevedo, Porcelite S.A. Cerâmica Sanitaria.

*Antonio Carlos Pacheco e Silva, Armações de Aço Probel S.A.

*Luiz Antonio da Gama e Silva, Cia. Prada Indústria e Comércio.

*Paulo Reis Magalhães, Cooperativa Central dos Produtores de Açúcar e Alcool - COPERSUCAR.

Other central figures of FIESP were: Jorge de Souza Rezende; José Villela Andrade Jr.; Francisco da Silva Villela; Mario F. de Pierro; Theobaldo de Nigris; Raniz Gattas; Mario Amato; Orlando Laviero; Fuad Haddad (representative of CIESP, Araraquara) and E. Pereira Lopes (representative of CIESP, São Carlos).⁹⁷

CIESP, which to a large degree overlapped with FIESP in its membership and goals, relied upon the energies of a number of people:

President: Rafael Noschese.

Consultative Directorship: A.C. Pacheco e Silva; Lucas Nogueira Garcez; Luiz Dumont Villares; Luiz Eulalio Bueno Vidigal; Othon Alves Barcellos Correa; Paulo Quartim Barbosa and Sebastião Paes de Almeida.

Plenary Directorship: Gal. Edmundo de Macedo Soares e Silva; Luiz Antonio da Gama e Silva; Paulo N. Albright; Paulo Ayres Filho; Salim Abdalla Chamma.

Honorary Presidents: Humberto Reis Costa and José Ermirio de Moraes.

Executive Directors: Rafael Noschese; José Ermirio de Moraes; Manoel da Costa Santos; Lelio Toledo Pizza e Almeida Fo.; Oscar Augusto de Camargo; Jorge de Souza Rezende; Jorge Duprat Figueiredo; Eduardo Garcia Rossi; Theobaldo de Nigris and João Soares do Amaral Netto.

Fiscal Council: Paulo Reis Magalhães.

CIESP/FIESP had also two executive bodies: the Forum Roberto Simonsen and the Interdepartamental Council for Coordination - CONCIN. In the former were: President Rafael Noschese; General Macedo Soares e Silva and secretary Luiz Washington Vita.

In CONCIN were: Eduardo Garcia Rossi; E.F. Gottschalk; Mario Amato; Mario Toledo de Moraes; Sergio Roberto Ugolini and Theobaldo de Nigris.⁹⁸

In order to provide political, economic and even technical assistance to their affiliates, the class associations established their own technical agencies. Among them were the Centro de Produtividade das Federações de Industrias (productivity Centre of the Federation of Industries), and the Assessoria Económica e Jurídica of the Commercial Association of São Paulo, headed by José Luis Nogueira Porto, editor of the São Paulo based right-wing economic journal Digesto Económico (Economic Digest) and seconded by Antonio Delfim Netto. The Federation of Commerce of the State of São Paulo established its own Conselho Técnico de Economia, Sociologia e Política, as the forum for debate of the organization of entrepreneurs. By 1962, the Technical Council for Economy, Sociology and Politics of the FCESP was formed by: Alexandre Marcondes Filho; Antonio Delfim Netto; Antonio Gontijo de Carvalho; Ary F. Torres; Dorival Teixeira Vieira (also of Instituto de Pesquisas Económicas - IPE); Padre Felipe Nery Noschini; Flaminio Favero; Francisco Carlos de Castro Neves; Francisco Malta Cardoso; Geraldo Barbury; Horacio Lafer; José Frederico Marques; José Garibaldi Dantas; José Pedro Galvão de Souza; José Vicente de Freitas Marcondes; José Luiz Anhaia Mello; Miguel Reale; Rui Nogueira Martins; Ruy Aguiar da Silva Leme (of Pontificia Universidade Católica - PUC and Mackenzie University of São Paulo), Theotônio Monteiro de Barros Filho; Vicente Marotta Rangel (of Pontificia Universidade Católica of São Paulo) and Washington Barros Monteiro.⁹⁹ Its president was techno-entrepreneur Brasílio Machado Neto of the Fundação Getúlio Vargas.

Most of these organic intellectuals of the multinational and associated bloc, as well as these mentioned earlier in relation of FIESP/CIESP, would by 1962 be members of the political bodies set up to promote both the modernizing-conservative interests and bring down the national-reformist government of João Goulart.

The Federation of American Chambers of Commerce was the top political forum of the multinational corporations. Besides the U.S. American ones, many directors of European corporations were also represented in the Federation of American Chambers of Commerce. The Federation of American Chambers of Commerce listed among its individual 'Active members' by 1964, the following entrepreneurs and professionals:

- *Paul Norton Albright (Vice-president in 1963 and president in 1964) - Director of Economic Affairs Committee - E.R. Squibb & Sons.
- *Frank N. Aldrich - 1st National Bank of Boston.
- *Richard S. Aldrich - Ind. Metal Forjaço S.A., IBEC - Cia. Brasileira de Participações.
- *G. David Monteiro - McCann Erickson Publicidade.
- *João Nogueira Lotufo - Y.M.C.A.
- *João da Silva Monteiro - COBAST - Light S.A.
- *Trajano Puppo Neto - 1st National City Bank of N.Y.
- *Fernando Edward Lee - Cia. Química Duas Âncoras; S.A. Marvin-Anaconda; Fios e Cabos Plásticos do Brasil-Anaconda Co; Goodrich do Brasil.
- *David Augusto Monteiro - Multi Propaganda Soc.Ltda.
- *Humberto Monteiro - RCA Electrónica Brasileira S.A., CIBA S.A. Chemicals.
- *Fabio Garcia Bastos - Liquid Carbonic Ind. S.A. - General Dynamics.
- *Helio Cassio Muniz - American Marietta S.A. Tintas.

- *J. Bastos Thompson - Cia. Patiz de Inversores - Patifio Group.
- *Herman Moraes Barros - Banco Sul Americano do Brasil S.A.
- *G.E. Strickland - USABRA S.A. - Liquid Carbonic.
- *Dudley Gammon - Bank of America.
- *Luiz Biolchini - Banco Boavista.
- *P.H. Weisskopf - Pneus General.
- *Paulo Barbosa - Esso Brasileira de Petróleo S.A.
- *Vicente de Paula Ribeiro - Dominion S.A. - Cia. Patrimonial Serva Ribeiro.
- *Américo Oswaldo Campiglia - Fiação Brasileira de Rayon; Cimento Santa Rita.
- *Jorge de Assumpção - Tecelagem Assumpção.
- *Luiz de França Ribeiro - Cia. Brasileira de Caldeiras e Equipamentos Pesados.
- *Manoel da Costa Santos - Arno S.A. Indústria e Comércio.
- *Oswaldo Trigueiros - Viação Aérea Riograndense - VARIG.
- *Edward Francis Munn - First National Bank of Boston.
- *A.O. Bastos - Perfumes Dana do Brasil S/A.
- *Gustavo W. Borghoff - Joseph Lucas do Brasil.
- *Guilherme J. Borghoff - Remma S.A.
- *Eldino da Fonseca Brancante -
- *Juan Clinton Llerena - Moore McCormack.
- *Nelson Monteiro de Carvalho - Mattarazzo Group.
- *Henrique Bayma - Cia. Brasileira de Rolamentos SKF-Sweden; Rupurita S.A. Explosivos.
- *Odilon Egydio do Amaral Souza - São Paulo Alpargatas.
- *Aldo Campos - Mobil Oil do Brasil.
- *Carlos Augusto Botelho Junqueira - Procon Engenharia Ind. e Co. Ltda.
- *Julio C.B. de Queiroz - Procon Engenharia, Ind. e Com.Ltda.

- *Lucien Marc Moser - CIBA S.A. Produtos Químicos;
Swiss Bank Corporation.
- *Luis Alberto Penteado - ESSO Brasileira de Petróleo S.A.
- *Fernando Alencar Pinto - F.A. Pinto S.A. Import & Export-
Westinghouse Electric Int.
- *Geraldo Danneman - Banco da Bahia S.A.; Cia. Telefônica
da Bahia S.A.
- *Vitorio Ferraz - Cia. Fuller Equipamentos Industriais.
- *Fernando Mbielli de Carvalho - Cia. Gas Esso-Standard Oil.
- *Mario Antunes Azevedo - AMF do Brasil S.A. Máquinas Auto-
máticas.
- *William Monteiro de Barros - Cia. Federal de Fundação -
Parsons & Whittemore.

- *Borge Lundgren - Bates do Brasil S.A.

Furthermore, the following entrepreneurs, who have been already mentioned elsewhere, were also members of the American Chambers of Commerce: J.B. Pereira Almeida Filho; José Carlos de Assis Ribeiro; Paulo Ayres Filho; David Beatty III; Luiz Eduardo Campello; J.B. Leopoldo Figueiredo; Paulo Reis Magalhães; Othon Barcellos Correia; José Maria Pinheiro Neto; Eduardo Caio da Silva Prado; Ary Frederico Torres; Alberto Byngton Jr.; Oscar Augusto de Camargo; Alberto Torres Fo. and João Batista Isnard de Gouveia.¹⁰⁰

Of the three class associations mentioned above, the most sophisticated expression of dominant class political presence prior to 1964 was that of CONCLAP. The Council of the Producing Classes was established in 1955, as a national umbrella organization providing a militant forum for the modernizing-conservative entrepreneurial power bloc. CONCLAP was a powerful and most vocal pressure association for the new socio-economic interests in the fifties, especially active from 1959 onwards and in Quadros'

presidential campaign. From its foundation, the Rio de Janeiro branch sent forth a stream of overtly violent manifestos against the populist regime. Led by entrepreneurs Gilberto Huber, Jorge Behring de Mattos, Jorge Oscar de Mello Flores and Alberto Byngton Jr.,¹⁰¹ CONCLAP steadily assailed 'Communism' and carried out an intransigent defence of free enterprise, financial and monetary stability and foreign capital. CONCLAP also made public its implacable opposition to price control, the right to strike, job stability and government ownership of virtually anything.¹⁰² CONCLAP Rio encompassed the Commercial Association of Rio de Janeiro and the Centre of Industries of Rio de Janeiro, (two of its strongest supporters); the Centre for Insurance and Capitalization Studies, the Association of Banks of the State of Guanabara, the Brazilian Association of Public Relations, the Brazilian Association of Propaganda, the Club for Retail Merchants Directors of Rio de Janeiro (Clube dos Diretores Lojistas do Rio de Janeiro), the Association of the Employees of Commerce (Associação dos Empregados de Comércio) and the Association of Real Estate Owners, among others. CONCLAP Rio members were also closely linked to the Superior War College, many being former students and lecturers at the military institution. Jorge Behring de Mattos, President of CONCLAP Rio up to 1963, was also president of ADESG, the Association of Ex-Alumni of the Superior War College.

CONCLAP militants and the leaders of similar class associations such as the Commercial Associations of Minas Gerais, Rio Grande do Sul Pernambuco and other industrial centres constituted, together with FIESP/CIESP and the Federation of American Chambers of Commerce, a top forum of political and economic interests which provided

the infrastructure to the class action of the bourgeois power bloc in the period of 1962-1964. They would be in the forefront of the ideological, political and military struggle against Goulart's executive and the popular forces, reunited under a new militant organization.

In earlier pages, we described the form in which the directors of individual corporations interacted and overlapped with the members of the technoentrepreneurial agencies and established bureaucratic-entrepreneurial rings. However, multinational corporations, besides affiliating themselves to class associations of a general character, also established sectoral associations in the mid-1950s, such as the Brazilian Association of Machine Industries - ABIMAQ, the Association of Machines, Vehicles and Autoparts Industries - AMVAP, and umbrella organizations such as the Brazilian Association for the Development of Basic Industries - ABDIB. ABDIB, which was established in 1955, brought together the principal producers of industrial equipments and related materials. By 1960, the total amount of registered capital of the 28 corporations making up ABDIB reached more than 12 billion cruzeiros, ranging from 20 million to 2.25 billion, between the smallest and the biggest company.

The central aims of ABDIB were 'to orient the planning and distribution of services to the associated industries, by means of contacts with the state powers and foreign enterprises', and to 'maintain a section of technical studies, for the examination of national and foreign projects'.¹⁰³ An important breakthrough in the attempts by ABDIB to 'contact the state powers' and secure services for the interests it represented was its inclusion as the basic member and sole executor for the Grupo Executivo da Industria Mecânica - GEIMAPE (Executive Group of the Heavy

Mechanical Industry). GEIMAPE had been created by Kubitschek to plan and programme the diverse lines of production related to heavy industry. Multinational corporations and associated interests were able, through their participation in GEIMAPE to by-pass the populist power structure, by establishing themselves as a class association within the state apparatus. Furthermore, the members of GEIMAPE included, besides the representatives of ABDIB, the president of the BNDE, the president of the Tariff Commission, the executive director of SUMOC, the director of CACEX and the director of the Carteira de Cambio of the Banco do Brasil. All of these bureaucrats were also members of CONSULTEC. Another bureaucratic-entrepreneurial ring had been established. By this device, policy-making in this most sensitive area of the Brazilian economy was implemented by CONSULTEC members and formulated jointly with ABDIB.

By 1964, the ABDIB members were:

- *ARMCO Industrial e Comercial S.A. (ARMCO Steel Corporation) - Braz Sergio Olivier Camargo.
- *ARNO S.A. Indústria e Comércio (ARNO Group) - Felipe Arno and Manoel da Costa Santos.
- *ASDOBRA Instalações contra Incendio.
- *Babcock & Wilcox Caldeiras S.A. - Alberto Torres Filho.
- *Bardella S.A. Indústrias Mecânicas (Bardella Group/J.M. Voith GmbH Maschinenfabrik Heidenheim) - Antonio Bardella, Aldo Rossetti.
- *Industria Elétrica Brown Boveri (Brown Boveri Baden/Castor Investment Ltd., Canada) - Antonio de Carvalho Aguiar.
- *Industria Mecânica Cavallari S.A. (Cavallari Group)
- *Cia. Brasileira de Material Ferroviário COBRASMA (S.A. Ind. Votorantim; Cia. Melhoramentos Norte do Paraná; American Steel Foundries; Klabin Irmãos Ltd.; Banco Paulistano S.A.; Banco Mercantil de São Paulo) - Luiz Eulalio Bueno Vidigal; Luis Carlos Vidigal Pontes; Gastão de Mesquita Filho; Gastão Eduardo Bueno Vidigal.

- *Cia. Brasileira de Caldeiras e Equipamentos Pesados
(Combustion Engineering Inc./Thyssen Group, Germany) -
Brigadier Franklin Antonio Rocha; Ludwig Haupt; Luiz
da Franca Ribeiro; Angus C. Littlejohn.
- *M. Dedini S.A. Metalúrgica (Dedini Group) - Mario Dedini.
- *Empresa Brasileira de Solda Elétrica Ltda. EBSE - Vidal
Dias; Maria Cândida Soares; Carlos da Rocha Soares;
Alvaro Coelho da Rocha; Jose da Rocha Soares.
- *Fabrica Nacional de Vagões (Barcellos & Cia. Ltda./Cochrane
S.A. Adm, Ind. e Com/Semavi S.A. Comercial) - Othon Barcellos
A. Correa.
- *Cia. Brasileira de Construções Fichet & Schwartz Hautmont -
Justo Pinheiro da Fonseca; Carlos Schnyder.
- *Bopp & Reuther do Brasil Válvulas e Medidores Ltda.
- *General Electric S.A. (International General Electric Co./
Banco Financiador S.A.) - José Carlos de Assis Ribeiro.
- *CONFAB Cia. Nacional de Forjagem de Aço Brasileiro -
Antonio Carlos de Bueno Vidigal; Marcos Vidigal Xavier da
Silveira.
- *Indústria e Comércio Metalúrgica Atlas S.A. (Comercial e
Mineradora Santa Helena S.A./Interjame Administração/Cia.
Bandeirante de Terrenos e Construções) - Ermirio Pereira de
Morais.
- *Material Ferroviário S.A. MAFERSA (Grupo de Companhias de
Seguros/Cie. Industrielle et Agricole de Vente a L/Etranger
CIAVE/Sudafin Commerciale S.A., both of Switzerland). -
Jacy do Prado Barboza Junior, Américo Cury.
- *Mecânica Jaraguá S.S. (Theodor Wille, São Paulo Comissaria;
Deilmann Bergbau Gmbh - Germany; Empreendimentos Ind. e Com.
Hanseática S.A.) - Gunther Paul Kunze; Juergen Leisler Kiep.
- *Laminação Nacional de Metais - Francisco Pignatari.
- *Mecânica Pesada S.A. (Cia. Siderúrgica Belgo Mineira;
SulAmerica Capitalização S.A.; Schneider Westinghouse-France;
Escher-Wyss Gmbh-Germany) - Jorge O. Mello Flores, João
Pedro Gouveia Vieira.
- *S.A. White Martins (Union Carbide Corp. Electric Furnace
Products) - João Baptista Pereira Almeida Filho; Guilherme
Bebbiano Martins.
- *Sanson Vasconcellos Co. e Ind. de Ferro S.A. (Ajax Corret-
ores de Seguros, Internacional de Seguros) - Henrique Sanson.
- *Nordon Indústrias Metalúrgicas S.A. (Établissements Nordon
Frères, France) - Alfred Nordon; Raymond S. Haenel.

- *Máquinas Piratininga S.A. (Clark Equipment) - Jorge de Souza Rezende; Einar Kok; David Beatty III; Luiz Carlos Moraes Rego.
- *Máquinas Agrícolas Romi S.A. (Grupo Romi).
- *Cia. Industrial Santa Matilde - José Luiz Pimental Duarte.
- *Cia. Siderúrgica Nacional - Admiral Lucio Meira.
- *Sociedade Tecnica de Fundições Gerais S.A. SOFUNGE (Fabrica Nacional de Vagões; SEMAWI S.A. Comercial e Agrícola, Cochrane S.A. Agricultura, Administração Com. e Ind., Barcellos & Cia) - Wilton Paes de Almeida; Eduardo Simonsen; Eduardo Garcia Rossi; Frederico Luiz Gaspari.
- *Aços Villares - Luiz Dumont Villares.
- *Equipamentos Industriais Villares S.A. - Luiz Dumont Villares; João Baptista Pereira Almeida Filho.
- *IBESA Indústria Brasileira de Embalagens S.A. - Luiz Eulalio Bueno Vidigal; Antonio Carlos de Bueno Vidigal.
- *SBE Sociedade Brasileira de Eletrificação S.A. (Societã Anonima Elletrificazione SpA/S.A. Finanziaria Holding, both of Italy) - Demosthenes Madureira de Pinho.

However, the bureaucratic entrenchment achieved by these corporations was made uncertain by the coming into government of a national-reformist executive in 1961. Consequently, most of the ABDIB companies, on their own, or through the São Paulo based class associations, would appear as financial contributors to the class action of the multinational-associated bourgeois bloc and most of the technoentrepreneurs and managers of these corporations would be militant members in the 1962-1964 campaign to attain state power.

Transnational support

Another element in the power structure of multinational corporations has been the support which they received from the governments of their own base countries, who were ready to put pressure on the relatively fragile Brazilian government and economy, by imposing political arrangements in line with their own interests.¹⁰⁴ Diplomatic intervention on behalf of

U.S.-American based corporations was prolific in the period immediately preceding the coup, as was obvious with the interests of Hanna Mining Co., and I.T.T.¹⁰⁵ In the case of I.T.T., in particular, Robert Kennedy, as his brother's special envoy to Brazil in 1963, accompanied his pressures on behalf of the U.S.-American multinational with the threat of a cut-off of economic cooperation. This caused the Brazilian regime to surrender to the demands of I.T.T. and to give to the multinational corporation so much money for its 'broken down properties that had been nationalized that it became a joke on the floor of the Senate and among foreign policy analysts to discuss how much had been obtained out of Brazil by the sheer invoking of Kennedy's willingness to intervene directly in Brazilian political life.¹⁰⁶

However, neither multinational companies nor foreign governments were relying on diplomacy for the advancement and consolidation of their interests.¹⁰⁷ U.S.-American entrepreneurs, in concert with their government, attempted to influence and mobilize the local business community and other groups active or potentially active in the Brazilian political process.¹⁰⁸ This was done mainly through class associations in the United States, such as the American Economic Foundation, the Committee of Enterprises for the Implementation of the Alliance for Progress,¹⁰⁹ the Latin American Information Committee - LAIC, the Business Group for Latin America - BGLA,¹¹⁰ the Committee for Economic Development - CED (which lobbied the Rio based entrepreneurial community) and the Foundation for Economic Education (which lobbied the São Paulo based entrepreneurial community),¹¹¹ The LAIC, the CED and the BGLA evolved in 1964-1965 into the Council of the Americas, which subsequently became the Council for Latin America.

The CED, particularly important in its connections with entrepreneurial organizations in Brazil, overlapped with the Business Council, another class organization of the U.S.-American entrepreneurs, which has been operating as an advisory body to the Department of Commerce and, although it rarely had made public statements, it convened top entrepreneurs on a regular basis for off-the-record informal discussion among themselves and with government officials.¹¹²

The CED has been especially close to the Council for Foreign Relations. Its president, Alfred C. Neal has been a Council director, as have been other trustees. The CED has played a similar role to that of the Council for Foreign Relations in the formulation of policy options, but has also been concerned with domestic issues in the United States. The CFR has been solidly based in the United States, as a central link binding U.S.-American foreign policy formulations to the corporate upper class.¹¹³ In view of the pattern of concentration of foreign investment in the hands of a limited number of U.S.-American firms (as early as 1957, 45 firms accounted for almost three-fifths of all direct U.S.-American foreign investments), the big business represented in the CFR takes on an added significance.¹¹⁴

The CFR has in the past 10 years consistently provided a substantial proportion of the policy makers who have made, and continue to make, United States foreign policy. The CFR has also taken a leading role in formulating general directions and foreign policy options. The CFR through its membership, as well as through more formal ties, has also been centrally connected to organizations involved in the moulding of U.S.-American public opinion on foreign policy issues.¹¹⁵ The CFR has

overlapped throughout the past two decades with other class organizations, such as the Atlantic Council, the Free Europe Committee, the Middle East Institute, the National Committee on U.S.-China Relations, the African-American Institute and the Council for Latin America - CIA, which, as mentioned earlier, was formed by multinational corporations which were originally part of the Business Group for Latin America, the Committee for Economic Development and the Latin American Information Committee.¹¹⁶ The CFR has interlocked also with influential American think-tanks, which played central roles in policy-making.¹¹⁷

The links with the intelligence community of the United States were very strong as well, as was confirmed by the case of the Central Intelligence Agency. Since its inception in 1947, the directorship of the CIA has mostly been in the hands of a leading member of the Council for Foreign Relations, as exemplified by the appointments of Allen W. Dulles, a CFR director, and those of John McCone, Richard Helms, William Colby and George Bush, all of them CFR members.¹¹⁸ The Council for Foreign Relations has long been the CIA's principal 'constituency' in the American public. When the CIA has needed adequate fronts for its cover companies or for other special assistance, it has often turned to Council members.¹¹⁹

By 1962, some of the most powerful multinational corporations members of the CED, LAIC, BGLA and the CFR, with direct interests in Brazil, were involved in other forms of pressure than diplomacy and lobbying of the Brazilian government. The multinational corporations were offering financial support in the organized political action of the Brazilian modernizing-conservative organic intellectuals. In the case of CED, LAIC, BGLA and AEF, in particular, they were offering not only financial

support but ideological and political support as well, to their Brazilian counterparts and, in effect, intervening directly into the Brazilian polity, through their subsidiaries and associated concerns.

From Economic Solidarity to Political Activism

C. - The Formation of Action groups: IBAD

Multinational and associated interests contemplated other forms of interest representation besides controlling the parallel administration or lobbying the executive. They wished to share political government and shape public opinion, and did so through the creation of political and ideological action groups. The first of such action groups to gain national notoriety in the late 1950s was IBAD - Brazilian Institute for Democratic Action (Instituto Brasileiro de Ação Democrática).¹²⁰

IBAD, described as an 'industrial group of moderates and conservatives' by US-American Ambassador Gordon¹²¹ was formed in the late 1950s, at the time of the foundation of CONCLAP-Rio. IBAD was set up with the alleged and ambiguous purpose of 'defending democracy'. The overt founders were: Lauro Beer, Barthelemy Beer, Lauro Barros, Odemir Faria Barros and Aloisio Hanner.¹²² However, there was another version of the founding of IBAD. Guanabara Governor Carlos Lacerda, when coming out publicly in support of IBAD, recalled that, soon after João Goulart's assumption of office, he had been sought at Palacio das Laranjeiras, the governor's headquarters and residence in Rio de Janeiro, by a group of men, representatives of the conservative classes. They were Rui Gomes de Almeida, of the Associação Comercial do Rio de Janeiro, and the American Chambers of Commerce;

Zulfo de Freitas Mallman, of the Federation of Industries of the State of Guanabara and Jorge Behring de Mattos, of CONCLAP and ADESG, the Superior War College alumni association. These three men communicated to Lacerda that the Brazilian economic forces would organize immediately to 'defend democracy, the effective institutions and the regime'. There, declared the governor of Guanabara, was born IBAD.¹²³

Members of the Superior Council of the Productive Classes CONCLAP, the American Chambers of Commerce and other significant class associations, were prominent participants in IBAD's activities, as were ESG members and relevant figures of the traditional class associations of Rio and São Paulo. It was alleged that the headquarters of the National Confederation of Commerce - CNC was used as the locale for IBAD reunions.¹²⁴ And it was there that the founding group met.

The initial group was constituted by former integralista Marshal Ignacio de Freitas Rolim, instructor of the Superior War College, entrepreneur Jorge Behring de Mattos, president of CONCLAP and of the entrepreneurial association Centro de Industrias da Guanabara, entrepreneur Alberto Byngton Jr., president of CONCLAP in 1963, entrepreneur G. Borghoff, of the Commercial Association of Rio de Janeiro and the Federation of American Chambers of Commerce, and Ivan Hasslocher, former integralista, general director of IBAD, who was considered to be the U.S.-C.I.A. liaison agent for Brazil, Bolivia and Ecuador.¹²⁵ Moreover, IBAD itself was denounced for being one of the C.I.A. Rio station's main political operations, being basically an anti-Communist political action organization.¹²⁶

At first, IBAD did not have a very visible impact. It operated rather in a low key fashion, seeking support for its goals from the most diverse quarters, to prepare an infrastructure for future action. By October 1961, it had established firm contacts with João Mendes da Costa Filho of the Ação Democrática Parlamentar - ADP, which became an IBAD outlet in Congress. Through IBAD, the organic intellectuals of the entrepreneurial classes were active in establishing links or mobilizing entrepreneurs and military personnel, and holders of public offices, as well as the general public. IBAD lobbied and penetrated the legislative and the governments, intervened in national and regional electoral affairs, and supported particular trade unions. It promoted certain peasant and syndicalist leaders, student movements and middle-class pressure organizations. It synchronized its activities with para-military organizations such as MAC - Anti Communist Movement, MDB - Brazilian Democratic Movement (not to be mistaken with the homonymous political party created in 1966), OPAC - the Anti-Communist Organization of Paraná, CIMD - the Military Democratic Liberating Crusade, with whom IBAD shared interchangeable or overlapping personnel, techniques and resources.¹²⁷ It also linked itself with the Catholic lay organization Centro Dom Vital, where Gustavo Corção, the extreme right-wing Catholic intellectual was an important leader and provided an important link with the right-wing technocratic Opus Dei. According to José Arthur Rios, one of the IBAD intellectuals, IBAD did not act alone, but as a front in which the Parliamentary Democratic Action - ADP participated, led by UDN Bahia landowner and deputy, João Mendes, and the Brazilian Democratic Institute - IDB, presided by PDC deputy, Gladstone Chaves de Mello.¹²⁸

Multinational and associated interests ostensibly through CONCLAP and other class organizations, but covertly through IBAD, intervened in the presidential elections of 1960 supporting the candidate of their choice, the former governor of São Paulo, Janio Quadros. IBAD leader Hasslocher had been prompted by Gladstone Chaves de Mello, political counsellor of the Popular Movement Janio Quadros ¹²⁹ to give support for Quadros' campaign.¹³⁰ IBAD achieved uppermost notoriety throughout the Goulart presidency, particularly during the electoral campaign of 1962, where it served as a major conduit of massive funds for electoral tampering and coordinated the political action of ideologically compatible individuals, associations and organizations.¹³¹ By 1962, IBAD had spawned two channels with separate purposes. One was the Democratic Popular Action - ADEP, a political action of the Rio de Janeiro C.I.A. station, which handled electoral campaigns and lobbying. The other was Sales Promotion Inc (Incrementadora de Vendas Promotion S.A.) of which Hasslocher was owner-director. Promotion S.A. played the role of a publicity agent for radio and television space in all Brazil for IBAD and ADEP. It had the function of disseminating the political ideas of IBAD, as well as being a funding agency for discrete and covert activities. IBAD, ADEP and Promotion S.A. shared office and administrative personnel. The national executive (colegiado) of ADEP comprised Ivan Hasslocher; Antonio Silveira Leopoldino, of ADEP Minas Gerais and ex-cabinet officer of Janio Quadros; General João Gentil Barbato; Vicente Barreto, director of Cadernos Brasileiros,¹³² Raimundo Padilha, UDN-Rio; General Edmundo Macedo Soares; Mario Castorino de Brito and Helcio José Domingues França. Its national leader was ADP president

João Mendes, according to his advisor Francisco Lampreia, manager of Promotion S.A. and Brasilia based ADEP regional secretary. ADEP also acted in the national scene through well equipped offices scattered throughout the country, generally directed by retired Army officers, mostly generals and colonels, whose action was covered in Congress by the Parliamentary Democratic Action - ADP.¹³³ Other central civilian activists in the IBAD/ADEP/Promotion S.A. network were:¹³⁴ Padre Leopoldo Brentano, one of the organisers of the famous right-wing 'March with God and for the Family' of 1964; Senator Padre Galazans - UDN São Paulo; Padre Velloso; Fabio Alves Ribeiro; Fructuoso Osorio Filho; Carlos Lavinio Reis, of Promotion S.A.; Adeildo Coutinho Beltrão; Luiz Carlos Mancini; Gabriel Chaves de Mello, of 'Maquis', a right-wing publication; Gladstone Chaves de Mello, brother of Gabriel, director of Centro Dom Vital and deputy for the PDC; Denio Nogueira; Floriano da Silveira Maciel; Fernando Mbielli de Carvalho; José Candido Moreira de Souza; Peter Murany, secretary of ADEP São Paulo; Nilo Bernardes, secretary of ADEP in São Paulo; Yukishigue Tamura; Hamilton Prado, of Cia. Antártica Cervejaria e Bebidas; Arruda Castanho; Angelo Zanini; Fulvio Gentil; Wanderbilt de Barros; J. Irineu Cabral, of the Brazilian Rural Federation; Arthur Oscar Junqueira, president of the Caixa Econômica Federal of Guanabara; José Arthur Rios, of Sociedade de Pesquisa e Planejamento and PUC lecturer; Eudes de Souza Leão, of SANBRA, ADESG and ESG; Armando Fillardi; Claudio Hasslocher, brother of Ivan and manager of Promotion S.A. of São Paulo; Herculano Carneiro, lawyer; Edgard Teixeira Leite, of Escritório Técnico Agrícola; Eugenio Gudín and

General Menezes Cortes, the UDN leader of the House of Deputies.¹³⁵

By July 1962, as the political build up for the crucial congressional elections of October was reaching its peak, ADEP restructured almost all of its statutory attributions, which were transferred to the Department for Political Action of IBAD.¹³⁶ By then, IBAD had coordinated with another important organization, the Institute for Research and Social Studies - IPES. Hasslocher himself was a member of IPES.¹³⁷ Their overlapping in personnel, their common financial sources and their symbiotic action were so strong that it led IPES leader Jorge Oscar de Mello Flores to comment that "IPES merely agglutinated with IBAD".¹³⁸ He might as well have said the same of the interaction of IPES with the technoentrepreneurial agencies, the ESG military and multinational and associated entrepreneurs.

CONCLUSION

Transnational monopoly capital formed a new power bloc based not only on its volume and its degree of concentration and its integration of capital, but also on the quality of its administration and political organization, and its oligopolistic infrastructure.¹³⁹ With monopoly capital establishing its economic pre-eminence, the differences between big industrial/financial complexes of national or associated character and foreign capital were blurred. Transnational and big national business, as one power bloc, attempted to outflank the economic-political constraints of populism and eroded the traditional polity. As it assumed the leadership over the principal sectors of the economy, the multinational and associated bloc organized pressure groups and class professional federations, techno-entrepreneurial agencies and bureaucratic-entrepreneurial rings to seek governmental expression for its interests. However, the economic leadership of the multinational and associated power bloc was obviously incompatible with the political dominance of the traditional bourgeoisie and oligarchic sectors. Monopoly capital, in spite of its economic supremacy, was also confronted with interests of more archaic structures, who, although they had lost their commanding influence in the economy, were still powerful economic groups. Their power lay in the network of links within the dominant classes articulated by the agro-exporting sectors, still the major producers of hard currency. Moreover, the traditional latifundia, given its hold over large sectors of the rural population, remained a powerful factor of political containment, while the commercial groups engaged in services or in speculative activities thrived in an inflationary

economy. These groups combined represented a strong limiting force to the domination of big capital, in so far as they obstructed the drive for capitalist modernization and rationalization of the polity and economy. Furthermore, the traditional interests restricted the capacity for autonomous decision-making of monopoly capital at executive level, by basing their political leadership in part on the mobilization of the working masses. By contrast, the multinational associated interests viewed government as a question of planning, manipulation and popular control. For them it was to be a 'technical' regime, with authoritarian overtones, in view of the strong demands which transnational capital was to make upon the working classes and traditional interests alike.

There was a clear power asymmetry between the economic dominance of the multinational and associated bloc, which had consolidated in the Kubitschek-Quadros years and their lack of political leadership. Such an asymmetry impelled the multinational and associated power bloc to seek extra constitutional political solutions. In Samuel Finer's terms, the multinational-associated power bloc sought the 'maximization of satisfaction' by other processes than those of the market, and attempted to 'manipulate the whole environment, creating conditions where the market would be rigged in their favour'.¹⁴⁰

The decisive element in critical historical situations, according to Gramsci, is class power organized in its civil and military forms. Such class power is long prepared for a critical period, allowing itself to advance when the situation is deemed favourable and necessary. A situation is favourable only in so far as such agents of state domination and class

action exist and are thoroughly prepared.¹⁴¹ It is in this sense that one can speak of the state as a class construct. In this process, particular class values become social norms; political and ideological class organizations become state organic authority and force, and it is in this sense that one can speak of a class 'becoming state'. In this process, the organic intellectuals are crucial, as an elite of the class politically organized and ideologically shaped, representing and implementing the strategic preparation for action of a class, a preparing which allows that class to reduce the imponderable to zero. That such preparations are strategically inspired is made clear in Brazil by archetypical figures like Marshal Cordeiro de Farias, an outstanding political figure in the critical events of 1922, 1924, 1930, 1932, 1937, 1945, 1954, 1955, 1961 and finally in 1964. Marshal Cordeiro, once head of the Joint Military Mission Brazil-United States, when himself referring to the creation of one of the most important state apparatuses, the Superior War College, declared that: "In 1948 we planted oaks. We did not plant spring cabbages. Spring cabbages flower fast, but once. Oaks take time, but are firm. When the hour of need came, we had the men, the ideas and the means."¹⁴²

Two periods can be singled-out from the political and ideological process whereby multinational-associated interests and its technoentrepreneurial political and military intellectuals took over the control of the state. The first period, employing Gramsci's expression, was one of 'molecular transformism'. In this period bureaucratic-entrepreneurial rings, technoentrepreneurial agencies and military centres were created and linked up

programmatically, forming together the incipient organic intellectuals of the multinational associated power bloc. At the same time, the populist historical bloc showed signs of political exhaustion.

'Molecular transformism' spans roughly the period between the creation of the Superior War College (1948) and Janio Quadros' resignation (1961). It involved the historical and the organizational preparation of class power. This process is marked by the various failed or frustrated attempts of the modernizing-conservative bloc to gain access to political power. The first attempt was the interlude of Café Filho, who became president after the death of Vargas, supported by a UDN/techno-entrepreneurial combination. The next attempt was under Kubitschek's presidency, through the formation of para-political channels of access to power centres, as a rationalizing device to short-cut political processes and allow for the entrenchment of the multinational and associated bloc in the bureaucratic-entrepreneurial rings, without breaking the populist convergent polity. However, the shortcomings of a PSD/technoentrepreneurial combination supported by the UDN and the ESG were soon laid bare. The period of 'molecular transformism' is concluded by the second attempt at seizing power through legislative/electoral means and seeking to generalise the modernizing-conservative proposals which were finally frustrated by Quadros' resignation. Thereafter, the ultimate efforts of the emergent multinational power bloc were to influence parliament, cabinet ministers and the military to act within the constitutional arrangement and thwart Goulart's executive's attempt to act on its own. But by then, it was already a wide manoeuvre of containment within a broader campaign towards a coup d'état.

However, before the coup actually took place, the modernizing-conservative values germinated within the different forms of class power were expressed through the varied bodies of civil society: class associations (CONCLAP, FIESP/CIESP), political action groups (IBAD), the various private techno-entrepreneurial agencies (CONSULTEC, CBP). The modernizing-conservative ideology also penetrated into political society through the state bureaucratic-entrepreneurial rings (BNDE, FGV) and through the 'Executive Groups'.

For a period of almost ten years, the emergent power bloc had aimed at accommodation with the populist power bloc. It had also sought partial reforms of the state machinery, to ensure multinational and associated participation in legislation and administration, and had supported populist domination of the subordinate classes. The various political actors operating in the bodies and agencies described in this chapter had in common their aversion to any substantive intervention of the popular masses in state life and a basic commitment to an associated modernizing-conservative socio-economic model of entrepreneurial development. For the dominant multinational and associated economic groups, the problem of the state was seen in terms of winning politico-juridical equality with the populist ruling groups. When the party-political and administrative channels did not succeed in attaining the necessary reforms forwarded by the modernizing-conservative bloc and the multinational and associated interests perceived the growing difficulties in containing the popular masses within the populist polity, the emergent power bloc resorted to other means. The various organizations of civil and political society

were brought together as the expression of class collective consciousness by the organized core of the multinational and associated bloc in its militant stage, jointly developing ideological and political formations capable of realizing their strategic objectives, translating their aims into political action and establishing themselves securely in power. This was the second phase, that of the 'transformism' of entire groups of the bourgeoisie, who passed over to the militant modernizing-conservative camp. The second period runs throughout Goulart's three years in government, from 1961 to 1964, during which time the new socio-economic forces in their quest for political power attempted to divest the executive from its authority and to wrest from the popular forces their foothold in the conduct of state affairs.

Footnotes - Chapter III

- 1 The term entrepreneur is being employed as a generic concept to include industrialists, bankers and commercial businessmen. The term entrepreneur is also used throughout the thesis as a translation of the Portuguese word empresários. The term is used by the Brazilian industrialists, bankers and commerce businessmen themselves when referring to their class associations and members. For a methodological and theoretical discussion on the use of the term entrepreneur, see Fernando Henrique Cardoso, Empresário Industrial e Desenvolvimento Económico no Brasil, São Paulo, DIFEL, 1972. For a political and historical discussion, see Eli Diniz, Empresário, Estado e Capitalismo no Brasil: 1930-1945, Rio de Janeiro, Paz e Terra, 1978; Eli Diniz and Renato Raul Boschi, Empresariado Nacional e Estado no Brasil, Rio de Janeiro, Forense Universitária, 1978; Luciano Martins, 'Formação do Empresariado Industrial', in Revista Civilização Brasileira, No. 13, May, 1967, especially pp. 103-112.

- 2 For the application of Barrington Moore's concept of 'conservative-modernization' to the Brazilian situation, see Otavio Guilherme Velho, Capitalismo Autoritário e Camponato, São Paulo, DIFEL, 1976; Luciano Martins, Pouvoir et Développement Économique: Formation et Évolution des Structures Politiques au Brésil, Paris, Editions Anthropos, 1976; Fabio Wanderley Reis, 'Solidariedade, Interesses e Desenvolvimento Político', in Cadernos do Departamento de Ciencia Política, No. 1, March, 1974, Minas Gerais, Universidade Federal de Minas Gerais, Fabio Wanderley Reis, Brasil: 'Estado e Sociedade' em perspectiva, in Cadernos de Departamento de Ciencia Política, No. 2, December, 1974, Minas Gerais, Universidade Federal de Minas Gerais.

- 3 Gramsci provided a pertinent theoretical guideline to help us to understand the process whereby the agents of Brazilian modernizing capitalism were formed. He states that "Every social group coming into existence on the original terrain of an essential function in the world of economic production, creates together with itself, organically, one or more strata of intellectuals which give it homogeneity and an awareness of its own function not only in the economic, but also in the social and political fields. The capitalist entrepreneur creates, alongside himself, the industrial technician, the specialist in political economy, the organizers of a new culture, a new legal system, etc." Quintin Hoare and Geoffrey Nowell-Smith, Selections from the Prison Notebooks of Antonio Gramsci, London, Lawrence & Wishart, 1973, p. 5. For a discussion on the function of the organic intellectuals, see Maria Antonietta Macciocchi, A Favor de Gramsci, Rio de Janeiro, Paz e Terra, 1976, p. 202.

- 4 A common practice in Brazil is that key members of the board of directors of important multinationals are also shareholders, thus giving them a direct interest in their enterprises. They are different from managers, who also sell expertise as well as ordinary labour, but have no ownership of the means of production.
- 5 Herbet de Souza, 'Notes on World Capital', in LARU, Vol. II, No. 2, February 1978, Toronto, pp. 51-64. For de Souza, 'The multinational corporation is a microcosm where global organization for production is at its highest level; systems of organization of the work force, communications and information systems, finance system, and control and administrative systems, all exist in function of the global activity of world capital'.
- 6 For a theoretical insight underlining these assumptions, see V. I. Lenin, Imperialism: The highest Stage of Capitalism Vol. 22, Collected Works. London, Lawrence & Wishart, 2nd Printing 1974. pp. 275 and 322.
- 7 Giovanni Agnelli, Summary of the Hearings before the Group of Eminent Persons to Study the Impact of Multinational Corporations on Development and on International Relations, United Nations, New York, 1975, quoted in Herbet de Souza, op.cit., p. 55.
- 8 Jan Knippers Black, United States Penetration of Brazil, Manchester, Manchester University Press, 1977. p. 80.
- 9 This technique secured for multinational oligopolistic interests superior conditions of competition in contrast with local enterprises, where forms of direct property control and personal management exerted by family heads and close relatives still predominated. See Teotonic dos Santos, 'El Nuevo Carácter de la Dependencia', in La Crisis del Desarrollismo y la Nueva Dependencia, José Matos Mar (ed.), Instituto de Estudios Peruanos, Argentina, Amorrortu Editores, 1969, p. 50.
- 10 To illustrate the point about the accumulation of directorships, it is worthwhile to examine the connections and links of these entrepreneurs.

J.B. Pereira Almeida Filho was a prominent member of the board of directors and, in many cases, also shareholder of the following corporations:

Union Carbide do Brasil (Union Carbide Corp/Electric Furnace Production)
 Kibon S.A.: Industria de Alimentos Gerais (General Foods)
 S.A. White Martins (Union Carbide);
 National Carbon do Brasil S.A. Ind. e Com. (Union Carbide/Electric Furnace Prod.)
 Bendix do Brasil;
 Beeder Rootes;
 Laboratorio Leo do Brasil S.A.;
 Laboratorios Miles do Brasil Ltda. (Miles Lab. Panamerican Inc.)

EletroMetalúrgica Abrasivos Salto S.A. (Carborundum Co. N.Y.);
 Carborundum S.A. Industria de Abrasivos;
 Guaira S.A. Ind. e Com.;
 Tri-Sure S.A. Ind. e Com. (American Flange Manufacturing
 Delaware/Bueno Vidigal industrial and financial group);
 CardoBrasil S.A. Fábrica de Cardas (Comagri S.A.);
 Equipamentos Ind. Villares S.A. (Villares Industrial and
 financial group)
 Indústria de Alimentos Gerais;
 Indústria Lages Comercial e Agrícola (Olinkraft/Squibb)
 Distribuidora Paulista Lavadoras Automáticas;
 ESBIC;
 Cia. Agrícola da Fazenda Monte Alto;
 Cia. Agrícola Rancho Queimado;
 Fazenda do Sul;
 John Powell S.A.;
 Sta. Adelaide;
 Sifco do Brasil S.A. Ind. Metalúrgica (The Steel Improvement
 and Forge USA/American Brake Shoe Co.);
 Tampico;
 Ascoval S.A. Automatic Switch;
 Robert Shaw Fulton Contróles do Brasil;
 Olinkraft S.A. Celulos e Papel (Linson S.A. Ind. e Com./Squibb
 Mathiesson Int. Corp.) to which Santa Catarina governor and
 entrepreneur Irineu Bornhausen was linked;
 Lucher S.A. Celulose e Papel, to which José Eugenio de
 Macedo Soares was linked;
 Brasmac Ind. e Com. S.A. (Wickman Machine Tools Ltd.
 Great Britain);
 Sherwin Williams do Brasil S.A. Tintas (The Sherwin Williams
 Co., Cleveland);
 Ideal Standard S/A Indústria e Comércio;
 Dowdell do Brasil - Dowdell & Co. Ltd., London, Com. e Exp.
 S.A.;
 Agencia Marítima Dickinson (Dickinson Brothers);
 Ideal Standard S.A. (American Standard);
 AMF do Brasil S.A. (American Machine & Foundry Co.);
 Fruehauf do Brasil (Fruehauf Corporation);
 Companhia de Molas No-Sag (Lear Stegler Inc.);
 Intelcom Eletrônica (Motorola Inc.);
 Relógios Brasil S.A. (Talley Industries /Eduardo Garcia Rossi);
 Squibb Indústria Química (E.R. Squibb & Sons, S.A. - Beechnut).

11 João Pedro Gouveia Vieira was a director in:

<u>LINKED</u> (Board of Directors)	<u>CORPORATIONS/GROUPS</u>	<u>RELATED</u> (Associated Groups and Corporations)
J.P. Alcántara Eduardo G. Rossi	Companhia Brasileira de Fósforos (Bryant & May Ltd. - British Match Corporation) Industrias Elébricas e Musicais ODEON S.A. (Columbia Gramophone Co./EMI Ltd. Electrical Musical Industries) Phoenix Brasileira de Seguros Gerais (Phoenix Assurance Co. - London) Wilson Sons S.A. Comercio Ind. e Agencia de Navegação (Ocean Wilsons - London) Induselet S.A. - Ind. de Material Elétrico Charleroi (Ateliers de Constructions Electr. de Charleroi/Westinghouse Electric Corporation) Cia. Produtora de Vidros Providro (Boussois-Souchon Neuvesel/Coinbra S.A./Dreyfus Group) Cimento Portland Bains S.A. (Empreendimentos Brasileiros de Cimento S.A./Cia. Mineira de Cimento Portland COMINCI)	Fósforos Scavone
Decio F. Novaes J.M. Rousseau		British Match Corporation
Fernando A. Torres Manoel P. Ayres		Eletromar S.A. Eletrocabos Ind. de Cabos Elétricos
Cesar de Saboia Pontes	Lafargue do Brasil Assistencia Técnica Ind. e Comercio de Cimento Ltda.	

<u>LINKED</u>	<u>CORPORATIONS/GROUPS</u>	<u>RELATED</u>
Lucien Marc Moser Cesar Saboia Pontes	Cia. Mineira de Cimento Portland S.A. - COMINCI (Etablissements Cimbra Vaduz - Liechtenstein Ciments Lafargue S.A.)	
Jorge Oscar de Mello Flores J.P. Ricomard	BRACOPAR Comp. Brasileira de Participações S.A. Brasileira de Comercio e Representações - BRACOREP Mecânicos Pesada S.A. (S.A. de la Chaleassière/Soc. Minière de Droit au Mont Bruville Schneider et Cie. - France/ ARBED Cia. Siderúrgica Belgo-Mineira Westinghouse Intl. /Sulzer Group - Switzerland/M.A.N. AG - Germany/Reders Group - Sweden/ Société de Forges et Ateliers de Creusot/Aktiebolaget Kalstads Mekanisma Werkstads K.M.W./Aktiebolaget Kamyre Dresser/ Sul America Capitalização)	
Francisco Martins Bastos Carlos Fagundes de Mello	Refinaria de Petróleo Ipiranga S.A.	

<u>LINKED</u>	<u>CORPORATIONS/GROUPS</u>	<u>RELATED</u>
Paulo F. Geyer F. Martins Bastos Miguel Monteiro de Barros Lins	Cia. Brasileira de Petróleo Ipiranga	
L. Simões Lopes João de Mello Franco	Moinho Fluminense S.A. (Bunge & Born)	
	Berliet do Brasil S.A. Ind. e Com. (Ind. Reunidas F.B. de Máquinas e Automotores S.A. Auto M. Berliet - Lyon)	
Paulo Reis Magalhães Octavio Marcondes Ferraz	RHODIA Ind. Químicas e Têxteis S.A.	
	TUBEEST Ind. de Tubos Elétricos S.A. Indústrias Reunidas Franco-Brasileiras de Máquinas e Automotores	
	Radiobras Agrícola S.A. (Compagnie Française Thomson-Houston Hotchkiss-Brandt S.A.)	RCA USA English Electric London Italcable - Italy Western Telegraph London

11 (contin)

RELATED
 Lefranc e Bourgeois
 Com. e Ind.
 Valisère do Nordeste
 Rhodia Ind. Químicas
 e Têxteis S.A.

CORPORATIONS/GROUPS
 Estabelecimentos Ch. Lorilleux S.A.
 Tintas (Lorilleux-Lefranc S.A.)
 Lautier Fils do Brasil S.A.
 (Rhône-Poulenc)

Banco Frances e Brasileiro S.A.

LINKED

Paulo Reis
 Magalhães

Roberto Moreira
 Américo Oswaldo
 Campiglia
 Jean Marc Rousseau
 A.A. Ferreira

- 12 Although M. Ferreira Guimarães had **extensive interests in Minas Gerais**, he was also a leader of the Associação Comercial do Rio de Janeiro. He was a member of the following directorships: Banco de Minas Gerais S.A.; Cia. Força e Luz de Minas Gerais (Bond & Share - Morgan Group); Philips do Brasil; Organizações Ferreira Guimarães; Cia. Estanho São João del Rey; Cia. Siderúrgica Belgo Mineira; Cia. Cruzeiro do Sul Capitalização; Panair do Brasil; Banco Lowndes; Mescla S.A.; Cia. Imperial de Seguros; Cia. Tecelagem e Fiação Mineira; Cia. Tecelagem e Fiação Barbacena; Siderúrgica Manessman.
- 13 Jorge de Souza Rezende belonged to the FIESP and the National Council of Economy - CNE. He was a member of: Cia. Brasileira de Armazéns Gerais, (Sanbra-Bunge & Born); Serrana de Mineração S.A.; Quimbrasil S.A. (Bunge & Born); Carborundum S.A.; Cia. de Máquinas Hobart-Dayton do Brasil; Equipamentos Clark Piratininga S.A. (Clark Equipments Co./ Máquinas Piratiningas S.A.); Linkbelt-Piratininga Transportadores Industriais Ltda. (Maq. Piratininga/Linkbelt Engenharia Ind. e Com. Ltda); Máquinas Piratininga S.A.; Automatic Sprinklers S.A. (Joaquim H. Nascimento A. Gama, Automatic Sprinklers of Venezuela); Brinquedos Bandeirante S.A.; Asdobra Instalações Contra Incendios S.A.; Pirelli S.A. Comp. Ind. Brasileira; Henry Simon do Brasil S.A. Indústria e Comércio (H. Simon Holdings - GB).
- 14 The term bureaucratic-entrepreneurial rings is being used very much in the sense in which Fernando Henrique Cardoso uses 'aneis burocráticos'. See Fernando Henrique Cardoso, Autoritarismo e Democratização, Rio de Janeiro, Paz e Terra, 1975, especially Chapter V. I have added the qualification of entrepreneurial to Cardoso's concept for two reasons: the first is that most of these top 'bureaucrats' were entrepreneurs themselves, in spite of occupying bureaucratic positions. The second and perhaps more significant, is that these rings seem to be more permanent than has been suggested by Cardoso, favouring, almost exclusively, particular entrepreneurial interests against other sectors of civil society. Their rationale is influenced in a greater form by their regular entrepreneurial connections, rather than by bureaucratic norms of behaviour or contingent short-lived economic links.
- 15 For the politics and ideology of the técnicos, see Carlos Estevam Martins, Tecnocracia e Capitalismo, São Paulo, Editora Brasiliense, 1974, pp. 78-131; 146-156; 195-214. Fernando Henrique Cardoso, 'Aspectos Políticos do Planejamento no Brasil', in O Modelo Político Brasileiro, edited by F.H. Cardoso, São Paulo, DIFEL, 1973, pp. 83-103.
- 16 Arthur Jerald Johnson, Brazilian Bureaucracy and Politics: The Rise of a New Professional Class, University of Texas, Ph.D. Thesis, 1977, p.157. For methodological considerations about planning, see John Friedmann, Retracking America: A Theory of Transactive Planning, New York, Anchor Press/Doubleday, 1973.

- 17 Eugenio Gudín, Análise de Problemas Brasileiros 1958-1964, Rio de Janeiro, Editôra Agir, 1965, p. 221.
- 18 In these 'rationalizing' endeavours, the multinational and associated technoentrepreneurs were not alone. According to Lincoln Gordon, US American Ambassador to Brazil during the Goulart presidency, "the United States undertook in 1949, following President Truman's famous 'Point IV', a large scale increase of our programme of technical assistance. The concepts of technical assistance, one should mention in passing, were based largely on the experience in Latin America initiated by President Franklin Roosevelt and by Mr. Nelson Rockefeller in 1939" Lincoln Gordon, ESG Document C 41 - 62. (My translation, RAD).
- 19 Roberto de Oliveira Campos, 'A Experiencia Brasileira de Planejamento', in Mario H. Simonsen and Roberto Campos, A Nova Economia Brasileira, Rio de Janeiro, José Olympio Editôra, 1974, pp. 48-60. In a letter to his friend, UDN leader, Herbert Levy, the technoentrepreneur, Paulo Sá, when introducing his technoentrepreneurial agency, CBP, and the activities it had been carrying out, explained that "If in the Russia of the Soviets (sic) plans are a function of the state bureaucracy, in the free countries we believe that the plans have to be confined within the general system by which all the matters of government should be carried out: through contract with private entities (particulares), suitable, capable and honest, under the indispensable state control. The technical agencies (escritórios) that comprise the Consortium, guarantee those qualities". (My translation, RAD). Paulo Sá to Herbert Levy, Rio de Janeiro, 27th January, 1959, in Archive Paulo de Assis Ribeiro, Rio de Janeiro.
- 20 Indicative planning was essentially tantamount to incomplete planning and it reaffirmed the absence of national planning for truly designed social policies. See Roberto Campos, Economia, Planejamento e Nacionalismo, Rio de Janeiro, APEC Editôra, 1963; see also Roberto de Oliveira Campos, Planejamento do Desenvolvimento Económico de Países Sub-desenvolvidos, ESG Document I-16-53; Octavio Gouveia de Bulhões, Problemas do Desenvolvimento Económico, ESG Document I-30-54; Colonel Antonio Carlos da Silva Muricy, Planejamento Governamental, ESG Document C-29-56; Colonel José Sival M. Lindenberg, Planejamento do Fortalecimento do Potencial Nacional, ESG Document C-29-59.
- 21 The very expression - planning of National Security - is quite explicit. 'Planning means orientation, ordering, rationalization of the ensemble of actions that envisage determinate goals. It presupposes the existence of resources or means to be used, and also the prognosis of obstacles, when not of antagonisms. On the other hand, planning implies a guided search of knowledge ... and consists, above all, of a system of choices or decisions, successive and hierarchical, between diverse alternatives (lines of positive action)'. Colonel Golbery do Couta e Silva 'Do Planejamento para a Segurança Nacional', in Cadernos Brasileiros No. 4 October-December 1960, pp. 38-39 (My translation, RAD).

The kernel of the post-1964 Serviço Nacional de Informações (National Intelligence Service - SNI) and its future umbilical connection with the Ministry of Planning were implied in such a statement by the authoritative view of General Golbery. "Rationalization, intentionality, decisions or choices, hierarchical scale, all of this having in mind a complex of intimately related actions; that is the essence of all and any planning". Colonel Golbery, idem (My translation, RAD). See also Colonel Decio Palmeira Escobar O Planejamento da Segurança Nacional - ESG Document A-34-53; Lieutenant Colonel Golbery do Couto e Silva, Planejamento da Segurança Nacional - ESG Document C-83-54; Lieutenant Colonel Golbery do Couto e Silva, Planejamento da Segurança Nacional, ESG Document C-31-55; Colonel Golbery do Couto e Silva, Planejamento da Segurança Nacional: Conceitos Fundamentais, ESG Document C-30-58.

- 22 "Anomy or totalitarianism - this is the dilemma presented to the society of our days, if we are not able to formulate, in precise and secure terms, democratic planning as a positive synthesis of such 'dialectical opposition'"(sic). Lieutenant Colonel Golbery do Couto e Silva - Planejamento Estratégico, Rio de Janeiro, Companhia Editora Americana, 1955, in Biblioteca do Exército, Vol. 213, p. 24. (My translation, RAD).
- 23 J. Friedmann, op.cit., p. 52.
- 24 Roberto Campos, A Experiencia ..., op.cit. pp. 53-55.
- 25 See Fortalecimento do Potencial Nacional - Planejamento, Document No. 1 Course: Doctrine of National Security, in IPES/ADESG Seminar for Entrepreneurs, without date, IPES Archives, Rio de Janeiro.
- 26 General Golbery explained in his writings the form in which particular interests articulate and are made general. For General Golbery, the system of objectives had to be such that: "none of them can be deduced from the others, ensuring, therefore, the highest possible degree of logical independence, in spite of recognizing the interrelation resulting from the common origins in which they are conceived and formulated (genetic interdependence) and of the general integrated aim which all envisage (teleological interdependence)". Colonel Golbery do Couto e Silva, Do Planejamento ... op.cit., p. 38 (My translation, RAD).
- 27 Mike Burgess and Daniel Wolff, Brazil: 'El Concepto de Poder en La Escuela Superior de Guerra', in Cuadernos Políticos, Mexico, Ediciones ERA, April/June No. 20, 1979, p. 100. See also Esboço de um Programa de Governo - O Sentido do Planejamento Numa Economia Democrática, Documento de Trabalho No. 5, from the Ministro Extraordinario para o Planejamento e Coordenação Econômica, for the Reunião Ministerial de 4 de junho de 1964, pp. 2-3. (Reserved, secret)

- 28 J. Friedmann, op.cit., pp. 61-70.
- 29 These interests and values of the entrepreneurial community lay behind the quest for change of channels of communication and negotiation between entrepreneurs and government from the early 1950s onwards. The formation of 'grupos executivos' under Kubitschek and the famous 'bilhetinhos' of Janio Quadros were two disparate outputs and outcomes. According to Alexandre de Barros, "The old bureaucracy was not prepared to operate under the new system, but it could not simply be disbanded. The chosen option was to keep the old bureaucracy and set up a 'new' one which could operate on a different basis and, so to speak, deflate this old bureaucracy in terms of power, at least in those policy areas for which a new bureaucracy had been set up", Alexandre de Souza Costa Barros and Angelina Maria Cheibub Figueiredo. Report on "The Creation of two Social Programmes: The FGETS and the PIS: A Brazilian Case Study on the Dissemination and Use of Social Sciences Research for Governmental Policy Making", project coordinated by the Development Center of the Organization for Economic Cooperation and Development, Preliminary Version, 1975, Rio de Janeiro, pp. 25-26.
- 30 One should also recall other attempts made at planning and entrepreneurial rationalization of production, such as the American Technical Commission (Cooke Mission) of 1943; the SALTE Plan, of 1948 and the Programme of the Mixed Brazil-United States Commission, also known as Abbink Mission, in 1948. See J.A. Johnson, op.cit., pp. 165-175. It is interesting to note that the Brazilian co-president of the Abbink Mission was Octavio Gouveia de Bulhões, who would be present in most of the planning experiments of the 1950s. In the particular case of the Abbink Mission, it studied what were considered to be the critical points (pontos de estrangulamento) of the Brazilian economy, which determined the feasibility of the establishment of a dynamic industrial capitalist state. See Octavio Ianni, Estado e Planificação Económica em Brasil: 1930-1970, Buenos Aires, Amorrortu Editores, 1971, pp. 71-91.
- 31 It is interesting to note the entrepreneurial links of these early 'technoentrepreneurs', whose public roles were useful to their private activities. Ary F. Torres was linked at the time to the São Paulo financial and industrial groups, Bueno Vidigal and Souza Aranha. Valentim Bouças was linked throughout his political career to US Bethlehem Steel, ITT, Panair, Cia. Swift do Brasil, King Ranch do Brasil, American Bank Note Co., Coca-Cola, Cia. Brasileira de Material Ferroviário - COBRASIA, Serviços Hollerith, National Cash Register, Cia. Nacional de Máquinas Comerciais, Goodyear Tyres, Ferroenamel, Imobiliária Santa Cruz, Listas Telefônicas Brasileiras and Addressograph-Multigraph do Brasil. Roberto Campos has been linked to Hanna Mining, Olivetti, Bond and Share, Camargo Correia, Mercedes Benz, Banco de Desenvolvimento Comercial. For Glycon de Paiva's economic links, see Appendix B.

- 32 For an account of the Brazilian experience in Planning, see Robert T. Daland, Brazilian Planning: Development, Politics and Administration, The University of North Carolina Press, 1967, Chapter II; O. Ianni, Estado ..., op.cit., Chapters III and IV; R.A. Amaral Vieira, Intervencionismo e Autoritarismo no Brasil, São Paulo, DIFEL, 1975, pp. 15-110. See also Roberto de Oliveira Campos, Planejamento do Desenvolvimento, op.cit., for a participant observer's view of the planning rationale. A critical account of Brazilian state planning is provided by Lucio Kowarick, Estrategias do Planejamento no Brasil, Cadernos CEBRAP, No. 2, São Paulo, 1970.
- 33 Helio Beltrão was director of COSIGUA, (the Guanabara steel private and State joint venture), Mesbla S.A. (the giant retail store) and CREDIBRAS Financeira do Brasil S.A. (to whose board of directors belonged Walter Moreira Salles, Augusto Frederico Schmidt, Helio Cassio Muniz de Souza, Henrique de Botton, Teodoro Quartim Barbosa, Helio Pires de Oliveira Dias).
- 34 See Luciano Martins, Pouvoir ..., op.cit., especially Chapters VII and VIII. See also Francisco de Oliveira, A Economia da Dependência Imperfeita, Rio de Janeiro, Graal, 1977, p. 84.
- 35 A list of military officers in administrative posts under Kubitschek can be found in Maria Victoria de Mesquita Benevides, O Governo Kubitschek: Desenvolvimento Econômico e Estabilidade Política: 1956-1961, Rio de Janeiro, Paz e Terra, 1976, pp. 187-188.
- 36 J. Friedmann, op.cit., p. 11.
- 37 For an account of the emergence and formation of the técnicos and technical institutions, see Nathaniel Leff, Economic Policy Making and Development in Brazil: 1947-1964 USA, John Wiley & Sons, 1968, pp. 143-153.
- 38 Octavio Ianni, Estado ..., op.cit., especially Chapter V, Industrialização e Interdependência.
- 39 J.R. Whitaker Pentecost, 'Preparação de Executivos no País', in Boletim Mensal IPES, No. 3, Ano 1, July 1964, Rio de Janeiro, p. 3.
- 40 After 1964, what Manwaring has called value-inherence, i.e. the occupation of managerial posts in multinational and associated corporations by military officers and the identification of military personnel with the goals and methods of private enterprise, indicated a trend towards the consolidation of an industrial-military complex, where civilian and military industrial concerns went into association and joint production and where officers of the Armed Forces were employed by private corporations as 'place men'. See M. Manwaring, The Military in Brazilian Politics,

Ph.D. dissertation, Department of Political Science,
University of Illinois, 1968.

- 41 General Juracy Magalhães has been a director of the
following corporations:

CORPORATIONS

Carlos Simas
General Luiz Cabral
de Menezes

Ericsson do Brasil
(Enskilda Bank)

DELTEC S/A Inv. Cred. Fin.
(Chase Manhattan Bank)

SANBRA
(Bunge & Born)

W.R. Grace

Antonio Gallotti

São Paulo Light S.A.
Rio Light S.A.

Cia. Com. de Desenvolvimento
(DELTEC)

Monteiro Aranha Engenharia
Comércio e Indústria

Cia. Industrial São Paulo e
Rio
CISPER
(Casper-Owen Illinois)

Etileno de Aratú S.A.

Metalúrgica Matarazzo S.A.

Miranda Estancia S.A.
Agropecuária

Before 1954, General Juracy Magalhães had been linked to
the CVRD and to Petrobrás. He was also Military Attaché
in the USA in 1953-1954. He became governor of the State
of Bahia in the late 1950s. After 1964, he participated as
director of Fundo Crescinco, a financial complex.

- 42 Osny Duarte Pereira, A Antinomia do Acôrdo Militar, Brasil -
USA, Associação Brasileira de Juristas Democráticos,
15th April 1963, p. 24.

- 43 " ... Latin American countries are all, to an important extent, what have been called 'penetrated systems': in which non-members of a national society participate directly and authoritatively through actions taken jointly with the society's members, in either the allocation of its values or the mobilization of support on behalf of its goals", Gordon Connell-Smith, quoting James N. Rosenau, in Carlos A. Astiz, ed. Latin American International Politics: Ambitions, Capabilities and the National Interest of Mexico, Brazil and Argentina, USA, University of Notre Dame Press, 1969, p. 10. See also James N. Rosenau, 'Pre-Theories and Theories of Foreign Policy', 1966, in R. Barry Farrell (Editor), Approaches to Comparative and International Politics Illinois, Northwestern University Press, 1966, p. 28.
- 44 See General George Robinson Mather, As Relações Militares entre O Brasil e Os E.U.A., ESG Document C-02-64.
- 45 See on this matter J. Knipper Black, op.cit., especially Chapters VIII and IX. Also Gayle Hudgens Watson, Brother Sam and the Goulart Golpe, mimeo, University of Texas, Texas, 1977: 5-6.
- 46 Raymond Estep, The military in Brazilian Politics 1821-1970, 1971: 3, 40-45 and 169. Documentary Research Division, Aerospace Studies Institute, Air University, Maxwell Air Force, Alabama. Documentary Research Study AV 20 470 ASI. See also Paulo Sergio Pinheiro 'A ESG Faz Trinta Anos (Como Esta Velha)', in ISTO É, No. 140, São Paulo, 29th August, 1979, pp. 20-21, especially Document No. 832.2 23/5/1947 of the US Department of State.
- 47 The ESG was one of the main forums where entrepreneurs had the opportunity to indoctrinate officers of the various services and chosen técnicos on the rationality of an associated entrepreneurial model of development, through discussions and writings that were, in most cases, classified. The development of the political ideology of the entrepreneurial organic elite was accomplished over a period of ten years. The ESG/ADESG platform served as a laboratory of ideas and testing ground for projects, backfeeding a crucial contribution to the shaping of this ideology. These ideas were further developed and reinforced in formal and informal centres such as the different class associations, and later reshaped and refined at the Institute for Research and Social Studies, IPES, See Chapters V and VII. Moreover, the entrepreneurial vanguard of the multinational and associated interests had been promoting over a number of years, through ADESG, a series of cycles of conferences on the role of the enterprises and the entrepreneurs in development.

- 48 "As bases da doutrina da ESG não estão em discussão, são como o dogma da Igreja, antecedem a Instituição" (Conversation with Permanent Teaching Staff member of the ESG - name withheld), September 1976, Rio de Janeiro.
- 49 The internalization of such beliefs can be observed in a significant public address delivered by the influential Lieutenant Colonel Octavio Costa, to a gathering of entrepreneurs in Rio Grande do Sul. "The contrast between entrepreneurs and military is that they direct their enterprises and their preoccupations principally towards the tasks of development; we (direct our preoccupations) towards the tasks of national security. However, all converge in the search of the Brazilian nation's well-being. We, by operating in the restricted circle of the state activities and you, in the unlimited field of free enterprise, the basis of the long standing and fruitful undertakings. We soldiers seek to provide order, so that you entrepreneurs, by risking, creating, producing, multiplying, can give us progress". (My translation, RAD), in 'As Forças Armadas e as Classes Empresariais', 3rd December, 1964, in Revista Militar Brasileira, No.603, Rio de Janeiro, p.46.
- 50 The doctrine of Development and National Security, as developed at the ESG, was based on a set of value judgements within which 'neutrality' loomed large. However, political and economic interests, i.e. extratheoretical instances and demands, imposed on the doctrine its problems and solutions. These interests, then, constituted the doctrine's real (practical) aims and limits. See Burgess and Wolff, op.cit., pp.98-100.
- 51 The notions of planned associated capitalist development were disseminated at the ESG by technoentrepreneurs such as Roberto Campos, Eugenio Gudín, Lucas Lopes and Glycon de Paiva; entrepreneurs such as Jorge Behring de Mattos, G. Borghoff, Eudes de Souza Leão, A. C. Pacheco e Silva; and military officers such as Poppe de Figueiredo, Heitor Herrera, Golbery do Couto e Silva and A. Bastos. After all, the ESG drew its legitimation from being a Superior War College, teaching a Higher War Course. Thus, their values could only be disseminated throughout the Armed Forces in so far as they were couched with strictly military 'neutral' proposals. After 1964, the ESG enjoyed a free hand in the dissemination of its ideological material. According to Lieutenant Colonel Octavio Costa, the unity of thought of the Armed Forces "resultava de uma longa e lenta preparação doutrinária que, emanando da ESG, se tripartia na orientação das Escolas de Comando e Estado Maior das Forças Singulares e se ramificava pelas escolas, bases, arsenais, estabelecimentos e quartéis", in 'Compreensão da Revolução Brasileira', No.597, Set./Out. 1964, p.69, A Defesa Nacional, Rio de Janeiro. See also A.C. P Pacheco e Silva, 'A Segurança Nacional e a Guerra Fria', in A Defesa Nacional, Vol. 49, No. 576/577/-, 1962, pp. 26-27.

- 52 J. Knipper Black, op.cit., pp. 80-81.
- 53 These figures tally with the figures provided by Alexandre do Barros in his study of the composition of the ESG student body, according to their origin, from 1950 to 1964. See Alexandre do Barros, The Changing Role of the State in Brazil: The Technocratic Military Alliance. Paper for presentation at the Sixth Annual Meeting of the Latin American Studies Association, Atlanta, Georgia, 25th-28th March, 1976, mimeo.
- 54 Burgess and Wolff, op.cit., p. 90. In spite of the numbers, civilians trained by the ESG had a relatively minor impact on the post-1964 administration. See Alexandre de Souza Barros, The Brazilian Military: Professional Socialization, Political Performance and State Building, Ph. D. Dissertation, University of Chicago, 1978.
- 55 Phyllis R. Parker, 1964. O Papel dos Estados Unidos no Golpe de Estado de 31 de Março, Rio de Janeiro, Civilização Brasileira, 1977, p.121. The Jornal do Brasil of 20th December, 1976, reproduced and translated a confidential telegram for limited distribution sent on 4th March, 1964, by Ambassador Lincoln Gordon to Thomas Mann. The telegram read: "Our MAP (Military Assistance Programme) is a highly important factor which influences the military to be pro-United States and pro-Occident, and its importance in that sector is growing. For training and supply of material, the MAP is an essential vehicle to establish close relations with the officers of the Armed Forces". (My retranslation, RAD).
- 56 Lincoln Gordon, Telegram 8214 to Dean Rusk, Secretary of the Department of State, 14th January, 1963, Rio de Janeiro. In JFK Archives, National Security Files (Ex-Secret, Declassified in 1977), p. 1. Economic and military aid from 1946 to 1966 has been in the order of almost 2.8 billion dollars, including AID loans and grants. According to US American, Major General James W. Totten, Brazil was the recipient of approximately half of the 'assistance' given to Latin America. Major General James W. Totten, As Relações Militares entre O Brasil e Os Estados Unidos, ESG Document C1-35-65.
- 57 Lincoln Gordon, Telegram 8261 to Dean Rusk, Secretary of the Department of State, 15th January, 1963, Rio de Janeiro. In JFK Archives, National Security Files (Ex-Secret, Declassified in 1977), p. 1.
- 58 General G.R. Mather, op.cit., pp. 12, 16-17. Brazil received through the programme of public security in 1963 and 1964, alone, 75 million dollars. In P. Parker, op.cit., p.122. Brazil received 206 million dollars in US-American military aid through 1963. In Carl Oglesby and Richard Shaul, Containment and Change, New York, MacMillan, 1967, p. 83.

- 59 General G.R. Mather, op.cit., pp. 16-17. Aid to Latin American police was stepped up in the early 1960s, and under the umbrella concept of Internal Security Training, the Armed Forces developed their capability for 'civic action'. Internal Security Training included 'training in counter-guerrilla operations and tactics, counter-insurgency, intelligence and counter-intelligence, public information, psychological warfare, civil affairs and military government, riot control and jungle warfare'. In addition to the foregoing training, which, for the fiscal year of 1962, took 936 specialist students from Latin America, mobile training teams, funded under the Military Assistance Programme, were scheduled to visit Latin American countries. They were to provide training in riot control, military police, counter guerrilla intelligence, psychological warfare and civil affairs. (My underline, RAD). In 'Summary of Training for Latin Americans in US Military Schools and Installations', 1961. Declassified 3rd September, 1978. Document attached to Memorandum for the President, by Roswell L. Gilpatric, Deputy Secretary of Defence, 11th September 1961, in JFK Archives, National Security Files, p. 11. Declassified 11th October, 1977.
- 60 Throughout 1961, approximately 5,200 personnel from Latin American countries were programmed to attend some 6,500 courses in US military schools. Throughout 1962, that number was to increase to 5,600 students and 7,000 courses. It is interesting to note that career patterns were significant in shaping the ideological and political attitudes of the Brazilian officer corps. This career pattern included their participation in the Brazilian Expeditionary Force - FEB, in Italy (Second World War), their participation in the permanent staff of the Superior War College, graduation from its courses, attendance at foreign schools, particularly those of the United States, and the permanent intense interaction of US-Brazilian officers. The emphasis placed on hemispheric association, especially on a close relationship with the United States, and the rejection of a nationalistic stance in favour of multinational integration were attitudes largely reinforced by this particular career pattern, corresponding to that of the ESG founding cluster. The ESG ideology also fostered the belief in the righteousness of economic policies favouring concentration, as well as that through capitalism, Brazil would be transformed into a powerful nation (Brasil Potencia) steered by a technocratic, and authoritarian, style of politics. Such career patterns correlated with their role at the centre of the political campaign against Goulart and their subsequent location as the military core group of the post-1964 administration: 60% were of FEB; 70% had been permanent staff members of ESG; 100% attended military schools abroad and 80% did so in the USA. Alfred Stepan, The Military in Politics: Changing Patterns in Brazil, Princeton, Princeton University Press, 1971, Chapter XI, especially pp. 236-248.

- 61 Among these officers must be mentioned: Brigadier Eduardo Gomes, opposition presidential candidate for the UDN in 1950 against Getulio Vargas; General Juracy Magalhães, UDN party leader and influential political figure in Rio de Janeiro and Bahia; General Menezes Cortes who was an influential UDN cadre; PDC General Juarez Távora, opposition presidential candidate in 1955 against J. Kubitschek and cabinet minister with Café Filho; PDC Colonel Nei Braga, ex-chief of Police of the state of Paraná, ex-prefect of its capital city Curitiba, ex-governor of that state and closely related to Paraná banker and entrepreneur Leonidas L. Borio. General Cordeiro de Farias showed clear sympathies for the PSD, with whose southern and northeastern political bosses he had close links dating from his period as 'political commissar' (interventor) in the region, in the 1930s and governor of Pernambuco in the mid-1950s.
- 62 When, in the early 1960s, trade unions and other popular organizations began to appeal to soldiers, NCOs and a handful of higher ranking officers in an attempt to widen the circle of civilian interlocutors with the military, this appeal was condemned as outright subversion of hierarchy. On the other hand, when the dominant classes appealed to their high-ranking military counterparts, action was swiftly taken in the defence of the constitutional order, over the legal stand of the president and the coup d'état of April 1964 was carried out as a salvationist action.
- 63 For the notion of Constitutional Bonapartism, see A. Gramsci, op.cit., p. 212. Interestingly enough, it was technoentrepreneur, Eugenio Gudín, who, by 1961, voiced the necessity for the 'reestablishment' of the Poder Moderador, suggesting that this role, which had been ascribed to the Emperor during the nineteenth century, should be taken up by the Armed Forces, E. Gudín, op.cit., p. 223.
- 64 Letter from CBP to Roberto Campos, 13th April, 1959, Rio de Janeiro, in Paulo de Assis Ribeiro Archive, Rio de Janeiro. The State was not perceived anymore as a simple distributor of patronage. It had to become a responsible and efficiency-oriented machinery, for capitalism to develop. Clearly, the organic intellectuals of the modernizing-conservative capitalist bloc were becoming aware of the shortcomings of the populist administration and polity.

It is worth noting that the Paulo de Assis Ribeiro Archive is extremely rich in similar correspondence with other state agencies and officials and in correspondence over joint projects with the state administration and the big local and multinational enterprises.

- 65 See Letter from CBP to J. Mendes de Souza, Director of the Carteira de Crédito Agrícola e Industrial, 16th March, 1959; Letter from Paulo Sá to Herbert Levy, 22nd January, 1959; Boletim Informativo No. 58/1 - CBP (for internal circulation) of 11th July, 1958; Boletim Informativo No. 58/2, of 17th July, 1958; Boletim Informativo No. 58/3 of 24th July, 1958. All these documents are to be found in Paulo de Assis Ribeiro Archive, Rio de Janeiro.
- 66 CBP did not rely solely on the intrinsic 'rationality' formula of their services, but would also engage the 'help' of state bureaucrats by offering them a percentual share of participation in the profits to be made with a state agency, if a definite deal was pulled off. See in this respect, Appendix C for the correspondence between Eneas Fonseca, of the Secretaria das Finanças of Minas Gerais and CBP, where the former was offered a 5% pay off on the value of realized business.
- 67 Hidrologia changed its name to Hidroservice. H. Maksoud is the present owner of Visão, the most influential current affairs publication of the entrepreneurial classes, issued in São Paulo, with national circulation. Its general editor is Octavio Gouvêia de Bulhões.
- 68 See Leoncio Basbaum, História Sincera da República de Janio Quadros a Costa e Silva 1961/1967, published (and not released) by Editorial Fulgor, Rio de Janeiro, pp. 153-166. Also Osny Duarte Pereira, Ferro e Independência, Rio de Janeiro, Civilização Brasileira, 1967; Jornal do Brasil, 2nd December 1964 and Tribuna da Imprensa, 19th November 1964 and 18th December, 1964.
- 69 See Osny Duarte Pereira, Quem Faz as Leis no Brasil?, Rio de Janeiro, Civilização Brasileira, 1963, pp. 53-56.
- 70 Leoncio Basbaum, op.cit., p. 161.
- 71 Leoncio Basbaum, op.cit., p. 157.
- 72 The information has been assembled from different sources mainly L. Basbaum, op.cit., Osny Duarte Pereira, op.cit., Jornal do Brasil and Tribuna da Imprensa; and publications of the different state agencies to which these CONSULTEC members belonged. It is interesting to note that by the mid-1950s, one fifth of the shares of CONSULTEC were controlled by one Earle Manny Erlich and the rest were held by six known representatives of American enterprises. See Werner Haas, Jean Bernet and Roland Bossart, Investment in Brazil, also titled Os Investimentos Estrangeiros no Brasil, São Paulo, 1960.

- 73 After 1964, R. Campos founded a financial complex INVESTBANCO and INVESTCRED. Among the technoentrepreneurs and bankers who joined Campos in this enterprise were, Sergio Paulo Mellão, José Bonifacio Coutinho Nogueira, Edmar de Souza, Francis Vernon Queen, Antonio Abreu Coutinho, Emmanuel Whitaker, Plinio Salles Couto, Sebastião Ferraz de Camargo Penteado and João Baptista de Carvalho Athayde.
- 74 See Mario da Silva Pinto, O Controle do Comércio Externo e o Desenvolvimento Económico do Brasil, Rio, 1962. Section of study prepared by CONSULTEC for Harvard University. Jorge Schilling, Director of the Estrada de Ferro-Central do Brasil was also a member of CONSULTEC.
- 75 P. Schmitter has studied this situation under the name of the 'pantouflage phenomenon'. See P. Schmitter, Interest, Conflict and Political Change in Brazil, Stanford, Stanford University Press, 1971, p. 298 and also his Chapter XII. See Appendix B for the multinational links of many of its members.
- 76 Ernane Gálveas, in 'Introduction' to APEC, 1962-1972, Rio de Janeiro, 1972.
- 77 One of the important shareholders was Oswaldo Benjamin de Azevedo, an IPES affiliate and front man for multinational concerns.
- 78 In: Brésil - Pouvoir et Luites de Classes, Textes reunis par G.M. Mattei, Paris, Editions Cujas, 1966, p. 38.
- 79 Jornal do Brasil, 14th June 1960. See Osny D. Pereira, Ferro ..., op.cit., pp. 95-96.
- 80 For Lucas Lopes' letter of April 1960 to General Nelson de Mello and memorandum, see Jornal do Brasil, 2nd December, 1964, p. 13.
- 81 In Osny D. Pereira, Ferro ..., op.cit., pp. 105, 129.
- 82 General A. Bastos, Letter in O Globo, 24th June, 1960.
- 83 Osny D. Pereira, Ferro ..., op.cit., pp. 111-112.
- 84 Osny D. Pereira, Ferro ..., op.cit., pp. 128-129.
- 85 This information was assembled from Osny D. Pereira, Ferro ..., op.cit., pp. 488-490; W. Haas et al. op.cit., Moniz Bandeira, Presença dos Estados Unidos no Brasil: Dois Séculos de História, Rio de Janeiro, Civilização Brasileira, 1973, Chapter XLI and pp. 386 and 427; Moniz Bandeira, O Governo João Goulart, Rio de Janeiro, Civilização Brasileira, 1977, Chapter III; Aristóteles Moura, O Dólar no Brasil, Rio de Janeiro, 1956; J. Knippers Black, op.cit., pp. 86-90; G. Mattei, op.cit., p. 77;

Brazil: Hanna's Immovable Mountains, in Fortune, USA April, 1965, pp. 55-64; Edie Black and Fred Goff, The Hanna Industrial Complex, NACLA, USA, 1969, pp. 3-10.

- 86 Raymond F. Mikesell et al. Iron Ore in Brazil: The Experience of the Hanna Mining Co., pp. 345-364, in Raymond F. Mikesell et al. Foreign Investment in the Petroleum and Mineral Industries: Case Studies of Investor-Host Country Relations, USA, John Hopkins Press, 1971.
- 87 R. F. Mikesell, idem, p. 353. Hanna Mining had also been a political factor in the USA, where the Cleveland based complex included the third largest US iron ore producer (Hanna), the fifth largest steel company (National Steel), the largest coal producer (Consolidation Coal) and the third largest automobile producer (Chrysler), which was the fifth largest US corporation. This industrial complex was one of the bulwarks of mid-west Republican political power, connected to George Humphrey, secretary of the Treasury in the Eisenhower administration and to John J. McCloy, chairman of the Rockefeller controlled Chase Manhattan Bank.
- 88 Some of Lucas Lopes' economic connections were:

<u>Linkages</u>	<u>Companies</u>	<u>Linkages</u>
F.A. Sievart J.R. Fragoso O.C. Fletcher	- Alumínio do Brasil S.A. (ALUMINIUM LTD. ALCAN)	R.C. Machado T.V. da Costa
F.A. Sievart O.C. Fletcher	- Alumínio Minas Gerais S.A. (ALUMINIO DO BRASIL S.A.)	R.C. Machado T.V. da Costa
A. Torres Filho Benedito Munhoz Carvalho	- Cia. de Mineração Nova Limense	Robert Clark Wallace
Amaro Lanari Joaquim R. Lanari	- Lanari S.A. - Indústria e Comércio (-CAUATA S.A. Admin. e Part. -Soc. Com. Agropecuária Part. Admin. ITAPERAVA -Soc. Agr. de Part. e Admin. APA Ltda. -Com. Admin. e Part. JAPURA) -Saint Mousson Financière (Bank Fina-Suisse) -ALCOMINAS (Alcoa-Mellon Group) -Mineração Brasileira - Cia. Financière Eternit - Philbro-Miner	Cassio Umberto Lanari

<u>Linkages</u>	<u>Companies</u>	<u>Linkages</u>
Luiz Simões Lopes	-Morro do Níquel S.A. Mineração Ind. e Com. (MINERAÇÃO SERTANEJA S.A. Cia. ESTANHO SÃO JOÃO DEL REI /Cia. ESTANHO MINAS DO BRASIL IE NICKEL S.A.)	Rolf Weinberg Nathan
Stefano Cattaneo Octacilio Gualberto	-CIVILIT Ind. e Artefatos de Cimento Armado S.A.	Lucien Marc Moser
Lucas Nogueira Garcés Max Graf	-ETERNIT do Brasil -Cimento Amianto S.A. -ITT - Standard Electric -Cia. de Cimento Nacional de Minas	Octacilio Gualberto

- 89 A. Bernardes Filho was also director of Eletromar Industria Elétrica Brasileira and linked to The First National City Bank of New York, the Royal Bank of Canada, Cia. Empreendimentos Administração e Investimentos, IBEC, DELTEC, Banco do Comércio and Westinghouse Electric, corporations that played an important part in financing activities, of a subversive character, against the government of João Goulart, and the popular movement.
- 90 A. Torres Filho also served in the board of directors of: All American Cables, Cia. Radio Internacional do Brasil, Grandes Hotéis S.A., Transunion Americana Agencias S.A., Sabin St. Germain Inter America Inc., (all of the US based Morgan group), Cia. Industrial São Paulo e Rio - CISPER (Owens Illinois Glass Co.), Cia. Geral de Minas (A. Byngton Group), Brazilian Bauxite Co. Inc. and Southwestern Metals Inc., Cia. Meridional de Mineração (US Steel Corporation), Babcock and Wilcox Caldeiras S.A. Great Britain, Cia. Eletroquímica Pan Americana (Mattarazzo group), Naegeli S.A. Ind. Químicas (Marietta do Brasil, Martin Marietta Corporation and Comapa S.A. of the Naegeli Group). Most of these corporations played an important part in financing activities of a subversive character against the government of João Goulart and the popular movement. Some of the directors of these companies were also personally involved in political action.
- 91 See Osny D. Pereira, Um Desafio à Dignidade Nacional, Rio de Janeiro, Civilização Brasileira, 1967.
- 92 J. Knippers Black, op.cit., p. 87.

- 93 P. Schmitter, op.cit., pp. 194, 438. See also pp. 150-152 for the process of associational expansion and politicization.
- 94 P. Schmitter, op.cit., p. 195.
- 95 For example, the new president of the Federation of Industries of Guanabara (then Federal District), which was separated administratively and politically from the CNI, was Zulfo de Freitas Mallman, who himself was associated with European industrial interests (as can be seen in Appendix B). Zulfo de Freitas Mallman also revived the Industrial Centre of Rio de Janeiro. Moreover, when Daudt d'Oliveira, an old industrialist and president of the Commercial Association of Rio de Janeiro, failed to impose his hand-picked successor in 1952, a new group seized control, led by Rui Gomes de Almeida, who was related to industrial and financial European and North-American interests (as can be seen in Appendix B). Similar shifts in leadership, organizational vitality and technique occurred with the São Paulo class associations, while, in subsequent years, new industrial organizations were established in Rio Grande do Sul, Paraná and Pernambuco. When the Confederation of Commercial Associations of Brazil - CACB, was finally set up, its president, Rui Gomes de Almeida, claimed that it was the largest network of similar associations in the country, aggregating the interests of 1.340 associations, a total inflated by the inclusion of a large number of foreign associations by way of the Federation of Foreign Chambers of Commerce in Brazil, whose president was also Rui Gomes de Almeida.
- 96 Boletim Informativo - FIESP/CIESP No. 748, São Paulo, 5th February, 1964. Volume LXXXII.
- 97 For further information on their economic connections and links, see Appendix B.
- 98 For further information on their economic connections and links, see Appendix B.
- 99 Other influential figures linked to the CTESP throughout the latter years were: Alfredo Buzaid, A.O. Campiglia, A.C. Pacheco e Silva, Antonio Gontijo Carvalho, Egon Felix Gottschalk, José Boucinhas, Lucas Nogueira Garcés and Roberto Campos, many of whom were militant members of the organized action of the bourgeoisie against the national-reformist executive. In Problemas Brasileiros No. 88, December 1970, SESCO publication, p. 2.
- The Digesto Económico was the official organ of the Commercial Association of São Paulo.

- 100 For the comprehensive list of individuals and corporate members, see Appendix B. The Federation of American Chambers of Commerce was the representative body of corporations that made part of the Latin American Information Committee, the Business Group for Latin America and the Committee for Economic Development. Most of the members of the Federation of American Chambers of Commerce listed, had more economic links than the ones mentioned. For further information on their economic connections, see Appendix B.
- 101 See Appendix B for further information on economic connections.
- 102 P. Schmitter, op.cit., p. 197. CONCLAP São Paulo seems to have furnished a cover for clandestine conspiratorial activities against the Goulart government, while publicly taking a stand for parliamentarian institutions.
- 103 Industria Brasileira de Máquinas, Catálogo BANAS, 1960, São Paulo, pp. 15-17.
- 104 T. dos Santos, El Nuevo Carácter, op.cit., p. 75. The cut in loans and credits to Goulart's government, as well as the US Government's policy of selective and intensive aid to particular governors and policies in the period between 1962 and 1964, known as the building of 'islands of sanity' were clear examples of this political intromission of a foreign government in the internal affairs of Brazil, abetted by multinational corporations.
- 105 See Telegram from Ambassador Lincoln Gordon to the US Secretary of State, No. 1964, 9th April, 1963, POF, in JFK Archives.
- 106 J. Knippers Black, op.cit., p. 79.
- 107 Business organizations have maintained an effective lobby on foreign policy issues through institutions like the Council on Foreign Relations and similar organizations. US foreign policy-makers have heeded the requests of these business organizations. See Richard Newfarmer and Willard Mueller, Report to the Subcommittee on Multinational Corporations, Committee on Foreign Relations of the United States Senate, August 1975, pp. 152-153. For an insight into the Business Council of Latin America operations, see their role in Chile in Thomas Powers, 'Inside the Department of Dirty Tricks'; in The Atlantic Boston, August 1979, Volume 244, No. 2, pp. 33-64.
- 108 J. Knippers Black, op.cit., p. 80.

- 109 It is interesting to review the list of corporations whose directors constituted that Committee. They were:
 1) Grace Line; 2) Caterpillar Tractor Co.; 3) Godfrey L. Cabot; 4) The Anaconda Co.; 5) Standard Oil; 6) Marshal Erdman; 7) Koppers Co., 8) University of North Carolina; 9) Sears, Roebuck and Co.; 10) Willys Motors; 11) Aluminium Co.; 12) Ford Motor Co.; 13) James C. Morelland and Son Co; 14) Johns Manville International; 15) International Minerals and Chemical Corp; 16) Food Machinery; 17) General Foods Corp; 18) Whirlpool Corp.; 19) Chase Manhattan Bank; 20) The Pillsbury Co.; 21) Pan American World Airways; 22) American Machine; 23) The First Boston Corp.; 24) First National City Bank. See 'Revista das Classes Produtoras', July 1962, in Osny D. Pereira, 'O Acordo sobre a Garantia de Investimentos Privados entre o Brasil e os Estados Unidos', in Revista Civilização Brasileira, May 1965, No. 2, pp. 114-115. Brazilian based directors of these companies would, by 1962, be part of the policy-making bodies of the organized action of the class and many of these companies would become economic supporting entities of their political campaign against the national-reformist executive.
- 110 According to former US ambassador in Chile, Edward Korry, when President Kennedy and David Rockefeller both attended a Harvard University Board of Overseers meeting in 1963, Kennedy persuaded Rockefeller to organize American big business for the anti-Castro crusade. David Rockefeller recruited 37 leading multinationals to form the Business Group for Latin America. Robert Kennedy, the Attorney General, systematically integrated members of the Business Group into CIA programmes. As an inducement to Rockefeller, President Kennedy pledged that he would satisfy the former's request for no-loss guarantees on any future investment in Latin America. Edward Korry, Edward Korry, 'The sell-out of Chile and the American Taxpayer', in Penthouse, March 1978, p. 72. According to Levinson and De Onis, during most of the Alliance period, US policy-makers have been advised by the Business Group on the views of the business community with respect to the Alliance for Progress. In 1965, the Business Group expanded into the Council for Latin America - CLA, again led by Rockefeller and representing some 224 corporations, approximately 85% of all US companies doing business in Latin America. CLA holds regular meetings with State, AID, IBRD, IDB, CIAP and other government agencies whose work may affect US business interests in Latin America. Its board of trustees meets two to three times a year for consultations with US government officials in Washington. The Council for Latin America also includes area subcommittees corresponding to the State and AID desks responsible for particular geographic areas - Brazil, Peru, and Ecuador, Bolivia and Chile, Central America etc. The subcommittees meet informally with their State and AID counterparts two or three times a year to exchange views on economic and political trends and investment climate. In Jerome Levinson and Juan De Onis, The Alliance that lost its Way, A Critical Report on the ALPRO, Chicago, Quadrangle Books, 1970, p. 159. See also Peter Collier and David Horowitz

The Rockefellers: An American Dynasty, New York, Signet Books, 1976, pp. 411-415.

- 111 Norman Blume, Pressure Groups and Decision-Making in Brazil, Saint Louis, Washington University, 1967/1968, p. 211. These class organizations provided the opportunity for the capitalist class to get itself together, to work out ideas on the broad lines of the correct foreign policy to adopt. These class organizations also provided the opportunity to incorporate into this consensus building operation, other individuals who were outside the capitalist class proper and whose roles are important in implementing the policy, such as intellectuals, military, politicians and bureaucrats. See Lawrence H. Shoup and William Minter, Imperial Brain Trust, New York, Monthly Review, 1977, p. 85.
- 112 The CED and the Business Council both have 200 members and, in each case, 22% of these members are members of the Council for Foreign Relations. Several other American entrepreneurial organizations are, in different ways and degrees, related to the CFR. Among them, the National Association of Manufacturers, the National Foreign Trade Council, the National Industrial Conference Board and the Chamber of Commerce of the United States. Shoup and Minter, op.cit., p. 110.
- 113 W. Domhoff in Shoup and Minter, op.cit., Foreword VII-VIII. The internal power structure of the CFR expressed the pre-eminence of financial groups, particularly of the New York based financial oligarchy, among the dominant classes in the United States. The power structure of the CFR has pointed to the particular leadership role played by the Morgan Group first, and in the last 30 years, to that of the Rockefeller Group, in a pattern of informal coordination within a general framework of cooperation of the different groups, rather than of clear-cut command. The centrality of the New York financial oligarchy in the Council did not imply the complete exclusion of other financial groups, nor the lack of contact with them. In Shoup and Minter's study, a picture of networks tying numbers of the major corporations together in cooperating financial interests, has emerged. The ties consisted of interlocking directorates, holding of stock, loans and a wide variety of other links. Playing a prominent role in each group were generally one or more financial institutions, particularly the large commercial banks. Shoup and Minter, op.cit., pp. 100-103. According to Shoup and Minter, companies with close Council interlocks were the Chase Manhattan Bank, Chemical Bank, Bank of New York, Equitable Life, Metropolitan Life, Mobil Oil, Kuhn, Loeb, Debevoise, Plimpton, Lyons and Gates, Milbank, Tweed, Hadly and McCloy, Standard Oil N.J. (Rockefeller Group), J.P. Morgan and Company, Morgan Stanley, New York Life, Mutual of New York, Davis, Polk, US Steel, General Electric and IBM, tied with the First National City Group, First National City Bank, Shearman and Sterling, ITT (Morgan Group), Brown Brothers Harriman and Co., (Harriman Group), Lehman Brothers, General American Investors

(Lehman, Goldman, Sachs Group) the Sullivan and Cromwell Group and EI Dupont de Nemours (Dupont Group).

- 114 Shoup and Minter, op.cit., pp. 97-99. In a list of firms with four or more council members as directors or partners, Shoup and Minter noted that, in the industrial sectors, US Steel had 8 members, Mobil Oil, 7 members, Standard Oil N.J., 6 members, IBM, 6 members, ITT, 5 members, General Electric, 4 members, EI Dupont de Nemours, 4 members. In the commercial banking sector, Chase Manhattan Bank had 8 members, J.P. Morgan and Co., 8 members, First National City Bank, 7 members, Chemical Bank, 7 members, Brown Brothers Harriman and Co., 6 members, Bank of New York, 4 members. Among the Life insurance companies, Equitable Life had 9 members, New York Life, 8 members, Metropolitan Life, 4 members, Mutual of New York, 4 members. From the Investment Banks, Morgan Stanley had 6 members, Kuhn, Loeb, 4 members, Lehman Brothers, 4 members. Moreover, it is pertinent to note that 200 US firms own over 75% of all US Foreign Investment, See Newfarmer and Mueller, op.cit., p. 146.
- 115 Shoup and Minter, op.cit., pp. 278-279.
- 116 The executive of CIA had, by 1970, 20 directors; ten of them were in the CFR and one was a CFR director. Shoup and Minter, op.cit., pp. 72-74. By 1972, the CIA incorporated, among others, in its Steering Committee which supervised the day-to-day operations, Richard S. Aldrich, Jack D. Neal, Esteban A. Ferrer, Enno Hobbing, Herbert K. May, Michael D. Miller, Ralf Brent, José de Cubas and William E. Barlow. The Council Executive Committee for 1972, elected by the Board of Trustees consisted of:
- | | |
|--|--|
| William E. Barlow, Chairman of the Executive Committee | Donald M. Cox |
| John F. Gallagher, Senior Vice Chairman and Regional Vice Chairman for the Middle West | Harlow W. Gage |
| Captain John W. Clark, Regional Vice Chairman for the Southwest | Maurice F. Granville |
| Alfred W. Eames, Regional Vice Chairman for the West | John D. Harper |
| Charles J. Zwick, Regional Vice Chairman for the Southeast | Gilbert E. Jones |
| William M. Hickey, Council Secretary | Edgar F. Kaiser |
| Joseph W. Welsh, Council Treasurer | John R. Kimberly |
| Alphonse De Rosso, Assistant Treasurer | Thomas D. Lumpkin |
| W.H. Conzen | Augustine R. Marusi |
| | Rodman Rockefeller |
| | Dan Seymour |
| | José de Cubas, Council President and Chairman |
| | Henry R. Geyelin, Council Executive and Vice President |
| | David Rockefeller, Honorary Chairman |

For information on the members of the Board of Trustees, see Appendix F. Among the staff of CIA were:

- Enno Hobbing, Vice President; Dr. Esteban Ferrer, Vice President; Ralf Brent, Vice President and Senior Consultant; Jay Kingham, Executive Assistant; Jim Morse, Director Academic & Institutional Relations; Michael D. Miller, Washington Director; Humberto Cortina, Lima; Herbert Muller, Buenos Aires; Jack E. Wyant, Rio de Janeiro. Jack Wyant had been an American Embassy official under Ambassador Lincoln Gordon, in the period preceding the coup of April, 1964.
- 117 By 1966, the Brookings Institution had 7 out of 22 of its trustees in the Council (32%) and 2 were CFR directors; the Rand Corporation had 20 trustees, 9 in Council (45%) and 2 CFR directors; the Institute for Defence Analysis had, by 1969, 22 trustees, 9 in Council (41%) and 4 CFR directors; the Hudson Institute had, by 1970, 14 trustees, 8 in Council (57%) and no CFR directors. The Council for Foreign Relations also interlocked with the Foreign Policy Association (74 directors, 31 in Council); the National Planning Association (39 directors, 8 in Council); the American Universities Field Staff (32 directors, 8 in Council); and the American Assembly (20 directors, 12 in Council).
- 118 Shoup and Minter, op.cit., p. 62. Five of the eight members of the Rockefeller Commission, established in 1975, to probe the illegal domestic activities of the CIA, were Council for Foreign Relations members.
- 119 Victor Marchetti and J. Marks, The CIA and the Cult of Intelligence, New York, Knopf, 1974, p. 267.
- 120 Airgram to Department of State, from American Consul in São Paulo, 16th August, 1963, p. 4. Ref: Congen A 404. Drafted by Datus C. Proper NSF, in JFK Archives.
- 121 Telegram from Ambassador Lincoln Gordon to US Secretary of State, 9th April, 1963, Control 7279 - POF, in JFK Archives.
- 122 CESP. Ivan Hasslocher and CPI, 27th November, 1963. Initial support came from such varied quarters as those of Dom Helder Câmara, Sergio Macedo, Carlos Reis and Francisco Lampreia.
- 123 CESP, 10th August, 1963.
- 124 P. Schmitter, op.cit., p. 278.
- 125 Deputy João Doria - 'IBAD: Alienação da Soberania Nacional', in Política e Negócios, Part 1, 1963, São Paulo. See also Robinson Rojas, Estados Unidos en Brasil, Santiago de Chile, Prensa Latinoamericana S.A., 1965, p. 111.
- 126 Philip Agee, Inside the Company, London, Penguin, 1975, pp. 321, 603.

- 127 J. Knippers Black, op.cit., p. 72.
- 128 José Arthur Rios, 'Os Grupos de Pressão na Guanabara' in Comportamento Eleitoral no Brasil, edited by T. Cavalcanti and Reisky Dubnic, Rio de Janeiro, FGV, 1964, pp. 148-149. José Arthur Rios was a lecturer of sociology at Pontifícia Universidade Católica, a member of INES, National Institute of Higher Studies and of SPLAN, a technical agency. Gladstone's brother, Gabriel Chaves de Mello, was the director of Ação Democrática, IBAD's newspaper, and the coordinator of the radio-network of IBAD. See Plinio de Abreu Ramos, Como Agem os Grupos de Pressão, Rio de Janeiro, Editora Civilização Brasileira, 1963, pp. 54, 60-62.
- 129 The Movimento Popular Janio Quadros was one of the most significant channels for aggregating diverse sectors and individuals into supporting Quadros' candidacy heading a unified slate of the centre-right. The MPJQ also provided a link with the popular vote. The 'patron' of the MPJQ was ESG General Juarez Távora and its honorary president was Carvalho Pinto. João Ribeiro Dantas, director of the Diário de Notícias, of Rio de Janeiro, was president; Arthur Oscar Junqueira was executive secretary; José Aparecido de Oliveira was political secretary; Prudente de Moraes Neto was vice president of the Political Council, jointly with Senator Joaquim Parente. Councillors were, among others: Colonel Adil de Oliveira, Antonio Leopoldino, Admiral Aurelio Linhares, Deputy Brígido Tinoco, José Aparecido de Oliveira, Gladstone Chaves de Mello, General João Gentil Barbato, Helio Cassio Muniz de Souza, José Cândido Moreira de Souza, José Luiz Moreira de Souza, Captain José Chaves Lameirão (an activist in the attempted coup of Jacareacanga), José da Costa Porta, Minister José Pereira Lira, Major Leopoldino Freire, Peter Murany, Colonel Salvador Correa de Sá, Colonel Walter Peracchi Barcellos and Vandick L. da Nóbrega. Colonel Menezes Cortes provided organizational expertise. Most of these military, entrepreneurs, who were affiliates of the above-mentioned class associations and professional politicians would, initially, be part of the IBAD structure, and later on, of the IPES structure, as can be seen in Chapters V, VI, VII and VIII. Carlos Castilho Cabral, Tempos de Janio e Outros Tempos, Rio de Janeiro, Editora Civilização Brasileira, 1962, pp. 199, 279-281.
- 130 Carlos Castilho Cabral, Testimony for the CPI of 29th August, 1963, in OESP, 30th August, 1963.
- 131 Moniz Bandeira, O Governo ..., op.cit., pp. 67-74.
- 132 Other figures in the direction of Cadernos Brasileiros were José Garrido Torres, Afranio Coutinho, Nuno Velloso, Luiz Orlando Carneiro and Guimarães Padilha.

- 133 Política e Negócios, 26th August, 1963, São Paulo, p. 20. See also P. Agee, op.cit., p. 618 and José Arthur Rios, op.cit., p. 149.
- 134 The list of activists and related persons, as well as those of beneficiaries and recipients of various sorts of aid, were drawn from IPES, IBAD and ADEP documents, out of the IPES Archive, Rio. Other publications consulted were: J. Knipper Black, op.cit.; Eloy Dutra, IBAD Sigla da Corrupção, 1963; Edmar Morel, O Golpe Começou em Washington, 1965; P. Agee, op.cit.; Plinio de Abreu Ramos, Como Agem os Grupos de Pressão, 1963; M. Bandeira, op.cit.; John F. Dulles, Unrest in Brazil - Political Military Crisis 1955-1964, 1969; Joseph A. Page, The Revolution that never was, 1972. Also consulted were newspapers, Jornal do Brasil, Estado de São Paulo, of 1962-1964 and Política e Negócios of 1962 and 1963.
- 135 Elizabeth Carneiro Campos testified before the CPI investigating the activities of IBAD and IPES, that Cortes was linked to Ivan Hasslocher, in QESP, 30th August, 1963. IBAD/ADEP/Promotion S.A. also established a powerful network of support throughout the rural areas and in the capital cities of the north, northeast and centre-south. Among their affiliates and supporters were, Fernando Costa, director of IBAD's medical service in the northeast; Salvador da Grasia (Porto Alegre - RGS); Ezequiel Menezes, Alcio Borba, Milton Mota Fernandes, Homen Pereira (all from Ceará); Geraldo Alonso; Wober Lopes Pinheiro, Augusto Alves Rocha, Ilo Fernandes Costa, Francisco Dantas Guedes (all from Rio Grande do Norte); Orlando Paraim, Antonio Correa Oliveira, Adcildo Coutinho Beltrão (all from Pernambuco); Ib Gatto Falcão, Everaldo Macedo de Almeida (all from Alagoas); José Gregorio da Fonseca, (Vice Prefeito Tres Rios, (a crucial operational place for the military coup of 1964) and director of 'Correio Trirriense', the local newspaper); Kerman Nunes de Matos, Audalio Antonio Candido, João Batista Teixeira Filho (all from Tres Rios); Murilo Dantas, José Teixeira Machado, Edson Brasil, Francisco Costa Garcez (all from Sergipe); João Mendes Neto, Germano Machado, Oscar Cardoso, and Epaminondas Moncorvo (all from Bahia).
- 136 Oscar Junqueira, Testimony to the CPI on IBAD/IPES in QESP, 14th October, 1963.
- 137 'The CPI of IBAD', QESP, 28th September, 1963.
- 138 Jorge Oscar de Mello Flores, IPES CE, Rio, 11th May, 1962. Also Garrido Torres, IPES CD, Rio, 11th May, 1962. Joint executive meetings were a regular feature to coordinate political strategy and action. On such occasions, Hasslocher met Glycon de Paiva, General Golbery do Couto e Silva, José Rubem Fonseca, Dario de Almeida Magalhães, Harold Cecil Polland and Gilbert Huber Jr., among others, who

constituted part of the leadership of IPES. See also IPES Minutes CE, 30th August, 1962. IBAD functioned at 271 Marechal Câmara, Apartment 801, in Rio de Janeiro. In the same building functioned Promotion S.A.

- 139 C. Hasenbalg and C. Brigagão, 'Formação do Empresário Financeiro no Brasil', in Dados, Rio de Janeiro, 1971, pp. 81-84.
- 140 Samuel Finer, Private Industry and Political Power, Ramsay Muir Lecture, Pall Mall Pamphlet, 1958, p. 19.
- 141 A. Gramsci, op.cit., p. 185.
- 142 Interview with Marshal Cordeiro de Farias, Rio de Janeiro, 16th June, 1976. See also General Cordeiro de Farias, 'A Segurança Nacional no Panorama Mundial da Atualidade', ESG Document C-01-61, pp. 19-20. Speaking at the ESG, General Cordeiro noted that: "Side by side with chiefs and officers of the three services, we find here civilians, victors in their different activities, who, after a year of joint work, must depart together, with the clear mission of being conscious soldiers of this crusade which is the implantation in our land of the postulates of National Security". Although General Cordeiro recognized that, in its short existence, the ESG did not have enough time to "influence Brazil", he was "convinced that the time will come, and shortly, when the ESG, because of the studies it accomplishes, without dogmatic distortions, but foremost as a centre for debates, will mark its existence as the propeller of our progress". (My translation, RAD).

Chapter IV: The crisis of populism

Introduction

This chapter is concerned with the perception ¹ which the dominant economic fractions had of the critical conjuncture of the early 1960s. The chapter also describes the conflicting interests and demands which were raised against the populist polity, by two main social forces: the multinational-associated socioeconomic interests and the mobilized working classes, led by a national-reformist executive. ²

Multinational and associated interests aimed initially at sharing power with the populist class convergence in control of the state. Under Kubitschek's presidency, they succeeded in bypassing the corporatist channels of articulation of interests, in the guise of a parallel administration and in forwarding their general demands through new pressure associations. At the same time, they supported the containment of the popular classes through forms of limited political mobilization. Kubitschek's government also allowed for the integration of sectors of the urban industrial working classes and the satisfaction of the middle layers, as well as the total control of the rural working masses. This multiple 'conciliation' of interests and diverse pressures was never repeated to such an extent after Kubitschek's presidency. In a way, the period revealed itself as the fullest effective expression of populism, in both socio-economic and political respects.³ However, by the end of the 1950s, the structural inconsistencies of the populist class convergence began to surface.

I. The Transition Period: from Lobbying Tactics to Government

Kubitschek's PSD-led populist government came to an end in 1960. Janio Quadros' candidacy represented the last civilian electoral attempt by big capital at sharing state power with the established populist bloc. With Quadros' presidential term, the populist pact was stretched to extremes, reducing the room for compromise between the dominant groups.⁴ Multinational and associated interests constituted, with the agro-export sector, a modernizing-conservative bloc which attempted to gain the presidency through Quadros' own brand of UDN-PDC led populism. This alignment had as much to do with Quadros' open foreign policy as with the drive to regiment the masses and rationalize the economy.⁵

What gave the UDN-machine a Pyrrhic victory over the PSD forces in the elections of 1960 was not so much the natural attrition of the past governing party, nor the action of the dominant economic groups, as the popular fascination with the grand Janista demagogy.⁶ The mood was cleverly propagandized by bill boards portraying Quadros' symbol, the broom, and his declared intention to sweep the country clean. Thus appeared in Brazilian politics, for a very brief period, an element of electoral 'Caesarism', with Quadros as dictator of the electoral battle field. While Quadros was elected on his platform, his slate companion, Milton Campos, the Minas Gerais jurist, perceived as an expression of the traditional forces which had dominated the country, was rejected by the popular vote for the vice-presidential seat. Instead, the vice-presidency went to João Goulart, the candidate of the PTB led coalition of forces,

heir apparent to Getulio Vargas, elected massively on his reform oriented and distributionist public stance.⁷

Goulart's ballot ticket companion, General Henrique Teixeira Lott, the PSD-backed candidate for the presidency, was defeated. For the third consecutive time since their experience with General Dutra's government after the fall of the Estado Novo, Brazilians had denied a military officer the presidency.⁸ The verdict of the polls was that the masses of the Brazilian population, when consulted, gave their support to a combination of social popular reforms, nationalistic development and administrative austerity and efficiency. This was a far cry from the economic order envisaged by multinational and associated entrepreneurial interests and the notion of 'progress' upheld by the upper middle class.

However, it was not long before it became clear that beneath the Janista rhetoric, other forces and policies were at work. Once Quadros was elected, CONCLAP presented him with an important document, called 'Suggestions for a National Policy of Development'.⁹ The document called for a reassertion of private enterprise and foreign capital in the planning of development, the curbing of popular mobilization and state intervention, the redefinition of state functions, measures against inflation and overhaul of the administration. It was handed in to president Quadros by CONCLAP leaders, Eneas de Almeida Fontes and Jorge Behring de Mattos, with the support of J.A. Bezerra de Medeiros, Paulo Ferraz, Lair Bocaiuva Bessa, J.B. Leopoldo Figueiredo, Lauro Carvalho, A. Xavier da Silva, Oscar de Oliveira, Hamilton Ferreira, A. Ribeiro Neto, A.J. Ferreira Dias, M. Milcíades Sá Freire de Souza, and Nei Lauda. The policy suggestions of the

document inspired Quadros' government and were later to be basic tenets of the programme of the entrepreneurial classes in their anti-Goulart campaign.

Quadros appointed an executive that suited the modernizing-conservative socio-economic forces. Important multinational and associated economic groups, the top entrepreneurial class associations, members of CONSULTEC and the core of the Superior War College were included in his cabinet, in the public administration, and occupied the commanding posts of the military hierarchy.

Included in his cabinet were: Clemente Mariani (Banco da Bahia, Light SA - Morgan Group), Minister of the Treasury; Arthur Bernardes Filho (The Royal Bank of Canada, Westinghouse - Mellon Group and Banco do Comércio), Minister of Industry and Commerce; Walter Moreira Salles (Moreira Salles banking and industrial group, linked to the Rockefeller group) who was appointed ambassador to the USA; Oscar Pedroso Horta (Mellon Group) became Minister of Justice; Francisco Carlos de Castro Neves (FIESP), Minister of Labour and Caio Mario da Silva Pereira, a former Hanna Mining lawyer who became Consultor Geral da República¹⁰. The administration appointed entrepreneur João Baptista Leopoldo Figueiredo (American Chambers of Commerce active member and CONCLAP leader) as Head of the Bank of Brazil; entrepreneur Paulo Ayres Filho (FIESP and American Chambers of Commerce active member) became the Bank's director. The administration also relied on the expertise and advice of CONSULTEC members Lucas Lopes; J.L. Bulhões Pedreira as coordinator for the Technical Advisory Commission to the President; Octavio Gouveia de Bulhões;

José Garrido Torres and Roberto de Oliveira Campos, who also operated as roving ambassador. Quadros' government was supported militarily by ESG founders and ideologues, Colonel Golbery do Couta e Silva, as Head of Cabinet of the General Secretariat of the National Security Council, seconded by Lieutenant Heitor de Aquino Ferreira, Lieutenant Colonel Mario Andreazza and Lieutenant Colonel João Baptista Figueiredo (nephew of the Bank of Brazil president and son of General Euclides de Figueiredo); Lieutenant Colonel Walter Pires de Carvalho e Albuquerque of the Federal Service for Information and Counterinformation - SFICI; General Cordeiro de Farias, who presided over the General Staff of the Armed Forces, seconded by Colonel Ernesto Geisel, as head of Army Intelligence and commander of the Brasília stationed key army garrison.¹¹ Furthermore, Quadros counted on the support of: ESG-IBAD General Orlando Geisel, brother of Ernesto, who became Head of the Ministerial Cabinet and Chief of Staff of the Minister of War, Marshal Odilio Denys; General Idalio Sardenberg as head of Petrobrás and General Ademar de Queiroz as Head of the Vila Militar the all important Rio de Janeiro garrison. General Ademar also became subhead of the General Staff.¹² Another feature of this period was the placing in key commanding or opinion shaping posts of other officers who backed the right wing leaders of the armed forces and favoured a strong hand against the political organization of the popular forces. Thus, General Hugo Panasco Alvim became assistant of the ESG; IBAD General João Punaro Bley, director of the Social Service of the Army; General Sizeno Sarmiento was appointed Head of Police of São Paulo; IBAD General Ignácio Rolim became Head of the Military Club; ESG General Pedro Geraldo de Almeida, Head of the Military Household of the President;

ESG Brigadier Carlos Alberto Huet de Oliveira Sampaio, Head of the Air Force School; IBAD Brigadier Ismar Brasil, Head of the General Staff of the Air Force; ESG geopolitical ideologist Brigadier Clovis Travassos, Director of Civil Aviation; and IBAD General Decio Palmeiro Escobar went to the Department of Provision of the Army. By appointing Marshal Odilio Denys Minister of the Army, Admiral Silvio Heck as Minister of the Navy and IBAD Brigadier Gabriel Grun Moss as Air Force Minister, Quadros topped his military support with the right wing leaders of the Armed Forces.

The Quadros presidency was a close expression of the new relation of social forces and new economic power groups, with policies matching the recommendations of entrepreneurial interest groups.¹³ It is not by chance that for ESG officers, Janio Quadros stood out positively among the succession of governments elected since 1945. He seemed to the ESG cluster "the negation of demagogy, and therefore, of populism; although a populist himself, he gambled his electoral chances against the heirs of getulismo, the left and the governmental demagogy".¹⁴ This view squared with that of technoentrepreneur Paulo Ayres Filho, for whom "The Election of Janio Quadros as President, late in 1960, could have strengthened the democratic position in Brazil because of his correct views on Brazilian problems. He was bent on establishing a regime of austerity and authority in public administration, rationalizing governmental activities, and fighting inflation. In addition, he had secured a solid popular support which lent him unquestioned authority over all social and political groups, despite the fact that he had been opposed in his electoral campaign by the Communist Party (which supported Marshal Teixeira Lott)".¹⁵

With the passing of the first few months of Quadros' presidency, it became clear that the UDN-PDC led populist polity was unlikely to produce the popular measures of distributionist growth expected by the popular forces. Janio Quadros had inherited both an economy weakened in part by Kubitschek's policy of fostering 'overheated' growth, and a populist administration increasingly inadequate for the needs of the multinational bloc and local big capital. An American Embassy report, carrying an analysis by Herbert K. May, its Treasurer Department Attaché, concluded that the Banco do Brasil had practically no foreign currency and the Kubitschek Government had virtually exhausted all the "'ethical' and 'non-ethical' resources it had at its disposal, to cover the deficit in the balance of payments, thus allowing President Kubitschek to leave his post on 31st January in circumstances of apparent liquidity".¹⁶ Quadros was faced with a legacy of problems, including most prominently soaring inflation, which was running out of hand, agricultural stagnation, balance of payment difficulties, as well as the exhaustion of the upper middle class consumer market for durable goods.¹⁷

The economic picture was complicated even further by other developments of a political nature. Under Kubitschek, the PTB-trade union complex had been an uneasy part of the authority structure. After all, the PTB was a state-created party and the unions had undergone purges during the administration of President Dutra. But beginning with the revocation of the 'ideological certificates' in 1951, the nature of trade union leadership began to change, although it took a while for these changes to express themselves in national organizations. With the active sponsorship of Kubitschek's vice-president,

João Goulart, the new ideological forces began to find organizational expression. National workers' congresses were held for specific categories in 1956 and 1957. In 1958, about twelve state-wide workers' meetings were held; in 1959 the number went up to fourteen and in 1960 to sixteen. By then, national congresses of trade union leaders took up where they had been halted thirteen years before, only that now they were reorganizing themselves amidst an industrial working class which had increased its numbers several times and was relatively concentrated in regional terms.¹⁸ The incipient trade union movement began to conflict in a serious way with certain aspects of the vertical trade union structure, reducing the conditions that had allowed for mass manipulation.

In the eyes of the entrepreneurial community, the trade union movement had become a factor of disruption by the time Quadros had reached the presidency, as certain unions and trade union leaders demanded social change. Furthermore, the representatives of multinational-associated interests and agro-export business, who had supported Quadros, but not Goulart, found themselves blocked in their unwanted and electorally enforced governmental coalition with the PTB. They were unable, by the constraints of increasing popular participation in politics, to form a stable entrepreneurial government. Moreover, Quadros faced the active resistance of oligarchic sectors within the PSD and other minor parties, as well as power conflicts within his own, which blocked his government in Congress. Quadros' failure to face up to the higher levels of middle class expectations coupled with bureaucratic inadequacies also hindered the executive in carrying out the reforms required by the big business community. Such reforms involved sacrifices by the

working classes and strong economic and political limitations to traditional oligarchic sectors and local middle industrial interests alike. Multinational and associated interests were being made aware of the impossibility of achieving the necessary extensive overhaul of the economy and administration within a 'pluralist' society and electoral polity. Such a polity, though restricted, was open to conflicting interests and pressures, which, following the common practice of the populist polity, had to be partly reconciled.¹⁹ Quadros tried to outflank the populist structure, first by bilhetinhos (handwritten decrees) meant to undercut the political and bureaucratic strongholds of inefficiency and traditional interests, and later by an adventurous and bold politico-military gambit.

In August 1961, after a mere seven months period in office, Quadros, based more on his purported charisma and less on real authority, resigned in the hope of gaining a civil-Bonapartist mandate, through a middle class recall to office. Quadros expected the support of entrepreneurs and the resolute backing of a military coalition that would enable him to impose economic and political solutions upon conflicting demands. And this, while his vice-president was conveniently still on a good will and commercial mission to China. Neither the majority of the entrepreneurs, nor his own party bloc, were ready to back him. Nor were key military Ministers Denys, Heck and Grun Moss ready to sign such a blank political cheque for an erratic figure such as Quadros.²⁰ He was not returned to government. There was, moreover, extreme popular indifference to his political fate. With Janio's resignation, the political field was left wide

open yet again. The rather contradictory UDN-led populist formula of the modernizing-conservative bloc was thrown into disarray, with the flanks of the regime apparently open to a nationalistic-reformist executive. Unexpectedly, Goulart became president, contradicting the expectations of multinational and associated entrepreneurs and the right wing military structure alike. With Goulart's assumption of government the multinational-associated bloc, which seemed to lose their privileged economic position, prepared to restrain popular demands and constrain traditional interests by the imposition of extra-political means.²¹ Multinational and associated interests began to articulate a civilian-military bloc of caesaristic tendencies, which in the end, was to subvert both the populist political order and contain the national reformist aspirations.²²

II. The Rise of a National Reformist Executive

Goulart's succession to the presidency after Quadros' resignation was almost impeded by an ill-prepared military gambit.²³ The attempt to bar Goulart from stepping into office was checked by a popular power bloc, led by the middle industrial bourgeoisie, southern agrarian sectors and the traditional politicians who opposed themselves to the demands of ESG military and multinational and associated interests.²⁴ A compromise was reached, anchoring the presidency to a PSD programme and imposing a parliamentary regime which effectively limited Goulart's power.²⁵ The populist structure had been successful in curbing Goulart and in containing the modernizing-conservative bloc, who then began to seek other solutions to the impasse.

After the coup fiasco of 1961, and favoured by the popular feelings expressed in that political conjuncture, a new balance of social forces was struck, whereby Goulart's executive was able to take a national-reformist turn, supported by the mobilized working classes against what increasingly looked like a UDN-PSD power bloc. Goulart extricated himself from the parliamentary straightjacket by January 1963, when Brazil reverted to a presidential regime, led by a PTB power bloc seeking a plural society.²⁶ In this process which led to the return of the presidential regime, the incipient crisis of hegemony within the dominant classes was laid bare and was partly reflected by the increasing difficulty in forming workable cabinets.²⁷

In his attempts at steering the Brazilian government through a reformist nationalistic path, Goulart relied on wider support than that of the popular forces at large. The nationalistic-reformist stance was also favoured by the local small and middle industrial bourgeoisie, which was geared towards markets of low purchasing power and by the agrarian sector producing food staples for the internal market. These sectors were attempting, through a nationalistic and reformist appeal to the masses, to widen their social basis for their own economic reasons. These sectors were feeling the stress of the concentrationist character of the process of capitalist expansion in Brazil, which stimulated the deterioration of the real salaries of the urban working classes. On the other hand, the consumption of durable consumer goods produced by the new industrial sectors, (automobiles, electrodomestic appliances) was ensured by the very same concentrationist character of the economy, and by the widespread formation of the new typically

middle class occupations which were functional to the new productive structure, the techno-professional bourgeoisie.²³

By attempting to rearrange the correlation of economic forces within the dominant classes, the industrial and agrarian sectors mentioned above objectively broke the traditional populist class convergence, as well as its ideological-institutional framework.²⁹ The attempts to reconstitute the Brazilian polity involved then the composition of a new industrial-agrarian power bloc supported by urban working classes and mobilized peasantry. These economic interests aimed to constrain the power of transnational and associated capital, control agro-export business and the most recalcitrant sectors of the rural oligarchy.³⁰ This modernizing-reformist industrial and agrarian bloc found its political expression in Goulart's PTB led executive. It gained the support of dissident factions of the UDN, PSD and PDC. It was also supported by new legal-rational organizations such as the Nationalist Parliamentary Front - FNP, as well as by a heterogeneous popular-military nationalistic dispositivo.³¹ The national-reformist bloc also expressed itself through the charismatic appeal, ideologically disparate, of popular political figures such as Francisco Julião, leader of the Northeastern Peasant Leagues; Mauro Borges, governor of the agrarian state of Goiás; journalist Neiva Moreira; Leonel Brizola, governor of Rio Grande do Sul; Sergio Magalhães, the nationalist middle class leader; Almino Afonso, Miguel Arraes and Max da Costa Santos. The new power bloc had the added support of intellectuals of international prestige, such as anthropologist Darci Ribeiro; economist Celso Furtado; educationalist Paulo Freire and sociologist

Josué de Castro, who were in a sense ideological 'commanders', but with no effective political army behind their statements.

What were the policies that distinguished Goulart's power bloc from the previous populist governments and so infuriated the multinational and associated bloc? Some of the measures taken by his government were: ³² the law restricting remittance of profits by multinational companies to their headquarters, which to a degree checked the heavy drain of capital. ³³ This measure also implied a more rigorous control of the activities of transnational capital in Brazil, by withdrawing its extraordinary privileges, gained with the Kubitschek and Quadros administrations. Under those provisos, foreign capital was to be treated on equal terms with national capital. Foreign capital was defined as goods, machinery, and equipment entering Brazil without the initial expenses of foreign exchange and destined for the production of goods or services, as well as investments in cash introduced for economic activities. The new regulations demanded that all foreign capital entering the country had to be registered with SUMOC, as well as the repatriation of capital and remittance of profits, dividends, interests, amortizations, royalties and payments for technical assistance. Registration of capital had to be in the currency of the country of origin. All deposits abroad were to be declared, under the penalty of being considered illegal, with criminal action following suit against the offending parties. SUMOC was given the power to control foreign exchange operations. Banks of countries placing restrictions on Brazilian banks could have no more than 30% of the voting share stock of national banks. Annual return of profits remitted abroad could not go beyond 10% of registered net

investments. Remittance beyond this figure would be considered as repatriation of capital, not more than 20% of which could be sent abroad in any one year. Profits above this limit could be considered as supplementary capital and could not be remitted, but could only be reinvested in Brazil.

Moreover, the limitations on royalty remittances forced the multinational companies to do precisely what they had managed to avoid throughout the periods of Kubitschek and Quadros, namely to invest capital in the country by having to reinvest their own profits.³⁴ Goulart's administration also sought to establish state monopoly of oil imports and to expropriate the five private refineries in Brazil, as well as the revision of mining concessions to multinational corporations. On the labour front it sought to readjust minimum wages, reestablish the purchasing power of workers and employees, to establish a policy of price control and to supervise the distribution of basic consumer goods. The first timid stage of Agrarian Reform was also decreed. It established expropriation with prior and effective compensation of non-cultivated areas located within close range of railroad and highways. The government also aimed at the control and limitation of the bank rediscount and attempted other measures to fight financial speculation; as well as re-scaling the payment of foreign debt it renegotiated with the creditor countries. This step forced the United States financial community to accept the same conditions as European creditors. Furthermore, Goulart's government, following Quadros' initial attempts, fixed an independent political line for Brazil within the Organization of American States, the United Nations and within other international organizations.³⁵ Finally, Goulart

proposed a restructuring of the tax system on the basis of income, an electoral reform allowing illiterates and soldiers the right to vote and the return of parliamentary eligibility to sergeants, and a reform of the educational system, extending to the popular classes. In other words, his was undoubtedly a reformist programme which favoured popular participation.

III. The Economic-Political Crisis of Populism

Capitalist industrialization, which had been financed by the twin policies of association with foreign capital ³⁶ and a steady increase in the rate of exploitation of the working force was immediately threatened by the national reformist executive and its programme for development. ³⁷ Moreover, the expansionary macroeconomic policy which had propelled growth in the late 1950s began to falter in the early 1960s, against the background of a decreasing 'extractive capability'. Also inflation, which had been such an important mechanism for industrialization had run out of control. In a spiral of rising prices, inflation and wage increase demands, which stimulated speculation and short term investments seeking immediate high returns, relevant medium range planning and administrative efficiency were impaired. Furthermore, inflation had a double negative effect on the middle classes' incomes, straining their consumer capacity for manufactured durable goods, and affecting mainly the multinational and associated interests which manufactured in this sector. Inflation also hampered the saving capacity of the middle classes, affecting resources which were meant to be harnessed through private banks and state agencies for the financing of private industrialization.

The existing form of accumulation, which engendered extreme concentration of wealth, low employment capacity and low wages, established socio-economic and regional bottlenecks. These factors were to result in political instability which then strengthened the cautious attitude of the entrepreneurial classes to further investment or expansion of their businesses. Political instability also reinforced among the entrepreneurial classes the feeling that the civilian institutional arrangements were insufficient and incapable of containing the increased level of class struggle. Moreover, the heavy blows dealt by the government against foreign capital privileges also contributed to a reduction of the already small rate of multinational investment and to the uneasy behaviour of big capital.³⁸ The situation worsened for the multinational and associated bloc with the government's pre-occupation over improving popular living conditions, and implementing a more equitable distribution of the increased levels of productivity which came about with the technological changes of the late 1950s. Income distribution was attempted, in the form of higher wages and indirectly through governmental allocation of greater amounts of public resources, for free education, national medical care and health service, housing and public transportation. The government also implemented a policy of price control on basic goods, while attempting to curb multinational profiteering in such vital areas as pharmaceutical products. Against previous industrialization policies which benefited the expansion of multinational corporations catering for a reduced market of high purchasing power, the national reformist government aimed at redirecting the type of production mainly towards foodstuffs, clothing and

basic household appliances. Thus the middle industries and agrarian sectors producing basic consumer goods for a large market of low income were also stimulated. For the multinational interests and the upper middle classes, the politically and economically 'easy' phase of the so-called import-substitution process appeared to have exhausted both its socioeconomic and politico-civilian possibilities. In this sense, the Brazilian economy was becoming what has been termed by right wing analysts a 'praetorian polity' and an economy of 'scarce resources', a rather euphemistic way of referring to the adverse political and economic conditions for multinational-associated interests and middle class demands. ³⁹

The relative deceleration from the overheating of the Kubitschek period was evidenced by several indications, such as the reduction of investments in leading sectors (durable consumer goods); the decrease in the demand for intermediate and capital goods; the weakening of public investments in the multinational sectors and the crumbling of the interindustrial cycle of demand. ⁴⁰

The state enterprises responsible for the production and management of the infrastructural sectors such as oil, steel, electricity, ports, transport and construction, were the first to slow down. Thus, the 'inefficiency' of the state as entrepreneur and contractor was made apparent to its opponents. It was also in the public sector that many of the strikes occurred, and where some of the most articulate political demands were raised. A vicious spiral of working class strikes, and middle

class discontent developed. With the overall pace of 'development' slackening, both the working classes and the government came under heavy attack from the privately owned media and middle class 'public' opinion, ably orchestrated by the dominant classes. Ideologically the alternatives were clearly outlined for the popular bloc and the dominant classes alike: national reformist 'étatisme' or multinational-associated oligopolistic capital. The populist socioeconomic structure and administration, and the national-reformist executive which were equated as a twin phenomenon were publicly condemned by the multinational and associated power bloc. Redistributionist policies were branded as 'romantic'; nationalization, 'étatiste' policies and socially oriented production were branded as inefficient.

Big capital required the 'stabilization' of the economy, involving mainly strict wage control, measures to stem inflation and cuts in public expenditure for social services. Big capital also required the reorientation of the economic policies towards income concentration, measures which would favour middle class growth as a consumer belt in the cycle of interindustrial demand instead of the improvement of working class living conditions. The creation of a dynamic stock market was envisaged, enabling the multinational companies to penetrate the shareholding structure of local companies and begin a new stage in the takeover process under the euphemistic name of 'democratization of capital'. The stock market was also to provide a very efficient form of drawing resources from the middle classes, who were to be stimulated by government monetary facilities to invest their savings. Middle industries favoured

by Goulart's government, were to be excluded in the name of big capital's 'efficiency' standards, which condemned not only the smaller enterprises, but their particular consumer market as well. Compulsory levies through state agencies on working class earnings were also designed as a source of pulling together resources for private capitalization.

Moreover, capitalist industrialization, in the view of the multinational and associated interests could only prosper under the banner of entrepreneurial administrative order and political security. For the dominant classes and their organic intellectuals, class struggle in a political system of internationalized policy and decision making had to be confined within secure national boundaries.⁴¹

Familiar lines of argument have emphasized the 'economic crisis' of the period and the 'exhaustion' of the import-substitution stage of industrialization. It is interesting to note that beyond these arguments, other social phenomena were perceived as being at work by the dominant classes. This was made clear by Roberto Campos. In an analysis prepared for the Ministerial Cabinet Meeting of 4th June, 1964, Campos explained that "Specifically, the paralysis of development in 1963 was a consequence of climatic and sociopolitical factors".⁴² Among the politico-institutional factors, Campos noted the following: "a) the constant political tension created by the disharmony between the Federal Executive on one side and the National Congress and State governments on the other, which gave rise to suspicions of anti-constitutional intentions (intenções continuistas) by President Goulart to remain president; b) the 'étatiste' (estatizante) trend which depressed and threatened private investors; c) Communist

infiltration which threatened to subvert the social and economic order; and d) the successive paralysis of production by the strike leaders, frequently with clear political objectives".⁴³

It was clear that in such political conditions, it would be very difficult to ensure valid economic planning, accurate production projections and engage the capacity of the State for accumulation and arbitration in favour of the entrepreneurial community.⁴⁴ Another phase of 'import substitution' was in the offing. With it came the pressures for the substitution of the government by a regime able to impose consensus among capital and consent upon labour.⁴⁵

What was the significance of the economic, social and political reforms attempted by Goulart's power bloc? First, it indicated that Goulart and his executive were objectively extricating themselves from the populist past which reconciled the various fractions of the dominant classes and manipulated the working classes. There was a clear stance against various fractions and sectors of the dominant classes, in favour of urban industrial participation, as well as in favour of the mobilization of the rural masses. Second, Brazil was being substracted from the sphere of influence of transnational capital, both by the internal measures to control the operations of the multinational corporations as well as by a foreign policy which moved away from automatic hemispheric alignment even further than under Quadros. There was a third extremely interesting outcome. Goulart's power bloc attempted to shape a state which not only would have a nationalistic role, a part it had played in previous governments in discord with its real character, but would also have developmentalist

and distributionist functions. However, precisely in the circumstances in which the state apparatus had to prove the reality of its alleged relative autonomy, what was revealed instead was its 'hidden' inherent allegiance towards capital and against labour. Counterposed to the concrete reformist and national policies of the government, the class character of the state could not be concealed anymore. Its real political, and economic functions were uncovered for large sectors of the public. By forcing the political, military and bureaucratic institutions of the state to side with one part of the conflicting social forces, the true nature of social relations within the populist form of domination was becoming apparent. Class relations lost their non-political form.⁴⁶ Since the Estado Novo, the first clear-cut confrontation between the working classes and the political apparatus of the dominant classes had begun.

Autonomous popular mobilization began to put pressure on the dominant ideology, uncovering the growing gap between nationalistic reformist discourse and its assumption by the working classes,⁴⁷ and raising the level of class struggle.⁴⁸ With the rupture of the populist form of domination,⁴⁹ the industrial-oligarchic bloc felt it was losing politically what it had lost already economically, i.e. the leadership of events. Disaffection then spread among the entrepreneurial and political-military supporters of Goulart, weakening his power bloc. The outcome of this process was that the sense of insularity of the executive was reinforced, by leaving it dependent on the mobilized workers, who remained the government's sole and uneasy political 'mass for manoeuvre'. The perception of a relative autonomous executive able to rally to its command

the subordinate classes, or worse, being swayed by them, prompted a political reaction of the whole of the dominant classes.

IV. The Perception of the Crisis of Authority

The 'normal' exercise of political domination in the 'classic' phase of the populist regime, from 1945 to 1960, was characterized by a combination of pluralism, force and authority, coercion and consent. These elements balanced each other out in various forms throughout the various presidencies, but without force being substituted for consensus, as was to occur in the post-1964 military authoritarian regime.⁵⁰ However, there was neither hegemonic consent, nor democratic pluralism, for the dominant classes banned the Communist Party, intervened and purged the trade unions, and left disenfranchised more than 50% of the potential electorate on account of their illiteracy. In spite of these political limitations, populism was implemented in such a fashion that the force of the dominant classes seemed generally supported by the consensus of a majority of the public with voice and vote. Centre-right parties were able for a while to express popular beliefs, and the PTB forwarded some of the popular grievances.

Between consensus and force, political forms of corruption and fraud were to be found: peleguismo, coronelismo, paternalism, clientelism, protection and apadrinhamento.⁵¹ These political relations of domination were instrumental in the rapid industrialization process of Kubitschek and Quadros, a period in which the exercising of hegemony was difficult. Coercive measures were at the base of what in fact was a civilian-led politically authoritarian regime which cautiously used force. These cartorial and patrimonial forms of domination expressed the

attempts by the dominant power bloc to disarticulate antagonistic social forces through the absorption of their leaders and disaggregation of their popular bases, leaving the former alienated from society and the latter without direction.

As seen before in this chapter, during the Janista-Janguista period, socio-economic and political cleavages within the dominant classes were sharpened. The ruling articulation of interests fragmented and the exercise of hegemony became difficult, if not impossible, in entrepreneurial terms. The difficulties were expressed in the crisis of authority and the dissolution of the presidential regime, the crisis of populist insubordination and the rise of the 'masses for themselves'.⁵² But until Goulart came to the presidency, only 'theatrical' manifestations of the phenomena were perceived.

The significance and extent of the crisis of authority and the disintegration of the institutional and ideological channels of control as well as the inability of the existing party-system to divert popular discontent did not escape the modernizing-conservative organic intellectuals. On the basis of one of the most comprehensive surveys of Brazilian society and its correlated electoral process, as well as a thorough analysis of the 1960 national elections using comparative data of previous elections, Paulo de Assis Ribeiro, of the techno-entrepreneurial agency CBP, and a very competent team of specialists observed that the functional pre-requisites of the political parties were largely and increasingly unfulfilled, their social norms were weakening and their established political beliefs were under threat.⁵³ The significance

of this study was that it expressed the collective consciousness which the multinational and associated power bloc had of the critical situation of the early 1960s. Their study was not an ex-post facto analysis. Instead, it was produced as an alarm call, indicating for the dominant classes that the electoral and institutional system was in the medium run, blocked for their interests.

Assis Ribeiro's study about party behaviour, inter-party alliances and the composition of the electoral slates made it clear to the modernizing-conservative organic intellectuals that what they regarded as the excessive number of registered parties in the elections of 1962 (13 'national' parties) nullified their function of reuniting people around a nomination, programme or doctrine. The centre and centre-right wing parties which had provided the semi-competitive articulation of interests and aggregation of pressures for the industrial-oligarchic power bloc, were failing in what Roberto Campos has considered to be the central feature of a political association: "uniting aspirations, forming loyalties to the system, disciplining protest and regularizing the transfer of leadership".⁵⁴ The party system's insufficiency was marked by their sectoral and factional composition, with petty alliances and byzantine infighting making impossible any principalled action.⁵⁵ Sometimes what had been coordinated at national levels was opposed at local ones.⁵⁶ According to Assis Ribeiro's study which strongly focused upon the centre-right wing parties, no coherence in doctrine was demanded between the candidate and the party. Once the candidate was chosen, he considered himself free of any previous promises both in relation to the party and to the electorate which had chosen him. Mandates

were viewed as personal patrimony. Alliances of important figures and factions within the parties were not constituted by ideological affinities. The determinant motive for party alignments, factional alliances and group agreements was perceived as being of a personal character or based on contingent calculations of an opportunistic nature. Candidates of certain parties belonged to district and even regional directories of another party. In important elections candidates almost did not relate to the party under whose legenda (banner) they campaigned. Candidates were chosen and supported by a variety of alignments, whose composition was linked to the federal state area they formally represented (and which effectively nullified their national character). This led in turn to an enormous confusion in electoral propaganda, as well as to contradictions between the municipal or state levels of representation and the federal level.⁵⁷ It also meant the loss of political expression in party terms, a lack of programmes with a national dimension, and a lack of long range policy; instead regional power conflicts were expressed in utilitarian and short term alignments. Furthermore, Assis Ribeiro's study observed that the accepted practice of alignments vitiated the sense of any party programme, and, with the exception of the PSD, UDN and PTB, made a myth of the national dimension of other parties.⁵⁸

Another significant point for the multinational and associated bloc, to which Paulo de Assis Ribeiro's study called attention was that although there was a sharp increase of economic power in the southern regions of the country, the industrial-financial urban centres remained politically under-represented.⁵⁹ Premised on some sort of 'Raison d'economie',

Assis Ribeiro's team concluded that by examining the areas of concentration around Rio and São Paulo, the population responsible for more than two thirds of the national income did not have the political power to choose one third of the representants, while close to only 12% of the Brazilian population producing approximately 40% of the domestic national income was not represented by even 10% of Congress.⁶⁰ Counterposed to the economic dominance of big capital, local middle industrial interests and agrarian sectors controlled less of the economy than at the time of the Estado Novo, while accumulating a higher degree of political leadership, in striking assymetry with their economic base.⁶¹ The economically subaltern industrial-oligarchic interests steered the country, while transnational capital attempted to chart the economy. (By 1963, São Paulo, the centre of oligopolistic industrial-financial groups, produced 57.2% of the federation's industrial revenue.) The political under-representation of multinational and associated interests and their inability to steer the polity and chart, unchallenged, the course of development, contributed to prompt multinational extra-party action.

Assis Ribeiro's study also showed that there was a process of the 'pulverization of parties' which, together with candidates breaking away from their party programmes and the subsequent forced necessity to form expedient alliances and short term alignments,⁶² produced unstable heterogeneous political conglomerates. In these, the naked language of numbers spoke, thus pre-empting the traditional conversações (conversations among governors and party leaders) and conchavos (political wheelings and dealings). Furthermore, what seemed critical was that along with this process of centre-right party

decomposition, there was a consistent growth of the PTB to the detriment of the PSD and UDN parties, polarizing politics by introducing ideological issues instead of merely expedient ones functional to the political survival of party and candidate.⁶³

Assis Ribeiro's study also pointed to the tendency of the electorate to leave the centre of the political spectrum. The decline and insufficiency of traditional and manipulative parties as mechanisms of social control and guided mobilization was becoming apparent.⁶⁴ This trend was confirmed by an overview of the percentages of the votes obtained by the major parties in three congressional elections.

Table 10

	PSD votes	UDN votes	PTB votes
1945	42.3%	26.3%	10.1%
1954	22.0%	13.6%	14.9%
1962	15.6%	11.2%	12.1%

Thus, the three major parties that in 1945 obtained 78.7% of the votes, received seventeen years later only 38.9% of the votes, while party alliances obtained 41% of the votes. On the other hand, blank votes went up from 468.000 (4.8%) in 1954, to 2.149.111 (15.1%) in 1962.⁶⁵

Assis Ribeiro's study observed that the ideological fragmentation of the parties was also underlined by the internal division of the centre-right parties representing a frustrated effort 'at adaptation of those parties or certain groups within them to new demands of the electorate'.⁶⁶

Another significant point arising from the study was that the complex set of variables they had surveyed pointed to a relevant swing in the voting patterns of the electorate towards the PTB, in a first stage.⁶⁷ A second stage, it was concluded, would see the electorate moving to other political formations, with a clearer definition towards the left, a natural outlet being the recently formed Nationalist Parliamentary Front⁶⁸ and the still banned Communist Party.⁶⁹ Moreover, the study observed that political organizations leaning towards national-left policies were making a serious impression upon the electorate, with a concomitant polarization of politics leading to the formation of wide parliamentarian fronts which swiftly increased their prestige and importance. Two inter-party blocs arose: the Nationalist Parliamentary Front - FNP, and the Democratic Parliamentary Action - ADP.⁷⁰ These conglomerates of representatives of several parties indicated the ideological undermining of certain parties and a concurrent politico-ideological reshuffle and re-orientation of important public figures and groups. The formation of these two fronts revealed not only the decline of the PSD-PTB alignment (and the pact of domination of which it was a part), but also the eclipse of the UDN opposition and the impossibility of an alliance PSD-UDN to work on its own.

What seemed even more disturbing for the rural oligarchy, agro-export business and the multinational-associated interests alike was the capacity shown by the national-reformist bloc to reach more complex, politicized and ideologically defined formations, in spite of the nationwide right-wing attack,

confirming the trends exposed by Assis Ribeiro's study. The Popular Mobilization Front - FMP was established, as an extra-parliamentary and nationally organized bloc, directed against transnational economic abuse, rural oligarchic constraints and the administrative, cultural and social populist structure, although paradoxically, it was based upon some of the traditional authority mechanisms, such as the ingrained local and regional loyalties and personalized politics. Its main strength came from the widest national array of popular oriented political forces attained so far. The FMP included the National Parliamentary Front; the Peasant Leagues and rural trade unions; the General Command of the Workers - CGT and the Trade Union Pact of Unity and Action - PUA; the National Union of Students - UNE; the Catholic inspired Popular Action - AP and the support of national reformist military officers and the illegal Communist Party. ⁷¹

A further significant observation of the Assis Ribeiro study was that there was a consistent loss of grip on the rural vote, undermining the traditional PSD stronghold. ⁷² The study also perceived that the eventual vote of the illiterates would be consistently on the left, and it observed that granting voting rights to the illiterates represented a serious threat to the parties of the centre. ⁷³ It was found that the illiterates or recently alphabetized people voted with the left, strengthening the general tendency of the electorate to leave the big parties of the centre. The study also pointed out that the possibility of rapidly alphabetizing great numbers of people, though open to discussion from the point of view of permanent educational planning could have immediate political consequences. The study observed that if

the Paulo Freire method, for example, was to be adopted in large scale throughout the Northeast, the increase in the percentage of politicized voters, although superficially alphabetized, would seriously disturb existing party relations.⁷⁴

The overall political conclusions to be drawn from Assis Ribeiro's exhaustive study were quite obvious. The ruling polity and the dominant classes as a whole faced a basic crisis. The subordinate classes were outflanking the authoritarian-corporatist structure.⁷⁵ But the nature of their activities, primarily expressed in syndicalist terms, failed to promote an organic crisis.⁷⁶ Nevertheless, it was precisely this outburst of political activity among the subordinate classes that prompted US Ambassador Lincoln Gordon to denounce the 'internal aggression' of 'organized minorities' in his address at the Superior War College in 1962: "Are there not proofs everywhere of the systematic communist infiltration in the universities and student groups, in the trade unions and the means of communications, in the public service and political parties?"⁷⁷

The political and ideological frailty of populist industrial-oligarchic civil society⁷⁸ seemed such that the dominant classes ascribed, to what was a comparatively low degree of political mobilization and participation,⁷⁹ a serious potential, a sufficiently severe threat for the bourgeoisie to be rallied into aggressive action, or what was termed by them as a defensive coup. This feeling of insecurity for the dominant classes was expressed by José Ulpiano de Almeida Prado, a member of the big agrarian and industrial bourgeoisie, a member of the Council of Commercial Associations

of the State of São Paulo and a militant representative of the modernizing-conservative intellectuals in their campaign against Goulart's government. For Almeida Prado warned that "Brazil is going through a moment of profound gravity, in which the acceleration of its economic development is being fettered by powerful forces of disorganization".⁸⁰

Mass mobilization was primarily 'inorganic'. Nevertheless, the passage from anonymity to identity, from the economic-corporative stage to that of political class-consciousness, even if mediated by pelegos and only incipiently through the working classes' organic intellectuals, was already posing the "problems of the syndicate's role before the State and Party, the problems of the relationship between syndicalism and political society".⁸¹ Moreover, the new levels of popular mobilization coincided with the lack of consensus among the dominant classes, where the multi-national-associated bloc acted politically against the traditional ruling classes in order to displace them from state power.⁸² This two pronged assault⁸³ on the populist political and socio-economic structure favoured the expanding insularity of the PTB-reformist executive, an autonomy which the Brazilian dominant classes had never allowed before, and would not again in this particular historical moment.⁸⁴

What was then becoming the political crux of the matter was that populism was transformed, in the midst of class struggle, from a form of manipulation (articulation of consent), into a form of participation (expression of demands), to which new political action centres, other than the traditional parties, could now appeal.⁸⁵ Moreover, it was through the socio-political structure of populism that the labouring urban social forces

struggled to become a political class. It was in the course of this very process that the historical limits and political shortcomings, or necessary 'economicism',⁸⁶ of the working classes and their established leadership came to the fore. It was only when populism became a form of participation that the crisis occurred. This happened as populism lost a substantial part of its manipulative character and the traditional politicians lost their grip on popular feelings. The ideological premises of the pact of domination began to be acted out politically and the ruling ideological discourse began to be implemented by subordinate class political practice. Such a political-ideological rupture of the pact of domination contained within it the threat of subversion denounced by the whole of the dominant classes and their auxiliary layers. To such an outcome was the denunciation of Goulart's 'irresponsibility' linked. Goulart, the big landowner and politician formed in the populist tradition, was condemned by the bourgeoisie as a betrayer to his class. Populism began to be widely attacked. The growing political discontent with their socio-economic conditions and the new demands of big capital pushed the working classes into political action, exacerbating the class struggle and in turn becoming an important factor in the 'recession' of 1963.⁸⁷ The struggle that was unleashed was waged at the level of the relations of production of the industrial urban base and public services, with reverberations into the fabric of the social relations of domination. The labouring urban masses denounced the populist pact: they did not participate in the profits accruing from the increased productivity⁸⁸ and they also felt the deterioration of their former level of participation in the global national income.⁸⁹ The significance of such deterioration had been obscured by the intense migration of the rural masses into

urban working areas and occupations which provided a relative improvement in their living conditions.⁹⁰ The increase in the rate of exploitation was arrested only when the workers began to wield their political power.⁹¹ The struggle for socio-economic demands (luta reivindicatória) unified the working classes. Rural workers, private and public employees added their demands to those of the industrial workers.

The petit and middle bourgeoisie condemned the populist social compact for its 'exhaustion' and disruptive atmosphere. The professional bourgeoisie, the middle and upper cadres of the Armed Forces and the techno-bureaucracy condemned it for the relative depreciation in their salaries and the growing insecurity in their status,⁹² which they felt was threatened by the growing mass movement and the incipient agitation in the lower echelons of their respective hierarchies. Much of this agitation, one should point out, was impelled by right wing agents provocateurs interested in a show down with the government and popular forces.⁹³ The oligarchy in the countryside feared the mobilization of the rural masses and was terrified by the spectre of Agrarian Reform; the agrarian bourgeoisie was feeling the pressures on trade and feared its revenues would be used as subsidies for local industrialization which was capital-hungry. The industrial and banking bourgeoisie felt the threat posed by the increasingly restless and organized working classes to their entrenched privileges.⁹⁴ The various fractions and sectors of the dominant classes moved towards a political reconciliation over their conflicting demands, reacting sharply and in a unified form to the 'emergence of mass society', in what the dominant classes as a whole perceived as the erosion of the capitalist order.⁹⁵

The politicians fell short of rejecting the rules of the populist pact which provided the soil upon which they existed, but condemned the government for rendering ineffective their political action of routinization and conciliation by allowing the working classes to be mobilized beyond their traditional means of control. The radicalization of the crisis, i.e. its development into a crisis of domination, prompted important changes within the sphere of the ideological evolution of the Armed Forces towards an interventionist attitude, within constitutional and thus, a 'legal' framework. The abandonment by military officers of positions loyal to the government of the day and to the president himself and the generalization of the interventionist⁹⁶ attitude within the higher and middle echelons depended on several factors. It depended on the degree of manoeuvrability and control which military officers held over the lower echelons and their capacity for sustained unity in action. The majority of the Armed Forces who had previously sat on the fence of the political-ideological dispute between the national-reformist and international-developmental factions, actively sought or consented in their majority to the formation of an anti-populist general staff, once their organizational prerogatives and values were attacked. The immediate stimulus for action came from their perception of the level of corporate and organizational 'deterioration' and their own declining material standards of living. Military intervention was portrayed, acted out and perceived as 'salvationist action' legitimated by the doctrine of national security disseminated to a large extent by the Superior War College.⁹⁷ Moreover, a large proportion of the military felt that the government had ceased to behave in a proper constitutional manner.⁹⁸

With the political disaggregation of the populist historical

bloc, another significant problem appeared: the class convergence that had controlled the state and dominated society had to acknowledge its loss of power, or be convinced that it no longer held control. Classes, fractions and blocs are not hegemonic for an indefinite time, and their fall is far more than a matter of 'political decay'. The establishment of the new multinational power bloc in the state was not a mechanical phenomenon. It was not the mere 'reflection' of an economic situation, but a true class enterprise.⁹⁹ The final blow to populism was consummated by a policy of de-stabilization, the largely covert action of the bourgeoisie against the executive and the organized subordinate classes. The purposeful action of the bourgeoisie involved the resolution of a problematic duality: the constitution of a new hegemonic or dominant system (an embryo-state), initially able to lead economically, but not able to govern, together with the eclosion of a crisis of political domination, unfolding a favourable situation for the political assertion of new social forces. The emergent multinational-associated power bloc would assert itself initially by 'scientifically' criticizing the policies of the populist historical bloc and involving public opinion in a crusade against 'chaos and stagnation, corruption and subversion'.¹⁰⁰

The vanguard of the powerful anti-populist and anti-popular bourgeois coalition located in the various techno-entrepreneurial agencies, bureaucratic-entrepreneurial rings, dominant class associations and ideologically congruent military, with the added logistical support of transnational forces, were articulated into one political-strategic action centre, the IPES/IBAD complex. Jointly with founders and graduates of the Superior War College, they established the 'critique des armes',¹⁰¹ and signified the politico-military moment of bourgeois class action. The capitalist classes were to 'unify' under a single leadership constituted into the General Staff of the bourgeoisie and were to act under the banner of a single party of order, the Armed Forces.

The crisis of organic authority and political hegemony was to be solved by a pre-emptive entrepreneurial military strike, which aimed, in the words of one of its leaders, 'to hit at the adverse dispositivo before its disembarkation'.¹⁰²

When military intervention occurred, in response to the civilian incapacity to solve the crisis that was breaking down the political regime, as defined by the constitution of 1946, what apparently occurred was an historical moment of classic Bonapartism. But it was to be only a moment, and as such deceptive, in the unfolding of a process determined by the overall disposition of political forces. The forces that impelled what initially seemed a Bonapartist action were much more complex and settled than what was immediately evident and their raison d'etre went well beyond the so-called new patterns of military organization and ideological mobilization, or the folklore of political manoeuvring by central civilian figures competing for the presidency. What was considered to be by many civilians and military just a short-lived intervention by the Armed Forces in the affairs of government, and not a political takeover of the state machinery, pointed to the forceful capacity of the multinational and associated bloc to articulate varied fractions and factions above their specific differences, and above and beyond their own understanding of the process.¹⁰³ Military intervention assumed its ideological role of arbitration in a society portrayed as being riddled with 'chaos and corruption', in effect concealing its dual significance: that of a class movement, strategically prepared and carefully evolved towards the containment of the popular forces; and that of being the political move of a dominant fraction attempting to subdue the populist industrial-oligarchic socio-economic forces. Through military intervention,

the emergent multinational-associated power bloc increased the level and quality of class warfare and imposed its own solutions to the crisis, controlling political society and producing a realignment of domination through a military authoritarian form of government. By shielding the bourgeoisie through their 'moderating' action, the military showed their true nature: class power prepared in advance within the state. 'Constitutional Bonapartism' gave way to a 'Poder Dirigente' in mufti.

Conclusion

The interaction of the contradictory interests and simultaneous demands of transnational capital and subordinate working classes established the critical political scenario of the early 1960s, leading to the loss of cohesion of the populist historical bloc.¹⁰⁵ The crisis of the populist historical bloc involved a twin moment in the interrelation of dominant-subaltern-subordinate social groups. The first moment consisted of the incapacity of the ruling power bloc to maintain the existing correlation between dominant and subordinate classes within conditions of relative stability. Not being able to promote change, i.e. fixing socio-economic limits and realigning political-ideological parameters, the ruling power bloc allowed a politico-institutional crisis to develop, which affected the Brazilian economy. The second moment consisted of the incapability of the ruling populist bloc to perpetuate its hegemonic position within the whole of the dominant classes, i.e. the industrial-oligarchic interests were unable to defeat or curb multinational and associated socio-economic forces from seeking a rearticulation of power. This situation amounted to an economic-productive impasse, realized by a crisis of political domination.¹⁰⁶ The crisis became organic¹⁰⁷ when the effects of economic-productive changes which had occurred with increasing

intensity since the mid-1950s onwards were translated into politics by two fundamental socio-economic forces, the multinational-associated interests and the working classes which were undergoing a process of intense politicization. These changes led to the ideological and political confrontation of the classes and became a crisis of the populist form of domination in the early 1960s.

The crisis of political domination came about as a combination of: a) the changing quality of mass struggle and the new levels of political organization of the subordinate classes. These events precipitated an institutional crisis which prompted the formation of a bourgeois front moving swiftly to pre-empt in a decisive way the budding working class movement; b) the active challenge to the populist polity, to the national reformist executive and to the incipient working class movement coming from the multinational and associated power bloc. The crisis of political domination was then realized by the purposeful, deliberate action of the multinational power bloc, which neither the ruling populist structure, nor the national-reformist executive nor the working classes were able to fend off.¹⁰⁸

The crisis of populism originated and unfolded within the matrix of class conflict and class struggle, affecting the integration of society and challenging the authority of the dominant classes as a whole. The incapacity of the populist regime to impose its ideological direction (ethico-political) was, in the last instance, the incapacity of the alliance in power to surpass by itself its own exacerbated contradictions. A historical conjuncture was reached where a tryadic conflict (1. - populist historical bloc vs. emergent multinational and associated power bloc; 2. - populist historical bloc vs. subordinate classes and popular-labour

bloc; 3. multinational-associated power bloc vs. subordinate classes) became a dyadic struggle between the dominant class as a whole and the subordinate classes. This dyadic struggle was understood as a zero-sum confrontation between elite and masses, capable of overflowing the systemic constraints precisely because the dominant classes were bifurcated.¹⁰⁹ The politically and economically dominant classes had but one common aspiration, almost a truism, - to remain dominant. Faced with urban and rural working class militancy, they were trapped in the horns of the populist dilemma: social reform or private accumulation. The community of dominant interests felt threatened by the action of the industrial bourgeoisie spearheading for a reformulation of the populist pact, and having to face the growing relative autonomy of the national reformist executive backed by its popular labour bloc. Unable to find adequate administrative and social expression for its growth, the multinational and associated bourgeoisie sought new forms of political action and social containment. The most enlightened fractions of the bourgeoisie foresaw the need to contain both the popular awakening and what amounted to 'immoral familism' by oligarchic groups and the incipient industrial-agrarian bloc, portrayed as narrow-minded business groups selfishly disrupting the community of interests of the bourgeoisie. As Paulo Ayres Filho, the entrepreneurial leader observed, "It took the capitalists of Latin America a long time to realize that they were mortally threatened on two fronts. Once they did, however, their reaction was strong and effective!"¹¹⁰

The political crisis gave rise to socio-historical criticism (politico-ideological and military action), to the study of the period having as its subject wider social groupings, beyond

top political leaders and public personalities. It led to the understanding of the irreducible structural contradictions of the capitalist state in its populist form by the civilian and military vanguard of the modernizing-conservative entrepreneurial bloc. This meant that entrepreneurial ideologies and political indoctrination were converging to the point where an understanding of the needs for change was to be translated into political action, while the traditional political forces still attempted to overcome the basic conflicts keeping them within certain historically exhausted limits. The 'cúpula dirigente' of the populist historical bloc attempted to surpass those limits, lacking the understanding that it was reaching the political perimeters of the existing polity and not beginning anew within accepted areas of manoeuvre, confusing the birth pangs of monopoly capital with the death throes of industrial-oligarchic populism. Thus, it opened the flanks for the coherent and viable political military strategy for domination of IPES/IBAD, who as the general staff of the multinational-associated bourgeoisie developed, measured, planned and calculated action which led them to power.

The IPES/IBAD complex, the subject of our following chapters, marked the passage from multinational-associated economic supremacy, to its positioning as a leading political force. It also signified the passage from former attempts at reform within the law to a coup d'état that was to change the constitution. The IPES/IBAD complex was not only the organizational and doctrinarian expression of the organic intellectuals of the multinational-associated power bloc, but its de facto political supremacy. This supremacy fell short of political command of government for which they lacked the clientelistic structure of popular support and ideological-

programmatic appeal.¹¹¹

It was this elite, organically linked to the multinational and associated bloc, which was to do away with the incoherences and indecisions of the populist state and clearly indicate the way ahead for Brazilian capitalism, in spite of opposition from right and left within its own rank and file. IPES entrepreneur Antonio Carlos do Amaral Osório, of the Rio de Janeiro based American Chamber of Commerce, summed up this situation when he observed that "Before 31st March, 1964, the entrepreneurial classes struggled for the creation of indispensable conditions for economic development, which had up to then depended upon a State trammelled by demagogy and vices originating from the past". "Only a Revolution could confront the multiple task of modernizing the Brazilian state, which involved dimensions of the most varied nature..." (It was) "... not only a question of reforming the public administration, but..." (it was) "... necessary to act in fields of more depth, actually those of the political organization, modifying aspects of the economic and social structures".¹¹²

Footnotes - Chapter IV

- 1 On perceptions, subjective awareness and expectations, see Martin Kolinsky, Ideological Ambiguities and Political Movements in Western Europe, Political Science Association, mimeo, Liverpool 1977, pp. 1-4 and on assumptions, see Richard Little, Intervention: External Involvement in Civil Wars, London, Martin Robertson, 1975, p. 36.
- 2 These new socio-economic forces prompted a process of differentiation within the populist historical bloc and constituted, in their economic and political interaction, a 'new relation of social forces' arising from the new levels of development of the material forces of production. In the words of Gramsci, "the level of development of the material forces of production provides a basis for the emergence of the various social classes, each one of which represents a function and has a specific position within production itself ... By studying these fundamental data, it is possible to discover whether, in a particular society, there exist the necessary and sufficient conditions for its transformation - in other words, to check the degree of realism and practicability of the various ideologies which have been born in its own terrain, on the terrain of the contradictions which it has engendered during the course of this development". In Selections from the Prison Notebooks of Antonio Gramsci, edited by Quintin Hoare and Geoffrey Nowell Smith, London, Lawrence & Wishart, 1973, pp. 180-181.
- 3 Francisco de Oliveira, A Economia da Dependencia Imperfeita, Rio de Janeiro, Graal, 1977, p. 118. In a contradictory way, populism was the possible conciliation of interests of the whole of the dominant fractions, and a specific social truce with sectors of the subordinate classes, to the effect of accomplishing the necessary accumulation for the development of an entrepreneurial industrial society. Such an endeavour was, paradoxically, pushed by the popular forces. See Paulo Singer, A Política das Classes Dominantes, in Política e Revolução Social no Brasil, by Paulo Singer, Otavio Ianni, Francisco Weffort, and Gabriel Cohn, Rio de Janeiro, Civilização Brasileira, 1965, pp. 103-108; Fernando H. Cardoso and Enzo Faletto, Dependencia e Desenvolvimento na América Latina, Rio de Janeiro, Zahar, 1970, p. 123; Miriam Limoeiro Cardoso, La Ideología Dominante, México, Siglo XXI, 1975 and Maria Victoria de Mesquita Benevides, O Governo Kubitschek: Desenvolvimento Económico e Estabilidade Política - 1956/1961, Rio de Janeiro, Paz e Terra, 1976, for a view of the Kubitschek period.
- 4 Francisco Weffort, Estado e Massas no Brasil, in Revista Civilização Brasileira No. 7, Rio de Janeiro, Civilização Brasileira, 1966, p. 156. El Populismo en la Política Brasileña in Brasil Hoy, edited by Jean-Claude Bernadet et al. Mexico, Siglo XXI, 1968, pp. 79-84.

- 5 CONCLAP was central in the choice of Quadros as the candidate of the entrepreneurial classes in the 1960 national elections, in view of their understanding of the candidate's ideological commitments and political stance on crucial socio-economic issues. The matter was clarified for CONCLAP after it had presented the then candidate Quadros with a searching questionnaire concerning his opinions. The support Quadros was to receive from the entrepreneurial class throughout the campaign for the 1960 presidential elections and afterwards, was conditioned by his positive answers to the document. IPES Archives, Rio de Janeiro. Salvio de Almeida Prado, leader of FARESP, the São Paulo based Association of Rural Producers, was one of the capitalists in charge of fund raising for Quadros. See Moniz Bandeira, Presença dos Estados Unidos no Brasil, Rio de Janeiro, Civilização Brasileira, 1973, p. 403. Others who financed Quadros were Matarazzo, of the Matarazzo Group, the Automobile Industry of São Paulo, José Ermirio de Moraes, of the Votorantim Group, Moinho Santista, The Commercial Association of São Paulo and the Federation of Industries of São Paulo. Gileno de Carli, Anatomia da Renúncia, Rio de Janeiro, Edições O Cruzeiro, 1962, p. 171.
- 6 Borrowing a phrase from Max Weber, it was 'the blind faith of the masses in the ethical content of his politics and, above all, in the ethical character of his personality' which led the UDN to victory. See Max Weber, El Político y el Científico, Madrid, Alianza Editorial, 1967, p. 135.
- 7 The electoral system allowed, then, for the president and the vice-president to be elected from different electoral and party tickets. See Moniz Bandeira, O Governo João Goulart: As Lutas Sociais no Brasil 1961-1964, Rio de Janeiro, Civilização Brasileira, 1977, Chapter II. Also Maria do Carmo Campello de Souza, Estado e Partidos Políticos no Brasil, 1930-1964, São Paulo, Editora Alfa-Omega, 1976, Chapters V and VI. On 'Caesarism' and its various uses, see A. Gramsci, op.cit. pp. 219-233, 227-228.
- 8 The other occasions had been in the 1950 elections (ESG Brigadier Eduardo Gomes against Vargas) and in the 1955 elections (ESG Brigadier Juarez Távora against Kubitschek).
- 9 For a discussion of the points made by the document, and Quadros' reply, see Mario Víctor, 5 Anos que Abalaram o Brasil: (De Janio Quadros ao Marechal Castelo Branco), Rio de Janeiro, Civilização Brasileira, 1965, pp. 129-138. On Quadros' favourable position to foreign capital and its subordination to 'development and national security', see his message to the National Congress in Otavio Ianni, Crisis in Brazil, New York, Columbia University Press, 1970, p. 65.

- 10 M. Bandeira, Presença ... op.cit., p. 405. See also Moniz Bandeira, O 24 de Agosto de Janio Quadros, Rio de Janeiro, Editora Melso 1961, p. 16. Clemente Mariani was also an executive of Pan American Airways, Mobil Oil do Brasil and DELTEC.
- 11 Correio da Manhã, 22nd April, 1961, Rio de Janeiro. See also Veja, 8th August, 1979, p. 31.
- 12 This information has been compiled from newspapers of 1961. See especially OESP of 18th January, 16th February, 22nd February, 24th February, 2nd March, 3rd March, 23rd March, 11th April. See also Folha de São Paulo, 20th January, 1979.
- 13 Quadros promised to attend the demands of the financial oligarchy, coffee interests and industry of São Paulo. See Moniz Bandeira, Presença ... op.cit., p. 403. The dilemmas facing Quadros in his foreign policy show clearly the dilemmas facing the Brazilian ruling classes. See Otavio Ianni, Crisis ... op.cit., p. 119 and Magda Fritscher, 'Desarrollo de la Política Nacionalista en Brasil', in Latino América: Anuario Estudios Latino-americanos No. 4, 1971, p. 134.
- 14 Oliveiros S. Ferreira, 'La Geopolítica y el Ejército Brasileño', in El Papel Político y Social de Las Fuerzas Armadas en América Latina, Caracas, Monte Ávila Editores, 1970, p. 186.
- 15 Paulo Ayres Filho, 'The Brazilian Revolution', in Latin America: Politics, Economics and Hemispheric Security, edited by N. Bailey, New York, Praeger, 1965, p. 211.
- 16 Herbert K. May, Telegram from American Embassy, Rio de Janeiro to Department of State, 23rd January 1961, cited in Phyllis Parker, 1964: O Papel dos Estados Unidos no Golpe de Estado de 31 de Março, Rio de Janeiro, Civilização Brasileira, 1977, p. 31. Herbert K. May became economic consultant for the Council of the Americas.
- 17 Richard Newfarmer and Willard Mueller, Report to the Subcommittee on Multinational Corporations, of the Committee on Foreign Relations of the United States Senate, Washington, August 1975, p. 98. See also Francisco de Oliveira, 'A Economia Brasileira: Crítica à Razão Dualista' in Seleções CEBRAP No. 1, São Paulo, Editora Brasiliense/Edições CEBRAP, 1975, p. 36. Inflation, used for many years as a mechanism of concentration, was running out of control. See Maria da Conceição Tavares, Da Substituição de Importações ao Capitalismo Financeiro, Rio de Janeiro, Zahar, 1975, pp. 148-152. See also Raouf Kahil, Inflation and Economic Development in Brazil 1946/1963, Oxford, Clarendon Press, 1973, p. 334.

- 18 Survey of the Alliance for Progress - Labour Policies and Programmes - A study prepared by the Staff of the Committee on Foreign Relations. US Senate and report of the Comptroller General, 15th July, 1968, US Senate, 91st Congress, 29th April, 1969, p. 625. The Brazilian labour force in 1960, according to the government's statistics, totalled less than 24 million workers, of which nearly 50% were engaged in agriculture, 32% in services and the remaining 18% in industry. Of this number, less than 1.5 million were organized members of labour unions, according to figures released in 1965.
- 19 On populism as 'the presentation of popular-democratic interpellations as a synthetic-antagonistic complex with respect to the dominant ideology', see Ernesto Laclau, Politics and Ideology in Marxist Theory, London, NLB, 1977, pp. 158-176. On coalition and conciliation, see Eldon Kenworthy, Coalitions in the Political Development of Latin America, in Grennings, Leiserson and Kelly (editor), The Study of Coalitions Behaviour, New York, Holt, Reinhart & Winston, 1970.
- 20 On the motives for Quadros' resignation, see Helio Jaguaribe, A Renuncia do Presidente Quadros e a Crise Política Brasileira, in Revista Brasileira de Ciências Sociais, Vol. I, November, 1961, No. 1, pp. 280. For an account of the events surrounding Quadros' resignation, see M. Bandeira, O 24 de Agosto ..., op.cit., and Gileno de Carli, op.cit. It is significant to note that shortly after Quadros' resignation, Colonel Golbery resigned his commission and left the army's active service, while a group of entrepreneurs, following in the steps of IBAD, began to seek new forms of attaining power.
- 21 On the anti-systemic behaviour of business vis-à-vis strain on norms and values, see F.G. Castles, Business and Government: A Typology of Pressure Group Activity, in Political Studies, Volume XVII, No. 2, Oxford, Oxford University Press, June 1969, p. 163.
- 22 As David Rockefeller told a military and academic audience at West Point, in the autumn of 1964, it 'had been decided quite early that Goulart was not acceptable to the US banking community and that he would have to go'. Edwin Lieuwen, in conversation with Jan Knippers Black, in Jan Knippers Black, United States Penetration of Brazil, Manchester, Manchester University Press, 1977, p. 78. It is interesting to note that Niles Bond, US Chargé d'Affaires in Brazil at that time, said "that Goulart's opponents in the military and their supporters in the American business community attempted to enlist embassy support for a movement to deny the presidency to Goulart". He maintained, though, that "the United States did not take a position. Other sources, indicate, however, that Washington supported a curb on Goulart's power at that time". Interview with Niles Bond, Washington, 17th May, 1976, in J. Knippers Black, op.cit., p. 40.

- 23 Marshal Denys gave an ultimatum to Congress to find constitutional amendments to prevent Goulart from assuming the presidency. Otherwise, Denys and Cordeiro de Farias would form a military junta. Telegram to Department of State from Delgado/Arias, Brazil, 27th August, 1961, No. 271 127 Z, John F. Kennedy Archives, Boston, Massachusetts.
- 24 For an account of the attempts to bar Goulart from Office and his final assumption, see Mario Victor, *op.cit.*, pp. 320-408; Thomas E. Skidmore, Politics in Brazil, 1930-1964: An Experiment in Democracy, Oxford, Oxford University Press, 1967, pp. 200-218.
- 25 On the conditions imposed on Goulart by military officers for him to assume the presidency, which were handed over by General Geisel to Tancredo Neves in the form of an ultimatum, see VEJA, No. 498, 22nd March 1978, pp. 24-25.
- 26 "By a series of intricate and brilliant political compromises", Goulart reverted to the presidential system and, in the process, tore to shreds "the whole fabric of reform forces which had elected Quadros", by 'an American in Brazil' in Antioch Review, Fall 1963, XXIII, No. 3, p. 314. It is important to note that presidentialism was favoured by the most diverse party political currents and political figures. Among them were former president Kubitschek, who had ambitions for a political comeback; Governor of Guanabara, Carlos Lacerda, Governor of Minas Gerais, José de Magalhães Pinto; Governor of São Paulo, Adhemar do Barros; Governor of Paraná, Nei Braga; Governor of Pernambuco, Miguel Arraes, who were all contenders for a fully-fledged presidential seat, as were many other powerful political figures. See conversation involving J. Kubitschek, Ambassador Sette Câmara, Ambassador and banker, Moreira Salles, 'O Globo' owner, Roberto Marinho and Ambassador, entrepreneur and poet, Augusto F. Schmidt, with US Ambassador, Lincoln Gordon. Telegram to Department of State from Lincoln Gordon, 4th August, 1962, Rio, No. 297, NSF in JFK Archive, Boston. It is interesting to note that for Goulart's attempt to revert to a presidential regime, he received the apparently paradoxical support of the modernizing-conservative bloc. One of the main articulators and financial channels for this operation was IPES affiliate, José Luis de Magalhães Lins, nephew and place-man of José de Magalhães Pinto, who was himself a presidential hopeful for 1965.
- 27 The instability of government and leadership felt in parliament, was to be found inside each party. Such events also highlighted the difficulties the traditional industrial-oligarchic bloc found to compose an ostensibly adequate and forceful ideological expression that could be translated into a durable political model and viceversa, a political model reinforcing relevant values, pointing to the objective economic differences within the populist-historical bloc. See Albert Weisbord, Latin American Actuality, New York, The Citadel Press, 1964, pp. 226-227. On the multiplication of parliamentary parties, the internal crisis of most of these parties and the polarization of politics, see Maria do Carmo Campello de Souza, *op.cit.* Ch.VI.

- 28 F. de Oliveira, A Economia ..., op.cit., pp. 44-50.
- 29 The government was unable to aggregate the many diverse interests through the existing political institutions. This situation led to the disaffection of military sectors who looked on the multiplicity of parties and political groups as weakening the fabric of the Brazilian polity - a consequence of the multiple "segmented divisions of the political process, of the purely regional articulation of socio-economic interests ... of the absence of a class politically organized, i.e. organically cohesive throughout the national territory". Oliveira S. Ferreira, op.cit., p. 177 (My translation, RAD).
- 30 There was an obvious trend within the government to tighten control over multinational interests and curb their extraordinary privileges. See: Law No. 4.131 of 3rd September, 1962; Instruction No. 231 of 24th October, 1962 (SUMOC); Instruction No. 232 (SUMOC); Law No. 4.154 of 28th November, 1962 and Law No. 4.239 of 27th June, 1963. In ESG Document TTL-30-72. See also P. Parker, op.cit., p. 61.
- 31 Although a serious study of the popular-military nationalistic dispositivo is still wanting, some information is available in Nelson Werneck Sodre, Historia Militar do Brasil, Rio de Janeiro, Civilização Brasileira, 1968, supplemented by his Memórias de Um Soldado, Rio de Janeiro, Civilização Brasileira, 1967. See also Testimonies of Nationalist Officers, in Moniz Bandeira, O Governo ... op.cit.
- 32 Eduardo Galeano, The ambivalence of Jango Goulart, in Richard R. Fagen and Wayne A. Cornelius, Political Power in Latin America: 7 confrontations, New Jersey, Prentice-Hall Inc., 1970, pp. 201-205.
- 33 A Brazil-US Mixed Commission report showed that "in the years 1939-1952, the value of the returns transferred abroad was 60 times greater than the liquid income of capital. Between 1955 and 1958 foreign investments totalled 1.095 million dollars, but remittances totalled 2.020 million dollars. Between 1939 and 1955, the effective income of capital was 173 million dollars, but sent out as income returns were 1.112 million dollars. In the period from 1939 to 1952 long-term foreign investments in Brazil amounted to 97.1 million dollars, but the remittance of income amounted to 806.9 million dollars. A. Weisbord, op.cit., p. 227. By 1959, SUMOC informed that the income earned by foreign capitals in Brazil reached \$1.558.000.000 in the period 1947-1958, while the effective entry of capitals was only \$498 billion. Thus, the Brazilian economy suffered a liquid loss of one billion and sixty million dollars. ESG Document TGI-10-59, pp. 12 et passim.

- 34 The limits of populist nationalism had been well-defined some years before by Caio Prado Junior, the Brazilian historian, in the following terms: (Brazilian nationalism) ... "is not of the xenophobic kind ... As a political thought, it solely expresses the conscience, acquired by a reasonable parcel of the Brazilian public opinion, of the dependent and subordinate situation the country finds itself in relation to the great financial centres of the contemporary world". (My translation, RAD). Cited in H. Ferreira Lima, Balanço da Industrialização Brasileira, in Revista Brasiliense No. 3 January/February 1956, p. 131. See also N. Werneck Sodré, Raízes Históricas do Nacionalismo Brasileiro, Rio de Janeiro, Instituto Superior de Estudos Brasileiros, 1958.
- 35 This foreign independent line was in agreement with civilian opinion. In 1961, a survey of attitudes of 100 members of Congress gave the following answer to a question 'probing attitudes about a more independent stance for Brazil in foreign affairs'. The question 'should Brazil side with the United States, with Russia or with neither' was answered as follows: with the USA, 19% PTB, 46% PSD, 50% UDN. With neither, 46% PTB, 36% PSD, 45% UDN. 80% favoured establishment of diplomatic relations with the Soviet Union; 83% favoured increased trade and 74% favoured diplomatic relations with China. See Lloyd A. Free, Some International Implications of the Political Psychology of Brazilians, Princeton, Institute for International Social Research, 1961, p. 16. This study was carried out by INESE, Instituto Estudos Sociais e Económicos, a Brazilian research centre, which did studies for IPES.
- 36 On the association with foreign capital, which involved the influx of equipment and managerial expertise and the provision by the Brazilian state of exceptional conditions for the penetration of multinational corporations as a strategy of industrialization, see Celso Furtado, Análisis del Modelo Brasileño, Buenos Aires, Centro Editor de América Latina, 1972, pp. 25-28. Also Werner Baer, A Industrialização e o Desenvolvimento Económico do Brasil, Rio de Janeiro, FGV, 1975, Chapter V: O Financiamento da Industrialização Brasileira: Fonte de Fundos e Papel de Inflação. F. de Oliveira, Crítica ... op.cit., pp. 36-40.
- 37 On the steady increase in the rate of exploitation of the working force, supplying the internal surplus for accumulation, an inflationary economy that subsidized multinational insertion and the deterioration of popular living conditions, see F. de Oliveira, Crítica ... op.cit., pp. 40-50. A document prepared by the Ministry of Planning after the coup of 1964, asserted that among others, "the rate of capital formation seems to have been especially sustained by ... the stimuli to import substitution industrialization, by the structure of income distribution, by the good standards of entrepreneurial spirit and social mobility, and still reinforced by foreign loans and risk capitals. What refers to the incremental relation capital/product, in its favour acted the natural facilities for expansion of agricultural production, the concentration of transportation investments in motorways, the sequence of the process of import substitution and the absorption of foreign technology. The unattendance to which were relegated, in

- the last years investments in housing and other public services also contributed, although in a socially cruel form, to improve the relation capital/product". (My translation, my underline, RAD). In Documento de Trabalho No. 5, pp. 1-2, Draft which prepared the ground for the establishment of the Banco Nacional de Habitação, BNH, 1964.
- 38 Celso Furtado, op.cit., p. 32. Foreign investment slowed to a trickle, only nine million dollars in 1962, down from an average of 110 million dollars for the four previous years. Even so, US firms seemed to maintain their return on equity relatively well throughout the crisis period. Returns annually averaged 8.0% in 1960-62, fell to 5.7% in 1963-64 and then increased to 9.8% in 1965-67. Newfarmer and Mueller, op.cit., pp. 98,105.
- 39 See A. Stepan, The Military in Politics: Changing Patterns in Brazil, Princeton, Princeton University Press, 1971, Chapter VI. Ronald M. Schneider, The Political System of Brazil, New York, Columbia University Press, 1971, Chapter I.
- 40 For Francisco de Oliveira, investment levels fell, not because they could not be realized economically, but because they could not be realized institutionally. In Francisco de Oliveira, Crítica ..., op.cit., p. 57. See also Maria da Conceição Tavares and José Serra, Alem da Estagnação, in M.C. Tavares, Da Substituição de Importações, op.cit., pp. 72, 170-173. See also Documento de Trabalho No. 1, Ministry of Planning, Brasília, 1964, pp. 3-4.
- 41 These points were emphasized by General Cordeiro de Farias in ESG Document C-01-61, pp. 17-18.
- 42 "The former, because of their immediate impact, certainly had a very important role in the fall of the rate of growth, registered during the year: agricultural production was strongly affected by the draughts in several regions, by floods in others and by fires and frost in Paraná. Also, the production in several sectors of industry was contained by the severe rationing of electric energy in the Rio-São Paulo area, as a consequence of the drought. It must be said, en passant, that the low growth of the real product was in part influenced by the reduction of the coffee crop in Paraná, as a consequence of climatic factors. Being a commodity in over production, the decrease of the crop is not as dramatic as suggested at first sight by global statistics". R. Campos added that "it is common knowledge that the year of 1963 represented a period of general intranquility and growing deterioration of expectations. The galloping inflationary process, the successive strikes, the threats of private property confiscation, the enactment of the law of profit remittance, etc. became foci of depression of production and, above all, of investments. Some of these factors certainly contributed to the decline

of the real product per capita in 1963". So much for his perception of the 'economic' factors in the crisis of 1963-64. Documento de Trabalho No. 5, for Cabinet Meeting of 4th June, 1964, prepared by the Ministry of Planning. (My translation, RAD).

- 43 Documento de Trabalho No. 1, from R. Campos, Minister for Planning and Economic Coordination, to the President of the Republic and Ministers of State, 23rd April, 1964. Exposition made at the first session of the Cabinet in Brasília: "A Crise Brasileira e as Diretrizes de Recuperação Económica".
- 44 See P. Parker, op.cit., p. 60. "Private initiative was left entirely without orientation in relation to the intentions of the government, while at the same time complete indiscipline returned to public investments". (My translation, RAD). In Documento de Trabalho No. 1, Ministry of Planning, 1964, op.cit., p. 3.
- 45 Octavio Ianni, Crisis in Brazil, New York, Columbia University Press, 1970, Chapter IX. See also A. Stepan, op.cit., pp.135-142, 147-152.
- 46 Francisco Weffort, 'Estado e Massas no Brasil', in Revista Civilização Brasileira, No. 7, Rio de Janeiro, 1966, p. 156. Populism, in order to survive as a form of domination and as class convergent polity, could only do it as a 'discourse for liberation', i.e. as a programme for reform. In a sense, Goulart, even in spite of himself, was placed at the centre of a complex historical situation where the boundaries of an alternative national-reformist state became blurred with the viciated integument of peleguismo, coronelismo and cartorial vices inherited from decades of elitist government. See, in this respect, Guita Grin Debert, Ideologia e Populismo, São Paulo, T.A. Queiroz Editor, 1979.
- 47 The form of politicization of this period determined the 'blocking' of a socialist ideology. Entrepreneurial developmentalist nationalism replaced Marxism. See Leoncio Martins, Conflicto Industrial e Sindicalismo no Brasil, São Paulo, DIFEL, 1966, pp. 191-192. In this conjuncture in which nationalism is revigorated, "the popular masses pressure the State in the sense of establishing a reformist policy, which should be linked both to clipping the political bases of the conservative sectors (agrarian reform) and to the combat of foreign interests (of which the take-overs (encampações) and nationalizations are examples)". (My translation, RAD). Eliezer Rizzo de Oliveira, As Forças Armadas: Política e Ideologia no Brasil, 1964-1969, Rio de Janeiro, Editora Vozes, 1976, p. 50.

- 48 Francisco Weffort, Política de Massas in Política e Revolução ... op.cit., p. 165. As Rizzo de Oliveira pointed out, drawing on Weffort's arguments, "The political actions of the popular sectors become oriented by the belief in a 'democratic state of the people at large', capable of confronting the action of the reactionary groups. These, in turn, see the State as revolutionary and become radically opposed to it". (My translation, RAD). Rizzo de Oliveira, op.cit., p. 51.
- 49 Oliveiros S. Ferreira, 'A Caracterização do Sistema', CESP, 17th October, 1965.
- 50 The difficulties encountered by the dominant classes in ruling by consent and consensus especially after 1946, led to a crisis affecting the whole of society in its multiple relations of domination, in what a paper produced by the Instituto de Pesquisas e Estudos Sociais defined as "a permanent crisis of constitutionalism, which, in spite of manifesting itself intermittently, does not lose that character". (My translation, RAD). IPES - Document on Constitutional Reform, 10th January, 1962, Rio de Janeiro. In IPES Archives, Rio de Janeiro. The first clear sign of such crisis within the dominant classes was Lieutenant Colonel Golbery do Couto e Silva's 'Manifesto dos Coroneis' (Colonels' Manifesto), of 1954. See CESP, 19th January, 1979.
- 51 The coronel and the pelego had the 'function of screening the aspirations existing in society so that only some of them transform themselves in demands, those that are compatible with the structures of domination', Luciano Martins, Pouvoir et Développement Économique, Paris, Editions Anthropos, 1976, pp. 134-135. See also Peter Flynn, Class Clientelism and Coercion: Some Mechanisms of Social Control, in Journal of Commonwealth and Comparative Politics, July 1974.
- 52 For the expression 'mass for itself', see Helio Jaguaribe, op.cit., pp. 272-311.
- 53 Paulo de Assis Ribeiro, O Processo Eleitoral Brasileiro, IPES, 1962, Rio de Janeiro.
- 54 Roberto Campos, cited in Estevan Martins, Brazil and the United States from the 1960s to the 1970s in Latin America and the United States: the Changing Political Realities, edited by Julio Cotler and Richard Fagen, California, Stanford University Press, 1974, p. 295.
- 55 L. Martins, op.cit., pp. 132-133.
- 56 For their organizational and historical premises, and the socio-economic formation in which they operated, parties tended to perpetuate the crisis of hegemony of the post-Estado Novo era. Whenever a historical conjuncture put them

to the test, they were rendered helpless by events. Such was the case in February 1954, when Lieutenant Colonel Golbery do Couto e Silva's Manifesto dos Coronéis was released with more than 80 signatures and Goulart was forced to resign his post as Minister of Labour. Other critical moments in which the parties showed themselves as ineffective political machines were: the events that led to Vargas' suicide in 1954 and the political impasse of the caretaker government; Colonel Jurandir B. Mamede's anti-populist and anti-politician manifesto read publicly in November 1955 and the subsequent attempt by the ESG/technoentrepreneurial alignment to block the assumption of President elect J. Kubitschek and vice-president Goulart; the Jacareacanga Air Force revolt in 1956; the Navy-led conspiracy of Admiral Pena Boto, Brigadier Guedes Muniz and Colonel Jayme Portela in 1958; the attempts at a Navy revolt in Pernambuco, led by Admiral Silvio Heck, at the end of 1958; the Aragarças Air Force revolt in 1959; Janio's resignation in August 1961 and the immediate attempt to block vice-president Goulart from assuming his office. See M. Benevides, op.cit., pp. 163-164 and Glauco Carneiro, Historia das Revoluções, Vol. II, Rio de Janeiro, Edições O Cruzeiro, 1964.

57 P.A. Ribeiro, op.cit., p. 14.

58 P.A. Ribeiro, op.cit., p. 16.

59 By 1962, the total electorate of 18,500,000 represented 25% of the total population. Their distribution was as follows:

	<u>Table 11</u>				
	South	East	North- east	Centre- west	North
% of regional population	38.5	35.5	18.5	4	3
% of Brazilian electorate	26	26	21	24	20.5

Source: Paulo Assis Ribeiro, op.cit., p. 5.

The state of Guanabara and the state of São Paulo showed striking contrasts: with less than 3% of the total territory, they had more than 23% of the population of the country and close to 35% of the potential Brazilian electorate, pointing to the rapid trend towards urbanization, while the southern region was responsible for 60% of industrial revenues, against 5% of the north, northeast and centre-east. P.A. Ribeiro, op.cit., p. 11.

- 60 For further details of the imbalance between political power and socio-economic situations, see P.A. Ribeiro, op.cit., pp. 13-14.
- 61 As early as 1956, ESG General Juracy Magalhães was already calling attention to the constituting elements of an intra-class conflict that could lead to a crisis of the historical bloc, by outlining political problems accruing from the assymetry between the leading economic power bloc and the political dominant one. At an ESG lecture, General Magalhães enumerated these critical elements: 1) "Discrepancy between the distribution of power in the State and the distribution of power in the rest of society, in such a way that, the class which holds the biggest economic and social power considers itself receiving less political power than is due to it; 2) the old elite closes the doors to the new elite, not allowing the vertical dislocations with the individual access of new leaders, who frustrated, acquire a 'class consciousness'; 3) refusal by the old elite to give in to any of the reforms aimed at by the new elite; 4) polarization of society between two antagonistic parties, without a third force able to contain the excesses, placing itself against the aggressor; 5) adhesion of intellectuals to the new elite, popularizing the revolutionary ideas, with the evidence that they deserve to be defended by the people; 6) the old elite loses faith in itself, accepting the new ideas, and stopping to use power for the defence of the established order". General Juracy Magalhães, ESG Document C-25-56, pp. 37-39, basing himself on Ossip K. Fletchtheim, Fundamentals of Political Science, pp. 152-165.
- 62 The study also observed the growing influence of alliances in Brazilian politics. From 1950 onwards, the votes given to 'legendas' of alignments rose from 20% to 44% in 1962, while the sum total of the legendas of the three biggest parties (PSD,UDN and PTB) decreased from 60% in 1950 to 41% in 1962. Such alliances undermined party influence precisely in federal elections. P.A. Ribeiro, op.cit., p. 17. A discussion of the 32 electoral alliances for the elections of 1962 can be found in Brazil: Election Factbook, No. 2, September, 1965, Institute for the Comparative Study of Political Systems, Washington, pp. 63-68.
- 63 Cadernos Brasileiros, No. 1, Ano III, 1961. p. 76. With the persistent growth of an ideological sector within the PTB, the dominant classes felt increasingly threatened by the popular vote. What had been a 'regime input' and a device for the generalization of dominant class proposals through the electoral reinforcement of the post-1946 institutional framework, had turned into a demand mechanism for change through the political system.

- 64 It was no wonder that politicians in general, but especially candidates to the presidency, felt themselves to have "the right and the duty to appeal directly to the electorate, outside party directions", with damaging consequences for the politicization of the people. Cadernos Brasileiros, No. 3, Ano II, 1960, p. 87.
- 65 What became evident was that the multinational and associated bourgeoisie was unable to unite the people around itself, the cause of its defeats in 1954 and compromise of 1961, as well as the impulse for April, 1964. The bourgeoisie had failed in creating a feasible and viable party system for itself as well as a party of its own. By using them all, it was left by the early 1960s, with none but the Armed Forces. The PSD, as an oligarchical machine had no significant capacity to aggregate the new pressures from mobilized rural and urban working classes. Nor was it able to carry out the broader interest articulation required by multinational capital, tied as it was to traditional rural and industrial interests. The UDN, whilst projecting a touch of modernity, as 'a party that had a dimension of opposition to the regime ... had also been virtually a participant in the regime', and worse, as a party it was practically impervious to the masses. See Otavio Dulci, Veja, 7th September, 1977. On Colonel Golbery's opposition to the UDN, see Carlos Lacerda, Depoimento, Rio de Janeiro, Editora Nova Fronteira, 1977, p. 155.
- 66 P.A. Ribeiro, op.cit., p. 17. The PSD divided between 'caciques' (chieftains) and 'ala moça' (young wing). The UDN had its 'Banda de Música' (Music Band), a group of coup-supporting politicians formed by Aliomar Balleiro, Colonel Menezes Cortes, Carlos Lacerda, Bilac Pinto, João Agripino and others; and the Bossa Nova group, with more liberal tendencies. See M. Benevides, op.cit., pp. 137-138.
- 67 Ironically, the PTB was criticized by Wilson Figueiredo, editor of Jornal do Brasil and an influential political propagandist of the anti-Goulart campaign for not being able "to become important in the most industrialized state of Brazil. It continues to be a saco de gatos (mixed bag) in São Paulo, incapable of conquering the political leadership in a state of big working masses. They lose the dispute with other popular forces". Moreover, Figueiredo pointed out, sharply, that "if the UDN did not identify itself with the national aspirations of the paulista entrepreneurial classes, nor did the PTB stir the workers of the biggest industrial complex in Latin America, this might explain in part why São Paulo, which commands the economic life of Brazil, does not have political domination". Wilson Figueiredo, A Indefinição dos Grandes Partidos, Cadernos Brasileiros, No. 3, Ano II, 1960, pp. 3-7.

- 68 The FNP, presided over by Bento Gonçalves and led by Sergio Magalhaes, reunited federal deputies of the Brazilian Socialist Party - PSB (77.8%); of the PTB (63%); PSD (41.7%) and even UDN (28.6%) on a strongly nationalistic platform that condemned multinational abuse and sought structural reforms along the lines of the Goulart government.
- 69 P.A. Ribeiro, op.cit., pp. 18-19. This analysis was consistent with one produced by the São Paulo magazine Visão. The analysis of Visão showed that in 1945, the PSD and UDN together held 96.4% of the electorate. In 1958, however, it had gone down to 52.2%. By 1962, it was 45.9%. And it added "Parece haver evidente correlação entre o declínio dos partidos do centro e do exodo rural. Os eleitores rurais que são urbanizados rapidamente, primeiramente votam no PTB e depois tendem para o PCB". In Visão, 30th September, 1960, as quoted in Osny D. Pereira, Quem Faz as Leis no Brasil, Rio de Janeiro, Editora Civilização Brasileira, 1963, p. 50.
- 70 The ADP, founded in March, 1961, was led by João Mendes de Costa Fo, UDN deputy for Bahia, a big landowner and lawyer. ADP gathered together reactionary and conservative groups, many of them pro-coup activists. ADP concretized in an ad hoc way, an alignment across party lines basically built around a PSD-UDN-PSP compact and the adhesion of an important sector of the Christian Democratic Party - PDC, members of the Republican Party - PR, of the Liberator Party - PL, of the Popular Representation Party - PRP, of the Labour Renovation Movement - MTR and some other minor groupings, receiving even the support of the right wing of the PTB. ADP rallied the centre-right of the political spectrum, close to 160 Congress members and approximately another 40 wavering supporters into a coherent opposition against the Goulart executive, the national reformist bloc and working class mobilization. Initially, ADP was associated with the conservative militant position of CONCLAP, helping to stir up public opinion against the executive. It soon became the coordinated parliamentary outlet and political façade for more sophisticated right wing social forces and action groups. ADP reached its peak of activity in 1962, with a countrywide network of Popular Democratic Action - ADEP groups. In Brazil: Election Factbook, op.cit., p. 37. See also M.V. Benevides, op.cit., pp. 138-139 and OESP, 20th June, 1963.
- 71 For a succinct description of each of these organizations, see Brazil: Election Factbook, op.cit., pp. 37-50.

- 72 The deep social disaggregation in the Northeast and centre-south, in the form of peasant mobilization through leagues and rural trade unionization seemed to indicate that the peasantry was at last finding a coordinated and sufficiently mobile expression for their aspirations and rights, overcoming the shortcomings of party-bureaucratic organization, to reach the isolated individual in the socially complex and regionally differentiated Brazilian countryside. The decrease in PSD control and the increase in peasant mobilization affected the very foundation of the populist pact of domination. Peasant mobilization reached critical levels with the expectations created by Goulart's project of agrarian reform and his attempts to incorporate the peasantry into his power base and tended to push the rural oligarchy and the agrarian bourgeoisie into the multinational-associated political bloc. For a description of the Northeastern political scenario and an appraisal of the significance of the peasant leagues, rural trade unions and right wing rural organizations, see Joseph A. Page, The Revolution that Never Was: Northeast Brazil 1955-1964, New York, Grossman Publishers, 1972. See also Paulo Cavalcanti, Da Coluna Prestes a Queda de Arraes, São Paulo, Editora Alfa-Omega, 1978, Chapters XI-XIII; Gregorio Bezerra, O Frio e Sanguinario Gregorio Bezerra in O Pasquim, Rio de Janeiro, 26th January, 1979, pp. 19-21; Clodomir Moraes, Peasant Leagues in Brazil, in Agrarian Problems and Peasant Movements in Latin America, edited by Rodolfo Stavenhagen, New York, Anchor Books, 1970, pp. 497-498; M. Gehelsky, The Policy Process in Brazil: Land Reform 1961-1969, Ph. D. dissertation, Columbia University, 1974, pp. 235-250; Antonio Callado, Tempo de Arraes: Padres e Comunistas na Revolução Sem Violência, Rio de Janeiro, Jose Alvaro Editor, 1964; Moniz Bandeira, O Governo ..., op.cit., pp. 54-63.
- 73 L. Martins, op.cit., p. 131. In a country where only a minority voted (between 1945 and 1963, more than half of the population over 18 years of age was excluded from political voting due to the restrictions imposed on illiterates), Goulart's policy of granting the civil right to vote to every Brazilian citizen was understood as clearly upsetting the fragile electoral balance in favour of social and economic popular reforms. Moreover, Goulart granted full political rights to lower military ranks who had been excluded from parliamentary eligibility. They became a new source of power, supplying the working classes with a potential popular dispositivo.
- 74 P. A. Ribeiro, op.cit., pp. 18-19.

- 75 In its initial conception, the authoritarian corporative system had been a one way system, with the function of incorporating the working classes into the state. With the increasing levels of urbanization and modernization, and the rising political ideological consciousness of the workers, the disfunctionality of populism was made clear, as it became a dual carriage system, undermining the capacity for social control and political containment. By then, a popular-labour bloc had reached the scaffolds of the executive, under Goulart's aegis, and 'penetrated' the state apparatus. What unfolded in the late 1950s and early 1960s was a period of ideological mobility and the dawn of popular participation. The spearhead of the organized working class movement positioned itself on Goulart's political side, though not under his command. See Werneck Viana, Liberalismo e Sindicalismo no Brasil, Rio de Janeiro, Paz e Terra, 1976, pp.111-140. Also L. Werneck Viana, Interview in VEJA, 12th October, 1977, p.6.
- 76 See William R. Kitner, The Politicalization of Strategy, in National Security: Political, Military and Economic Strategies in the Decade Ahead, edited by D. Abshire and R.V. Allen, USA, Hoover Institution Publication, 1963 pp. 385-412. Also W. R. Kitner and H. Stokes, Discussion on Latin America, in D. Abshire, i d e m, pp. 444-450.
- 77 Lincoln Gordon, ESG Document C-41-62, p. 32.
- 78 Civil Society is used here in the Gramscian sense, as the mechanism for hegemony of a social group over the entire society, exercised through the so-called private organizations, such as the Church, the schools, trade unions, etc. A. Gramsci, op.cit., p. 56.
- 79 This is especially the case if Brazilian working class political mobilization is compared with the level of popular participation and political organization of Chile, 1970-73 and Uruguay, 1970-73.
- 80 7th Convention, September, 1962, in IPES Noticiário No. 4.
- 81 Oliveiros S. Ferreira, Uma Caracterização do Sistema, OESP, 17th November, 1965, (drawing heavily on Gramsci).
- 82 It is important to bear in mind that, although there were no revolutionary organizations able to threaten the Brazilian capitalist state, what made the early 1960s a critical period was the multiplicity of conflictive demands from the subordinate classes and the various fractions of the dominant class, which, as a whole, constituted a critical pressure against the stability of the polity. See F. Weffort, El Populismo ..., op.cit., p. 84.

- 83 João Quartim, Dictatorship and Armed Struggle in Brazil, London, NLB, 1971, pp. 39-57.
- 84 Fernando H. Cardoso, Autoritarismo e Democratização, Rio de Janeiro, Paz e Terra, 1975, pp. 171-178, 181-185, 187-213. The relative autonomy of the State was not a social project for the dominant classes. Military and bureaucratic political 'dispositivos', a common feature of the Brazilian polity, were circumscribed to the dominant classes.
- 85 Populist practices, which had allowed the dominant classes to preserve the basis of their effective domination, were being subverted by political-ideological platforms for reformist demands, undermining the 'control function of the corporative system', Kenneth P. Erickson, Corporatism and Labour in Development, in Contemporary Brazil: Issues in Economic and Political Development, edited by Jon H. Rosenbaum and William G. Tyler, New York, Praeger, 1973, p. 151.
- 86 For the concept of 'necessity' and 'necessary' as used throughout this thesis, see A. Gramsci, op.cit., pp. 412-413.
- 87 F. de Oliveira, Crítica ..., op.cit., p. 50.
- 88 F. de Oliveira, Crítica ..., op.cit., pp. 40-41, 44-45. Real product rose from an average growth of 8.1% in the 1953-1957 period, to an average growth of 11.2% throughout the Kubitschek administration.
- 89 F. de Oliveira, Crítica ..., op.cit., p. 48. Taking 1953 as a (100) base, the cost of living index for Rio and São Paulo varied as follows:

Table 12

Year	Rio Annual Average		São-Paulo Annual Average		Rio December of each year		São Paulo December of each year	
	Index	Yearly Variation	Index	Yearly Variation	Index	Yearly Variation	Index	Yearly Variation
1953	100.0		100.0		108.0		100	
1954	122.4	22.4	118.3	18.3	136.3	26.2	101	23.5
1955	150.7	23.1	141	19.5	162.4	19.1	142	17.1
1956	182.2	20.9	173	22.2	197.6	21.7	189	33.3
1957	211.9	16.3	206	19.2	224.0	13.4	216	14.1
1958	242.9	14.6	237	15.2	262.7	17.3	264	22.5
1959	338.0	39.1	325	37.2	399.4	52.0	378	42.7
1960	437.4	29.4	439	34.9	494.3	23.8	499	32.3
1961	582.9	33.3	607	38.1	707.7	43.2	716	43.4
1962	884.0	51.7	905	92.4	1099.0	55.3	1159	61.9

Source: Fundação Getulio Vargas and Prefeitura de São Paulo
 (Quoted in Documento de Trabalho No. 5, Ministério de Planejamento.
 For Cabinet Meeting, 4th June, 1964).

- 90 Taking as a base the index of 100 in 1944, real minimum salaries (wages) went down from 161.6 in 1961 to 128.6 in 1963 (Rio) and from 146.2 in 1961 to 114.5 in 1963 (São Paulo), while from 1958 to 1959, the real income of a family dropped by 10%. It is interesting to note that the most industrialized state (São Paulo) had lower indexes than those of Rio, while productivity maintained an average of 10.3 increase per annum from 1957 to 1962, and considering the year 1949 as the 100 base index, it reached the year 1963 with an index of 312.4. In the latter year, productivity slumped to a mere 0.2 increase, due to all the strikes, stops and slow downs, pointing to the political, not economical, stoppage of productivity. In 1964, with entrepreneurial order reinstalled, it swiftly picked up to 5.2. F. de Oliveira, Crítica ..., op.cit., pp. 45-46, 48.
- 91 F. de Oliveira, op.cit., p. 42.
- 92 The belief grew among military officers that the government encouraged strikes and that the granting of large pay increases contributed to inflation, violence and the erosion of their own status and salaries. Such a narrow-minded and not at all national-oriented belief would be whipped up conveniently. The political significance of their reaction to inflation was particularly great because military officers gradually came to identify the labour unions and the politics of mass mobilization as the most culpable factors. Alfred Stepan, op.cit., pp. 71, 79.
- 93 The most famous of these professional agitators was the CIA backed corporal Anselmo, who 'led' the sailors' revolt that sparked off the military backlash against Goulart. See Moniz Bandeira, O Governo ..., op.cit., p. 169; see also Isto É, No. 132, 4th July, 1979, p. 17.
- 94 Populism was condemned by the multinational and associated power bloc as inept in its function of social containment; for its mobilizational content and for being based upon an inefficient administration which did not respond to the changing industrial conditions of the late 1950s and early 1960s. The multinational and associated bloc also considered that it had reached the limits of its extractive capability within the political boundaries and socio-economic margins of the populist regime. See Rizzo de Oliveira, op.cit., pp. 27-56. See also Helio Jaguaribe, Brasil: Crise e Alternativas, Rio de Janeiro, Zahar, 1974, pp. 30-32.
- 95 F. Weffort, Política de Massas, op.cit., pp. 195-196. On conditions for violent behavior of entrepreneurs against government, see F.G. Castles, op.cit., pp. 162-163.

- 96 On the concept and aims of intervention, see J.N. Rosenau, The Concept of Intervention, in Journal of International Affairs No. 21, 1967, p. 167 and R. Little, op.cit., p. 33.
- 97 See A. Stepan, op.cit., pp. 9-20, 57-12, for the form in which military intervention has been rationalized and legitimated as moderating intervention.
- 98 Intransigent polarization and outright rejection of the 'System' was, never, the response of more than an active minority of the 'productive classes', nor for that matter, of the military. See Philippe C. Schmitter, Interest Conflict and Political Change in Brazil, Stanford, Stanford University Press, 1971, p. 197, and A. Stepan, op.cit., p. 97. Only a political encounter for class survival, i.e., a zero-sum scenario, highly manipulative and intensely socially engineered, could establish the rallying point for a broad entrepreneurial-military action front that could mobilize ample sectors of public opinion and bring about the task-oriented intervention of the Armed Forces.
- 99 F. de Oliveira, A Economia ..., op.cit., pp. 115-116. See Chapters V-VIII.
- 100 See Chapter VI of this thesis.
- 101 As one key military participant in the events of 1964 remarked: "In Brazil, everyone (todo mundo) conspirava; we knew how to do it", Rio de Janeiro, 1976. Name withheld on request. Interview to R.A. Dreifuss). This view is reinforced by the analysis of Ronald Schneider, who quotes Leoncio Basbaum as saying: "During the year 1963 in Brazil, everyone conspired ... There was not a conspiracy. It was a plateful of little conspiracies". Leoncio Basbaum, História Sincera da República, Vol. IV, Rio de Janeiro, 1968, p. 41, as quoted in Ronald M. Schneider, The Political..., op.cit., p.75.
- 102 Glycon de Paiva, in IPES CD, Rio, April 4, 1962.
- 103 The broad coalition mustered by the multinational and associated fractions, gave to the movement of 1964 its character. For many of the participants of this wide bourgeois front, the structural-political over-determination of their action was concealed. The unfolding of an authoritarian-associated state would soon shatter their illusions. See F.H. Cardoso, Autoritarismo ... op.cit., p. 187.

- 104 See A. Gramsci, op.cit., pp. 210-216, on theoretical insights into the question of Constitutional Bonapartism.
- 105 F. de Oliveira, A Economia, op.cit., p. 110.
- 106 "If the process is looked at as a whole, we could say that the internal contradictions of the dominant class are subordinate to the contradiction that exists between the latter and the whole of the system, and to the contradiction that exists between the dominant class and the small and middle sectors of capital". (My translation, RAD). El Nuevo Caracter de la Dependencia, in La Crisis del Desarrollismo y la Nueva Dependencia, José Matos Mar, editor, Instituto de Estudios Peruanos, Argentina, Amorrortu Editores, 1969, p.70.
- 107 For the meaning of organic crisis, see A. Gramsci, op.cit., p. 210.
- 108 It was clear that the coup campaign was an elaborate affair. Thus, Julio de Mesquita Filho, owner of the O Estado de São Paulo newspaper and the São Paulo radio station El Dorado, as well as Industrias de Papel Guararema S.A. (Parsons and Whittmore Inc./Parshit Ltd. Switzerland), a prominent member of the right wing organic intellectuals, saw it fit to warn, in a letter to the clandestine General Staff 'which proceeded to the first military articulation for the downfall of Goulart's government', that it was "necessary to act with absolute security, defining, before the military units enter into action, what is intended and what is to be done". (My translation, RAD). Roteiro da Revolução, CESP, 12th April, 1964. See also Chapter VIII.
- 109 On bifurcated social actors and the transition from tryadic to dyadic conflict, and the definition of intervention stimulus, see R. Little, op.cit., Chapter III.
- 110 N. Bailey, Organization and Operation of Neoliberalism in Latin America, in Latin America: Politics, Economics and Hemispheric Security, N. Bailey, (ed.), New York, Praeger, 1965.
- 111 The state was definitely the political ground of the very rich. Consensus among the bourgeoisie and the consent of the working classes were ruled out. The authority of force was called in. By this very same token, authority was stripped from its previous legitimating devices. It is ironic that the architect of the victorious forces of 1964, the then IPES, Colonel Golbery do Couto e Silva would not be able to follow his own recommendations: "The formulation, the expression of National Objectives is and must be regarded as a work of art, because ... works of art promote the sense of identification. And

is it not indispensable that all should feel easily identified with the stated Objectives? Only such identification will provide the plan with the authentic seal of an unquestioned authority". Colonel Golbery do Couto e Silva, Do Planejamento para a Segurança Nacional, in Cadernos Brasileiros, No. 4, Rio de Janeiro, October/December 1960, pp. 37-38. (My translation, RAD).

- 112 Antonio Carlos do Amaral Osório, 'O Estado Revolucionário e o Desenvolvimento Econômico', in O Processo Revolucionário Brasileiro, Rio de Janeiro, AERP, 1969, pp. 115-116.

Chapter V: THE ORGANIC ELITE
Recruitment, Decision-making Structure and
Organization for Action

Introduction

This chapter is concerned with how the organic intellectuals of the multinational and associated economic interests formed a political-military organization, the IPES/IBAD, whose purpose was to counteract the national reformist government of João Goulart and the alignment of social forces that supported his administration. This chapter sets out to describe the international organization of these organic intellectuals, their policy-making, decision-making channels, and their strategies for public and discreet, direct and indirect, action.

The IPES/IBAD represented the political phase of the entrepreneurial interests. Following Gramsci's point, if not all the techno-entrepreneurs, entrepreneurs and military, "at least an elite amongst them had the capacity to be the organizers of their interests and of society".¹ This elite of the organic intellectuals (referred to hereafter as the organic elite² of the multinational and associated economic bloc) became a social force, aware that its "own corporate interests in their present and future development transcend the corporate limits of the purely economic class, and can and must become the interests of other subordinate groups too". This is the most purely political phase, and marks the decisive passage from the structure to the sphere of the complex superstructure; it is the phase in which previously germinated ideologies become 'party'.³

In order to understand how the multinational and associated interests established their supremacy over the industrial-oligarchic populist bloc in power and how they were able to contain the emergent working classes, it is necessary to understand the process whereby the organic intellectuals of the predominant economic fractions were able

to involve themselves successfully in the political struggle of the 1960s. It is also necessary to understand the 'degree of homogeneity, self-awareness and organization' achieved by the organic intellectuals of the multinational and associated economic interests. This moment of homogeneity, self-awareness and organization in the process was expressed in the formation of an organic elite centred in the IPES/IBAD action front. ⁴

The story of IPES/IBAD is one of how the organic elite of the multinational and associated bourgeoisie developed from a limited pressure group into a class organization capable of sophisticated political action, and of how it moved from the desire for a reform project to a desire for a coup d'état. The multinational and associated complex of interests would seek to lead the professional and functional groups as well as aiming to neutralize the traditional power bloc, in the understanding that the organic elite could be victorious and affirm capitalist modernization only if it exacted the support and acquiescence of the majority of the participant population. The organic elite centred in IPES would then portray itself as the 'maturation of the will to act within a programme capable of mobilizing the men of enterprise', and as a whole, to offer solutions for the problems of the country. ⁵ In this process, the organic elite was to shape the bourgeois social forces into a class, a process which culminated with the transposition of the private power of the multinational and associated interests into the public government of Brazil. In order to do so, the dominant economic bloc had to become the authoritarian state it turned out to be. ⁶

The Formation of IPES

National and International Dimensions

The seeds of the Institute for Research and Social Studies - IPES, as well as those of IBAD and CONCLAP, were sown towards the end of Kubitschek's administration,⁷ for whose inflationary excesses and populist overtones IPES/IBAD members showed distaste;⁸ and under the presidency of Quadros, on whose moralistic zeal they had placed high hopes. Although individual, group or even sectoral multinational and associated interests were duly articulated throughout the parallel administration, there was no authoritative, organized political leadership by the end of 1960, except for the more particularistic class associations. It was then, according to Paulo Ayres Filho, entrepreneur and former director of the Banco do Brasil under Quadros, that "some franc-tireurs of São Paulo and Rio de Janeiro met for the first time. All of them (perhaps ten or twelve at the most) were relatively young executives of the generation born during World War I or just after it".⁹ According to the official story Paulo Ayres Filho was contacted by Rio-based American born entrepreneur Gilbert Huber Jr., to whom was assigned the responsibility of recruiting São Paulo businessmen.¹⁰ Paulo Ayres Filho recruited João Baptista Leopoldo Figueiredo, an important multinational entrepreneur and former president of the Banco do Brasil under Quadros. Leopoldo Figueiredo became the head of IPES, São Paulo. With the sudden resignation of Quadros in August 1961, it was decided to activate the group.¹¹

However, Paulo Ayres Filho, a 'dedicated anti-Communist'¹² had already, it appears, performed some basic work in this sphere before being contacted by Gilbert Huber Jr. In the early 1950s, Paulo Ayres Filho had become increasingly concerned about the political mobilization that was taking place throughout the country and across class barriers. Having become aware of the work of the Foundation of Economic Education, an organization based in New York, "proselytizing in the cause of limited government and free enterprise", as an antidote for what it called the 'something for nothing' philosophy, he began to translate their pamphlets and circulate them among friends.¹³

Meanwhile, on the Rio side, Gilbert Huber, multinational entrepreneur Antonio Gallotti, techno-entrepreneurs Glycon de Paiva and José Garrido Torres and entrepreneur Augusto Trajano Azevedo Antunes, among others, were engaged in their own successful recruitment campaign, as well as being involved in hiring the services of several reserve military officers such as General Golbery do Couto e Silva who was recommended to IPES by General Heitor Herrera. A series of informal meetings led by entrepreneurs in the homes of prominent São Paulo and Rio based businessmen openly inaugurated a stage in the process where different class organizations and state agencies began to proselytize for fundamental changes in the economy and polity. From these planned encounters and preliminary discussions with an ever-increasing number of prominent individuals, emerged the idea of stimulating a country-wide entrepreneurial reaction to what was perceived as the leftward trend of politics. This entrepreneurial reaction would need to

encompass sectoral representation and would have to share a wider 'popular' feeling, of a kind already being stimulated in Recife, Belo Horizonte, São Paulo and Rio by the first organized entrepreneurial action group, IBAD, and being pushed through by the militant class association, CONCLAP.

IPES came into being. The founders of both IPES, Rio and IPES, São Paulo, the core of what was to become a national network of militant action groups, came from different ideological backgrounds. They were unified, however, in their multinational and associated economic relations, their anti-communism and their ambition to redress and overhaul the form of state. These entrepreneurs aimed to attain a political leadership to match their economic supremacy and technobureaucratic ascendancy, for, as has been observed, "the direction of the country could not be left any longer to the politicians alone".¹⁴ IPES came into existence, officially, on 29th November, 1961. Its launching was received favourably by such diverse organs of the press as 'Jornal do Brasil', 'O Globo', 'Correio da Manhã', and 'Última Hora'.¹⁵ Support also came from Rio's conservative Archbishop Dom Jayme de Barros Câmara, while other political, ecclesiastical and intellectual figures also praised its emergence. IPES soon expanded in Porto Alegre, Santos, Belo Horizonte, Curitiba, Manaus and other minor centres.¹⁶

IPES led a political double life from its very inception. In the eyes of sympathizers and supporters, the overt side of IPES was an organization of 'respected businessmen' and intellectuals, with a number of 'blue-ribbon technicians', who advocated 'participation in social and political affairs and who supported the moderate reform of existing political and

economic institutions'.¹⁷ Their ostensible purpose was to study 'from a liberal engineer-businessman's point of view, the basic reforms proposed by Goulart and the left'.¹⁸ According to one version of their basic document: 'The Democratic Responsibility of the Entrepreneur' (A Responsabilidade Democrática do Empresário), which was circulated among potential recruits, IPES was introduced as a "non partisan union (agremiação apartidária) with essentially educational and civic goals". Furthermore, according to the document, IPES was oriented by "leaders (dirigentes) of enterprises and liberal professionals who participate through democratic conviction, as patriots and not as representatives of any class or private interests. They get together to analyze the situation and contribute to the solution of the social problems constantly emerging in Brazilian life. Therefore, the direction of IPES counts upon the collaboration of university professors, technicians and experts, who, in agreement with its postulates, are ready to work in the study and equation of the national problems". Their professed purposes were to "promote the cultural, moral and civic education of the individuals"; to "develop and coordinate studies and activities of a social character"; and to "obtain, through objective research and free discussion, conclusions and recommendations that will contribute to the economic progress, social well-being and strengthening of the democratic regime of Brazil".¹⁹ To shore up even more its façade, IPES was portrayed (by its leadership) amongst the wider public, as an educational organization, giving money to reduce illiteracy among poor children - and as a centre for academic discussion.

The covert side coordinated a sophisticated and multifaceted political, ideological and military campaign. The founders of IPES, avidly dedicated to "opinion manipulation and psychological warfare, organized and recruited a nucleus of 50 members, each pledged to bring in five more, and they, in turn, five more. They agreed to conduct both covert and overt operations".²⁰ Some people in the initial group considered that IPES should be a wholly clandestine organization, but it was argued that because of the nature of the tasks ahead, it would be wise to operate also before the public eye.²¹ The secret and discreet operations of this insurrectional bourgeoisie were carried out by specialized task forces, action units, subsidiaries and code-named groups.²²

IBAD operated as a tactical unit, with IPES as the strategic centre and with IBAD and other subsidiaries and parallel organizations taking much of the blame (or praise) for covert activities and exposing themselves much more than IPES. The balance between long range and short range activities remained a delicate one, though the pattern that seemed to have emerged was one of parallel groups operating in the two fields, propping up contingent and ad hoc bodies and organizations when deemed necessary.²³ Disingenuously, Raul Pilla, leader of the Liberator Party remarked that "two very useful institutions were organized, one for doctrinarian studies to disseminate ideas and enlighten the citizens; the other for political action, to help them fulfill their patriotic duties".²⁴

The organic elite directed its efforts towards the fusion of the scattered militant anti-government groups. They set

up front organizations for covert operations (penetration and containment) within the student and labour movements and discouraged peasant mobilization. The organic elite established a well-organized political presence in Congress and coordinated the efforts of all the centre-right factions in opposition to the government and the labour-left. The organic elite also established what amounted to effective control of the audio-visual media and the press throughout the country. In the course of their opposition to the populist structures, the national-reformist executive and the popular social forces, IPES/IBAD became the real party of the bourgeoisie and its general staff for ideological, political and military action.

According to Paulo Ayres Filho, results achieved by IPES were in no way spectacular in the initial stages of its existence as an organization; but gradually thanks to the collaboration with IPES by its subsidiaries and other existing organizations and action groups, the organic elite succeeded in carrying into the dominant classes, as well as the middle social layers and military, first the idea of resistance against the government, then the consensus and urge for its overthrow. For this last operation, IPES/IBAD had to succeed in inspiring and mobilizing a large number of military officers. And this they achieved.²⁵ Thus, a number of well-known civilians and military travelled throughout the length and breadth of Brazil, identifying local anti-government and anti-labour left movements, groups and individuals who were

willing to resort to military measures, if needed.²⁶ Moreover, IPES/IBAD were faced with the problems of indoctrinating and organizing a bourgeois power bloc, forcing it into political action with a minimum of popular legitimation. The first task of the organic elite was to convince the majority of the entrepreneurs themselves of their immediate and real needs beyond petty commercial gains; of the necessity to engage in new levels and different forms of action. It also had to break the allegiance of some and the passive alignment of others to and with the national reformist executive. In this task, the IPES/IBAD organic elite displayed enormous and resourceful skills.

In January 1962, IBAD's general coordinator, Ivan Hasslocher, published his pamphlet As Classes Produtoras diante do Comunismo (The Producing Classes vis-à-vis Communism), an attempt to explain the dominant classes to themselves. It proclaimed to the wider entrepreneurial public, as IBAD militants had been disseminating privately among chosen individuals, the need for a new role of the dominant classes. As Hasslocher explained, "There are at present in Brazil numerous entities and bodies of the producing classes dedicated to the combat of communism. All of them were founded by conscious democrats the elite, from all points of view, of the producing classes. But none of them until today accomplished anything useful".²⁷ This was due, according to Hasslocher, to the emphasis being laid on the quantity of members assembled in such entities and bodies rather than on the quality of their membership, for the founders of those organizations thought that they should be truly representative. And in fact they were. In Hasslocher's view, that was

precisely the secret of their inoperativeness. Hasslocher pointed out that no "practical businessman would dream of having his company directed by a council, whose component members had equal power and entirely divergent points of view". And that, Hasslocher stressed, was precisely the form in which the organizations of the 'producing classes' had been constituted. The necessity for the creation of an elitist, and secretive, organization of the organic elite was being pushed forward.

How did the organic elite structured in IBAD perceive the entrepreneurial classes? Hasslocher divided them in categories, as follows: a) the Communists, which were 1% of the total; b) the criminals, 3%; c) the useful innocents (inocentes úteis), 10%; d) the reactionaries, 12%; e) the unaware, 70%; and f) the conscious elements, 4%. The 'communists' were those entrepreneurs who were seduced by doctrine and political ambition to support and organize activities against their own class. They were considered to be destructive and disaggregating elements among the entrepreneurial classes. The 'criminals' were those who assisted or were passive vis-à-vis the action of opposing classes. They were the sector which tended to maximize its rewards at all costs, and for the sake of its own commercial greed, to disregard the wider interests of the whole of the entrepreneurial classes. The 'useful innocents' were those liberal-minded entrepreneurs who supported socio-economic projects labelled as progressive, out of naive and well-intentioned thinking. The 'reactionaries' were those sectors of the dominant classes who identified as 'communistic' all modernizing causes. They attempted to fossilize society, refusing to accept change in order to preserve their petty interests. The

'unaware' were those members of the dominant classes who did not become militant class members. They belonged to the dominant classes not by political action or ideological position, but by their very objective economic situation. Finally, Hasslocher identified the 'conscious elements'. In this small group, were those who had the capacity and disposition to lead the entrepreneurial classes in the struggle which they should establish against the 'communist threat'. With what could only be a touch of irony, Hasslocher observed that in 1896, the author H.G. Wells had written a book in which he presented his own vision of a future world where the masses would be enslaved by a group of well-organized powerful capitalists without scruples. Twenty-three years later, Wells wrote a new preface to his book, in which he concluded that 'the human species would never reach such an immense and depressing condition of slavery', for 'the thesis of a gradual, and systematic enslavement of the working masses presupposes an intelligence, a power of combination and machiavellism on the side of the class of the financiers and industrialists, which this class certainly does not and probably will never possess'.²⁸

However, Hasslocher stressed, the 'conscious' elements were "much more enlightened than H.G. Wells had ever thought possible, although not so numerous. They are men whose vision surpasses the terrain of their immediate business and they have a fair comprehension of politics". Emphasizing his elitist view, Hasslocher added that "the great reforms in the history of this world have been introduced by minorities to the majorities. The most perfected democracy not only tolerates,

but stimulates the action of leaders. There is no doctrinal nor practical motive for the producing classes in Brazil to act only en masse". And he added that "A minority group can do much if it finds cohesiveness around constructive and solidly based ideals. As the results of their work are verified, new elements will be attracted to collaborate and the group may become more representative. Admission of those new elements, nevertheless, must be conditioned to their formal adhesion, not only to the ideological line, but to a line of action defined by the founding group. Organized as an acting minority, without the dead weight of the unaware and without the well or ill-intentioned opposition of the other categories, the conscious democrats will then outline and execute a plan of action for the defence of the fatherland, liberty and themselves. In our view, the principal sphere of action of this group must be internal, i.e. it would have the objective of putting in order the very own house of the producing classes".²⁹ The degree of class awareness within IBAD was indeed high.

Under the cover of IBAD, the organic elite campaigned publicly and ferociously throughout the media, as well as by economic and intellectual measures against the 'deviant or irresponsible political behaviour' of individual entrepreneurs who did not comply with the required opposition to Goulart's government. In this particular activity, IBAD's Democratic Popular Action - ADEP played a significant part. ADEP carried out under the rather innocuous heading of 'Social Action' two basic campaigns. One consisted of economic pressure upon private enterprises and social entities which did not identify with its political ideals or which did give support to governmental policies. The other was the political guidance of

entrepreneurial and public opinion against the national government and against selected public figures.³⁰ The media campaign was instrumental in the attempts by the organic elite to consolidate a conservative front of public opinion with modernizing aims, in consonance with entrepreneurial goals and opposed to Goulart's national reformist attempts.

A clear example of character assassination was the severe criticisms which José Ermirio de Moraes, of the industrial group Votorantim, received for his ostensive support of the reformist candidate to the gubernatorial seat of Pernambuco, the key state in the Northeast. José Ermirio de Moraes had been Minister of Industry and Commerce under the Prime Ministerial cabinet of Francisco Brochado da Rocha in 1962. The pressure on Ermirio de Moraes was orchestrated in IPES Rio at an early stage, although it was IBAD who ostensibly carried out the campaign. When Ermirio de Moraes' case had been raised at a meeting of the Comissão Diretora of IPES, it was decided by Rui Gomes de Almeida and J.B. Leopoldo Figueiredo to 'chat with him'. And if he did not concede, he would be attacked, as he was deemed unable to resist.³¹ IBAD also lashed out at economic groups such as DUCAL, belonging to José Luiz Moreira de Souza, brother-in-law of ESG General Affonso A. de Albuquerque Lima, for keeping its commercial advertising in Última Hora, a populist newspaper of national circulation. IBAD, moreover, criticized the soft line attributed to Jornal do Brasil, the Rio based national newspaper, in the fight against 'leftism'.³² Such campaigning against Moreira de Souza and Ermirio de Moraes served as a smoke screen for the organic elite. José Ermirio

de Moraes Filho, son of the Minister, and co-owner of the gigantic Votorantim group, was a prominent member of the directing committee of IPES, São Paulo. José Luiz Moreira de Souza was a key figure in the directing committee of IPES, Rio, and his brother and partner in the Ducal Group, José Candido Moreira de Souza, an ex-Clube da Lanterna member (Carlos Lacerda's conspiratorial group of anti-getulistas, so active in the 1950s) was himself linked to IBAD. Being ostensibly attacked by 'the right', they were able to keep their communications open with the centre and the left of the political spectrum, and it was on the presumed support of such sectors of the 'national bourgeoisie' that the ill-fated strategy of national reformism was based. Moreover, Jornal do Brasil, behind its informative façade, functioned as one of the key outlets for the organic elite's ideological campaign.³³

As pointed out above, for the organic elite, the main initial political problem in terms of organization was that of stripping the entrepreneurial classes of any particularistic demands or populist prejudices.³⁴ Throughout the initial period of IPES' existence, the organic elite disseminated among the different fractions of the dominant classes the need to move towards the formation of the bourgeois class spirit, although aware that IPES was still only 'prepared for studies, not for action', as stressed by IPES leader and entrepreneur, Antonio Gallotti.³⁵

One interesting publication aiming at instilling a sense of class awareness of the tasks lying ahead for the entrepreneurial classes, was a paper produced by IPES leader, José Garrido Torres, on the 'Democratic Responsibility of the

Entrepreneur', which was widely disseminated in revised versions through IPES/IBAD channels. ³⁶ Garrido Torres called the attention of the dominant classes to the gradual discrediting of private enterprise in the eyes of the public. Such a process was due not only to state interventionism, as many entrepreneurs argued, nor was it merely due to the propaganda of ideological adversaries, which Garrido Torres' group of action in IPES was attempting to counteract. Garrido Torres stressed instead that the negative image of the entrepreneurial classes accrued from some negative aspects of private enterprise's own behaviour. ³⁷ Garrido Torres remarked that as well as the known arguments about the lack of initiative imputed to private enterprise, new arguments which made criticism of the 'intrinsic virtues' of private enterprise were being heard. What was extremely alarming in Garrido Torres' view was that private enterprise was being openly attacked because it was perceived as the root of the economic backwardness of Brazil. Garrido Torres observed that the number was growing of those who preached that Brazil being in the stage of evolution it was, the ideals of economic development and social justice could only be achieved in an accelerated rhythm if the whole of the economy was socialized. Furthermore, and truly worrying, such convictions were shared by ample segments of the bureaucracy, students, journalists, politicians and even military officers, for whom the main factor responsible for the Brazilian underdevelopment was economic imperialism and the cupidity of the 'producing' classes. The argument throughout these segments was, according to Garrido Torres, that a social revolution was needed,

as the inescapable alternative to the anti-social action of the 'economic groups' and the incapacity of the 'leading classes'. Garrido Torres then cautioned the dominant classes about the nationalist and labour-left campaign, which, although seemingly directed principally at the foreign enterprises (for tactical reasons in his opinion), would, in concrete terms, also hit the national ones. Garrido Torres also attacked the pseudo-nationalist entrepreneurs, who played the nationalistic part in order to advance their own narrow interests, disregarding the wider interests of the entrepreneurial community as a whole. Garrido Torres then urged the entrepreneurial classes to evolve not only towards the practice of 'economic democracy', but also to assume public and social responsibilities which corresponded to such a stance. Such an evolution had to be favoured by what Garrido Torres considered as the authentic leaders of the entrepreneurial classes who were geared to the necessity of renovation of private enterprise as well as to the active search for the solutions to the political and social problems of the country. But to achieve economic development and social progress, it was necessary, according to Garrido Torres, to think and act politically, with a clear sense of urgency. It was necessary to tone up the regime, producing institutional reforms which would structure the framework for modernization. For Garrido Torres, the survival of democracy, equated with private enterprise, depended on the political behaviour of the entrepreneurs and a demonstration of their social function to the wider public. 38

Faced with similar problems, IPES and UDN leader and entrepreneur, Rafael Moschese, president of the Federation of Industries of São Paulo, remarked that "The time has gone when entrepreneurs were worried only by the economic and financial problems of their enterprises. Today they can not alienate themselves from the social responsibility which is contained in the enterprise they direct".³⁹ Nevertheless, it was not sufficient to overcome the corporative-professional phase of which Gramsci speaks once the awareness of their common class interests had been acquired. It was necessary to act as a class, and to be able to lead politically a bourgeois reaction against the executive, returning it to their control. In this respect, for IPES president, J.B. Leopoldo Figueiredo, in addressing the Brazilian Association of Public Relations, it was necessary to "awaken among us the generalized awareness of the common good, in opposition to the privatist search for particular advantages of individuals, groups, or classes; an illegitimate form used by some to transpose others' frontier of liberty, violating the right of all. It is more than urgent to stimulate the sense of responsibility of each one". And he added: "IPES emerges with the aim of elucidating primordially the entrepreneurial class, who, it must be said in passing, needs more than any other class to really know what the ideal limits of the regime of free initiative are in the economic field".⁴⁰

The campaign of class conscientization led by IPES/IBAD began to bear results. Gradually, the leading entrepreneurs of approximately 500 Rio and São Paulo based multinational and associated corporations answered the call of their organic elite and began to supply IPES, by then the recognized structured class vanguard, with the necessary means to carry out its work.⁴¹

Before we enter the discussion about the means at the disposal of the organic elite and their internal structure, there is a point which has to be made. The Brazilian process was not unique. In the late 1950s, throughout all of Latin America, there was a substantial development of organizations dedicated to the maintenance of 'political and economic liberty' (sic).⁴² These organizations were backed by the relatively new entrepreneurial and professional sectors of their respective societies. These various organizations springing up especially after 1955 resembled each other in their ultimate goal and in the composition of their supporters and recruits,⁴³ although the methods of operation with which they operated were extremely varied and in some cases, perhaps contradictory.⁴⁴ In spite of this, or precisely because of the richness of varied experiences, the exchange of information, expertise and militants was common practice, as well as the overlapping of membership in different national organizations. A list of selected Latin American organizations shaping such an hemispheric entrepreneurial organic elite allows us a glimpse of their political importance in this period and of the powerful interests and vast resources pushing for modernizing-conservative change in the continent. Among the sister organizations of IPES, in the sense that they shared expertise and funds, cooperated in joint efforts and had, in cases, overlapping individual and corporate membership, were: Instituto de Investigaciones Sociales e Económicas, Centro de Estudios Monetarios Latinoamericanos - CEMILA, to which IPES/IBAD affiliate Denio Nogueira was linked and the Centro Nacional de Estudios Sociales, all in Mexico; the Centro de Estudios Económico-Sociales (Guatemala);

Instituto de Estudios Socioeconómicos (El Salvador); Instituto Venezolano de Análisis Económico Social and the Instituto Venezolano de Acción Comunitaria (Venezuela); the Instituto de Estudios Sociales y Económicos and the Centro de Estudios y Acción Social - CEAS, which was controlled by the USA Central Intelligence Agency station in Bogotá (Colombia); the Centro de Estudios y Reformas Económico Sociales - CERES, controlled by the USA CIA Quito station,⁴⁵ (Ecuador); the Instituto de Acción Social and the Centro de Orientación Económico-Social (Peru); the Instituto Privado de Investigaciones Económico Sociales (Chile); the Centro de Estudios sobre la Libertad, the Foro de la Libre Empresa and the Acción Coordinadora de las Instituciones Empresarias Libres (Argentina); the Sociedade de Estudos Inter-americanos - SEI, the Instituto de Pesquisas e Estudos Sociais - IPES and the Fundação Aliança para o Progresso - FAP (Brazil). Another hint of the importance of this network can be given by introducing the US and transatlantic equivalents, related organizations and counterparts of the Brazilian IPES, FAP and SEI. Some of these organizations were: the United States Interamerican Council, founded by Nelson Rockefeller's Latin American Office, the Latin American Information Committee - LAIC, founded in 1961 and the Committee for Economic Development - CED, (who, after merging with the business group for Latin America under the leadership of David Rockefeller, became the Council for Latin America - CLA, as seen elsewhere) (USA); the Latin American Development Committee; the Business Council for International Understanding (Uruguay); the Consejo Interamericano de Comercio y Producción - CICYP, under the directorship of George S. Moore, of the First National City Bank and Engineer Rómulo A. Ferrero, of the Economic Policy

Committee (Peru); the Committee for Economic Development of Australia - CEDA (Australia); the Europaishe Vereinigung fur die Wirtschaftliche und Soziale Entwicklung - CEPES, (Germany); the Comité Européen pour le Progres Économique et Social - CEPES, (France), whose directors have been Bernard de Marjerie (Banque de Paris et des Pays Bas), Jacques Merlin (Credit Commercial de France) and Jean Deplasseux (Credit Lyonnais); the Comitato Europeo per il Progresso Economico e Sociale - CEPES, (Italy), which has had as its directors C. Gastaldi, (NECCI financial complex) and Paolo Succi; Keizai Deyukai - KD, (Japan), whose directors have been Y. Iwasa, of Fuji Bank and S. Nakayama (Industrial Bank of Japan); Political and Economic Planning - PEP (Great Britain); Seminarios de Investigaciones Económicas - SIE (Spain); Studieförbundet Näringsliv och Samhälle, (Sweden), led by Rune Høglund (Swenska Handelsbanken), L. Erik Thunholm (Skandinaviska Bank) and Erik Dahmen (Enskilda Bank). There was also an International CEPES, located in Italy. International CEPES was presided over by Vittorio Valetta of FIAT and Charles Buzzi. 46

LAIC and CED, in particular, provided international coordination and logistic support for IPES and sister organizations. It is not by chance that at the very beginning of 1962, Alfred C. Neal, (who eventually became Committee Chairman of the Council for Foreign Relations) would send a letter to IPES leader, Gilbert Huber, offering him a 'CED support operation', and supplying, to this effect, a list of 26 people. 47

It is interesting to note that most of these selected entrepreneurs and organic intellectuals became central members

of IPES, assuming leading posts in the São Paulo branch. Some of them, without becoming formal affiliates or participants in the IPES structure of political action, synchronized their own political efforts with the organic elite through the entrepreneurial class associations. Last but not least, their names are to be found among the entrepreneurs and companies which provided the economic and administrative infrastructure for the overt and covert activities of IPES.

IPES in Rio de Janeiro was also closely related to the American Economic Foundation - AEF, for which IPES became the Brazilian outlet. IPES leaders José Garrido Torres, J. R. Whittaker Penteado, Glycon de Paiva and Harold Cecil Polland among others, were the contacts with CED and AEF. AEF's president authorized IPES through Garrido Torres, to use, without charge, any propaganda or research material produced by the former institution.⁴⁸ The Latin American Information Committee, with headquarters in New York and sponsored and financed by US corporations, distributed funds from these corporations to those groups they chose to aid and provided some degree of international coordination. LAIC sponsored at least two general meetings of these groups, held in Nassau (the Bahamas) in 1962 and 1963.⁴⁹ Gilbert Huber, Garrido Torres and Harold Polland, all founding members of IPES, Rio, were among those who travelled to Nassau from Brazil, representing the organization.

In those meetings varied issues affecting multinational and associated interests were discussed, such as governmental and private planning, the Latin American Common Market, the political and social role of private enterprise, and the

combatting of 'communism'. Moreover, in Nassau were discussed the common problems of IPES and the various sister institutions represented at the gathering, in view of the period of political turmoil throughout the Americas, which lay ahead. ⁵⁰

From the 1962 Nassau meeting, the IPES group proceeded to the United States and contacted the president of the American Senate, giving him an image of how the United States was perceived by the majority of the Brazilians, through the behaviour of American closed, private enterprises in Brazil. ⁵¹ The IPES line of argument was that closed American enterprises should open their boards of directors and shares to Brazilians, and, when possible, engage in association. ⁵² The IPES leaders also had a meeting at the Department of Commerce, where Huber spoke in front of a group of 8 technical experts about Brazil and American companies. ⁵³ The group also had a meeting with Ambassador Moscoso and a team of advisors at the Department of State, where the Brazilian and Chilean political and economic situations were discussed. ⁵⁴

A couple of months later, reporting on one of his regular trips to the United States, Gilbert Huber was to welcome the call by Nelson Rockefeller to the presidents of the big North American companies ⁵⁵ who were expected to bring their support to the campaign. Contacts were not limited to the Latin Americans going to the United States or to the Bahamas. Among others, Esteban Ferrer, Enno Hobbing and fellow members of the LAIC, ⁵⁶ Frank Brandenburg, Ernest W. Gross, Herbert Stein and A.C. Neal of the CED; as well as a host of political scientists, sociologists, anthropologists, functionaries in state agencies and private organizations and executives of the transnational corporations travelled extensively, keeping

routine contact and giving special support for their Latin American counterparts and allies. ⁵⁷ Such international transaction exemplifies another form by which one can speak of Brazil as an informally penetrated polity, where members of one polity come into contact with people of other countries, in an effort to achieve their objectives. ⁵⁸

The organic elite received stimulus from other quarters as well. With the coming to power of Lyndon Johnson, the Brazilian organic elite, as well as other Latin American organic elites, received increased support. ⁵⁹ But John Kennedy had already cleared the way. When Colonel Vernon A. Walters, an efficient intelligence man, later to become CIA sub-director, ⁶⁰ returned from Italy on his way to Brazil, ostensibly to become military attaché, he was informed that President Kennedy "would not be against the removal of Goulart's government if he was to be substituted by a stable anti-communist government that would stand by the side of the 'free' occidental world". ⁶¹ When the civilian-military move against Goulart was well under way, the American Embassy 'assured the plotters that the US was behind them'. ⁶²

The Decision-Making Structure

The formal pre-1964 national organization and institutional background which was centralized in Rio de Janeiro and São Paulo, formed the joint National Committee coordinating other states where IPES had established similar centres, such as IPESUL (Rio Grande do Sul), IPES Pernambuco, IPES Belo Horizonte, IPES Paraná, IPES Manaus, IPES Santos and other minor centres.

The institution was led by a Conselho Orientador - CO (Orientation Council), a Comité Director - CD (Directing Committee) and a Comité Executivo - CE (Executive Committee),⁶³ each of them structured in the different regional centres. The main political unit was located in the two major sections of Rio and São Paulo, with the small sized CE (four to eight members at the most) meeting at least once a day, and frequently adding special sessions, whenever political or organizational requirements dictated. Formally, the CE had as its principal role 'supreme administrative direction' and the 'execution of the decisions reached by the CO and CD'. The CE also had the function of studying, elaborating and submitting to the CD the programmes of activities which IPES intended to carry out and drawing up the respective budgets. Moreover, the CE had to 'carry out all the activities of administration which were not specific to the CD and the CO'. The CE accomplished the decision-making and programming of the general lines of action of IPES goals, as well as the discussion and approval of projects and budgets. The CE also performed as a policy-controller being part of the politico-military central committee, acting through its ideological, political and military operational units, the Grupos de Estudo e Ação - GEA and Grupos de Trabalho e Ação - GTA (Study and Action Groups and Work and Action Groups). The importance of the CE can be understood by looking through the list of names which made up this organizational level, both in Rio de Janeiro and São Paulo, as well as the National Executive Committee - CEN. (Their economic and political linkages and connections can be seen in Appendix B).

The main institutional policy-making body was located in the regional Directing Committee, which met weekly at least once, and more often when required. The CD was structured on the basis of a plan laid out by Harold C. Polland. It was composed of twenty fixed members, ten from Rio and ten from São Paulo, with another ten members chosen from those active in the supervision of action and study groups. The local CDs met on a regular weekly basis as well. Individuals from the local executives travelled constantly between the different IPES centres, providing a valuable working link. Formally, the CDs were responsible for the choice of the members of the CE and programming of the activities of the GEAs and GTAs (referred hereafter as Study and Action Groups). The CD in each city encompassed the heads of the Study and Action groups.

The Orienting Council met several times a year as the formal body to 'draw the guiding lines, ratify ongoing policy, elect the CD and establish the institutional framework'. It was composed of forty members and acted as a basic fund-raising network, and as a backbone of the organization. The Orienting Council was also the forum of sectoral, associational, professional and ideological representation. Several of its members made up the National Orienting Council - CON. The CO chose twelve of its own members to be part of the twenty activists which made part of the regional CD. From these twelve, came the National President of IPES and the two vice-presidents of Rio and São Paulo. ⁶⁴

There was also a Conselho Fiscal (Fiscal Council), for procedural matters and control of accounts. The official accountants for IPES were José da Costa Boucinhas and Eduardo Sampaio Campos, both of them corporate members of the American

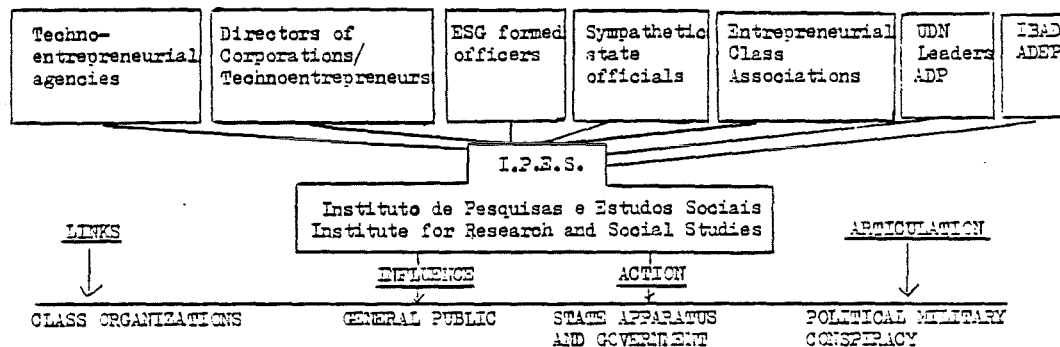
Chambers of Commerce and public accountants for some of the biggest corporations in Brazil.

IPES grew from the original 80 members to 500 affiliates by 1963.⁶⁵ The three top decision-making bodies included 27 of the 36 leaders of the São Paulo based Federation of Industries, mentioned elsewhere (75%); 21 out of the 24 leaders of the São Paulo based Centre of Industries (87.5%); moreover, IPES included a large number of members of the American Chambers of Commerce listed as 'active', as well as the core of CONCLAP and leading technoentrepreneurial agencies, mentioned before.

The formal structure of authority

The official places in the Orienting Council, the Directing Committee and the Executive Committee were mostly occupied by owners, shareholders, presidents and directors of multinational and associated concerns operating in Brazil. Not all the members of the formal structure of authority were entrepreneurs, as it included military officers of prestige, some of whom were employed by private enterprises, and well-known professionals, journalists, academics and technoentrepreneurs. Several of the key agents of the operational units, many of them entrepreneurs themselves, were not part of the formal structure of authority. Influential affiliates, and collaborators, such as Luiz Viana Filho, Roberto Campos, Octavio Gouvêia de Bulhões, and Luiz Gonzaga Nascimento Silva, as well as several entrepreneurial activists who offered their cooperation, such as Mario Alves Lima, Walter Lorch, Waldemir Paulo Santos Freitas and Modesto Scagliusi, were also not part of the formal structure of authority.

For our purposes, it is interesting to note that the structure of the representation of the different socio-political agents of the dominant classes within the formal organization of IPES/IBAD, reunited the various social agents discussed in Chapter III.



Posts were widely scattered among the various affiliate militants and activists, following patterns of ideological and political representation, as well as standards of efficiency and effectiveness. Dissemination of responsibilities also served as a device to avoid undue concentration of power, allowing for a system of check and balances to be exercised by the different organizations, groups and individuals within the structure of IPES. Nevertheless, some activists occupied more leading posts than others, a certain recognition of the hegemony of the big entrepreneurs within IPES. The individuals listed below, composing the formal structure of authority of IPES, made the formal leadership of the multinational and associated power bloc the most powerful economic and political assembly of the dominant classes in the period of the Goulart administration, as can be observed from their connections detailed in Appendix B.

The Formal Structure of Authority - RIO DE JANEIRO

Alexandre Kafka - CO
 Alvaro Americano - CO, CON
 Americo Iacombe - CO
 Angelo Mario Cerne - CO
 Antonio Carlos do Amaral Osorio - CO, GTA, CD, CE, CEN
 Antonio Gallotti - CO, GTA, CD, CON
 Augusto Trujano de Azevedo Antunes - CO, GTA, CON
 José Bento Ribeiro Dantas - CO, CON
 Dario de Almeida Magalhães - CO, GTA
 Cândido Guinle de Paula Machado - CO, GTA, CD, CON
 Fernando Machado Portela - CO, CON
 Gilbert J. Huber Junior - CO, GTA, CD, CON
 Glycon de Paiva Telxreira - CO, GTA, CD, CE, CON, CEN
 Harold Cecil Pollard - CO, GTA, CD, CON
 Israel Klabin - CO, CD
 Jorge Oscar de Nello Flores - CO, GTA, CD, CON
 José Luiz Moreira de Souza - CO, GTA, CD, CON
 José Rubem Fouseca - CO, GTA, CD, CE, CON, CEN
 Maurício Villela - CO, CON, CF
 Miguel Lins - CO, CD, CON, CF
 Orlando Rubem Correia - CO, CON
 Osvaldo Tavares Ferreira - CO, GTA, CD, CE, CON, CEN
 General Golbery do Gouta e Silva - GTA, CD, CE, CON
 General Heitor Almeida Herrera - GTA, CD, CE, CON, CEN
 Joviano Rodrigues de Moraes Jardim - GTA, CD, CON
 General Liberato da Cunha Friedrich - GTA, CD, CON
 General João José Baptista Tubino - CD
 Guilherme Julio Borghoff - CD
 José Ignacio Caldeira Versiani - CON
 Denio Chagas Nogueira - GTA, CON
 Edmundo Falção da Silva - CON
 João Baylongue - CON
 João M. Mader Gonçalves - CON
 Jorge Frank Geyer - CON, CF
 José Garrido Torres - CON

Luiz Figueiredo Junior - CON
 Mauro Ribeiro Viegas - CON
 Rui Gomes de Almeida - CO, GTA, CD
 Zulfo de Freitas Mallman - CO
 Guilherme da Silveira Filho - CO
 Haroldo Junqueira - CO, CD
 Euclides Aranha - CO
 Guilherme Levy - CO
 Haroldo Graça Couto - CO
 Joaquim Rocha Santos - CO
 João da Silva Monteiro - CO
 Jorge Behring de Mattos - CO, CON, CF
 Jorge de Carvalho - CO
 José Luiz Magalhães Lins - CO
 Odylô Costa Filho - CO, CON
 Temistocles Marcondes Ferreira - CO
 José Duvioler Goulart - CO, GTA, CON
 Joaquim Carneiro - CO, CF
 Nelson Parente Ribeiro - CO, CON
 Osocar de Oliveira - CO, GTA, CON
 Abelardo Coimbra Bueno - CO, CON
 Helio Gomide - CO, GTA, CON
 Eurico Moraes Castanheira - CO, CON
 Alberto Lelio Moreira - CO, CON
 Carlos Henrique Schneider - CO, CF
 Decio de Abreu - CO, CF
 Aurelio de Carvalho - CO, CON
 Claudio de Almeida Rossi - CO
 Domício Veloso - CO
 Edgard Rocha Miranda - CO
 Tony Bahia - CF
 Fernando Ilher - CF
 Oscar de Carvalho - CF
 Murilo Coutinho Gouveia - CO

The Formal Structure of Authority - SMO PAULO

- A.C. Pacheco e Silva - CO, CD, GTA
- Ary Frederico Torres - CO
- Gastão Eduardo Bueno Vidigal - CO
- Gastão Mesquita Filho - CO
- Gustavo Borghoff - CO, GTA, CD
- Helio Muniz de Souza - CO, CD
- Humberto Monteiro - CO, CD
- Jayme Torres - CO
- João Soares do Amaral Netto - CO, CD
- José Emirio de Moraes Filho - CO, CD
- João Baptista Leopoldo Figueiredo - CO, CD, CE, CEH
- José Julio de Azevedo Sá - CO
- José Pires de Oliveira Dias - CO
- José Almeida Souza - CO
- Leilio Toledo Pizze Almeida Filho - CO
- Lucas Nogueira Garcez - CO
- Luiz Dumont Villares - CO
- Luiz Moraes Barros - CO, CD
- Mario Toledo de Moraes - CO, CD, CE
- Mauro Lindenberq Monteiro - CO
- Octavio Pereira Lopes - CO, CD, CE
- Octavio Marcondes Ferraz - CO
- José Ely Coutinho Viana - CD, GTA
- Luiz Cassio dos Santos Verneck - CD, GTA, CON, CEN
- Oswaldo de Breyne Silveira - CD, GTA
- Salim Chamma - CD, GTA
- Thomaz Pompeu Borges Magalhães - CD, GTA
- Munoel José de Carvalho - CF
- Paulo Sergio Coutinho Galvão - CF
- Luis de Moraes - CF
- Oswaldo Mariz Maia - CF
- Ernesto Teixeira de Almeida - CF
- Paulo Ferraz - GTA
- Paulo Edmar de Souza Queiroz - GTA
- Luiz Mascarenhas Neto - GTA
- André Arantes - GTA
- Oscar Augusto de Camargo - CO
- Othon Barcellos Correa - CO, CE, CD
- Paulo Almeida Barbosa - CO, CD
- Paulo Ayres Filho - CO, CD, CE, CEN
- Paulo Reis Magalhães - CO, CD, CE, CON, CEN
- Theodoro Quartim Barbosa - CO
- Vicente de Paula Ribeiro - CO
- Heinring Bollessen - CO
- Eulalio Vidigal Pontes - CO
- Aldo Mortari - CO
- João Baptista Isnard - CO
- Eudoro Villela - CO
- Rafael Moschese - CO, GTA
- Octavio Uchoa da Veiga - CO, CD, GTA
- Decio Fernandes Vasoncellos - CO
- Ernesto Leme - CO
- Basilio Machado Neto - CO, GTA
- Adalberto Bueno Neto - CO, CD, CON, CEN
- Roberto Pinto de Souza - CO
- Gilberto Wack Bueno - CO
- J.R. Whittacker Penteadó - CO
- Paulo Lacerda Quartim Barbosa - CO
- Felipe Arno - CO
- Fuad Intfalla - CO
- José Martins Pinheiro Neto - CO
- Daniel Machado de Campos - CO
- Fernando Alencar Pinto - CO
- Domingo Pires de Oliveira Dias - CO
- Eduardo Garcia Rossi - CO, GTA, CD
- Geraldo Alonso - CO, GTA
- Jorge Queiroz de Moraes - CO
- José Bastos Thompson - CO
- José Luiz Anhaia Mello - CO, GTA
- Luiz Emanuel Bianchi - CO
- Nivaldo Ulhoa Cintra - CO, GTA, CD
- J.L. Nogueira Porto - GTA
- Rubem da Fraga Robero - CON
- Julio Arantes - GTA
- Franc Machado - GTA
- Paulo Galvão Filho - GTA

In spite of the ascendancy of multinational and associated interests, IPES was not an ideological and political monolith, and there were several reasons for this. For one, being an 'umbrella' organization for the dominant classes, as well as the 'coordinating' unit of a number of political entities, it could not help but have in its midst an inbuilt variety of outlooks which were held together largely in view of the critical period they all faced. Moreover, being a political class organization, aiming at rallying large segments of the population behind its proposals and involving subordinate groups and classes in its political-ideological action, IPES had to aggregate sectors and factions from middle class quarters and even from the working classes. These reasons diluted, in appearance more than in substance, some of the IPES positions, or at least forced the organic elite to pay lip service in their programme for action and make token space in their praxis for regional, fractional and middle class demands, for the sake of building some sort of consensus for action, and thus appear as truly 'representative'. The proposals for the 'democratization of capital' and the agrarian reform highlighted this problem. The existence of differences also nurtured the establishment of different levels of decision-making as well as channels and agencies of action whose existence or relation to IPES was unknown to many of its lesser participants, not involved in the hierarchy. ⁶⁶

One ideological cleavage was also expressed in the difference in national political perspectives between São Paulo and Rio based entrepreneurs. According to IPES General Heitor Herrera, it was clear that 'the men of Rio de

Janeiro had more vision than those of São Paulo', who were charged by him with reasoning always in regional terms.⁶⁷ Moreover, according to IPES militant Colonel Ivão Perdigão, the assistant to General Golbery do Couta e Silva, disagreements developed as a consequence of "the differing roles performed by the two groups. The ideas and programmes were nearly completely a product of Rio's initiative; their execution and implementation was more a responsibility of São Paulo",⁶⁸ and this was reflected in their organizational infrastructure. The political leadership and the study groups were based in Rio. The action groups in charge of most of the discreet operations in the various fields of action of IPES were based in São Paulo. Another difference was that São Paulo was deeply involved in covert areas of operation. Rio was more a participant in the public debate, although selected Rio based members, such as entrepreneurs Cândido Guinle de Paula Machado, Jorge Oscar de Mello Flores, Harold Cecil Polland, José Rubem Fonseca, Gilbert Huber; General Golbery, General Liberato da Cunha Friedrich, General Heitor Almeida Herrera, Captain Heitor de Aquino Ferreira and their contacts in the military officer corps, mainly General Cordeiro de Farias, General Ernesto Geisel, General Jurandir B. Mamede, General Nelson de Mello, General José Pinheiro de Ulhoa Cintra, Admiral Heck, Marshal Denys, General Ademar de Queiroz and General Riograndino Krueel were involved in either covert activities or in influencing the military to act against the government.

Personal conflicts were also introduced with incoming members bringing their former feuds into the organization. Thus, clashes between IPES Rio president, Rui Gomes de Almeida and IPES São Paulo president, J. B. Leopoldo Figueiredo, were

not only the expression of the above-mentioned regional differences, or of ideological confrontation. IPES leader, Nei Peixoto do Valle, a Rio based American Chambers of Commerce activist, observed that the problem could be defined in terms of a dispute for leadership.⁶⁹ Nevertheless, as IPES Rio leader, Oswaldo Tavares concluded, 'an institution may do without a leader, but not (without) ... a full leadership (direção plena) in effective functioning order', and this IPES undoubtedly had, despite the personal rifts.⁷⁰ Factionalism also came to a head now and again, on account of ethnic differences, or generation rivalries or social status. The most extreme of the differences were reflected in the composition of the Paulista social clubs and prestige institutions (which were so important in the political-military articulation of the anti-government movement) established according to social, cultural or ethnic cleavages.⁷¹ The above-mentioned factors of differentiation were also perceived as being part of a wider political problem by the organic elite, especially critical at a time when the need was for unification and the pulling together of the available resources.

IPES brought together the most diverse class associations, commercial and industrial sindicatos (sectoral associations of entrepreneurs),⁷² pressure groups, technoentrepreneurial agencies and technobureaucratic rings,⁷³ military activists and political factions of the centre-right. Even the need to attract private organizations as widely apart as the Rotary or Lyons Club and the sectarian Catholic layman's Centro Dom Vital, was considered⁷⁴ in order to generalize the multinational and associated message at the core of IPES and in order to provide the widest

ideological rallying point for dominant class mobilization.⁷⁵ For the IPES leadership, the structure of authority had to represent 'the several currents, not one single current remaining outside'.⁷⁶ In spite of the seemingly all-encompassing structure of IPES, it did stop short of becoming too heterogeneous so as to undermine effective class action. IPES integrated a comprehensive movement under its aegis, once the core had been settled, thus avoiding those dangers against which IPES/IBAD leader Ivan Hasslocher had warned, as seen elsewhere.

There were several reasons why IPES had to mobilize, in spite of ideological and personal differences, the widest possible array of economic fractions and sectors, technoentrepreneurial agencies, cultural centres, military factions and political groups, not the least being the attempt to disaggregate the basis of support on which Goulart's executive was anchored.⁷⁷ The articulation of the diverse associational, political and intellectual expressions of dominant class power allowed IPES, by 1963, to represent the significant whole of the Brazilian bourgeoisie, able to act politically and militarily with effective authority.⁷⁸

A convenient outcome was that the wide articulation which IPES achieved provided also a large field for recruitment and a generous pool of technical expertise and material resources for the infrastructure of its action units. Another reason for the urge to coordinate such a wide spectrum was clearly financial. A political endeavour of the scale of IPES needed vast monetary resources.⁷⁹

Although IPES was successful in the coordination of the industrial and financial sectors, as well as in the intellectual, military and professional areas, in one sector it encountered great difficulties. This was the rural sector. The problem was that the rural associations included both the traditional oligarchy, still powerful, and the more modern rural bourgeoisie, as well as the growing multinational and associated agri-business. Such a tripartite political influence in the rural associations posed a dilemma for IPES/IBAD. On one hand, IPES/IBAD had been drawn to wage an ideological war against the agrarian reform proposals of the government and the labour left sectors. On the other, it had to recognize that the agrarian reform issue had captured the imagination of large segments of the population, to such an extent that it was impossible not to take a political stand in favour of it. IPES had to establish its differences with the government and the labour left on the type of agrarian reform it wanted, and not on its outright rejection. The entrepreneurial organic elite had to adopt a reformist position which alienated the rural oligarchy, while favouring the entrepreneurial transformation of the countryside, benefiting the modern rural bourgeoisie and the multinational and associated agri-business. However, IPES, at the same time, needed to gain the support of the oligarchy, for their political influence in Congress, where IPES expected to block the executive's proposals on the most varied matters. Moreover, the organic elite had to pre-empt the rural base of support which the executive and the populist political forces had among landowners and rural middle classes. The large landowners, a significant source of financial support, were also necessary in the containment of the peasant population

and in the support which they gave to the regional authorities, namely the governors of the states who, in turn, opposed the central government. Another reason for the difficulties in coordinating the rural sector was the byzantine infighting occurring between, and within, the rural dominant classes' associations. Considering the delicate equilibrium IPES had to find, it was clear that the organic elite was not 'interested in falling out with any of them'.⁸⁰ IPES had to compromise, at least in a public form. Many of the sharper political stances of the organic elite in favour of capitalist modernization and rationalization of the rural areas were adopted without attribution to IPES. Eventually, a number of rural associations and important rural class leaders, mostly of the modern coffee and cattle sector and the agro-industrial sector were operating within the IPES fold, such as Ostoja B. Roguski, a Paraná leader, of the Brazilian Rural Confederation - CRB; Wanderbilt Duarte de Barros (CRB); Salvio de Almeida Prado, of the Brazilian Rural Society - SRB; José Ulpiano de Almeida Prado, of the Federation of Rural Associations of São Paulo - FARESP, Herbert Levy, Edgard Teixeira Leite, Eudes de Souza Leão (CRB) and J. Irineu Cabral of the Brazilian Association for Rural Credit and Assistantship - ABCAR.

By November 1962, at a General Meeting of the São Paulo and Rio representatives, the leading cadres of IPES were finally established. At last the various bourgeois associational expressions had been subsumed under one effective political leadership.⁸¹ The dominant classes shielded themselves behind the firm leadership of their organic elite. IPES was to function finally as the political umbrella of class organization. As IPES leader, Abelardo Coimbra Bueno stressed,

IPES had 'to plan articulation, rather than direct execution'. IPES had to be 'the General Staff'.⁸² Some of the representative members of interest organizations, class associations and pressure groups which belonged to IPES are listed below. This list does not include the regional associations, such as the Associação Comercial de Londrina, the Federação das Associações Rurais do Estado de Minas Gerais or the Associação Comercial de Pernambuco, but it comprises some of the regional and national organizations based in Rio and São Paulo. Many of the IPES affiliates were also representatives of the associations operating in the heavy industry sector, mainly of the Brazilian industries of textiles, machinery and accessories, the industries of machinery and implements for agriculture, the industries of tool machinery and other diverse industries. More information about the associational relation of the IPES affiliates can be obtained in Chapter III and in Appendix B.

Prominent Officers of Class Associations in
IPES Rio and São Paulo

A.C. Pacheco e Silva - Centro de Indústrias do Estado de São Paulo - CIESP
 Rafael Noschese - Federação das Indústrias do Estado de São Paulo - FIESP
 Paulo Almeida Barbosa - Associação Comercial do Estado de São Paulo - ACESP
 Gilbert Huber Jr. - Conselho das Classes Produtoras - CONCLAP
 José Ignacio Caldeira Versiani - Federação das Indústrias do Estado da Guanabara - FIEGA
 Oswaldo Tavares Ferreira - Clube de Lojistas do Rio de Janeiro - CIRJ
 Rui Gomes de Almeida - Associação Comercial do Rio de Janeiro - ACRJ
 Zulfo de Freitas Mallman - Centro de Indústrias da Guanabara
 Paul Norton Albright - Federation of American Chambers of Commerce
 Bento Ribeiro Dantas - Centro de Indústrias do Rio de Janeiro - CIRJ
 Salvio Pacheco de Almeida Prado - Federação das Assoc. Rurais do Estado de São Paulo - FARESP
 Eudes de Souza Leão - Confederação Rural Brasileira - CBR
 José Luiz Moreira de Souza - Assoc. de Crédito, Investimento e Financiamento - ADECIFF
 Humberto Reis Costa - Serviço Social da Indústria - SESI
 José Irineu Cabral - Assoc. Brasileira de Crédito e Assistência Rural - AECAR
 Paulo Mario Cerme - Sindicato Nacional da Indústria de Cimento
 Gustavo Borghoff - Assoc. Nacional de Máquinas, Veículos e Peças - ANVAP
 Luiz Emanuel Bianchi - Associação Paulista de Avicultores
 Mario Henrique Simonsen - Confederação Nacional das Indústrias - CNI
 Basilio Machado Neto - Confederação Nacional do Comércio - CNC
 Nivaldo Ulhoa Cintra - Câmara de Comércio Sueco-Brasileira
 Orlandy Rubem Correia - Sindicato dos Bancários da Guanabara
 Claudio Almeida Rossi - Sindicato de Companhias de Seguros
 Miguel Reale - Federação de Comércio do Estado de São Paulo - FCESP
 Guilherme da Silveira Filho - Sindicato de Indústria de Fiação e Tecelagem do Rio
 Jayme Torres - Sindicato da Indústria de Produtos Farmacêuticos
 Trajano Puppo Neto - Sindicato dos Bancos do Estado da Guanabara
 Lelio Toledo Pizza - Assoc. Nac. de Fabricantes de Veículos Automotores
 Nelson Parente Ribeiro - Associação dos Bancos do Estado da Guanabara
 Nelson Parente Ribeiro - Associação de Dirigentes Cristãos de Empresa - ADCE
 Walter Poyares - Associação Brasileira de Propaganda
 Eduardo Garcia Rossi - Sindicato de Ind. de Artefatos de Ferro e Metais em Geral
 C. de Carvalho - Federação das Indústrias do Rio de Janeiro - FIRJ
 Luiz Rodovil Rossi - Sindicato de Indústria de Autopeças
 José Vasconcelos de Carvalho - Sindicato dos Lojistas do Rio de Janeiro
 Lucas Nogueira Garcez - Federação dos Bancos do Estado de São Paulo
 Luiz Dumont Villares - Associação Brasileira para o Desenvolvimento de Indústrias Básicas-ABDIB
 Fernando Edward Lee - Câmara de Comércio Teuto-Brasileira
 Monteiro Lindenberg - Associação Brasileira de Fabricantes de Lata
 Nicolai Filizzola - Sindicato das Indústrias de Balanças, Pesos e Medidas
 Jorge Frank Geyer - Sindicato de Jóias e Relógios
 Mario Leão Ludolf - Serviço Nacional do Comércio - SENAC
 José Ulpiano de Almeida Prado - Bolsa de Mercadorias de São Paulo
 João Baylongue - Sindicato Indústrias Mecânicas e Material Elétrico
 Estanislau Fischlowitz - Serviço Nacional da Indústria - SENAI
 Paulo Mario Cerme - Sindicato Indústrias Hidrotermo Elétricas do Rio
 Ary Frederico Torres - Instituto de Pesquisas Tecnológicas - IPT
 João Batista Inard de Gouveia - Estudos Técnicos e Administração - ETA
 Frederico Augusto Schmidt - Estudos Técnicos Europa-Brasil Ltda.
 João Baylongue - JRB Administração e Organização
 Alexandre Kafka - CCNSULTEC
 Paulo de Assis Ribeiro - Conselho Brasileiro da Produtividade - CEP
 José Arthur Rios - Sociedade de Pesquisa e Planejamento - SPLPII
 Paulo Ayzes Filho - Bureau de Organização Racional Aplicada - BORA
 Juan Missirlian - Técnica de Organização e Consultoria - TOC
 David Beatty III - Técnica de Avaliações e Pesquisas - VALIT
 Octavio Pereira Lopes - Instituto de Organização Racional do Trabalho - IDORT
 Jorge Beiring de Mattos - ADESG
 Luis Simões Lopes - Companhia de Estudos Técnicos, Administração e Participações - CETAP

The regional leadership of IPES in Rio Grande do Sul, where it was known as IPESUL, included entrepreneurs Cândido José Bezerra Godoy, João Antonio O. Martins, Don Charles Bird, Carlos Gastand Gonçalves, Favio Araújo Santos, José de Abreu Fraga, Álvaro Coelho Borges, Ary Burger, Emilio O. Kaminski, Carlos Lopes Osorio, Amadeu da Rocha Freitas, Itacyr Pinto Schilling, Oudinot Villardino, José Zampregna and Paulo Barbosa Lessa. The leadership of IPESUL also included Colonel Yeddo J. Blauth and Paulo do Couto e Silva.

In Paraná, the state adjoining São Paulo, the IPES and IBAD/ADEP structure was based on the membership of the Commercial Association of Paraná - ACOPA. Some of its activists were the entrepreneurs Asdrúbal Bellegard, Carlos Alberto de Oliveira, Oscar Schrappe Sobrinho and the juridical consultant of ACOPA, Aguinaldo Bezerra. Other significant militants were Ostoja Roguski, of the National Council for Agrarian Reform of Paraná and of the Brazilian Rural Confederation and Manuel Linhares de Lacerda.

In Minas Gerais, IPES counted on entrepreneurs Jonas Barcelos Correia, of the Centro de Indústrias de Minas Gerais; Ruy de Castro Magalhães, of the Sindicato dos Bancos; Josafá Macedo, of the Federation of the Rural Associations of the State of Minas Gerais - FAREM; Oscar Nicolai, Laercio Garcia Nogueira and Aluisio Aragão Vilar.

In Pernambuco, it was General Golbery himself who had gone to Recife, studied the political situation in loco and founded the IPES centre for the Northeast in April, 1962.⁸³ The leading figure of IPES in Pernambuco was Antonio Galvão, the president of the Commercial Association of Pernambuco. However, it was IBAD which actually appeared as the main political catalyst in the

specific case of the Northeast, which kept a very low profile, since much of their activities was highly subversive.

IPES was also established in Belém do Pará, in the North, where Frederico Maragliano of IPES Rio made contact with Dr. Vidigal, director of the Commercial Association of Pará and president of the National Coordination Commission of the Producing Classes. ⁸⁴

By mid 1962, as IPES braced itself for its first critical test of political action, namely the legislative and state government elections of 1962, it had become a regional and national class organization for political action.

Organization for action

To prepare its strategy and tactics for action, the organic elite in IPES was structured through a network of operational units. These operational units had a dual purpose. They provided the organization both with its think-tanks, the Study and Action Groups (GEA), and the Work and Action Groups (GTA), to carry out policy. The study and action groups also indoctrinated their own rank and file, while influencing new elements, involving and engaging them in the activities of IPES, thus mutually reinforcing an interplay of roles and functions. ⁸⁵

By the beginning of 1962, an organizational infrastructure of Study and Action Groups was set up, in accordance with the 1962 Plan of Action. Formally, the groups aimed at:

1. Publication and Publicizing (Divulgação). This was an attempt to characterize IPES as an institution which gathered the modern entrepreneurial elite of Brazil and expressed their new mentality. IPES disseminated through

- the media articles, speeches and interviews defending private enterprise, free initiative and 'democracy as the best form of government and demonstrating the grave risks of extreme solutions, whether from right or left'.
2. Education. IPES stimulated the development of democratic and Christian convictions and the dissemination of basic economic and social notions indispensable to the furthering of democratic principles, equated with the tenets of private enterprise.
 3. Trade Union Work. IPES envisaged the promotion of 'a true syndicalism, democratic and dynamic, stimulating a corresponding syndical structure'.
 4. Social Work. In this field, IPES sought the promotion of 'social work for the solution of tensions and conflicts in key areas'.
 5. Economic Activities. IPES sought the promotion of 'liberal neo-capitalism, within each enterprise and within the whole of the system'.
 6. Conjunctural Survey. IPES sought to follow up and analyze the evolution of political matters, both nationally and internationally, in all the sectors that were of relevance to the multiple activities of IPES. It also aimed at carrying out systematic research and elaborate evaluations related with the economic, political and social sectors.
 7. Studies. IPES strove to consider the institutional and structural reforms necessary for the economic development and social progress of Brazil, within a democratic regime.

8. Editorial. IPES attempted to promote and publish books, as well as stimulating the realization of plays and films.
9. The establishment of links with government bodies and contacts with political entities through the IPES Brasilia office.
10. Integration. IPES sought to increase its membership and obtain resources for the above-mentioned activities of the institute.⁸⁶

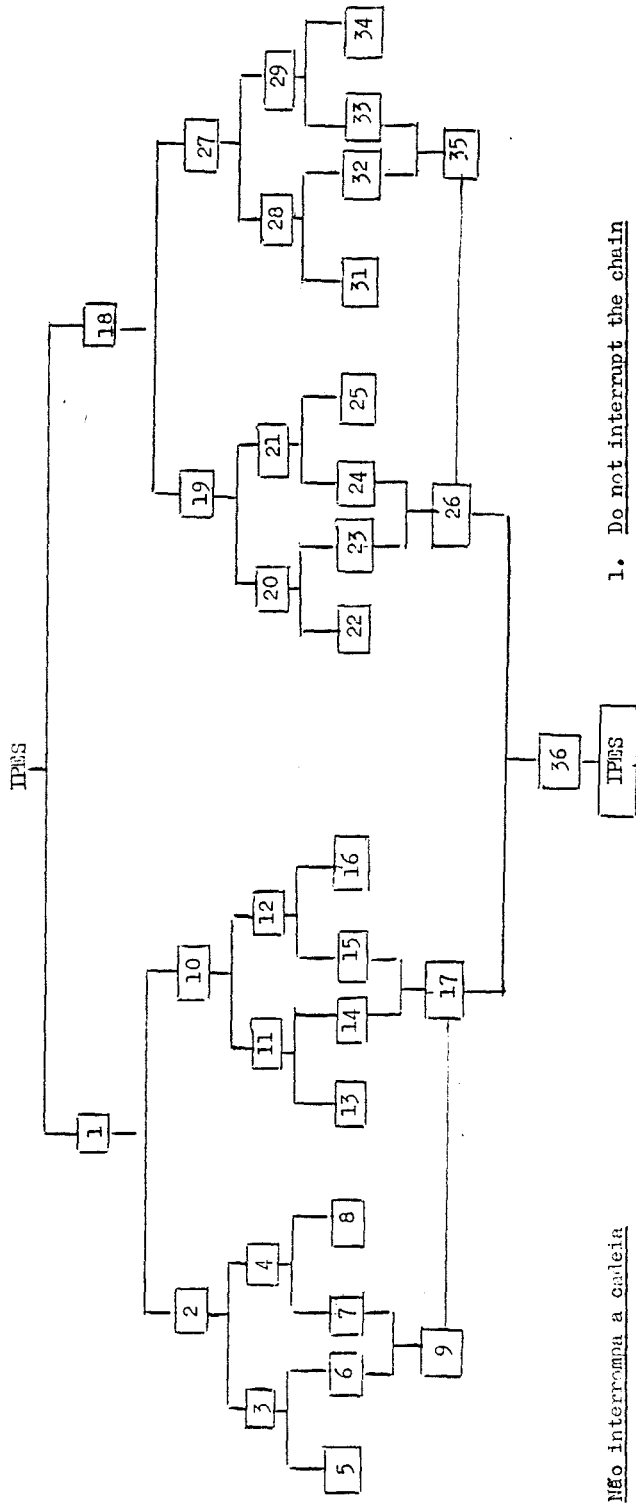
To achieve their ends, these study and action groups were involving themselves with parliamentary interference, button-holing legislators, manipulating public opinion and integrating the different economic fractions and political factions of the bourgeoisie into a wide anti-government front. They also attempted to politically disrupt and penetrate ideologically the working class organizations and the student movement and influence the Church and the Armed Forces. Furthermore, they prepared a body of doctrine and policy recommendations intended to become a programme for government. These groups operated in ten major areas of political and ideological action: in the Armed Forces, in Congress, the Executive, the entrepreneurial class, the trade unions, the peasantry, the Church, the political parties, the media and the middle layers.

IPES was certainly not, as often portrayed, an amateurish movement of romantically inclined empresários, or a mere disseminator of narrow anti-communist propaganda; it was, instead, a sophisticated, well-equipped and prepared⁸⁷ down-to-earth, task-oriented and strategically informed action group, the core of a very able and far-sighted entrepreneurial organic elite, and the vanguard of the dominant classes.⁸⁸ The frequency and

intensity of their meetings was astonishing, by any standards of committed party militancy. It was not uncommon for members to work solidly overnight at their meeting places, when so required. The possibility of a member discharging himself from a specific activity or a commission had to meet with the approval or counterpressures of peers and hierarchical superiors in what was a strictly vertical chain of command.⁸⁹ A service of monitoring individuals (as well as activities) and a 'whip' were organized.⁹⁰ General Heitor Herrera and Nei Peixoto do Valle in Rio, and General Moziul Moreira Lima and Luiz Cassio dos Santos Werneck in São Paulo, were in charge of formalizing gatherings. They also stimulated members to attend all kinds of events, whether of an internal or public nature. A coordination team was also formed with its own independent plan of action, a necessity in an organization with so much overlapping of personnel and with such a varied number of activities.⁹¹ This constant activity in which so many entrepreneurs, technoentrepreneurs, journalists, professionals and military were engaged, was so absorbing that it required for some of them salary payments on a monthly basis to compensate for the losses incurred in their regular earning occupations.⁹² Professional members of the different study and action groups were paid for the specific tasks in which they were involved as well as receiving jetons de presença (participation chips), thus reinforcing their dedication.⁹³ Internal communication was ensured by efficient, quasi-military methods, such as the Permanent System for Telephonic Communications:

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SISTEMA PERIFÉRICO PARA COMUNICAÇÕES TELEFÔNICAS



1. Não interrompa a cadeia
2. Transmita a comunicação rapidamente
3. Se necessário inverta o sentido da cadeia
4. Não interrompa a cadeia
5. Este sistema é válido para o curso
6. Será válido também após o curso
7. Não interrompa a cadeia
8. Guarda-me com cuidado; escrevi sempre útil

1. Do not interrupt the chain
2. Transmit the communication rapidly
3. If necessary, invert the direction of the chain
4. Do not interrupt the chain
5. This system is valid for the course
6. It will be valid also after the course
7. Do not interrupt the chain
8. Keep me with care; I will always be useful

The Action and Study Groups of the Institute of Research and Social Studies

1. Grupo de Levantamento da Conjuntura (Conjunctural Survey Group - GLC)

This group was also referred to as the Research Group, so as to project a more neutral external image. The GLC's immediate task was to follow political events in every area and sector, evaluating, ascertaining and estimating their political impact, and outlining tactical moves to meet the evolution of any situation and influence its process. The GLC indicated areas of concern for the Study Groups and Doctrine Groups, produced information in the political and social fields and handed out guidelines for the manoeuvres of the Action Groups operating in Congress and with the political parties, with the trade unions, the students, the Church, the peasantry, the Armed Forces and the media. The GLC in these areas coordinated the covert action developed by the organic elite through their politico-military structure.⁹⁴ In short, the GLC was responsible for Information and Strategic Survey, and for the preparation of the organic elite for action. Specifically, it was in charge of the Army and Intelligence Sector, operating mainly in the areas of the 1st and 3rd Armies, headquartered respectively in Rio and Porto Alegre, and covering the states of Rio de Janeiro, Guanabara, Minas Gerais, Goias, Rio Grande do Sul, Paraná, Santa Catarina and Espirito Santo. According to General Golbery do Couta e Silva, the national head of this action group, the GLC established the short and long range goals of IPES.⁹⁵ Consequently, by June 1962, General Golbery was preparing a strategic paper on assalto ao poder (the take-over of power).⁹⁶ In November of that year, a

plan of action defining fields of action (campos de ação), priorities and chronograms was introduced by Gilbert Huber, General Golbery and General Liberato da Cunha Friedrich.⁹⁷ General Golbery's team produced the strategic and tactical papers and provided the Diretrizes, Doutrina e Projetos (Guidelines, Doctrine and Projects), what was known as the 'ordem de serviço com calendário' (programme of work with timetable).⁹⁸ General Golbery's working papers were of special and limited circulation, twelve at the most, depending on the seriousness of the matter. These papers and theses were generally not registered in the minutes of the IPES meetings.⁹⁹

The Rio based GLC group was headed, until June 1964, by General Golbery, who provided expertise in counterintelligence, strategic drive and links with 'an intimate network of able military officers: Captain Heitor de Aquino Ferreira, Lieutenant Colonel Rubens Resteel, Lieutenant Colonel Gustavo Moraes Rego, Lieutenant Colonel João Baptista Figueiredo, Colonel Ivão Perdigão. Other Rio based military members were General Liberato da Cunha Friedrich, General João Batista Tubino, General Octavio Gomes de Abreu, General Jaúl Pires de Castro, General Heitor Almeida Herrera, Colonel Montagna Meirelles, Colonel Octavio Velho, Colonel Víctor d'Arinos Silva and many others who provided the planning and organizational backbone of the organic elite's political enterprise, as well as its intelligence network.¹⁰⁰ General Herrera, a business associate of Gilbert Huber and Director of multinational corporations, was among those to recruit the first staff members, and 'since the emphasis was on recruiting competent degree-holding people

of confiança, graduates of the Escola Superior de Guerra were preferred'.¹⁰¹ This relationship was enhanced by the fact that many of the key civilian founding members of IPES had attended the ESG, mostly as lecturers and also as alumni.¹⁰² This common reservoir of personnel helped to develop a necessary civilian-military interpenetration for the coup campaign. In particular, General Herrera and General Golbery also provided the connection with an intimate cluster of high ranking officers, some of whom became actual covert collaborators of IPES, and who were to be found in command of the coup of 1964. Among them it is worth mentioning General Jurandir B. Mamede, General Ernesto Geisel, General Ademar de Queiroz, General Idalio Sardenberg, General Cordeiro de Farias and General Ulhoa Cintra, a group of officers who had been together for over thirty years.¹⁰³

The GLC produced weekly reports of its actions and those of other IPES action groups, and produced weekly assessments of the political situation. To draw 'practical sense' from these reports was the responsibility of the Directing Committee, which de facto became the policy-making body. Nevertheless, the possibility of informal decision-making by an 'inner layer', comprising other members than those of the CD and directly connected to the GLC, should not be dismissed, in view of the secretive nature of General Golbery's action group. Among the Rio based civilians who operated with the GLC were Gilbert Huber, Harold C. Polland, Cândido Guinle de Paula Machado and Helio Gomide.¹⁰⁴

With the help of its military officers, IPES established from 1962 to 1964 an intelligence system to monitor 'communist' influence on the government and to distribute their findings on a regular basis to key military officers and others throughout

Brazil. By their own estimate, IPES spent between 200.000 and 300.000 dollars a year in this intelligence gathering operation and distribution network. ¹⁰⁵

The GLC circulated, without identification of source, a mimeo biweekly newsletter among the military, describing and analyzing 'communist' activity throughout the country, ¹⁰⁶ and stirring up military opinion against the executive and against popular mobilization. With the same laboriousness as it prepared the weekly reports from printed material, it compiled documentary files on 'communist' groups and individuals, distributing a chart identifying structure and key persons of the alleged subversive organizations. ¹⁰⁷ To be able to have an accurate and efficient knowledge of the political situation, IPES relied on a widely scattered network of information within the Armed Forces, the state administration, the entrepreneurial classes, the political elite, student organizations, peasant movements, the clergy, the media and cultural groups. The GLC also tapped about 3.000 telephones in Rio alone. ¹⁰⁸ The GLC in Rio occupied four out of the thirteen rooms IPES had rented on the 27th floor of a prominent building, the Edifício Avenida Central, where CONCLAP also had its offices. In those four offices, the GLC kept files on 400.000 people. ¹⁰⁹

To receive a precise political picture of the national situation and grasp the public mood for its propaganda activities, the Rio team scanned daily through the national press, (a total of 14,000 units a year), allowing for a systematic follow-up of the political and economic conjuncture. ¹¹⁰ The GLC also went through a number of national magazines and produced an average of 500 monthly articles of practical use to be disseminated in the national

press, or released as speeches, pamphlets, and other 'grey' material.¹¹¹ The GLC team also surveyed a very broad range of books and other local and foreign publications; from many of which IPES received material and for whom the IPES political and media structure provided a most important outlet. To accomplish what were central tasks of IPES, the GLC made use of the specialized skills of a number of highly competent specialists in the various fields of action and organizations. The publicity agencies affiliated to IPES and the technoentrepreneurial agencies and certain universities were crucial reservoirs and sources of technical and political expertise.¹¹²

In São Paulo, the Grupo Especial de Conjuntura (Special Conjecture Group - GEC) was formed, based on the blue print of the group organized in Rio. The GEC was geared for direct action and was in charge of the Army-Intelligence Sector of São Paulo. The GEC was headed by General Agostinho Cortes. It furnished the leadership and the study and action groups of IPES São Paulo, as well as parallel organizations such as SEI, whose action was coordinated by IPES with the continual studies of affairs in four main areas: political, psychosocial, economic and foreign.¹¹³ The GEC aimed not only at coordinating direct action among the military, but also penetrating the trade unions, the student organizations, the peasant movements, the church and the media. The GEC was in contact with the most varied ideological currents because of its intelligence activities, thus most of its members were never publicly related to IPES. The GEC was fundamental for the general coordination of the covert activities of IPES and the coordination of the various factional military conspiracies in the area of the IIInd Army, headquartered in São Paulo, which covered the states of São Paulo and Matto Grosso.

The GEC received its orientation from the Doctrine and Study Group of São Paulo and synchronized daily with General Golbery's GLC in Rio for the operational and intelligence side of its activities. The GEC met twice a week formally, and unofficially on a daily basis, functioning at IPES official addresses in São Paulo, as well as at General Agostinho Cortes' own home and other places. ¹¹⁴

Among the military officers who collaborated with General Agostinho Cortes in Army and Intelligence action were: General Souza Carvalho, General Moacyr Gaya, Colonel Jorge Saraiva, Colonel Caio Kiehl, Colonel Francisco Ramalho, Lieutenant Colonel Rubens Resteel (who operated as liason officer with the Rio activists), and Major Geraldo Franco. ¹¹⁵ Civilians operating in this area were the entrepreneurs: Herman de Moraes Barros, Octavio Marcondes Ferraz, Eduardo Levy, Flavio Galvão, Antonio Carlos Pacheco e Silva, Roberto Levy, Quartim Barbosa, Frans Machado, Vitorino Ferraz, J. Soares Amaral Netto, Adalberto Bueno Neto and many others who comprised the leadership of IPES São Paulo. General Agostinho Cortes' group also included the São Paulo based Institute of Engineering, a key conspiratorial centre, through the mediation of André Telles de Mattos. ¹¹⁶

Besides receiving the support of the Doctrine and Studies group and of IPES Rio, the GEC drew on the material stocked and classified by the Centro de Documentação (Documentation Centre) of the Pontificia Universidade Católica of São Paulo, which was connected to IPES through its directors Dr. Santanche and Alvaro Malheiros. ¹¹⁷

Attached to the GEC was the Planning unit. The Planning unit came about with the need for a group to study orientation, and work

out a plan for action'. This had been demanded by J.B. Leopoldo Figueiredo. The planning group was designed to function as a 'staff unit' of the IPES president. The planning unit was headed by General Agostinho Cortes, who was also active in the Society for Inter-american Studies - SEI, one of the IPES counterparts mentioned earlier. The planning unit was devised to provide a basic guideline for the different study and action groups, with the latter having initially entire autonomy of action. In this form, the executive of IPES São Paulo had direct control of the political action of IPES over the heads of formal leaders. In a further stage, when IPES São Paulo was already in full conspiratorial swing, the planning unit would then control the execution of the plans by the different groups. It counted upon the expertise of other military officers, such as São Paulo based General Moziul. Moreira Lima and General Moacyr Gaya.

Most significant of all perhaps, the GLC/GEC complex, together with the Doctrine and Study group of São Paulo, were in charge of the coordination of activities and direct involvement of IPES in the peasant movement, the trade union movement, the student movement, the Armed Forces and in the mobilization of the middle classes. These activities shall be seen in more detail in Chapters VII and VIII.

2. Grupo de Assessoria Parlamentar (Parliamentary Advisory Group - GAP)

By the end of 1962, the IPES leadership recommended that "All mention of the Parliamentary Advisory Group must be suppressed. Perhaps one might speak of 'The Brasília Office' without more explanation".¹¹⁸ There was good cause for concern.

The 'Brasília Office' as it was to be dubbed, was IPES' money channel for their parliamentary network of beneficiaries and aid recipients. GAP also provided the political coordination of the anti-Goulart campaign in Brasília, establishing links with government bodies and contacts with political groupings. ADP, the Parliamentary Democratic Action, led by João Mendes, the IBAD supported UDN deputy, was IPES' most important outlet in Congress.¹¹⁹ IBAD/ADEP took the political blame (or praise) for such activities with IPES keeping a tactical silence and low profile.

The general idea behind the GAP had been clearly expounded by IPES leader Miguel Lins, when he urged the organization to 'advise Congress, to be within it, to have an IPES man inside'. Lins suggested that IPES should offer 'technical advice' to PSD leader Amaral Peixoto, in order to 'work within the Chamber'. Antonio Gallotti supported this proposal, arguing, moreover, for the need to have a 'militant deputy (deputado atuante) within each house of Congress'.¹²⁰ On the other hand, for IPES leader Israel Klabin, the idea was to establish five 'shock areas' with parallel groups for IPES. For Klabin, the ideal would have been 'to have elements within the Chamber, out of it, in the press, etc. IPES would be behind them, providing support and suggesting solutions'. From these early and fairly modest steps, the presence of IPES in Congress grew to unprecedented proportions. By the end of 1962, it practically controlled the Chamber of Deputies and the House of Senators, mainly through ADP. IPES was thus able to coordinate the legislative efforts to block Goulart's parliamentary and executive action. IPES

(under the cover of IBAD/ADEP/Promotion S.A.) and through ADP, forced a parliamentary dead-end, as well as an executive dead-lock, which was only to be solved by the 'moderating' power of the actively canvassed Armed Forces.

The head of the GAP and pay-master general for the ADP network, was IPES leader Jorge Oscar de Mello Flores, aided by Paulo Watzel and Francisco Nobre de Lacerda in Brasília, and IPES leader, José Rubem Fonseca in Rio. The GAP had the function of lining up support for IPES sponsored bills. The GAP also operated as a task force, engaging itself permanently in action against the executive and its parliamentary support and allowing for the preparation of wider manoeuvres, buying off time for other forces to gather and for groups of IPES to develop their own activities. GAP was also important in anticipating the opposition's political tactics and pre-empting its moves. ¹²¹ J.O. Mello Flores decided 'on the spot' on the order of priorities of GAP's activities, indicating lines of action to other sections and groups according to his perception and analysis of the situation. ¹²²

Each section (Rio and São Paulo) had its own 'congressional machineries', as IPES leader Jorge Behring de Mattos called them, prepared for pressure activities, lobbying, petitioning and coopting individuals, groups and government figures. Mello Flores coordinated them both. ¹²³ Some entrepreneurs such as Augusto Trajano de Azevedo Antunes had their own independent lobbying facilities in Congress, which were put at the disposal of IPES.

GAP kept a political office with formal counsellors, jointly occupied with the Federation of Industries of São Paulo - FIESP, who provided a degree of cover and material assistance.¹²⁴ IPES Rio provided human resources and material support (specialized writers, office equipment and furniture) for the Brasília headquarters and initially about 4,000,000* cruzeiros monthly for personnel and administrative expenses, put forward by IPES leaders, Paulo A. Barbosa, of ESSO Brasileira de Petróleo, and Rafael Noschese, of FIESP. IPES São Paulo provided most of the money needed for political action. In this they were joined by IPESUL, another important source of financial support for clandestine activities.¹²⁵

GAP was allowed tactical freedom by the national leadership of IPES. Important issues were analyzed by the Conjunctural Survey group, which was aided by the Study and Doctrine group, and synchronized with the activities of other groups and units. This allowed IPES to develop comprehensive political action.¹²⁶ This synchronization was put into practice on government bills of law, which required political amendments (reparos) to be implemented by the parliamentary contacts of IPES. IPES' own proposed bills of law at a state or federal level also employed the collaboration of the different groups of study and action.¹²⁷

3. Grupo de Opinião Pública (Public Opinion Group - GOP)

Formally, the group's aims were the 'dissemination of IPES aims and activities in the written and spoken media', bringing

* In 1962, one US dollar 200 to 475 cruzeiros; in 1963, one US dollar 475 to 600 cruzeiros.

'to the public opinion the results of its research and studies'.¹²⁸ Its manifest function was the manipulation of public opinion by all means available. In order to conceal its real purpose, the use of the term 'public opinion' was avoided. Instead, the IPES/IBAD activists spoke of 'disclosure' (divulgação) and 'promotion' which was the name of one of IBAD's 'subsidiaries', Promotion S.A., involved with propaganda. The Public Opinion Group was so important that it was considered by General Herrera to be the 'base of all the machinery' (a base de toda a engrenagem). For IPES leader, José Luiz Moreira de Souza, to 'win over public opinion' was the essence of political action.¹²⁹

Some of the outstanding figures of this group in Rio were Nei Peixoto do Valle, José Luiz Moreira de Souza (owner of Denisson Propaganda), Glauco Carneiro (writer, journalist), José Rubem Fonseca (who dealt specifically with newspaper editorials and films), Helio Gomide and General Golbery. The Rio counterparts in São Paulo were Paulo Ayres Filho, who was working in education, 'social schools' (political indoctrination) and general propaganda, and IPES/IBAD affiliate Geraldo Alonso, owner of Norton Propaganda.¹³⁰ They received the help of Flavio Galvão, of O Estado de São Paulo and Luiz Cassio dos Santos Werneck. Among other IPES affiliates and linked personnel who joined in this propaganda machinery were, Silveira Lobo (Denisson Propaganda),¹³¹ Evaldo Pereira Simas (linked to Augusto Trajano de Azevedo Antunes), Jorge Sampaio and Alves de Castro, of 'Reporter ESSO para todo o Brasil' (the most important and extensive daily TV news programme of international, national and current affairs sponsored by ESSO do Brasil). This group of people worked in radio and TV, together with Arides Visconti and Antonio Peixoto do Valle, who, with Wilson Figueiredo

(editor of Jornal do Brasil) had formed a team some time before the formal launching of IPES. This team was incorporated within the IPES propaganda and indoctrination units and covered the organic elite's activities.¹³²

In carrying out its activities, the GOP undertook four major lines of action. These were: a) to ensure the security of IPES; b) to disseminate statements elaborated by the Study and Doctrine Group of Rio and the Doctrine and Study Group of São Paulo; c) to 'project doctrine', which involved the realization of IPES tenets and basic aims, among the different sectors of the population considered to be appropriate targets for its activities; and finally, d) to feed back information to the Conjunctural Survey Group. The projection of doctrine had to be accomplished in three different forms: appearing with the name of IPES, as 'democratic doctrine' and as doctrine without the name of IPES. This outline was prepared by General Golbery, who was the covert overlord of the Public Opinion Group (Chefe Geral de Opinião Pública).¹³³ The projection of doctrine also entailed ideological and psychological warfare which the GOP carried out as a support activity for the action units responsible for trade union and peasant action, or military and middle class mobilization.¹³⁴

The 'target' sectors of the population or 'public' for the propaganda action of the GOP were the various IPES affiliates, supporters and linked personnel themselves, for whom the GOP wrote up news releases, edited a monthly bulletin, released material in the media, and prepared a political bulletin for internal limited consumption. Moreover, the GOP prepared

suitable material for potential recruits. The GOP also disseminated a variety of material whose form and content suited the different social, political and cultural segments of public opinion, namely the middle classes, industrial workers, students, military, housewives and professionals.

The GOP mailed thousands of letters, sent telegrams and made phone calls, stirring up public opinion and reinforcing the message of IPES/IBAD. Throughout the early stages of Goulart's government, it accomplished what were considered to be 'training operations', of limited scope, in preparation for the build-up leading to the state crisis of 1964 and the intense press campaign and middle class mobilization enacted by IPES shortly before the coup.¹³⁵ Ideological penetration, neutralization of opposition, staving off the political organization of the industrial working classes and averting the consolidation of national-reformist opinion within the Armed Forces, as well as the formation of favourable political cleavages and active support within the wide middle class public were all part of the campaign of the GOP. It aimed at 'realizing the basic and strategic goals of IPES, preparing the ground for covert and overt political action and giving to it continuity 'and widespread repercussion', the much needed caixa de resonancia (political reverberation).¹³⁶ General Golbery maintained that a lack of ideological preparation of the people prevented the success of the coup of 1961, and noted the lesson.¹³⁷ By August 1962, a unit was formed with the specific job of preparing the public ideologically for a take-over. This unit had its first test in the preparation of the political climate for the crucial legislative elections of October 1962.

By November 1962, the list of the organizations that worked in Public Opinion and in Mobilization (Radio and TV) were nearing three thousand, according to IPES Helio Gomide, one of the IPES members responsible for establishing the 'relay stations' for the modernizing-conservative message.¹³⁸ Helio Gomide was also in charge of establishing links with individuals and groups who were developing their own action, congruent with IPES and against the executive (see Appendix G).

The GOP was also employed by IPES to establish its hegemony among the bourgeoisie. That class hegemony among the entrepreneurs was a project for IPES was made evident from a document discussed by its leadership in mid-1963. IPES leader, Helio Gomide, in his document 'Basic Guidelines for a Long Range Programme of Action', recommended initially the expansion of the bases of IPES in the domestic front, together with a plan of public opinion formation which the organic elite would follow. Then IPES should attempt to reach other goals. Among these goals were the expansion of IPES cadres, in order to place at least one member in each and every class association of entrepreneurs, be it syndical, recreational, cultural, or political. IPES should also maintain permanent links between its members by means of a continuous and constant indoctrination, which was deemed necessary to provide a safe and sound ideological guideline for members to act always in unison, whatever the circumstances. Moreover, once IPES had created in the classe patronal (employers' class), the idea that the entrepreneur is anyone working in an 'enterprise', and thus ending the status distinctions between boss and employee in the enterprise, IPES must attempt to link themselves up with the firms financially. Later bosses and employees should be persuaded to support political parties of the centre. Furthermore, the paper continued, after

a period of two to four years, there would probably be a substantial number of IPES members in the parties of the centre which would form a sufficient masse de manoeuvre to constitute the skeleton of a new Party and thus give enough strength to IPES to influence the thought and political action of the new Party.¹³⁹

4. Grupo de Publicações/Editorial (Publications Group/ Editorial Unit - GPE)

Operationally related to the Public Opinion Group was the Publications Group and Editorial Unit. This group was formalized in August 1962, although as a working unit it had existed alongside other groups for almost one year. The GPE organized a network of outlets for their material; what was called the cadeia de veículos de divulgação (network of disclosure vehicles). It also attempted to stimulate and, when possible, synchronize the propagandistic efforts of individuals and groups whose goals coincided with those of IPES, or whose activity was instrumental to the aims of the organic elite. The GPE disseminated printed and visual material with the 'right' ideological message across the length and breadth of the country. The GPE, jointly with the Conjunctural Survey Group and the Public Opinion Group, in effect conducted a campaign of psychological warfare organized by IPES.

In the supervision of the activities of the GPE was novelist and IPES leader, José Rubem Fonseca, who took care of the Editorial Unit. General Liberato da Cunha Friedrich was in charge of publications and was aided by a publishing and book

selection commission, composed of José Garrido Torres, General Heitor A. Herrera and General Golbery¹⁴⁰ who was seconded by Captain Heitor de Aquino Ferreira. The personnel for this group was made up of professionals from the media network, literary world and publicity agencies. Among them was José Francisco Coelho (ex- Jornal do Comércio) who was brought in by Glycon de Paiva to help the group, Wilson Figueiredo, and the poets and novelists, Augusto Frederico Schmidt, Odylo Costa Filho, and Raquel de Queiroz.

The GPE wrote, translated and distributed anti-communist, anti-labour and anti-populist printed material, as well as publishing, translating and reprinting chosen books, articles and pamphlets. Through the Editorial Unit, it inserted commentaries, debates and opinions in the press and prepared editorials for newspapers, planted news and ready-made articles prepared by specialized agencies.¹⁴¹ The 'dissemination of democratic literature' (sic) was one of the crucial functions of the GPE, in a joint effort with the Public Opinion Group, and supported by the Study and Doctrine Group. As Garrido Torres wrote in his report to the Directing Committee, at the beginning of 1962: "The abundance of Marxist literature in our bookshops is obvious to any attentive observer. Hardly noticeable is the effort to counter-balance its effects with the corresponding divulgation of books, pamphlets and articles that 'promote' the democratic regime and alert the readers of all social layers against the evils and the myths of the socializing doctrine".¹⁴² Garrido Torres then presented a programme of action drafted by the Appraisal sector (Setor de Levantamentos). In short, the programme

attempted three types of publication. In the first place (the easiest and least expensive), was "'planting' articles in the newspapers and magazines of the country, which deal with current affairs, in a language accessible to the large public".¹⁴³ The second type of propaganda action consisted in the publication of pamphlets, "for disclosure among students, military, industrial workers and office employees in general".¹⁴⁴ The third type of action consisted in the publication of books "within what IPES considered to be a modern democratic line". This line conceived 'democracy' as being equated with private enterprise which would generate social benefits; this was to be the ideological Brazilian framework of 'neo-capitalism'. Many foreign books were considered. The idea was to choose a certain number of titles, for whose publication IPES would interest some publishers. If the case arose of the publishers having doubts about commercial success of the publications, IPES would take upon itself the responsibility to acquire a certain amount of issues, thus helping the publisher to decide in a positive way. In charge of the programme of translations was IPES activist, Colonel Octavio Alves Velho, a director of Mesbla S.A.¹⁴⁵

The standard circulation pattern of the GPE aimed at blanket-ing the country. IPES relied on affiliates and linked personnel in various key cities like Belém, Curitiba, São Paulo, Brasília, Salvador, Porto Alegre, Belo Horizonte, Fortaleza, Joinville and Campo Grande. These people were responsible for getting the literature into the hands of the local and regional decision-makers and opinion-shapers.¹⁴⁶

Some of the IPES affiliates were owners, directors or closely linked to several publishing houses and printing

companies. Consequently, they put their technical and commercial infrastructure, equipment, personnel and expertise, at the disposal of IPES. Among them it is worth mentioning in Rio the Editôra Agir, of Cândido Guinle de Paula Machado; O Cruzeiro, of Assis Chateaubriand; Gráfica Gomes de Souza, of Gilbert Huber. IPES colonel, Victor D'Arinos Silva, secured technical help for the printing shop operated by IPES, receiving the help of Renato Americano, from the Instituto Brasileiro de Geografia e Estatística (Brazilian Institute for Geography and Statistics - IBGE), a government research centre.¹⁴⁷

IPES also sought the American Embassy book programme support. Supplementary aid came through indirect ways, mainly as gratis or subsidized services. In São Paulo, the sector of publications received a considerable boost through the proposal of the important Editôra Saraiva, brought to Paulo Edmur de Souza Queiroz, of the IPES São Paulo Publications Group, by Edib Casseb. The proposal consisted of a plan of publications, whereby Editôra Saraiva would give to the Doctrine Group of São Paulo the possibility to examine the works it would publish, eventually being able to publish IPES pamphlets and translations. The Editôra Saraiva, through its contacts, was also able to offer free television space for IPES.¹⁴⁸ Another publishing house, Cia. Editôra Nacional, of Octales Marcondes Ferreira, also offered to publish IPES books.¹⁴⁹ G.R.D. Editôra, of São Paulo was also a significant publisher of IPES subsidized books.

IPES was thus getting a foothold in the supervision of what was being published throughout the country, as well as on what was being read and discussed. It proved to be an effective assault on the minds and hearts of the population, the more so if one considers the vast network of support IPES/IBAD had

established with the main national newspapers and magazines, television companies and radio stations. ¹⁵⁰

The GPE also set up at a later stage a Centro de Bibliotecnia with the function of stimulating Brazilian publication of children's books, helped in this endeavour by the Franklin Book Company, a clearing-house for American publishers who thus had their books distributed in Brazil. ¹⁵¹ Members of the Centro were Cândido Guinle de Paula Machado, Decio Guimarães, José Alberto Gueiros, Fernando Bastos de Souza, Pedro Jacques Kapeller, Propicio Machado Alves, Oscar de Oliveira and Tito Leite, the Director of 'Reader's Digest Publications' for Brazil.

5. Grupo de Estudo e Doutrina (Study and Doctrine Group - SED)

The GED was made up of a cluster of policy-research units, providing material to feed the Conjunctural Survey Group and the Publications Group. The papers produced by the Rio based Study and Doctrine group, for example, were a basis for the 'formation of Public Opinion'. ¹⁵² The GED prepared studies which became the basis for theses and long range policy, as well as for bills of law and amendments to projects introduced in Congress by friendly parliamentarians. GED also provided critical analysis of projects and background research for the political front organized by IPES in Congress, state legislatures and state governments through the Parliamentary Action Group and its sponsored outlet, the Parliamentary Democratic Action. The GED also produced ad hoc analyses, with tactical aims and short range outputs. ¹⁵³ The political priorities for the studies of the GED were set out by the

Conjunctural Survey Group, in conjunction with the Parliamentary Action Group and the executive and directing committees of IPES.

The Study and Doctrine Group was the ideological hothouse of IPES. The political ideology of IPES was quite simple and can be discerned from three of its publications: Qué é o IPES? (What is IPES?), Declarações de Principios (Declaration of Principles) and Reformas de Base (Basic Reforms). Most of the more general guidelines to be found in these documents were presented in the ideological language of the 'Alliance for Progress'. Moreover, IPES leader Humberto Reis Costa, himself, became the president of a preparatory commission of the Brazilian Alliance for Progress, created by São Paulo Governor, Adhemar de Barros' executive decree of 22nd February, 1963.¹⁵⁴ Having in mind the large Catholic electorate, the ideological message of IPES was also couched in the ideological language of 'Mater et Magistra'. Both served the purpose of aggiornamento of the bourgeois power bloc and were instrumental for its legitimation vis-à-vis subordinate classes.¹⁵⁵ Finally, IPES also tempered its arguments with the anti-communist reformism of the Punta del Este Charter. IPES endorsed and disseminated "the tenet that regimes not recognizing private property and the private production of goods and services are guilty of oppressing and suffocating personal liberty, and also the belief that social imbalance increases social tension which, in turn, creates a fertile field for demagoguery. IPES stressed the need for monetary stability, the promotion of personal savings, and the punishment of tax evaders. IPES absorbed the Aliança's mandates urging agrarian, housing, health and sanitarian reforms. It

endorsed the right to collective bargaining, adequate working conditions, and literacy, and expressed the conviction that a man who owns his own land becomes the best guarantor of his own liberty".¹⁵⁶

IPES urged the entrepreneurs to involve themselves politically, fulfilling their public responsibilities and proclaimed that "man's basic needs, such as food, shelter, and health, can be best satisfied in a system of private enterprise. When the government enters the economic realm, it should use indirect methods such as credit and fiscal controls. If the government establishes an enterprise, it should be of the pioneer variety or be undertaken only when private capital is insufficient. If the latter, it should eventually be transferred into private hands".¹⁵⁷ This last proviso was, according to IPES leader, José Rubem Fonseca, not generally accepted by the Rio people, but was produced to appease the São Paulo wing. For IPES, the "state should intervene in the economy only to preserve the free market from monopoly, to promote economic development and to contribute to social peace".¹⁵⁸ IPES also urged the reform of Brazilian business through the establishment of open commonstock companies, the 'blue-chip' enterprises.¹⁵⁹ As IPES leader, Rui Gomes de Almeida observed, IPES would 'admit liberalism in the economic field, but could not accept it in the political field'.¹⁶⁰ In the political field, IPES shared the national security view developed at the Superior War College and was a firm disseminator of the ESG's doctrine. Furthermore, IPES urged stabilizing monetary policies and championed educational, tax, credit, sanitation, banking, market, transportation

and agrarian reforms of a modernizing-conservative nature and recommended regional development particularly of those regions close to the great centres. It also proposed the colonization of uninhabited areas.¹⁶¹ It was in the Study and Doctrine Group that most of the technoentrepreneurs and technobureaucrats, listed in Chapter III, were included. The Rio based Study and Doctrine group had José Garrido Torres as full-time and overall coordinator of the different study units, who were under the direction of different IPES affiliates. The assignment of one or other activist to head the various study units depended on the specialization and personal and professional capacities of the individuals involved. The general coordination of the GED activities was carried out by the Conjunctural Survey Group. Besides the technoentrepreneurs and technical experts already mentioned elsewhere, the following were cooperating in the IPES campaign through their participation in study units and as advisors of IPES: Mario Henrique Simonsen, Antonio Dias Leite, Jorge Kafuri, J. Knaack (who was brought by Gilbert Huber), Mircea Buescu, Alexandre Kafka, Jesse Montello, Estanislav Fischlowitz, José Carlos Barbosa Moreira (of Jornal do Brasil), A. Lamy Filho, Afranio de Carvalho, Frederico Cesar Cardoso Maragliano, Og Leme and Helio Schlittler Silva.¹⁶² Roberto Campos and Octavio Gouveia de Bulhões also cooperated with IPES in developing its ideas. Campos had been both a lecturer in IPES courses and a participant in its debates; Gouveia de bulhões had been a participant in its debates.¹⁶³ The Study and Doctrine Group of Rio counted initially on twenty professional economists, but, following Antonio Gallotti's

suggestion, IPES recruited other professionals of prestige.¹⁶⁴ In addition to the cooperation of professionals closely linked or affiliated to IPES, studies were also made by 'técnicos' called in on the basis of their professional expertise, as was the case of Anibal Villela and his technoentrepreneurial agency, BRASTEC.¹⁶⁵ The GED also sought and received the cooperation of intellectuals related to the clergy and lay ecclesiastical structure. Certain IPES affiliates well connected with the Church were responsible for establishing the network link, such as Harold Polland, Paulo de Assis Ribeiro, José Garrido Torres and José Arthur Rios. 'External' help was also sought for certain aspects of the IPES projects and for their implementation. This was the case with the presence of an 'experienced' Italian priest, who was brought over to aid the Study and Doctrine unit headed by Cândido Guinle de Paula Machado, who dealt with peasant, student and workers' matters.¹⁶⁶

In São Paulo the GED was called the Group of Doctrine and Studies, emphasizing with the change of name where the weight of their action was.¹⁶⁷ The São Paulo group fixed doctrinal points which defined IPES thought and prepared the material for the various sectoral action units operating from São Paulo.¹⁶⁸ The joint acceptance of position papers and analyses by the two groups made them final IPES policy.¹⁶⁹ The Doctrine and Study Group also received the ideological and political subsidies of regional IPES centres on the key issues. IPES São Paulo sought through this policy to establish entrepreneurial consensus over the most varied issues.¹⁷⁰

The Doctrine and Study Group was coordinated by J.L. Nogueira Porto and included among others: Paulo Edmur de Souza Queiroz, Miguel Reale, A.C. Pacheco e Silva, Adib Casseb, Flavio Galvão, L.A. Gama e Silva, J.L. Anhaia Mello and Antonio Delfim Neto.¹⁷¹ As was the case with the Study and Doctrine Group of Rio, the São Paulo counterpart was aided by the technical agencies of the various industrial and commercial class associations. The Doctrine and Study Group also received support for particular issues, both financial and technical, from such influential entrepreneurs as H. Weissflogg.¹⁷²

The Doctrine and Study Group took care of the campaign to carry IPES' ideological message to the various sectors of the public and translate policy papers into political action by overseeing and by coordinating the political-ideological action on the various target populations: industrial workers, private and public employees, peasants, students, middle class women and the Church.

Cooperating in the 'projection of doctrine within the Church' were J. Ely Coutinho, Paulo Galvão Filho and Paulo Ferraz. Luiz Cassio dos Santos Werneck, Paulo Galvão Filho and Paulo Ferraz also helped Oswaldo Breyne da Silveira in the IPES action within the trade union and student movements. The Doctrine and Study Group also supported a unit in charge of selective education, in charge of the administration of courses for entrepreneurs, managers and professionals, as well as the preparation of trade union and student activists. This unit was under the responsibility of Oswaldo Breyne da Silveira.¹⁷³ The Doctrine and Study Group also coordinated the activities of IPES members in conferences, seminars, professional and trade

congresses and in organized discussion tables, where such varied issues as tax evasion and national security ¹⁷⁴ were tackled. The group also supervised IPES action in the mass media, by preparing the arguments for exposition and discussion, providing the ideological guidelines and in effect, coordinating the propaganda material to be used in television appearances, and regular radio broadcasts of important political figures, trade unionists, entrepreneurs and literary or artistic personalities. The realization of IPES/IBAD doctrinal projection ¹⁷⁵ was also achieved through the publication by the study groups of an amazing number of policy papers, articles, pamphlets and other functional studies and works. Some of these papers were circulated at the time either under the name of IPES/IBAD, or, as was frequently the case, as the 'proposals' of some friendly parliamentarians. They also appeared as basic material for articles in the national press, as texts for lectures, monographs and even books, released by individuals or groups covertly related to the IPES/IBAD network. The publication of booklets, pamphlets and books, as well as the acquisition of relevant printed material was under the responsibility of a special unit headed by José Garrido Torres and General Heitor Herrera. ¹⁷⁶

As seen already, there was a high degree of overlapping and interchange of personnel between IPES/IBAD and ADESG, ESG and technoentrepreneurial agencies and technical bodies of the industrial and commercial associations. ¹⁷⁷ Therefore, special care was taken not to duplicate efforts. Whenever possible, studies were produced jointly with other institutions, groups, organizations and individuals of capacity and prestige. It was cheap, saved time and also involved widening circles of support

for the cause defended by IPES. ¹⁷⁸ The organic elite studied the material prepared by others, then passed it through its own ideological and political filter, shaping the papers so that they would 'attend the national interests' with the understanding that 'other projects reflected sectoral interests'. ¹⁷⁹

Financing the Organic Elite

The Grupo de Integração (Integration Group) - Sector of Entrepreneurial Action

The Integration Group had as its objective to 'integrate persons and corporations within the democratic spirit of IPES; at the same time raising financial contributions for the activities of the Institute'. ¹⁸⁰ The Integration Group was actually a network of units for entrepreneurial economic mobilization in support of IPES. The entrepreneurs were canvassed to participate in the action led by IPES with various degrees of economic and political commitment. The Integration Group recruited affiliates and financial supporters from the different entrepreneurial fractions, and, accordingly, several integration teams were fielded, able to operate at ease in the various levels and among the various sectors of the dominant class. Recruitment activities were conducted bearing in mind the economic potential, and the political possibilities of the potential recruits. ¹⁸¹ The Integration Group also served the overall purpose of IPES to establish its ideological and political hegemony within the bourgeois power bloc.

Rio based teams of integration consisted of, at various moments, the following IPES militants: Oswaldo Tavares Ferreira, Eduardo Galliez, José Duvivier Goulart, Julio Isnard, Tony Bahia,

Rubem da Fraga Rogerio, Juan Missirlian, Decio de Abreu, Ernesto Pereira Carneiro, Carlos Henrique Schneider, Joaquim Carneiro, Abrão Yazigi Neto, Fernando da Silva Sá, Mauricio Villela, Miguel Guerra, Colonel Jorge Augusto Vidal, Aurelio de Carvalho, Esio Alves Ferreira, Jorge Duprat de Brito Pereira, Mauro Ribeiro Viegas, Waldemar Martinsen, José Maria de Araújo Costa, Claudemiro Gomes de Azevedo and General Liberato da Cunha Friedrich. These IPES activists operated mainly in the Rio-Guanabara region. In São Paulo, Nivaldo Ulhoa Cintra, Lelio Toledo Pizza, and Salim Chamma headed various fund-raising and recruitment units. Furthermore, in São Paulo, a treasury department functioned, as a sub-division of the integration/finance network under the responsibility of Frans Machado and Victor Bouças. In Rio de Janeiro, there was a caixinha (till), kept for administrative matters, under the responsibility of Joviano Rodrigues Moraes Jardim. ¹⁸²

Recruitment activities were conducted on a personal level and in a systematic form using various techniques. The Integration Group functioned through a series of meetings, mesas de integração (integration tables), where potential recruits and financial supporters participated in debates, lectures and also through a number of small group reunions and informal gatherings. ¹⁸³ In those meetings, the current situation, the reasons for the existence of IPES and the tasks ahead for those who opposed the present state of affairs were analyzed. Some IPES members stimulated debates with potential recruits and economic sponsors, and in doing so developed an involved relationship with them. ¹⁸⁴

Up to September 1962, IPES organized 36 'tables of integration', inviting 136 enterprises and registering an average of 3.8 enterprises per 'table'. To their meetings, the Integration Group invited 476 enterprises, including the 136 participants of the 'table of integration'. After establishing 1000 personal contacts and more than 3000 telephone contacts, the Integration Group obtained the support of more than 30% of the enterprises that were part of IPES by September 1962. ¹⁸⁵

Oswaldo Tavares, the head of the Integration Group of Rio, organized three to four weekly 'informative' lunches with entrepreneurs in order to raise funds. ¹⁸⁶ For lunches with bankers and directors of larger enterprises, Tavares asked for the cooperation of well-known entrepreneurs such as Augusto Trajano de Azevedo Antunes and Antonio Gallotti, who carried economic weight and prestige within industrial and banking circles. Glycon de Paiva was also actively involved in these endeavours. ¹⁸⁷ Oswaldo Tavares and Juan Missirlian were in charge of providing a course whose aims were: "to expand the penetration of IPES in the environment of big commerce and big industry through their directors and leaders and to increase contributions." ¹⁸⁸

The Integration Group also incorporated a series of individuals on an ad hoc basis, for particular missions and assignments which depended on personal links, authority or means of persuasion of the militant members in question. Certain military also helped in fund-raising and recruitment, throwing their prestige behind the entrepreneurial effort; Brigadier General Reynaldo Nelson de Carvalho, for example, the Air Force minister of Goulart, took care of fund-raising

in the Campos region of Rio de Janeiro state, among the sugar plantation owners.¹⁸⁹ The Integration Group also structured 'flying squads', whose aims were to take to entrepreneurs outside the central areas of Rio and São Paulo and the other major cities where IPES had headquarters, the request for collaboration with the IPES political project. At one point the possibility of coordination of 'rural commands' by the Integration Group was considered necessary.¹⁹⁰ Another form of bringing more reluctant people to the IPES fold for affiliation and financial contributions was by task-oriented integration. This was a process whereby potential recruits were assigned to a limited and specific activity, and were gradually involved through their careful and increasing participation in operations of various sorts. As a result of the intensive campaign developed by the Integration Group, IPES had the support of 500 corporate members by mid-1963, and even more by 1964.¹⁹¹

Financial support was also gathered from what appeared to be minor sources of income, such as the voluntary work carried out by São Paulo and Rio de Janeiro socialites. By lumping together various contributions, individuals who did not want their names to be known, or even corporations, were able to help without stirring up undue suspicion. The fund-raising activity of upper middle class women also helped to engage them in the political effort of IPES. Active in these operations was Roberto Levy, the son of UDN deputy and banker, Herbert Levy.¹⁹²

Individual contributions were also important, much more for their political significance, as a support input, than for the actual sum received. Individual contributions were also a convenient cover for corporate cooperation,¹⁹³ as was the 'family'

contributions, especially when the latter were the owners of industrial and financial complexes. Small firms were canvassed as well. In most cases these small firms were not significant financial contributors, but their commitment was relevant in two ways: first, they were mobilized under the leadership of IPES, which was thus able to wrest these interests from supporting a pro-Goulart industrial-commercial bloc. Secondly, by mobilizing the smaller industrialists and retailers IPES avoided the undesired projection of multinational and associated corporations as being the core of the anti-Goulart movement.

Large scale contributions were also made for specific and limited targets (arrecadações especiais), which were not mentioned in the ordinary budgets. This was clearly the case of the extraordinary fund-raising campaign to support the IPES/IBAD activities related to the legislative elections of October 1962.¹⁹⁴ The work with Brazilian firms had been intensified throughout the second quarter of 1962, thanks to which IPES São Paulo alone was obtaining 15 to 20 million cruzeiros per month for specific activities, and a further 15 million which would go to deposit as reserves for special occasions. There was the possibility of obtaining an additional 5 to 10 million cruzeiros for propaganda which IPES would want to do.¹⁹⁵

By mid-1962, IPES São Paulo was collecting 40 Million monthly, a far cry from the official budget expenses and publicly acknowledged income.¹⁹⁶ But even this kind of money was not enough for the needs of a fast expanding political network. Big contributors who had supported IPES from its very beginning had to double their already very high corporation contributions, in order to set the example.¹⁹⁷ In September 1962, Oswaldo Tavares urged the IPES leadership to take advantage of the big

firms which were collaborating with IPES for the electoral campaign and organize them as contributors for the period after the elections.¹⁹⁸ In São Paulo, once the legislative elections were over, João Baptista Leopoldo Figueiredo called the attention of the IPES leadership to the fact that the financial obligations of the majority of the contributors would end in December of that year. He stressed the need to take preventive measures which could ensure a 'permanent budget which would allow IPES to take up permanent commitments'.¹⁹⁹ Leopoldo Figueiredo proposed to hold two discreet weekly gatherings with groups of 20 to 30 people, defined as potential big contributors. These men would be invited to the homes of selected IPES affiliates in 'smaller groups, for more intimate and deeper meetings'. For these fund-raising sessions, important entrepreneurs offered their homes, such as Leopoldo Figueiredo himself, Salim Chamma, Adalberto Bueno Neto, Oswaldo Breyne da Silveira, Nivaldo Ulhoa Cintra, Fuad Lutfalla, Nicolau Filizola, Geraldo Quartim Barbosa, Paulo Ayres Filho and several others.²⁰⁰ In these meetings, the IPES leadership sought to obtain ideological commitment from these entrepreneurs coupled with pledges of financial support. Flavio Galvão was responsible for the organization of a work scheme that would serve for all the meetings, in which the various heads of the IPES action groups would present a summary of their political activities to the potential sponsors.²⁰¹ The first meeting of 20 affiliates and 15 potential contributors took place at Leopoldo Figueiredo's home, on 12th December, 1962. Rio Integration speakers at special private low-key meetings were among others:

Glycon de Paiva, Harold C. Polland, Denio Nogueira, José Garrido Torres, Augusto Trajano Azevedo Antunes, Paulo de Assis Ribeiro, Jorge Oscar de Mello Flores, Gilbert Huber, Oscar de Oliveira, Luiz Carlos Mancini, José Luiz Moreira de Souza, Helio Gomide, Guilherme Borghoff and Nei Peixoto do Vale.²⁰² Even General Golbery was personally involved in the fund-raising campaign, through his numerous contacts and in joint efforts with important entrepreneurial leaders such as IPES leader, Jorge Behring de Mattos.²⁰³ In Rio, one of those special meetings was with Fernando Machado Portela (director of Banco Boavista), Olavo Canavarro Pereira (director of Banco Portugues), Claudio de Almeida Rossi (president of the Sindicato de Companhias de Seguros), Manoel Ferreira Guimarães (Director of Banco de Minas Gerais), Homero Souza e Silva (director of Brasil Warrant), and Versiani Caldeira (director of the Centro Industrial do Fósforo). The IPES activists present at this gathering were G. Borghoff, H.C. Polland, Glycon de Paiva, J.R. Fonseca, General Golbery, General Herrera, General Liberato and Augusto Trajano de Azevedo Antunes.

By January 1963, the demand for financial resources was so high that the corporations were pressed for a substantial increment in their contributions. At a joint meeting of the Executive Committee of Rio and São Paulo, Leopoldo Figueiredo proposed to 'compromise on the formula of $\frac{1}{3}\%$ of the capital per annum' which had been the norm for big contributors. Leopoldo Figueiredo argued for increased efforts to secure the expansion of IPES membership. He wanted to be able to 'tell the big contributors to reduce their contributions a little, once the membership had been increased'.²⁰⁴ In two years, 4,000,000 dollars

had been collected, ²⁰⁵ and by 1964 many times this sum had been spent by the organic elite.

Clearing financial contributions

The Integration Group had two main problems. One was how to keep and augment the corporate and individual contributions and their participation for the ever-increasing activities of IPES/IBAD, maintaining the momentum of what Jorge Behring de Mattos called 'the sacred fire'. ²⁰⁶ Or as Jorge Geyer put it, the problem was 'to find a formula to keep the contributors integrated' for he understood that the sponsors and supporters could not possibly be as enthusiastic about the activities of IPES as the Directing Committee itself. ²⁰⁷ The other problem was how to 'clean' and disguise financial contributions of firms and individuals and other sources for the activities of IPES. Both donors and IPES had to be protected from public knowledge. As Harold C. Polland summed it up, 'the big firms need special treatment'. In Cândido Guinle de Paula Machado's opinion, it was 'delicate for the Institute and for the firms'. ²⁰⁸ Disguised contributions also allowed for the attendance of certain expenses which could obviously not be credited in the balance sheets of IPES, especially those referred to the secret action in Congress, the military, trade unions, media and student movement.

Many of the contributions were organized through class associations, where the identity of a single company was not revealed. By contributing through the different class associations, large allocations of sums could be justified in terms of institutional activities - expenses which did not appear in IPES balance sheets or in those of the enterprises. For example, the associates of the Federation of Industries took upon themselves

to give a large monthly contribution through their class association. Other contributions were made to the organic elite through the Associação dos Banqueiros, the Centro de Indústrias, the Sindicato das Companhias de Seguros. The bankers contributed through the Sindicato dos Bancos, in order to 'disguise their contribution to IPES'.²⁰⁹

One of the forms of disguised contribution was the creation of 'Inesinhos' (literally little IPES). The idea consisted in setting up 'seminars' for the contributing firms and for individual members. Ten to twenty firms per month were invited to participate in those 'seminars', for which they paid attendance fees. The firms would be 'paying' for 'technical services' rendered through their participation in the seminars. This ingenious device was first tried in Friburgo. The Friburgo 'station' then became an ongoing seminar/fund reception unit.²¹⁰

Another way to clean contributions was an idea forwarded by Oscar de Oliveira. IPES was to establish or act through established technoentrepreneurial agencies. These agencies would be sought by private corporations in 'need' of feasibility studies and other projects. The agency would then receive 'payment' for these projects and studies, which was passed on to IPES or was used to directly subsidize IPES activities.²¹¹

A very effective form to cover for funds and their donors/recipients was to issue receipts through 'democratic associations subsidized by IPES Rio which were able to give receipts that would run for São Paulo'.²¹² IPES and private firms were then making 'philanthropic' donations for which they obtained receipts which actually freed the money for other purposes than those officially acknowledged. Contributions were also made through 'public subscription', without invoice, as was the case of Light S.A.,

and through the Pontificia Universidade Católica.²¹³ Another form of disguising contribution was through the wives of important directors or enterprise owners, who contributed on a personal level, or channelled funds to philanthropic organizations and social centres, which then redirected the money to IPES.

As funds increased, as well as the number of sources, new ways of 'easing' contributions had to be found. One very important way of disguising contributions was through the public relations and propaganda agencies who handled the so-called 'invisible budgets' of the big corporations, which represented huge sums of money.²¹⁴ What the corporations could do was to channel their contributions through funds earmarked as budgets for advertisement and public relations by means of agencies supporting IPES. The other form was for the big corporations to pay in advance their twelve months contracts with the public relations agencies, who then channelled funds, as well as contributing financially from their own sources.²¹⁵ This was not a very complicated operation, since many of the IPES affiliates were owners or directors of publicity agencies themselves, handling the accounts of the multinational and associated corporations whose directors and owners were IPES affiliates as well.²¹⁶ In a meeting attended by Augusto Trajano de Azevedo Antunes, General Golbery, Helio Gomide, Glycon de Paiva and Harold Polland, in which these questions were discussed, José Luiz Moreira de Souza, owner of Denisson Propaganda, offered himself to operate as a conduit for 'clearing money'. He would not feel the 'least constraint in receiving sums through his Propaganda Agency and then handing them over to IPES.'²¹⁷

Among the companies initially involved in the financial and propagandistic effort of IPES were (besides Denisson Propaganda), Gallas Propaganda, Norton Propaganda and Multi Propaganda. ²¹⁸

Direct financial support was not the only form of contribution to the efficiency of the organic elite. Services and equipment of different sorts were also an important part of the efforts to provide the organic elite with the necessary requirements. Thus, Bento Ribeiro Dantas, president of the Serviços Aéreos Cruzeiro do Sul S.A., one of the main airlines in Brazil, declared that any request for transport would be readily attended to, be it by his company or by any other. As for the payment, 'IPES should not worry'. ²¹⁹ Rubem Berta, president of VARIG S.A., also offered the services of his company. IPES established a modus faciendi with both, as well as with Valentim Bouças, director of Panair do Brasil. ²²⁰ The airline services would be invaluable in the coordination of the military movement to topple Goulart. For a conspiratorial elite to have the biggest national airlines at their disposal to travel the length and breadth of Brazil, inconspicuously, was very important indeed.

It was also important to have the support of private telegraph and telephone companies, which provided a vital service as well as the required privacy and discretion for the communications of the organic elite, as well as the possibility of tapping and controlling the communication of other political groups. ²²¹ Other forms of transportation, media services, communications, office material and equipment, printing services, etc., were provided at nominal prices or gratis. ²²² Another form of contribution was to provide the payment of technical personnel working for IPES, or for the big corporations to 'lend' their own experts to the political campaign of the organic elite. ²²³

The issue of transnational contribution

In spite of public denials made by IPES leaders about the existence of 'foreign' funding, the then US Consul, Niles Bond, said that he was sure that US funds were going into the IPES operations, although he maintained that they were not being channelled through his office. In speaking of 'US funds', Bond did not distinguish between public and private funding. He suggested, for example, that Albert Byington, a Harvard graduate and director of several US concerns in Brazil was 'probably' receiving US funds and passing them on to IPES.²²⁴ Albert Byington, the president of CONCLAP, was also a São Paulo based IPES leader.

Substantial private assistance did reach IPES/IBAD from the United States and from elsewhere.²²⁵ US Ambassador Lincoln Gordon was especially important in engaging multinational support for IPES/IBAD actions. In a report to the Executive Committee in early 1962, Gilbert Huber expressed that, on the issue of contributions by American firms, "the American Chamber asked its ambassador who opted for contribution". Huber added that there was "more politics in the American Chamber than in the Federal Chamber". But it seemed to him that they were reaching a solution, not only about quantities of money and other support, but also about the ways of contributing in inconspicuous form. Huber was also informed in São Paulo "that the American Ambassador had asked the Department of State and the Department of Commerce to agree". Huber observed that although 'only the matrixes decide, it is important to convince Gordon'.²²⁶ Not only private corporation funds reached the organic elite. US CIA funds were also channelled into IBAD. Students of the Goulart period puzzled over the extent of Ambassador Gordon's knowledge about the US CIA's varied activities. "Certainly,

Gordon knew all about IBAD. He was aware that not only was IBAD the CIA's means of channelling money into local political campaigns but that such clandestine contributions were an absolute violation of Brazilian law".²²⁷

In March 1962, in São Paulo, the Social Action Fund (FAS) was established, in the belief that 'Brazil was one of the choicest battlefields of the cold war and that business could not stand idle and see itself destroyed by demagoguery and ignorance'. FAS was established with the aim to obtain a 'closer cooperation of the foreign business community with its Brazilian counterpart'.²²⁸ FAS was set up by some fifty private corporations which later made up the Council for Latin America, as 'an organization to promote civic projects outside the normal sphere of Chamber of Commerce operations'. Its activities included 'studies on basic problems in Brazil, work with democratic labour groups, communications efforts with key national groups'.²²⁹ FAS was one of the main contributors of IPES. It was also claimed that among the foreign sponsors, DELTEC, of which IPES leader David Beatty III was the Brazilian director, had made contributions from its 7,000,000 dollar kitty in the Bahamas, which was the meeting place for the Nassau conventions of the organic elite's sister organizations.²³⁰

Two hundred and ninety seven American corporations provided financial support for IPES. Another 101 corporations from other origins gave further financial support.²³¹ (A partial breakdown of IPES corporate contributors is provided in Appendix H. A list of individual contributors is found in Appendix I). By May, 1962, J.B. Leopoldo Figueiredo informed the Directing Committee about São Paulo's regular income (receitas ordinárias), which were at the time around 9.5 millions. Leopoldo Figueiredo also reported on the work being done with American and British firms. The

American firms were to contribute with more or less 7 millions yearly, hoping to reach 15 millions. The British firms would contribute 3.5 millions. The monthly perspective was to be more or less 20 millions and it could even reach much more.²³² Towards the end of 1962, at a joint meeting of the CE and CD of São Paulo, IPES leader Nivaldo Ulhoa Cintra suggested that 'the three or four men who control all the Swedish firms existing in Brazil' should be contacted in order to obtain 'the support of those firms'. Paulo Reis Magalhães was charged with the responsibility to organize a plan of action for a campaign to raise funds among the foreign firms.²³³ Still another source of transnational financial cooperation was the Konrad Adenauer Stiftung, a body of the German Christian Democratic Party, who contributed through Mannesmann (the giant steel complex) and through Mercedes Benz.²³⁴ Because of the delicacy of the matter, fund-raising with multinational corporations operating in Brazil was left to the discretion of a few members of the Integration Group, as was the case with Mannesmann and other similar concerns.²³⁵ General Herrera was appointed to contact Antonio Gallotti about the contributions of Cia. Siderúrgica Belgo Mineira - ARBED. Harold C. Polland would take care of Anderson Clayton and Remington Rand do Brasil.²³⁶ Even General Golbery took part and would accordingly present a plan for the president of the Mercedes Benz Co.²³⁷

Most of the contribution of the foreign firms was channelled to the São Paulo section, depriving Rio of the capacity to act with powerful financial backing.²³⁸ To remedy this situation, a big meeting of Americans in São Paulo was held in January 1963, with the presence of the Americans of Rio to decide on funds for IPES Rio. The meeting took place at the home of John Ginton

Lerena, an IPES leader and entrepreneur. In the meeting were 65 contributors of the Social Action Fund of São Paulo, who received a 'report on the use which had been made of the money contributed by FAS'. Many of the Americans were of the pharmaceutical industry, 'worried with the new law that created SUNAB', the National Superintendence for Supply, one of Goulart's measures destined to ensure the regular supply of basic commodities and medicines at a fair price for the consumer. Harold Pollard provided a political analysis of the situation. 239

IBAD itself was a financial channel for multinational funding to IPES. Among the corporations that deposited in the IBAD/ADEP/Promotion accounts were: Texaco, Shell, Esso Brasileira, Standard Oil of New Jersey, Texas Oil Co., Gulf Oil, Bayer, Enila, Schering, Ciba, Gross, General Electric, IBM, Remington Rand, AEG, Coty, Coca Cola, Standard Brands, Cia. de Cigarros Souza Cruz, Belgo Mineira, US Steel, Hanna Mining Corp., Bethlehem Steel, General Motors, Willys Overland and IBEC. 240

Because of the nature of its income sources and financial channels and the variety of activities sponsored by IPES, the budgets of the organization did not reflect its true finances. All sorts of inconsistencies can be found when examining the consolidated budgets and the various sums received and spent. 241 'Parallel accounting', various levels of 'accountability', 'ordinary and special expenses' were the norm. It was clear that all the illegal and illegitimate operations did not have their expenses recorded in the 'official' budgets and balance sheets.

One of the most important activities of IPES was granting 'subsidies', a rather neutral way of referring to the slush funds pumped into political parties, the media, the military, the trade unions and rural organizations, the student movement

and clerical projects and organizations as well as selected individuals. Many of these contributions were made by IPES through subsidiary institutions or by individuals (members of IPES) as 'personal' contributions. ²⁴² José da Costa Boucinhas and Eduardo Sampaio Campos, corporate members of the American Chambers of Commerce and well-known public accountants of some of the biggest corporations in Brazil prepared a 'prestação de contas padrão' (a standard declaration of expenses) for the funded sums. ²⁴³

Foreign financial entanglement and that of private enterprise in political affairs was of such importance in the context of the period, that it prompted the establishment of a Parliamentary Inquiry Commission - CPI, to investigate the matter. The CPI probed into the proceedings of IBAD and its alleged intromission in political affairs through illegal means, especially in the Congressional elections of October 1962. IPES was also investigated. IBAD was found guilty of political corruption and closed down. IPES was acquitted on the grounds that no unusual activities contravening their publicly declared goals as stated in their Charter, were realized by the Institute. The CPI also could not find any connections between IPES and IBAD. When the CPI pressed IPES/IBAD, several measures were decided upon in a special meeting of IPES in the presence of Leopoldo Figueiredo, Harold Cecil Polland, Cândido Guinle de Paula Machado, Luiz Cassio dos Santos Werneck, General Golbery, Adib Casseb, Flavio Galvão, José Rubem Fonseca, Glycon de Paiva, Jorge Oscar de Mello Flores, Gilbert Huber and Jorge Morais Gueiros. The covert decisions taken by the IPES leadership were: to meet the contributors of IPES and explain to them the situation, as well as assuring them

that their names were to be withheld from the CPI; to clean the archives and shelves of IPES of incriminating documents; a series of precautions and protective measures in relation to the components of 'hidden organs' and 'discreet organs' (mostly individuals operating in the student media, labour, peasant, party, military and intelligence sectors); measures to protect those functionaries and employees of IPES which were overtly employed by IPES.²⁴⁴

The overt decision of IPES was somewhat different. After discussing the oficios Nos. 28/63 and 29/63 of the referred CPI, the Executive Committee reached the following decisions by unanimity of votes: that on the request by the CPI to hand in the list of firms with foreign capital or part of foreign capital that collaborated with IPES, the Institute should reply that 'no foreign enterprise forms part of its body of associates'. Furthermore, IPES could not comply with the second part of the CPI's request, namely to hand over the list of firms with part of foreign capital that collaborated with the Institute because "it ignored the structure of capital of the enterprise ..."²⁴⁵ IPES, it is very clear, led a double life, both politically and financially.

Conclusion

With the formation of IPES as a politico-military organization, the organic elite of the multinational and associated interests reached what Gramsci has termed the 'most purely political phase', when 'previously germinated ideologies become party'.²⁴⁶ The organic elite, as the 'party' of the new interests, organized overt and covert activities in civilian and military areas until the ESG/Armed Forces - as prepared class power in the state apparatus - overshadowed the IPES/bourgeois

complex and concealed the immediate class characteristics of the movement, being recognized only in its military and para-military fashion as a military component. At such a moment, General Golbery do Couto e Silva affirmed himself as the head of staff of the multinational and associated power bloc. By then, the problem of the state had been posed at its highest level for the multinational and associated power bloc, in the sense of not only winning politico-military dominance over the subordinate classes as a whole, but of also subduing the populist historical bloc and gaining effective political command of the state apparatus.

For the organic elite, the control of the state was clearly the outcome of a process whose essential characteristic was the deliberate and purposeful class action of the multinational and associated power bloc, in which strategic preparation aimed at reducing to zero all the imponderabilities. The organic elite in IPES/IBAD constituted itself into a powerful class apparatus. As such, they were able to exert strategically planned action and tactical manoeuvres through a careful and elaborate campaign which successfully counterposed their organized class power with the state power of the populist historical bloc and against the incipient militant formation of the working classes. Through its specialized action groups, and using every means available, IPES/IBAD were able to establish the political, ideological and military presence of the multinational and associated power bloc in every relevant social area of conflict and dispute.

Most of the political-military activities of the organic elite have been highly controversial, they have been kept secret to a large extent for obvious reasons, and information on them has been scarce.²⁴⁷ In the next chapters, we intend to describe some of the organized class activity of the multinational and associated power bloc, which led to the destabilization of the Brazilian polity.

Footnotes - Chapter V

- 1 On the role of an entrepreneurial elite as an organizer of its own class and of society, see Antonio Gramsci, Selections from the Prison Notebooks, edited by Quintin Hoare and Geoffrey Nowell-Smith, London, Lawrence & Wishart, 1973, pp.5-6, 260, 334. On the methodological approach used for understanding this elite as the organizers of their class, see Antonio Gramsci, El Materialismo Histórico y la filosofía de Benedetto Croce, Buenos Aires, Ed. Nueva Vision, 1971, p. 157.
- 2 On the methodological approach used for understanding the role of the organic elite as the militant core of the organic intellectuals, organized across and outside the established and traditional party political and associational channels of dominant class articulation, aggregation and representation, and performing as the vanguard of the social class, see A. Gramsci, Selections ..., op.cit., p. 334; Antonio Gramsci, Gli Intellettuali e l'organizzazione della cultura, Torino, Editori Riuniti, 1975, pp. 3-22; Ralph Miliband, El Estado en la Sociedad Capitalista, México, Siglo XXI, 1970, Chapter II: Elites Económicas e Clase Dominante; Antonio Gramsci, Il Risorgimento, Torino, Ed. Einaudi, 1954, p. 71; Antonio Gramsci, Notas sobre Maquiavelo, sobre Política y sobre el Estado Moderno, Buenos Aires, Lautaro, 1962, p. 67, 325.

In our particular study, the organic elite refers to the leaders and members who were part of the formal structure of IPES/IBAD, affiliates and activists of IPES/IBAD and individuals and groups linked to IPES/IBAD in such a way that their efforts or those of the organizations to which they belonged were synchronized by, coordinated with or supported directly the IPES/IBAD led campaign,

- 3 See A. Gramsci, Selections ..., op.cit., pp. 53, 137-140, 160-168, 181, 196-200.
- 4 In order to understand the process, it can be treated in stages which, though not strictly separated in ideological-political reality, correspond to the various moments of collective political consciousness of a class. These stages begin with the 'prise de conscience negative'. It is in these early moments that the organic intellectuals of the emergent economic bloc become aware of their differentiation in respect to previous social forces and visualize the necessity for change, though still within the existing regime. In the final stages, leading up to the 'prise de conscience positive', the organic intellectuals, structured into a power-seeking organization, envisage a different socio-economic and political model of society and government than the existing one and act accordingly to implement it. A. Gramsci, Selections ..., op.cit., pp. 181-183.

- 5 Que é o IPES, Boletim Mensal - IPES, No. 25, p. 2.
- 6 On permanently organized and long prepared force as the decisive element in every situation, see A. Gramsci, Selections... op.cit., p. 185.
- 7 It was also towards the end of Kubitschek's administration that a very influential technopreneur, who has been a cabinet minister, closely related to technopreneurial agencies and multinational corporations, in a conversation with the American secretary of state, John Foster Dulles, conveyed his strong feelings that Brazil and not India was the 'last chance' to counterpose a capitalist model of development to growing socialist China. 'Something', he urged 'had to be done'. Years later, reflecting upon the events of those times, he felt, paraphrasing Dean Acheson, that he had been 'present at the creation'. Interview with R.A. Dreifuss, Rio de Janeiro, 1976, name withheld on request.
- 8 See Mario Henrique Simonsen, Brazilian Inflation, Post-war Experience and Outcome of the 1964 Reforms, in Economic Development Issues - Latin America, New York, CED/Praeger, 1967. See also the supplementary paper issued by the Research and Policy Committee of the CED. The president of the CED at the time was Alfred C. Neal, and IPES operated as a 'foreign counterpart' of CED. See also Mario H. Simonsen, A Experiência Inflacionária Brasileira, Rio de Janeiro, IPES, 1964; M. H. Simonsen, 'A Política Anti-Inflacionária', in A Nova Economia Brasileira, edited by M.H. Simonsen and Roberto de Oliveira Campos, Rio de Janeiro, José Olympio Editora, 1974. For Octavio Gouveia de Bulhões, the key point was 'the unbridled running inflation'. Octavio Gouveia de Bulhões, an IPES affiliate, was to become Minister of Finance in 1964. Interview with R.A. Dreifuss, 1976, Rio de Janeiro. See further Raouf Kahil, Inflation and Economic Development in Brazil: 1946-1963, Oxford, Oxford University Press, 1973, p. 334.
- 9 Paulo Ayres Filho, The Brazilian Revolution, in Latin America: Politics, Economy and Hemispheric Security, edited by Norman Bailey, New York, Praeger, 1965, p. 249.
- 10 The idea of the foundation of IPES emerged among Rio based entrepreneurs, especially Gilbert Huber and Glycon de Paiva, and was there exhaustively worked out. The Institute was then established in São Paulo for tactical and economic reasons. IPES letter to Oswaldo Tavares, 4th December, 1962; IPES Relatório of 17th May, 1962, Paper criticizing draft of IPES document 'A Responsabilidade Democrática do Empresário'. See also P. Siekman, When Executives Turned Revolutionaries, Fortune, September 1964, p. 148. Gilbert Huber would also be one of the most active contacts with IPES foreign counterparts, especially in Colombia and the USA. See IPES CD, 16th July, 1963.

- 11 N. Blume, Pressure Groups and Decision-Making in Brazil, Saint Louis, Washington University, 1967-68, p. 211.
- 12 IPES leader, Paulo Ayres Fo, observed that from 1950 onwards individual entrepreneurs who "were aroused by a few courageous voices began to realize that one of the most important cold war battles was going on in Latin America and especially in Brazil. This new consciousness of national and world realities was traduced into individual efforts to circulate a great deal of literature on freedom and democracy". P. Ayres Fo, op.cit., p. 249.
- 13 P. Siekman, op.cit., p. 148. These friends Paulo Ayres Filho introduced to Ambassador Lincoln Gordon, who had arrived in Brazil in mid-October 1961. Gordon's acquaintance with Paulo Ayres dated from 1959, when the latter was head of the Brazilian-American Cultural Centre in São Paulo. "In good time, Ayres described to Gordon a political organization he was sponsoring with the cumbersome but innocuous name of the Institute for Social Research Studies (in Portuguese, IPES)", in A.J. Langguth, Hidden Terrors, New York, Pantheon Books, 1978, p. 86.
- 14 Clarence S. Hall, The Country that Saved Itself, Special Feature in Reader's Digest, USA, November 1964, p. 137.
- 15 Respective editions of 2nd February, 1962; 4th February; 5th February, and 8th February. IPES CE Rio, 5th February, 1962.
- 16 In Rio de Janeiro, IPES functioned in the 27th floor of the centrally located Edificio Avenida Central, in Rio Branco Avenue, 156. It occupied 13 rooms of that floor. It also used premises on the same floor belonging to its associate, the Conferencia de Fretes Brasil-Estados Unidos-Canadá. It is interesting to note that telephone bills were invoiced to Henrique Geisel, a reserve Army General, a brother of General Ernesto Geisel, and an important entrepreneur. In São Paulo, one of its headquarters was at Rua Bahia, 131. In Belo Horizonte, IPES operated at Avenida Afonso Pena 867/11^o. In Porto Alegre, IPES functioned in the Edificio Palacio do Comércio, 4^o Andar. In Curitiba, IPES/IBAD/MAC/OPAC had meetings in Edificio Asa, at the Rua Voluntarios da Patria. Moreover, IPES/IBAD held meetings in the SENAC-SESC headquarters, in the 'Círculo de Estudos Bandeirantes', in the SESI headquarters, the Commercial Association of Paraná offices and in the headquarters of the PRP, the former integralista party, in Política e Negócios, 19th August, 1963, p. 30.
- Finally, the address of another base of IPES in São Paulo was Avenida Brigadeiro Luiz Antonio 154, 16th Floor.

- 17 N. Blume, op.cit., p. 213. The aims of IPES, as stated in Chapter I of their institutional charter were: to promote and stimulate cultural, moral and civic education of the individuals and to develop and coordinate studies and activities of a social character and to obtain, by means of research, recommendations which contribute to the economic progress, social well-being and the strengthening of the democratic regime of Brazil. Article 2 stated that 'IPES will not participate in any political party activities'. Article 4 stated that 'all the activities of the Institute will be developed within the Constitution and the laws of the country, the democratic principles, the social order, the norms of Christian civilization and the obedience due to the legally constituted authorities'. IPES Estatutos, 1961, pp. 1-2 (My translation - RAD).
- 18 J. Rowe, The 'Revolution' and the 'System' - Notes on Brazilian Politics, American Universities Field Staff, USA, 1966, p. 12. See also M. Cehelsky, The Policy Process in Brazil: Land Reform 1961-1969, Ph.D. Thesis, Columbia University, 1974, p. 129.
- 19 A Responsabilidade Democrática do Empresário, p. 4.- IPES José Garrido Torres would popularize an homonymous version for Cadernos Brasileiros, July/September 1962, Ano IV, No. 3, pp. 3-5. He also prepared a popular summary for IBAD's newspaper Ação Democrática. (My translation, RAD).
- 20 J. Rowe, op.cit., p. 17.
- 21 P. Siekman, op.cit., p. 149.
- 22 In true military style IPES coordinated operations were codenamed, such as 'Operation Brado de Alerta' (Alert Call Operation); 'Projeto Gammon' (Gammon Project), etc.
- 23 N. Bailey, Organization and Operation of Neoliberalism in Latin America, in Latin America: Politics, Economy and Hemispheric Security, USA, Praeger, 1965, p. 234.
- 24 Raul Pilla, 'A Influencia do Dinheiro', 'O Globo', 24th August, 1963, (my translation, RAD).
- 25 Paulo Ayres Filho, op.cit., p. 249.
- 26 Idem, p. 251.
- 27 Ivan Hasslocher, 'As Classes Produtoras Diante do Comunismo', Special issue, Ação Democrática, February, 1962, pp. 14-15. (My translation, RAD).
- 28 I. Hasslocher, op.cit., p. 5.
- 29 Idem, pp. 14-16.

- 30 As Sombras do IBAD in VEJA, 16th March, 1977, p. 4.
- 31 'Ele não resiste, é meio bom. Estão dispostos? Vamos a ele', Rui Gomes de Almeida and J.B. Leopoldo Figueiredo, IPES CD Rio, 22nd May, 1962.
- 32 IBAD denounced on a monthly basis, a list of companies 'who make contributions to the communists to maintain in Rio the Última Hora', a populist newspaper. Ação Democrática, July, 1962, p. 7. It is interesting to notice that most of the companies mentioned in the lists were to be found as funders of IPES. Their directors could be found in the list of IPES leaders.
- 33 See statements of IPES leaders, Ermirio de Moraes Filho and J.L. Moreira de Souza, in Jornal do Brasil, 29th April, 1962, under the heading Como Industriais Jovens veem a Situação Nacional (How young industrialists view the national situation). Cited in O. Ianni, Crisis in Brazil, New York, Columbia University Press, 1970, p. 186.
- 34 An important landmark in the 1961 Document of IPES 'A Empresa Privada como Comunidade de Trabalho' (The Private Enterprise as a Work Community), which introduced the views of the modernizing-conservative entrepreneurial bloc.
- 35 IPES CE Rio, 5th February, 1962. It was with an insight into the political conjuncture and an understanding of his own level of internal organization, preparedness and capability for action that IPES leader, Antonio Gallotti recommended to the political executive of the organic elite to 'stabilize first, so as to pass to the second phase afterwards'. Gallotti urged the entrepreneurs to 'move onwards for the formulation of the great theses subjacent in all of us'.
- 36 The original was part of a presentation booklet for potential recruits, as mentioned above. It also served for the preparation of papers for limited entrepreneurial circulation. And, finally, it served as a basic guideline for a number of papers and articles which appeared in the national press or in partisan publications and pamphlets, in many cases, signed by well-known intellectuals and politicians.
- 37 Ação Democrática, March 1963, Rio.
- 38 In its document 'O Brasil quer tranquilidade' (Brazil wants tranquility), of July 1962, IPES concluded: "The process of economic and social development has an intimate relationship with political improvement (aperfeiçoamento político). A country without leading

elites (elites dirigentes) is a sub-nation, incapable of conducting itself and imposing external respect (respeito externo). It is necessary, therefore, for the leaders to direct (que os dirigentes dirijam) ..."

- 39 FIESP lecture, in IPES Bulletin, September 1962, Rio.
- 40 Noticiário IPES, No. 4, September 1962, p. 3, Rio. These words are exactly the same as those to be found in a document of a Course on National Problems: Planning, p. 1, which was delivered in São Paulo class associations and social clubs. The appeal to move onwards from corporate identity to class solidarity and then to political action was put insistently.
- 41 P. Ayres Filho, op.cit., pp. 248-249.
- 42 N. Blume, op.cit., p. 211. The victory of Fidel Castro over Batista's regime was portrayed as the principal catalyst in the development of these organizations. Given the inevitable power redistribution between the various fractions of capital occurring in Latin America, the emergence of the modernizing-conservative action units was unlikely to have been long delayed. This was the clear case of Brazil, where the structural differentiation in its socio-economic formation prompted the political organization of multinational and associated oligopolistic interests. See N. Bailey, op.cit., p. 193.
- 43 See N. Blume, op.cit., p. 213.
- 44 See N. Bailey, op.cit., p. 194.
- 45 Phillip Agee, Inside the Company: CIA Diary, England, Penguin Books, 1975, p. 604. The Chilean IPES had Dr. Carlos Urenda linked to it.
- 46 Letter from A.C. Neal to General Gomes de Abreu, IPES, Rio, 22nd August, 1966.
- 47 Letter to Gilbert Huber, 28th February, 1962, IPES Archive, Rio. In this official CED letter, A.C. Neal wrote to Gilbert Huber: "Dear Luke: The attached list of people from São Paulo was put together by a trusted associate of Mr. Robert Kleberg, one of our trustees. The list is of people who might be interested in a CED type operation".

The list of names, with address and phone numbers, included:

Paulo Reis Magalhães (Cia. Itaquere Industrial e Agrícola)
 Luiz Dumont Villares (Ind. Villares S.A.)
 José Ermirio de Moraes (Votorantim S.A.)
 João de Moraes Barros (Cia. Cafeeira do Rio Feio)
 Francisco Mattarazzo Sobrinho (Metalúrgica Mattarazzo S.A.)
 Caio de Paranaguá Moniz (Frigorífico Cruzeiro S.A.)
 Severo Fagundes Gomes (Teceragem Paraíba S.A.)
 Paulo Ayres Filho (Instituto Pinheiros)
 João Batista Leopoldo Figueiredo (L. Figueiredo S.A.)
 Justo Pinheiro da Fonseca (Banco do Comércio e Indústria de São Paulo S.A.)
 Fonseca was also a director of Fábrica de Caldeiras a Vapor Cyclope (Pigantari Group); Cia. Brasileira de Construções Fichet e Schwartz-Hautmont; Aços Sandvik S.A. Ind. e Com. (Sandvikens Jernverks A.B. Sweden)

Gastão Eduardo de Bueno Vidigal (Banco Mercantil de São Paulo S.A.)
 Julio de Mesquita Filho ('O Estado de São Paulo')
 Jorge de Souza Rezende (Máquinas Piratininga S.A.)
 Helio Muniz de Souza (Cassio Muniz S.A. Imp. e Exp.)
 Jorge Alves de Lima (Sociedade Comercial e Construtora)
 Prof. Noé Azevedo (Faculdade de Direito do Largo de S. Francisco)
 Francisco Pignatari (Pignatari Administração Ind. e Com. S.A.)
 Antonio Devisate (Cia. Calçados Devisate)
 Rogerio Giorgi (Cotonificio Guilherme Giorgi)
 Adhemar de Almeida Prado (Banco de São Paulo S.A.)
 Antonio Caetano Alvares (Cia. Siderúrgica Paulista COSIPA)
 Olavo do Amaral Ferraz (Fazendas Nelogir S.A.)
 João de Scantimburgo ('Correio Paulistano')
 Theodoro Quartim Barbosa (Banco do Comércio e Indústria de São Paulo S.A.)
 Benedito M. Lobo Rosa (Martinelly Comercial S.A.)
 Camilo Ansarah (Cia. Nacional de Tecidos).

Most of these entrepreneurs were linked to other corporations, and the connections of those that became leaders of IPES are presented in detail in Appendix B. Others are mentioned throughout the thesis and in Appendix E.

48 IPES CE Rio, 20th February 1964; IPES CE and Study Group, 27th July, 1964; IPES CE, 10th March, 1964. The AEF was functioning at 295 Madison Avenue, New York.

- 49 N. Bailey, op.cit., p. 201. This coordination was expected to be improved by the formation of a Joint Executive Committee by the Latin American Information Committee, the United States Inter-American Council - USIAC and the Business Council for International Understanding. (The USIAC was the American section of CICYP, headquartered in Montevideo as well). At the tenth Annual Meeting of the CICYP, held in Santiago de Chile, 15th-18th March, 1964, a group of delegates from Argentina, Brazil, Chile, Colombia, Peru and Venezuela, met to form a committee to coordinate activities in the various countries 'to promote the ideological spread of a sound and democratic system of free enterprise', N. Bailey, op.cit., p. 231.
- 50 IPES Minutes Rio, 12th February, 1962.
- 51 According to the report of the IPES leaders, the president of the Senate was very impressed with their exposition and asked their opinion about João Goulart, whom the IPES leaders described 'as a man of the centre, and a political opportunist, who turns according to his interests and the direction of favourable winds'.
- 52 The fact that the American enterprises were 'closed enterprises' was perceived as a political hindrance and an economic problem for a local bourgeoisie wanting to associate its interests and have access to technology and capital, while it was also negative for the 'Blue Chip' companies seeking to widen the stock and financial markets and their own participation in them. Moreover, the 'closed enterprises' created a negative atmosphere in terms of public opinion and entrepreneurial relations. See M.H. Simonsen and W. Baer, American Capital and Brazilian Nationalism, Yale Review, Vol. LIII, USA, Winter 1964.
- 53 In this meeting a Mr. Morgan was present, who asked for a memorandum. IPES Minutes, Rio, 12th February, 1962.
- 54 "In the Department of State, the IPES leaders had a meeting with Ambassador Moscoso. He paid immense attention, listening to everything. He found the Brazilians very developed. He called two assistants and asked detailed explanations so that they could listen too. We repeated everything for them. Ambassador Moscoso declared that Brazil is a de facto ally of the United States". The Brazilian political conjuncture had priority and at the same time it was decided to investigate the cases of South American countries. IPES leaders gave the case of Chile, as an example. "The Americans promised to send people. Also to Rio, one of them having lunched

- today with Polland. Afterwards we left for Puerto Rico; while Gilbert Huber went to Washington". IPES Minutes, Rio, 12th February, 1962. See also N. Bailey, op.cit., p.230, on the problems of international coordination of the organic elites of the different countries.
- 55 IPES CE Rio, 3rd July, 1962 - In this meeting Gilbert Huber was able to report a major breakthrough in relation with transnationals. At the same meeting, the CE considered Harold C. Polland's proposal that 'IPES should launch a programme of government'.
- 56 Enno Hobbing would become staff director of the Council of America in 1970. The steering Committee of the Council in 1971 included Enno Hobbing, Jack D. Neal of ITT and Richard S. Aldrich, who had been the IBEC director in the early 1960s in Brazil.
- 57 See Letters by General Octavio Gomes de Abreu to CED of 24th March, 1965, 5th April, 1965, 19th April, 1965, 20th April, 1965, 20th May, 1965, 3rd June, 1965, 22nd June, 1965, 12th July, 1965.
- 58 See Andrew M. Scott - The Revolution in Statecraft: Informal Penetration, New York, Random House, 1965. For a discussion on the 'Politics of Penetration' applied to the Brazilian context see Jan Knippers Black, United States Intervention in Brazil, Manchest, Manchester University Press, 1977. - Preface XIII to XX.
- 59 N. Bailey, op.cit., p. 232. See Lyndon Johnson, as quoted in E. Lieuwen - Generals vs Presidents, New York, Praeger, 1964. pp. 142-143. Thomas C. Mann, Secretary of State for Latin America made a foreign policy statement behind closed doors in mid-March 1964. It signalled the approval of the U.S. administration for military governments in Latin America. See also Ted Szulc "U.S. may abandon effort to deter Latin Dictators", in The New York Times, March 16th, 1964 and Joseph A. Page, The Revolution That Never Was: N.E. Brazil 1955-1964, New York, Grossman Publishers, 1972. p. 189.
- 60 On Vernon Walters long-standing relationship with the Brazilian military since his days as liaison officer between the Brazilian Expeditionary Force in Italy, and the U.S. Fifth Army, during World War II, see John Foster Dulles, Castello Branco: The Making of A Brazilian President, Texas, Texas University Press, 1978. On Colonel Vernon Walter's role in the early 1960s in Brazil, see Moniz Bandeira, O Governo João Goulart, Rio de Janeiro, Civilização Brasileira, 1977. Also Vernon Walters, Silent Missions, New York, Doubleday, 1978.
- 61 Phyllis Parker, op.cit., p. 89. When Walters was introduced to Ambassador Gordon he was told by the ambassador: "From you I want three things: First, I want to know what is going on in the Armed Forces; second, I want to be able in some measure to influence it through you;

and third, most of all, I never want to be surprised", V. Walters, op.cit., p.374. Walters would later say: 'He never had surprises', P. Parker, op.cit., p.48. In fact, the system worked so well that during the dawn of the day in which Auro Moura de Andrade declared the presidency vacant, as João Goulart left Brasilia, some Congressmen went to the Palacio Presidential of Planalto, which was in complete darkness after a power-cut. They followed acting president Rainieri Mazzili and after some matches were lit, Deputy Luiz Vianna Filho recognized at his side Robert Bentley, a young secretary of the American Embassy. Luiz Viana Filho, O Governo Castello Branco, Rio, José Olympio Editora, 1975, p.46

- 62 J. Page, op.cit., p.190.
- 63 IPES Relatorio - W/d. pp. 6-7.
- 64 The National Executive was staffed by João Baptista Leopoldo Figueiredo, Glycon de Paiva, Adalberto Bueno Neto, José Rubem Fonseca, Luiz Cassio dos Santos Werneck, (the two latter ones as secretaries), General Heitor Herrera, Antonio Carlos do Amaral Osorio, Oswaldo Tavares Ferreira and Paulo Ayres Filho (the four as coordinators), and Paulo Reis Magalhães, as treasurer.
- 65 N. Blume, op.cit., p.214.
- 66 A careful reading of their minutes, reports and classified documents suggests the existence of several levels of trust, secrecy, and responsibility within the organization, which cut across the formal structure of decision-making. These arrangements seem to indicate that throughout the formal structures a network of overlapping and selected members composed a truly covert political bureau. The reasons for such a secretive structure were both organizational expedience and the nature of the organic elite's political action. It was also an efficient form of over-running particular interests within the organization which could eventually collide with the policy of the organic elite. These key decision-making bodies were staffed by a small number of members, most of them big entrepreneurs who constituted as Jorge Behring de Mattos recommended 'a central group functioning 24 hours a day', both in Rio and São Paulo. IPES CD 12th February, 1962. In São Paulo, the core was with the CE members and some of the CD. Among them were: Luiz Cassio dos Santos Werneck, José Ely Coutinho, Eduardo Garcia Rossi, Adalberto Bueno Neto, Gustavo Borghoff, Nivaldo Ulhoa Cintra, Oswaldo Breyne da Silveira, General Agostinho Cortes, Octavio Uchoa da Veiga, Salim Chamma, Thomas Pompeu B. Magalhães, Paulo Ferraz, Paulo Edmur de Souza Queiroz, José Luiz Anhaia Mello, Rafael Noschese, Luis Mascarenhas Neto, A.C. Pacheco Silva, Julio Arantes, Frans Machado, Paulo Galvão Filho, Geraldo Alonso, André Arantes, J.L. Nogueira Porto. IPES Rio was led by Harold G. Polland, Glycon de Paiva, General Heitor Herrera, General Liberato da Cunha Friedrich, Gilbert Huber, Augusto Trajano de Azevedo Antunes, Cândido

- Guinle de Paula Machado, Oswaldo Tavares Ferreira, José Duvivier Goulart, Antonio Gallotti, General Golbery do Couto e Silva and Rui Gomes de Almeida.
- 67 IPES Minutes 27th March, 1962.
- 68 N. Blume, op.cit., p. 211.
- 69 IPES Minutes Rio 12th February, 1962. Rui Gomes de Almeida did not accept the leadership of João Baptista Leopoldo Figueiredo, while Antonio Gallotti was wary of São Paulo entrepreneurs, given his experience with the electricity companies.
- 70 IPES Minutes Rio 12th February, 1962. J.L. Moreira de Souza and O. Tavares. (My translation, RAD)
- 71 IPES Meeting 12th February, 1962. Antonio Carlos do Amaral Osorio acknowledged that São Paulo was riddled with "'cysts', groups, Quartim Barbosa, Vidigal, all disunited", with separate groups "of immigrants (Lebanese, Italians, Portuguese, etc.), at a moment when the need was for unification. It was precisely at that time that the 'quatrocentões'(Paulistas whose families could be traced back to the early settlers, thus their name of 'four hundred years') were setting up a separate club for just 300 people. This separatist attitude, related to style and status, was, in the eyes of A.C.A. Osório, also a waste of badly needed money for the political campaign of IPES. More so, since the São Paulo social clubs were crucial for the class action of the organic elite, as loci for the mobilization of the middle and upper classes. See also Chapter VIII on the political function of the social clubs
- 72 IPES CE Rio 5th February, 1962. At this early stage, I. Klabin remarked that 'In IPES were missing the true representative organs of industry and commerce'. (My translation, RAD). By mid-1962, they were within IPES.
- 73 IPES CD 27th November, 1962. IPES minutes São Paulo 28th August, 1962.
- 74 IPES CD Rio 1st May, 1962.
- 75 IPES Ch.GR. São Paulo 28th August, 1962. According to Paulo Ayres Filho, the final composition of the leading cadres (quadros dirigentes) of IPES depended, at this stage, on 'the last conversations (entendimentos) with the Federation of Industries'.
- 76 IPES Minutes Rio 27th March, 1962. R. Gomes de Almeida and A. Gallotti. Also IPES CD 27th March, 1962. (My translation, RAD).

- 77 IPES Rio, 5th February, 1962. To achieve such aims, according to José Luiz Moreira de Souza, two or three 'shock theses' (Teses de Choque) would have sufficed, which would hit at the crucial point, namely 'For what reasons are the class associations tied (pressas) to the Government?' (My translation, RAD).
- 78 See Prominent Officers of Class Associations in IPES Rio and São Paulo, on page 281.
On 10th December, 1962, the Executive Committee received Dr. Calafate, president of CONCLAP, who wanted to tighten the ties with IPES. (He also informed the Executive Committee on the parallel activities of the Centro de Estudos Sociais Brasileiros) which operated from Office 1103 of the same building in which IPES had its headquarters. See also IPES Minutes of 27th February, 1962, on the instrumentalization of the Commercial Association of Rio de Janeiro by IPES.
- 79 IPES needed vast financial resources. After all, argued J.L. Moreira de Souza, if SESI, the Social Service of Industry, had nearly 6 billion cruzeiros at its disposal, and other class leaders, such as R. de Almeida, Hugo de Farias and Cícero Veloso also mobilized enormous resources through the national associations of entrepreneurs, they could certainly pull their efforts together. This would certainly ease the financing of the IPES operations. Gilbert Huber was in charge of working out the agreements with R. de Almeida. IPES Rio, 5th February, 1962. Fernando Cícero Veloso was a director of Parke Davis Ltd., Otis Elevators S.A. and of Helena Rubinstein, jointly with William Monteiro de Barros.
- 80 IPES General Meeting, São Paulo, 25th September, 1962. Initially IPES did not have 'in its midst any representatives of the rural classes', as they did not intend to meddle or be caught in the petty feuding of the rural class associations.
- 81 IPES General Meeting, 9th October, 1962.
- 82 IPES CD, 27th November, 1962.
- 83 IPES CD, 10th April, 1962. IPES São Paulo was in charge of the installation and orientation of the activities. By mid-1962, IPES counted with the leaders of the class associations of Amazonas, as well as with the various heads of the enterprises operating in the area. IPES General Meeting, 16th October, 1962.
- 84 IPES CE, São Paulo, 21st March, 1963.

- 85 IPES Ch. Gr. São Paulo, 28th August, 1962. The staff of the various study and action groups was not fixed in quantity, Task-oriented units and 'flying squads' were aggregated to each group, whenever the situation so required. IPES was a rapidly expanding organization and new affiliates, or supporters, were constantly involved in a widening range of activities.
- 86 See IPES document, A Responsabilidade Democrática do Empresario, op.cit.
- 87 IPES benefited from broad logistical and material support, including the availability of free transport offered by different national airlines, bus companies and other means of freight. A vast fleet of vehicles of all types, well-equipped offices, (with telex, data banks, private bank exchange, PTB telephone system, addressographs), first class technical advice and expertise for their various activities, large financial support and the contribution by different enterprises of badly needed and expensive or specialized services, gave the organic elite in IPES/IBAD an impressive material and technical infrastructure, which made other political groups seem amateurish.
- 88 The political project to which such a select and powerful group of entrepreneurs, techno-bureaucrats and hired military personnel committed themselves involved an extremely intense rhythm of work, with daily meetings and participation in the operationalization of their plans, an activity which required enormous personal dedication, in widely apart fields of action. The heads of the study and action groups, for example, had a joint weekly meeting with a coordination unit of the CE, both in Rio and São Paulo, which actually made the CD. They added special sessions when required. Then the heads of the groups had their regular meetings with their own unit of action and also had weekly sessions on their own with the CE. Moreover, there was the actual involvement in the operation and realization of tasks. As laid out in Reuniões de Infraestrutura, IPES Minutes 25th May, 1962 Ch. Gr.; IPES Ch. Gr. and CC; and IPES Ch. Gr. and CD of 25th May, 1962.
- 89 Permission had to be granted for militant members to leave their operational bases, IPES CE, 27th August, 1962. The possibility to discharge oneself from a specific activity or a commission had to meet with the approval of peers and hierarchical superiors, in what, by the end of 1962, was a vertical chain of command.
- 90 IPES Minutes, 18th September, 1962, Gilbert Huber.
- 91 IPES Minutes, São Paulo, 12th April, 1962.

- 92 The payment of some of the more active members was an arrangement which did produce a certain amount of ill-feeling and friction with some of the most dedicated militants. Rifts emerged on this issue on several occasions. Once it prompted Gilbert Huber to remark that José Garrido Torres should be invited to the meetings without receiving any payment. Gilbert Huber wanted him to 'put his soul and not his purse in the business. I am with my soul', IPES CE, 6th June, 1962. Garrido Torres was receiving, at the time, C\$300.000 per month and attendance chips, IPES CE, 15th May, 1962 and IPES CE Relatorio Geral, 17th May, 1962. Garrido Torres was finally urged to give daily service at IPES and not limited dedication. "I do not understand the (payment) of C\$300.000 to Garrido Torres, of whom I am a friend. I do not preside over an organism in the mould of Repartição Pública (Public Service), of 'sinecures'". Rui Gomes de Almeida, IPES CD, 10th April, 1962. See also IPES General Meeting, 30th November, 1962, IPES CE, 21st March, 1963. J.C. Moreira Barbosa received C\$100.000 monthly. J.L. Anhaia Mello received C\$120.000 for his study on the referendum. J. Arthur Rios also received payment.
- 93 In November 1963, certain 'extraordinary services' of Paulo de Assis Ribeiro in relation to his 'Roteiro da Reforma Agraria' were met with C\$400.000. Internal Memo 63/0487 to Treasury Department, 5th November, 1963. The members of the Grupo de Estudos, for example, had a basic of C\$100.000 per month, and their salaries were supplemented to cover for taxes and other government demands. Communication 63/0488, 5th November, 1963. This represented large expenses, as the Study Group of Rio had several dozens of effective members. Participants of the Study Units received attendance chips of C\$10.000 per meeting and those responsible for presenting papers at the meeting received C\$15.000.
- 94 To create the need for co-ordination of the different bodies, some external pressure was needed. According to José Luiz Moreira de Souza, IPES needed a 'Political plan able to mobilize the existing instruments and to make them function in the short run, for the benefit of the whole, i.e. of the task (da obra). To strengthen the IPES must be the target. Thus, it is necessary to constitute a Group which has the authority to criticize the structural faults, in their aspect of Political Action', IPES Minutes Rio, 5th February, 1962. General Herrera would take care of this aspect of the organization.
- 95 IPES CD, 27th March, 1962.
- 96 IPES CD, 12th June, 1962, Glycon de Paiva.

- 97 IPES CD, 16th October, 1962; IPES CD, 17th October 1962; IPES CE, 22nd October, 1962.
- 98 IPES CE Rio, 4th June, 1962.
- 99 IPES CE Rio, 4th April, 1963.
- 100 IPES CE and CD São Paulo, 20th November, 1962.
- 101 N. Blume, op.cit., p. 215.
- 102 A. Stepan, The Military in Politics: Changing Patterns in Brazil, Princeton, Princeton University Press, 1971, p. 186.
- 103 Elmar Bones, 'Golbery, Poder e Silencio', Coojornal, September, 1978.
- 104 IPES CE Rio, 28th February, 1963. Adalberto Bueno Neto operated as coordinator of the planning unit. IPES CE and Ch. Gr. São Paulo, 18th December, 1962.
- 105 A. Stepan, op.cit., p. 154.
- 106 N. Blume, op.cit., p. 215.
- 107 See Chart in Appendix E.
- 108 E. Bones, op.cit., p. 20.
- 109 Marlise Simons, Whose Coup? Brazilian Information Bulletin, No. 12, Winter 1974, p. 8, California, USA.
- 110 See Relatorio 1964, Research Group. The GLC went through the following newspapers: 'Jornal do Brasil', 'Jornal do Comércio', 'O Jornal', 'Diario de Notícias', 'Diario Carioca', 'Correio da Manhã', 'O Globo', 'O Dia', 'Tribuna da Imprensa', 'Gazeta de Notícias', 'Última Hora' (all of Rio de Janeiro); 'Jornal do Comércio (Pernambuco)', 'Jornal da Bahia' (Bahia); 'O Estado de São Paulo', 'Folha de São Paulo' (São Paulo). The GLC went through, almost daily: 'Jornal de Hoje' (Alagoas), 'Jornal dos Sports', 'A Notícia', 'Luta Democrática' (Rio); 'Diario de São Paulo', 'Diario do Comércio', 'Diario da Noite', 'A Gazeta Esportiva', 'A Gazeta', 'O Dia', 'Noticias Populares', 'Última Hora', 'Diario Popular' (São Paulo); 'A Tribuna' (Santos); 'Jornal do Dia', 'Diario de Notícias', 'Correio do Povo', 'Folha da Tarde' (Porto Alegre); 'O Povo', 'Tribuna do Ceará', 'Unitário', 'Correio do Ceará' (Ceará); 'Diario do Paraná', 'O Estado de Paraná' (Paraná); 'Diario de Minas', 'Diario da Tarde', 'O Diaríó', 'Estado de Minas' (Minas Gerais); 'Diario da Noite' (Pernambuco); 'Diario de Notícias', 'Estado da Bahia', 'A Tarde' (Bahia). The international magazines which the research group went through included: 'Este e Oeste', 'Les Informations Politiques et Sociales', 'Bulletin of the Institute for the Study of the USSR', 'Monthly Bulletin of the United Nations' and several other similar publications.

- 111 The magazines were 'O Cruzeiro', 'Manchette', 'Fatos e Fotos', 'Guias Banas', 'Visão', 'Conjuntura Económica', 'Boletim Cambial', 'Desenvolvimento e Conjuntura', 'APEC', 'Guanabara Industrial', 'Petrobrás', 'Mensario Estatístico' and some other minor ones.
- 112 By May, 1962, the Rio based GLC was spending approximately 12 million cruzeiros on basic material and personnel. IPES CE Rio, 17th May, 1962.
- 113 IPES CE São Paulo, 11th December, 1962.
- 114 IPES CE and Ch. Gr. São Paulo, 31st March, 1963,
- 115 Eldino Brancante, Relatório do Estado Maior Civil de São Paulo, in General Olympio Mourão Filho, Memórias: A Verdade de um Revolucionário, Introduction and Research by Helio Silva, Rio, L & PM, 1978, pp. 220-222. Also Helio Silva, 1964 Golpe ou Contragolpe?, Rio, Civilização Brasileira, 1975, p. 378.
- 116 E. Brancante, op.cit., p. 217.
- 117 The GEC had an administrative budget of almost 25 million cruzeiros per annum, to be spent on personnel and basic materials. IPES CE and Ch. Gr. São Paulo, 18th December, 1962. See also IPES Budget 1963.
- 118 IPES letter to Oswaldo Tavares, 4th December, 1962, considering the presentation of a booklet about IPES being produced by them.
- 119 IPES Minutes, 17th May, 1962. The GAP office in Brasília was established with the explicit aim to 'link mainly with the ADP section'.
- 120 IPES CE Rio, 5th February, 1962.
- 121 These activities involved an intelligence gathering operation, in order to anticipate the executive's moves and its allied or sympathetic forces in Congress. For this goal, General Golbery's group was fundamental.
- 122 Letter from J.O. Mello Flores to Glycon de Paiva, 7th December, 1963, IPES Archives.
- 123 IPES CD Rio, 11th December, 1962.
- 124 IPES Rio, 20th February, 1962.
The need for close coordination between the Study groups and action in Congress, was, according to Jorge Behring de Mattos, a necessity felt by the industries. It was also 'cheaper to join efforts'. IPES Minutes Rio, 5th February, 1962. Safe communication was ensured by the widespread use of telegrams through friendly and discreet telegraph agencies, 'malas empresarias' (courier bags) of big

- enterprises whose directors were involved in IPES/IBAD activities, especially in the Rio-São Paulo triangle (such as Capuava Refineries, Banco Lar Brasileiro and the National Confederation of Industries). IPES CE 19th June, 1962.
- 125 IPES CE Rio, 15th October, 1962. Augusto Trajano Azevedo Antunes. This sum did not include the much larger amounts spent on specific political actions, nor the massive resources spent on the congressional elections of 1962.
- 126 Campaign level had to be coordinated with other activities, such as the manipulation of sectoral opinion (military, middle classes, intellectuals, trade unions and students). With the help of the Study groups, and after being 'processed' by the Public Opinion Group, the analysis made by the GLC of the issues involved were then offered to the Parliamentary Action Group and other political sections of IPES as policy-papers, position papers, recommendations and guidelines for overt and covert action, and transformed into articles for the media network and the Publications Group. IPES CE Rio, 15th May, 1962.
- 127 Some issues deserved multiple studies with slight differences, which were then 'counterposed' in Congress by different ADP parliamentarians, such as the twin studies on Basic Principles of Agrarian Reform and Guidelines for the Implementation of Agrarian Reform. Many of these study units and their studies became, in fact, the infrastructure for the IPES proposed Reformas de Base (Basic Reforms). IPES CE Rio, 8th January, 1963, Glycon de Paiva, José Rubem Fonseca and General Golbery.
- 128 IPES Minutes, Rio, 17th May, 1962.
- 129 IPES CE, 12th February, 1962. For Glycon de Paiva, 'public opinion was money'.
- 130 IPES CE and Ch. Gr. São Paulo, 25th May, 1962.
- 131 IPES CE, 30th May, 1962.
- 132 IPES Minutes, 27th March, 1962, Nei Peixoto do Valle. A. Visconti worked for the American Chambers of Commerce together with Marcello Porto and Nei Peixoto do Valle.
- 133 IPES CE Rio, 3rd July, 1962, Glycon de Paiva, and IPES CE Rio, 25th May, 1962, General Golbery.
- 134 IPES CD, 27th November, 1962.
- 135 IPES Report L.C. 1962, p. 5.

- 136 General Herrera recommended that IPES should keep using the press, following the rallying point produced by the IPES launched document 'O Brasil quer tranquilidade' (Brazil wants tranquility) which received extremely wide coverage in the media. IPES CE, 8th June, 1962.
- 137 A. Stepan, op.cit., pp. 97-98, 189. For the organic elite it was clear that, without visible popular support, its covert action within the Armed Forces and other sectors of society would be hampered. Furthermore, the military would not be brought to favour a coup position without visible public support.
- 138 IPES CD, 27th November, 1962.
- 139 IPES Document, Roteiro Básico para um Programa de Ação a Longo Prazo, by Helio Gomide, 6th June, 1963. (My translation, RAD).
- 140 IPES CE, 8th June, 1962.
- 141 Also articles from American magazines were published and distributed. Nei Peixoto do Valle suggested to Garrido Torres, who was 'a reader of American magazines', to 'sell the interesting articles'. Garrido Torres replied that he was already doing so and added "Se a embaixada já tem franquia para reproduzir, melhor", IPES CE, 26th July, 1962 and IPES CE, Rio, 14th June, 1962.
- 142 Report to IPES CD Rio, May, 1962.
- 143 Several of those articles would be translations from articles of well-known authors, appearing in foreign magazines such as, Harpers, Atlantic Monthly, Foreign Affairs and New York Times Magazine. J. Garrido Torres also stressed that "Recently the Spanish edition of Life Magazine published three excellent collaborations of Professor Jessup, which would become an efficient anti-communist propaganda pamphlet. There is need to avoid delays in obtaining the right to divulge those works, preferably without expenses for the newspapers and magazines. This could be achieved by using the good services of the embassies, who could ensure the good will of the publishing houses previously selected and which would be those in which generally appear those collaborations which interest us". J. Garrido Torres Report to CD Rio, May, 1962.
- 144 For the preparation of general and specific indoctrinating material, the organic elite served itself of a series of foreign inputs, such as CED, ALPRO, AEF, AFL-CIO. For instance, from the Organization of American States, IPES received the work of the Special Consultative Commission of Security against the Subversive Action of International Communism - General Initial Report, 1962. The contact with this input centre was Myosotis de Albuquerque Costa.

- He also provided, after Glycon de Paiva's request, 'World Communist Movement', Selective Chronology, 18th August, 1957, prepared by the Legislative Reference Service of the Library of Congress and printed by the Committee on Anti-American Activities (AAA). IPES CE, 8th October, 1962. According to Paulo Ayres Filho, 'most of the matters on Russia, etc. came from the USA, sent by Northamerican news agencies', IPES Reunião Plenaria, CE, 8th April, 1963.
- 145 For personal and basic administrative needs, the group had a budget of 6.000.000 cruzeiros yearly. IPES CE, 31st August, 1962. Another 6 million were to be spent on basic printing material. IPES CE, 17th May, 1962. Funds for specific projects were also available, advanced by different enterprises and other sources. J. Garrido Torres Report to CD Rio, May, 1962.
- 146 N. Blume, op.cit., p. 215. In 1963, 182.144 books were distributed.
- 147 IPES CE Rio, 7th March, 1963, Glycon de Paiva.
- 148 IPES CE São Paulo, 11th December, 1963, Paulo Edmur de Souza Queiroz.
- 149 IPES CE São Paulo, 16th April, 1963.
- 150 See Chapter VI for a description of the IPES/IBAD network in the media and its action.
- 151 N. Blume, op.cit., p. 216.
- 152 IPES Minutes Rio, 5th February, 1962, Gilbert Huber.
- 153 IPES CD Rio, 5th March, 1963, Glycon de Paiva. The GED prepared the various bills of law on 'Remittance of Royalties', 'Agrarian Reform', 'Tributary Reform', and 'Popular Housing', which were introduced by ADP Parliamentarians. IPES Minutes Rio, 17th May, 1962.
- 154 The twenty members of the commission would be selected as follows:
- 1) The State secretaries of justice, finance, agriculture, education and health;
 - 2) Ten members chosen respectively by the following organizations:
 - a) State Bankers Association of São Paulo
 - b) Institute of Engineering of São Paulo
 - c) Federation of Industries of São Paulo
 - d) Centre of Industries of São Paulo
 - e) Commercial Association of São Paulo
 - f) Federation of Rural Associations of São Paulo

- g) Brazilian Rural Society
- h) Federation of Workers of São Paulo
- i) Fundação Getulio Vargas.

3) Five persons chosen by the Governor from among persons in science, economics, administration and the press.

In George W. Bemis, From Crisis to Revolution: Monthly Case Studies, International Public Administration Series No. 1, Los Angeles, University of Southern California, 1964, pp. 70-71.

- 155 See J.L. Moreira de Souza, for his 'Philosophy of the Revolution' and 'Seven basic tenets in the economic, social and political fields'. In Glauco Carneiro, Historia das Revoluções Brasileiras, Vol. II, Rio de Janeiro, O Cruzeiro, 1965, pp. 595-596.
- 156 N. Blume, op.cit., p. 213.
- 157 N. Blume, op.cit., p. 221.
- 158 N. Blume, op.cit., p. 214.
- 159 It is interesting to note that out of the 78 'blue-chip' corporations listed by Banas in 1964, at least 61 were financial contributors to the organic elite and its directors were members of the key decision-making bodies of IPES. Guia Banas, Bancos, Investimentos e Bolsas 1964, São Paulo, Editora Banas, 1964, pp. 112-142. See also Aliomar Baleeiro, Democratização do Capital, in Ação Democrática, October 1962, Rio.
- 160 IPES CD Rio, 10th April, 1963, R. Gomes de Almeida. See also IPES São Paulo, Esquema do Planejamento, São Paulo, 1965. In the political field, IPES shared the views that the relative democracy of populism would have to give way to the relative authoritarianism of a technocratic polity.
- 161 N. Blume, op.cit., p. 214. Also G. Bemis, op.cit., pp. 59-60.
- 162 IPES CD, 5th March, 1963; IPES CD, 24th August, 1964; IPES CD, 3rd October, 1964; IPES CD, 26th October, 1964; IPES CE, 4th November, 1964.
- 163 N. Blume, op.cit., pp. 217-219.
- 164 IPES CE, 28th August, 1962.

- 165 IPES CE, 7th March, 1963 and CE, 21st November, 1963. See also IPES 22nd April, 1963. IPES entrusted to Anibal Villela's team of BRASTECC, for a fee of 2.496.000 cruzeiros, a study in depth of the role of the state enterprises in the economy at national, state and municipal levels. The research strove to understand and evaluate the participation of the state enterprises in the formation of the national product, the economic behaviour of the government and its sectoral participation, an economic review of the past 15 years and an evaluation of the tendency of the role of the state and the economy, an estimate of the expenses of investment of the government enterprises, personnel employed, levels of salary and productivity, a comparison with similar enterprises in the private sector, a comparison of the Vargas, Dutra and Kubitschek periods, a comparison of Brazil with India, Pakistan, Indonesia and Argentina. See letter IPES, 11th June, 1963 from João Baptista Leopoldo Figueiredo to José Rubem Fonseca; see Proposal for Research of 15th April, 1963; letter to General Liberato from Anibal Villela, on 3rd January, 1964; Memo on 'etatisme' from Glycon de Paiva to Dr. Torres. Glycon de Paiva provided Villela with the help of the national IPES network in the data-gathering, engaging its own specialists in the survey of measures, laws, 'etatiste' and leftist projects and the action of the state in each region of the country deemed to curtail private industry. The Commercial Association of Paraná - ACOFA, IPES Belo Horizonte, IPESUL and IPES Pernambuco provided IPES Rio with data on the degree of estatização (state take-over) in their respective states. See letters from Antonio Galvão (Associação Comercial de Pernambuco); José Alves of the Economic Department of the Associação Comercial do Paraná and Fabio Araújo Santos of IPESUL on 15th February, 1963, 22nd February, 1963 and 27th February, 1963, addressed to Glycon de Paiva. When the data arrived, besides being used for the main research, it was to be 'blended, chosen and published' according to criteria laid out by General Liberato. IPES CE, 12th February, 1963.
- 166 IPES CD, 11th May, 1962.
- 167 IPES CE, 29th May, 1962.
- 168 Every document prepared by the Study and Doctrine group had to contain: 1) doctrinal exposition (diagnosis), 2) practical measures for reform (therapy) and 3) position. IPES Rio, 16th August, 1962, General Golbery.

- 169 Differences between the groups of Rio and São Paulo in the areas of Study and Doctrine were noted before. These differences remained throughout the period. In the beginning of 1964, Garrido Torres complained that 'The group of Doctrine has transformed itself into an advisory body for Penteado' (one of the leaders of IFES São Paulo). Delfim Netto was (presumably) writing up a paper in disagreement with the ideas of a book sponsored by the Study and Doctrine group of IPES Rio. IPES CE, 10th March, 1964.
- 170 Letter from Antonio Galvão to Glycon de Paiva on Banking Reforms, IPES (Pernambuco), 10th April, 1963.
- 171 See Movimento No. 189, 12-18/2/79. Antonio Delfim Netto had worked with Carvalho Pinto, the Governor of São Paulo. Delfim Netto has been linked to Construtora Camargo Correia.
- 172 IPES CE, 2nd April, 1963. H. Weissflog was a director of Cia. de Melhoramentos de São Paulo Indústria de Papel (Incopar Participações Comerciais e Industriais S.A.). His associates in the enterprise were H. Villaboim, IPES leader M. Toledo de Moraes and Walter Weissflogg.
- 173 The group also provided the intellectual infrastructure for the realization by the Public Opinion group of crash courses on basic themes of economy for the journalists making up its unit. IPES Minutes Rio, 29th May, 1962.
- 174 IPES Ch. Gr. São Paulo, 5th June, 1962 and IPES Ch. Gr. São Paulo, 21st August, 1962.
- 175 IPES General Meeting, 16th October, 1962.
- 176 The unit worked with a basic budget of 25.000.000 cruzeiros a year and received additional help from private sources for specific projects. Although budgets did not reflect actual financial flow nor the real resources of IPES in this sector of activities, and in all the other sectors, it is interesting to consider some of the declared expenses. The Study and Doctrine Group's basic administrative monthly expenses were 6.8000.000 cruzeiros. 2.000.000 were at its disposal monthly for administrative and secretarial help. In addition, there was a separate monthly budget of 8.000.000 cruzeiros, as well as a separate monthly budget of 2.000.000 cruzeiros per study unit. IPES CE, 5th February, 1962; IPES CD Rio, 22nd May, 1962; IPES CE 6th June, 1962, Glycon de Paiva.
- 177 See Chapter III.
- 178 IPES CD, 11th May, 1962. Sometimes it was a matter of technical expediency and appropriateness. In April 1962 IPES contacted the Association of Democratic Lawyers to ask them for a study on juridical aspects of the issue of Parliamentarianism and Presidentialism, having in view the referendum on the matter which eventually returned full presidential power to Goulart. It is interesting

to note that one of the main campaigners for the return to the presidential system was IPES leader José de Magalhães Lins. See also J. Camilo de Oliveira Torres, O Presidencialismo no Brasil, Rio, Edições O Cruzeiro, 1962; J. Camilo de Oliveira Torres, Cartilha do Parlamentarismo, Belo Horizonte, Itatiaia, 1962.

- 179 The classical example is that of the issue of Agrarian Reform. IPES took into consideration preliminary studies by the Centro Dom Vital, CONCLAP, ESG, the National Economic Council. IPES Minutes Rio, 5th February, 1962. Then the projects, amendments, bills of law and printed propaganda material were prepared after a careful elaboration by an IPES/IBAD study team. See further in Chapter VI. These institutions were also contributors of preliminary projects in other areas and on other issues.
- 180 IPES Boletim Mensal, No. 23, 1964.
- 181 At a meeting on 12th December, 1961, one of the earliest recorded, the São Paulo section convened an encounter with Paulo Ayres Filho, Othon Barcellos, José Ulpiano de Almeida Prado, Paulo Reis Magalhães and Professor Franca, of the Escola de Sociologia e Política. 'Listed' as having invitation envelopes containing IPES material for the meeting and discussion were: Fernando Alencar Pinto, Eudoro Villela, a representative for Luis Reid, Harold Levy, Rogerio Giorgi, Paulo C. Suplicy, Salim Chamma, Julio Cruz Lima, Luiz Eduardo Campello and Fernando E. Lee. Most of them would become leading members of the organization.
- 182 IPES - Boletim Mensal, September 1962, No. 41, informed that 20 entrepreneurs made up the Grupo de Integração. See also IPES CE Rio, 17th May, 1962. IPES had accounts in the Banco do Estado da Guanabara, Banco Bamerindus, Banco Prado Vasconcellos, among others. ADEP, IBAD and Promotion money was drawn from the Brazilian branches of the First National City Bank of New York, the Royal Bank of Canada and the Bank of Boston.
- 183 IPES CE and CD, São Paulo-Rio, 8th April, 1963.
- 184 In this operation the outputs of the Study and Doctrine group, the Doctrine and Study group and the Public Opinion group were strongly felt. Corporate members also participated in a series of debates and lectures in which one key government administrator led the discussion. Many future and incumbent government ministers, such as Roberto Campos, Luiz Gonzaga Nascimento Silva, Mauro Thibau, Delfim Netto, Mario H. Simonsen, Helio Beltrão, Octavio Gouveia de Bulhões lectured before the affiliates of IPES as part of this programme. N. Blume, op.cit., p. 216.

The Integration group used, for putting across their message, sophisticated audiovisual means (charts, films, reports) which were distributed before the meetings for limited consumption. By the end of 1962, IPES maintained a twice daily session of films for contributors. IPES Ch. Gr. 25th September, 1962.

- 185 IPES Boletim Mensal, No. 4, September 1965, Rio.
- 186 IPES Minutes Rio, 5th February, 1962.
- 187 Glycon de Paiva had no trouble raising each month the equivalent of 20.000 dollars, A. J. Langguth, op.cit., p.86.
- 188 IPES Handwritten Observations, May 1962. It cost 100.000 monthly, besides Juan Missirlilian's salary, IPES CE Rio, 21st May, 1962.
- 189 General Reynaldo Nelson de Carvalho reported his activities to Joviano Jardim, the treasurer, handing over "9 inscription notes which were to be paid against bank receipts" (9 notas de inscrição para cobrança mediante recibos por bancos). The contributors were: Dr. Rubem Moll - Usina Novo Horizonte; Ageu Macabu e Cia.; Jones Walter Alvim; Vazadas Cobogo S.A.; Julião Nogueira e Cia. - Usina do Queimado; Dr. Luis Sense - Usina Victor Sense S.A.; Distribuidora Mercantil S.A.; Dr. Nelson Veloso Borges - Cia. Usina do Outeiro; Fernando Ribeiro Gomes - Cia. Usina Cambaiba S.A.; Industria de Bebidas Joaquim Tomaz de Aquino Filho; Cia. Usina de Açúcar São João - Cristovão Lisandro. IPES CE, 24th August, 1962.
- 190 IPES CE, 23rd May, 1963.
- 191 N. Blume, op.cit., p. 214.
- 192 IPES CD and CE, São Paulo, 15th January, 1963.
- 193 IPES Ch. Gr. 25th September, 1962.
- 194 One of these special fund-raising projects was Projeto Gammon. IPES Minutes CE, 31st July, 1962, General Golbery; IPES CE, 12th February, 1963 and Letter from Glycon de Paiva to A. Byngton explaining Gammon Case, of February 1962.
- 195 IPES CD Rio, 22nd May, 1962.
- 196 IPES Minutes São Paulo, 12th June, 1962. IPES CD and Ch. Gr. 15th January, 1963.
- 197 IPES CD 20th December, 1962. Among the big entrepreneurs were Augusto Trajano de Azevedo Antunes of ICONH/Bethlehem Steel and Antonio Gallotti of Light S.A./BRASCAN.

- 198 IPES CE, 19th September, 1962.
- 199 IPES CD and CE São Paulo, 20th November, 1962. João Baptista Leopoldo Figueiredo introduced and commented on a balance for the period of December 1961 to September 1962. It was up to General Heitor Herrera to introduce a 24 month plan for action approved by the joint Rio and São Paulo leadership, which included new methods of fund-raising and increasing contributions. IPES CD, 27th November, 1962.
- 200 IPES CD and CE, 4th December, 1962.
- 201 IPES CE São Paulo, 11th December, 1962.
- 202 See 'IPES: Conferencistas da Integração' (Integration speakers). IPES list w/d, Rio.
- 203 IPES CE, 15th May, 1962. A very important method of arranging new contributors or keeping reluctant supporters was the creation of 'scare campaigns' for the entrepreneurs themselves. Following the 1964 take-over, IPES continued to prepare 'fact sheets' about 'future communist subversion' and reports on their past activities, which were sent to particular and selected addresses. General Heitor Herrera and Colonel Mauricio were particularly active in this endeavour.
- 204 IPES CE São Paulo-Rio, 22nd January, 1963 and IPES CE Rio 12th February, 1962. See also OESP, 26th July, 1963 when J.B. Leopoldo Figueiredo declared that the budget (receita) of IPES for 1962 was 200 million cruzeiros. See also IPES CD, 12th January, 1962, Nei Peixoto do Valle.
- 205 E. Bones, 'Golbery, Poder e Silencio', Coojornal, September, 1978. Contributions were of fixed and variable amounts. IPES CE, 12th April, 1963. Contributions were made to the Institute and for specific actions of IPES. Some companies contributed on a monthly basis, others gave yearly lump sums. Some companies contributed through their various subsidiaries, as was the case of Light S.A./BRASCAN or Listas Telefônicas Brasileiras. In some cases, one company would be the channel of contribution for a whole group and generally, minor companies of these groups were chosen to be the channel. In other cases certain companies of one group contributed for the Institute, while others of the same group contributed for specific activities.
- 206 IPES Minutes Rio, 5th February, 1962.
- 207 'Os homens de fora não vibram como esta mesa'. IPES CD, 27th November, 1962. Several devices were thought up, such as film sessions, debates, conferences, seminars. Even the Institute of Democratic Education, an IPES sponsored project was considered by J. Carneiro as a form of keeping contributors tuned in with IPES activities.

- 208 IPES Rio, 27th March, 1962.
- 209 IPES Minutes Rio, 5th February, 1962, A. Gallotti.
Also IPES Minutes Rio, 27th March, 1962 and IPES General Meeting - CE, 23rd October, 1962.
- 210 IPES CD, 27th November, 1962. J. Carneiro explained that the preference was 'an IPES in each enterprise. All the other aspects of IPES are fundamental. But in each enterprise there must be an IPESINHO' (small IPES). Mauricio Villela stressed that 'when (IPES) did not integrate financially, it had to integrate the person'. J. Geyer found the idea of an IPES in each enterprise to be superb. He also emphasized the short-range need for 'good education' and pointed out the need to stimulate the 'parallel actions', an example of which was the Association of Christian Enterprise Leaders - ADCE.
- 211 IPES CD, 27th November, 1962.
- 212 IPES CE Rio, 14th January, 1963. The idea was, for example, 'to exchange future receipts of Padre Veloso for the receipts of Glycon and Dr. Rubem with Marinho'. IPES CE, 4th March, 1963. See also offer of São Paulo of 3 million cruzeiros monthly with 'legal invoices' to cover up the financial support. See communication from General Liberato da Cunha Friedrich to J. B. Leopoldo Figueiredo, in IPES Memo, 12th March, 1963.
- 213 IPES Rio, 27th March, 1962.
- 214 It became clear from the investigations of the Parliamentary Inquiry Commission of 1963 which probed into corporate-transnational illegal involvement in the legislative elections of October 1962 that from the 300 publicity agencies functioning in Brazil, 8 foreign companies or representing transnational interests, invoiced approximately 35 thousand million cruzeiros per year, out of a total of 120 thousand million cruzeiros. This meant that less than 3% of the publicity agencies controlled almost 45% of the total (another example of economic concentration and centralization). From the above-mentioned sums it was fairly easy to channel resources - the so-called 'invisible budgets' - for public relations, lobbying or political campaigns. It was a discreet form of contribution by the big corporations, with the willing help of publicity agencies which were, in many cases, affiliates of IPES themselves. Genival Rabelo, O Capital Estrangeiro, Rio, Civilização Brasileira, 1966, p. 115.
- 215 C.S. Hall, op.cit., p. 143.

- 216 Such was the case of Willys Overland, one of whose directors, Euclides Aranha, was an IPES leader. The account of Willys was handled by David Monteiro's Multi Propaganda, a subsidiary of Morgan Francis McDonough, Merrick, NY; and by Norton Propaganda, of IPES/IBAD leader, Geraldo Alonso. Another case was that of Nestlé, where IPES affiliate Gualter Mano, was an executive, and whose account was handled by Norton Propaganda and McCan-Erickson Propaganda.
- 217 IPES CD Rio, 19th March, 1963.
- 218 IPES also had the advantage of counting on the support of class association leaders. David Monteiro and Geraldo Alonso alternated in the occupancy of the presidency of the Associação Paulista de Propaganda. They jointly founded the Federação Brasileira de Propaganda - FEBRASP, in 1961, of which they were also presidents. Monteiro was in charge of organizing the support of the publicity companies for IPES, seeking for this operation the help of Emil Farhat, of McCanErickson Publicidade. IPES Minutes, 23rd October, 1962; IPES CE Rio, 22nd May, 1962. See also Genival Rabelo, 'Agencias de Publicidade e IBAD', in Política e Negocios, São Paulo, 2nd September, 1963.
- 219 IPES CE and CD São Paulo, 20th November, 1962.
- 220 IPES CE, 7th August, 1962, Glycon de Paiva.
- 221 The support of telegraph agencies was especially important if, by the beginning of 1962, the telegram bill was already topping the 1.200.000 cruzeiros mark per year and was on the steady increase.
- 222 IPES CE Rio-São Paulo, 14th March, 1963.
- 223 Antonio Gomes da Costa, an economist working for T. Janer enterprises, and who had produced a paper that interested IPES, was to be 'lent' to the organic elite. IPES CE Rio, 14th March, 1963. To alleviate the pressure on the financial resources of IPES, economists and other professionals were enlisted in the pay-roll of big companies, while working for IPES. Besides lessening the strain on the means of payment, it also provided an effective cover-up for the activities of those individuals.
- 224 J. Knippers Black, op.cit., p. 83.
- 225 N. Bailey, op.cit., p. 228. Interviews with T. Moscoso, E. Ferrer and others.
- 226 IPES CE Rio, 27th March, 1962.

- 227 "The agency rule called for providing an ambassador with as much or as little information as he showed a willingness to tolerate. Some operations could not be disguised; during this period, the United States increased the number of its consulates around Brazil to provide cover for the CIA's expanded operations". A.J. Langguth, op.cit., p. 90. See also J. Knippers Black, op.cit., p. 76.
- 228 FAS circular letter, São Paulo, October, 1965. Fernand Edward Lee, in interview to J. Foster Dulles, São Paulo, November, 1965, quoted in John Foster Dulles, Unrest in Brazil: Political Military Crises 1955/1964, Texas, University of Texas Press, 1970, p. 189.
- 229 Intercambio, July 1965, Vol. 1, No. 4, CIA, New York, p. 1. It further explains that "Latest in latter area to get group's backing is Associação Universitaria Interamericana, whose broad student orientation programme annually brings 100 graduates and undergraduate students to the US, on a month-long visit. The aim: concentrated personal exposure of Brazilian student leaders to all facets of US life".
- 230 J. Knippers Black, op.cit., p. 83.
- 231 R. Rojas, op.cit., p. 71.
- 232 IPES CD Rio, 22nd May, 1962.
- 233 IPES CD and CE São Paulo, 20th November, 1962. Paulo Ayres Filho suggested the creation of a special work group destined specifically to raise funds. The leadership of IPES also considered the organization of individual contributors.
- 234 M. Bandeira, op.cit., p. 67.
- 235 IPES Minutes Rio, 5th February, 1962.
- 236 IPES CD, 28th August, 1962 and IPES CE, 17th May, 1962. G. Huber reported to the CE on the contribution of foreign companies.
- 237 IPES CE Rio, 14th May, 1962.
- 238 IPES Report, 17th May, 1962.
- 239 IPES CE Rio, 14th January, 1963, General Golbery, Glycon de Paiva and J. Garrido Torres. Also communication from Glycon de Paiva to Harold C. Polland on telephone call from IPES São Paulo, of 16th January, 1963.
- 240 M. Bandeira, op.cit., p. 72; J. Knippers Black, op.cit., p. 72; R. Rojas, op.cit., p. 73.

- 241 N. Blume, op.cit., pp. 216, 222. Also: IPES Ch. Gr. São Paulo, 12th February, 1963. According to IPES treasury documents of 17th January, 1963, Rio, 7.924.415 cruzeiros of monthly intake came from a total of only 33 individuals and 134 corporations contributing to the finance of the organization. IPES Document of Comissão de Planejamento - Substitutivo Orcamentário para 1963, initialled FG/mlog. IPES ordinary budget of 1962 appears to have been of approximately 10 million cruzeiros per month for the Rio section (approximately 300.000 dollars). One of the budget proposals for São Paulo was of approximately 20.000.000 cruzeiros per month, for the year 1963, for ordinary and formal expenses. Expenses for hidden or discreet organizations or activities were not budgeted.
- 242 IPES Ch. Gr. São Paulo, 11th September, 1962. In spite of the incompleteness of these accounts, it is interesting to consider an example of discreet and secret expenses by IPES: See Appendix J.
- 243 IPES CD and CE São Paulo, 27th November, 1962. Also IPES São Paulo, 11th September, 1962.
- 244 IPES CD, 7th May, 1963. The expression used was 'Funcionarios realmente de lei'.
- 245 IPES CE, Reunião Extraordinaria, Rio, 27th August, 1963. See also IPES CE São Paulo, 16th September, 1963; IPES CD São Paulo, 8th October, 1963 and IPES CD Rio, 6th October, 1963. IBAD was charged with engaging in "a wide range of questionable political activities, without governmental regulation and control. Citing pertinent sections of the Federal Constitution, the organizations were described as acting 'contrary to the democratic regime, based upon a plurality of political parties and upon the fundamental rights of the individual'. The organizations involved were characterized as follows: 1) associations engaged in political-electoral activities which interfere with the free selection of political representatives and which attempt to gain power through electoral corruption, and 2) associations which, in using vast sums of money whose origin is as yet unknown, are acting against the security of public institutions and possibly against the national sovereignty itself. Action by the President was taken upon the recommendations of his immediate advisors, including the findings of a special police-military inquiry, as well as upon the information brought to light by a congressional committee of inquiry which had been investigating the matter". George W. Bemis, op.cit. p. 133. The CPI was able to find out that: resources of IBAD were of transnational origin; that in the elections of October 1962 not less than 5 billion and up to 20 billion cruzeiros had been spent; and that IBAD, ADEP, ADP and Promotion S.A. were definitely linked. In Política e Negocios, São Paulo, 2nd September, 1963, p. 11. But they could not show

evidence for the connection between IPES and IBAD.
As a consequence of the investigations, the government
ordered the dissolution of IBAD, Ivan Hasslocher fled
to Geneva.

246 A. Gramsci, op.cit., p. 181.

247 N. Bailey, op.cit., p. 218.

Chapter VI:

THE CLASS ACTION OF THE ORGANIC ELITE
The ideological campaign of the bourgeoisie

Introduction

Chapter V described the decision-making structure and organization for action of the organic elite. It showed, in effect, the existence of a class apparatus which was able to carry out operations of a public nature as well as activities hidden to the public eye.

Chapters VI, VII and VIII are concerned with the specific overt and covert activities, both tactical and strategic, which were utilized by the organic elite. The aim of these activities was to contain the popular forces, to disaggregate the populist historical bloc and to carry the multinational and associated interests into political government through a civilian-military coup d'état.

The conquest of political power by the organic elite was not merely a result of the economic-political crisis of the period and the immediate breakdown of regime leading to a subsequent fall of the government. ¹ Within such critical conditions as outlined in Chapter IV, the organic elite attempted a campaign to dominate the polity, in both political and ideological terms. ² The breakdown of the ruling class convergence and the rupture of the populist form of domination was accomplished by the multinational and associated power bloc through the exercise of its influence at all political levels. ³

The period of organized class action we are about to study, spanned from 1962 to 1964. Politically, it signified a conjunctural mobilization for the coup, when strategy became politics and party-political activities finally turned into military action. This was the stage of 'positive enterprise', when various techno-entrepreneurial agencies and bureaucratic-entrepreneurial rings,

class associations and action groups formed a strategic political centre, the IPES/IBAD bloc. Once the various oppositions were unified under one common synchronized leadership, formulating a master plan, the organic elite launched the politico-military campaign which mobilized the whole of the bourgeoisie, convinced the relevant segments of the Armed Forces of the justice of their cause, neutralized dissension, and gained the support of the traditional entrepreneurial sectors as well as the adhesion or passivity of subaltern middle social layers. But before opening the hostilities at the politico-military level, the entrepreneurial organic elite developed a multipronged ideological campaign against the populist historical bloc. This multi-faceted action involved the disaggregation of the populist cadres as well as those of the immature reformist groups, delaying the actions of the executive and attempting to contain the development of the national organization of the working classes. Their failure to repress the political awareness of the working class and the surprising capacity of the executive not only to survive, but actually to consolidate and gain new positions⁴ reinforced their determination to take by assault the established political society.

The entrepreneurial organic elite made itself the defender and spokesman of 'middle of the road' views, widening the consumptionist and elitist perspectives of the middle classes and encouraging the fear of the masses. This elite reinforced the middle classes solipsistic perception of Brazilian social reality and drew them away from the populist polity.

The organic elite prepared itself to operate in every area of social life in order to compete with the prevailing political interests and the labour left for the control of the state. Once in action, the organic elite made use of every available legal and illegal resource.⁵ According to IPES leader, Glycon de Paiva, these activities, which bordered on illegality, could be summed up as the preparation by civilians to ensure an appropriate political climate for the military to intervene. For Glycon de Paiva, political action had to be discreet.⁶ Glycon de Paiva's recommendations involved the 'creation of political and economic chaos, fomenting discontent and deep fear of communism among employers and employees, blocking legislative efforts of the left, organizing mass demonstrations and rallies, even acts of terrorism if necessary'.⁷ The target areas for specific indoctrination and direct political pressure were the trade unions, student movement and mobilized peasantry, the middle social layers and the Church hierarchy, the legislative and the military.

The action of the entrepreneurial organic elite must be considered as the praxis of a bourgeois power bloc, premeditated and carefully evolved over a number of years. By bringing into consideration the organic dimension and dynamics involved (class situation, class position and class action), i.e. the historical class constraints, one is able to perceive and portray the historical evidence of the emergent multinational-associated power bloc forging its own form of state. What occurred in April 1964 was not a conspiratorial military coup⁸ but was the outcome of a political, ideological and military campaign waged by the organic elite centred in IPES/IBAD. It was such a campaign which was crowned in April 1964 by military action, necessary to topple the executive and contain thereafter mass

participation.⁹

IPES, by its very nature and policies, being a strategic catalyst rather than a visible prime mover, did not take direct credit for most of the political achievements of the organic elite, which were attributed to other organizations and agents, presumed to be independent from IPES. Even though many organizations were actually synchronized by IPES/IBAD, one should not dismiss the activities of parallel bodies whose aims, broadly speaking, and means coincided with those of IPES/IBAD. Whenever it was possible, IPES attempted to play down its activities and keep out of the political limelight. For instance, when the IPES leaders returned from one of the Nassau meetings in 1962, they did so with the clear intention of minimizing the significance of the Institution. The proposal of Glycon de Paiva, in April 1962, to publish a paper by General Golbery do Couto e Silva providing guidelines for action against the national-reformist bloc, was objected to by IPES leader, José Luiz Moreira de Souza. His opposition was based on the grounds that it would reveal what hitherto had been avoided, namely, an organized political movement; while General Heitor Herrera pointed out the danger of exposure of illegal action.¹⁰ This necessity to maintain the inconspicuous profile of the organic elite was stressed by Harold C. Polland in the beginning of 1962. Moreover, he pointed out to the IPES leadership that other countries had institutions similar to IPES and that political experience had proven that a single organization was not enough. He gave the example of Colombia, where the local IPES was a central organism with many organs disseminated throughout the interior of the country. These institutions were many times under attack, but always shielding the real centre of action. Polland reaffirmed the need for IPES never to appear

directly and openly. IPES had to adopt a position of complete unassailability ¹¹ throughout its political campaign and act behind the scenes. After all, he argued, inside IPES were entrepreneurs. ¹² The other organs which would appear publicly or take responsibility for the execution of the organic elite's campaign were, of course, ADEP, IBAD, ADP, Promotion S.A., and SEI among the most outstanding civilian and civilian-military agencies; ¹³ as well as well-known political bodies which operated side by side with IPES, such as the Association of Christian Managers of Enterprises - ADCE. ¹⁴ Moreover, the action of IPES was not confined to class organizations and political action groups, but reached instead almost every organized segment of society. Their tactics would serve as a blue-print for the events of almost ten years later in Chile.

Two types of Action

The tactics of the organic elite ranged from activities, intended to have a long range effect on the entire direction of social, economic and politico-military perspectives, to defensive tactics designed to provide sufficient time for strategic political and military action to have its effect. ¹⁵

Two types of action are to be considered: 1) social and ideological action and 2) political-military action, which shall be described in the following chapters.

1. Social and Ideological Action

The combined social and ideological activities of the organic elite consisted of a) general indoctrination, and b) specific indoctrination, both of which were coordinated with wider political-ideological activities in Congress, the trade unions, the student movement and the clergy.

General indoctrination aimed at presenting the organic elite's views to the political decision-makers and the public at large, as well as having an ideological impact on selected audiences and within the state apparatus. General indoctrination through the media was attempted by overt and covert action, of a defensive and defensive-offensive kind. General indoctrination was basically a neutralizing measure. It aimed at instilling or reinforcing traditional right wing attitudes and views, and stimulating negative perceptions of the national reformist popular bloc. ¹⁶

The organic elite attacked communism, socialism, the rural oligarchy and the vices of populism. On the positive side, they argued that the prosperity of the country and the increase in the standards of living of the people were due to private initiative, certainly not due to socialist methods or to state intervention in the economy. ¹⁷ On the other hand, the negative approach of the organic elite was shown in its use of a mixture of sophisticated techniques and crude anti-communist propaganda, in what amounted to ideological pressure which exploited 'organized panic' (encurralamento pelo pánico organizado). ¹⁸

Through specific indoctrination, the organic elite was concerned with shaping the awareness and organization of the dominant sectors, and of bringing them into action as a 'class for itself', while consolidating the political leadership of the multinational and associated fractions within the dominant class. They did so by attempting to unite the emergent power bloc around a specific programme of economic modernization and socio-political conservatism. An extreme example of such actions was the Congress

for Basic Reforms, which took place in January 1963, and the sustained campaign through the media, which also attempted to disarticulate the traditional industrial-oligarchic historical bloc.¹⁹ Specific indoctrination (together with general indoctrination) also dealt with the ideological and political formation and co-optation of trade union activists, peasant leaders and rural labour militants, students and military leaders, and with their mobilization. Moreover, the overall aim of specific indoctrination was to shape the various fractions of the dominant classes and different social groups of the middle classes into a movement of opinion with widely shared short range objectives, namely, the removal of Goulart from the presidency and the containment of popular mobilization.

General Indoctrination

The channels of persuasion and the techniques most commonly employed were the circulation of publications, lectures, symposiums, press conferences of public personalities, public debates, films, theatre plays, comic strips, television interviews and propaganda, and radio. The IPES/IBAD organic elite also published directly, or in agreement with various publishing houses, an extensive series of works, including books, pamphlets, periodicals, newspapers, magazines and leaflets.²⁰ Radio and television were flooded with their ideological and political messages. Newspapers carried their articles and information. To accomplish this range of varied activities, IPES enlisted a large number of professional writers, journalists, theatre and cinema people, public relations, propaganda and media experts. IPES/IBAD was also able to articulate and channel the support of

some of the biggest international advertising companies, thus creating a formidable team for the manipulation of public opinion. Professional journalists were integrated into the general effort as 'devillers' and propagandists, working mainly through the operational units of the groups of Public Opinion, Doctrine and Study, and Publications. Certain industrial and financial enterprises linked to IPES/IBAD took care of the monetary arrangements by including them in their pay-roll, thus providing another form of the indirect financing of organic elite action. Writers, essayists, literary personalities and other intellectuals lent their prestige by themselves writing and by undersigning articles produced in the ideological and political hothouses of the IPES/IBAD study and action groups. 21

IPES was able to establish a synchronized assault on public opinion, through their special relationship with the major national newspapers, radio and television, such as: the Diários Associados chain of Assis Chateaubriand and its powerful radio and TV network, through Edmundo Monteiro, its general director and IPES leader; the Folha de São Paulo, of IPES affiliate Octavio Frias' group; O Estado de São Paulo and Jornal da Tarde, of the IPES connected Mesquita group, who also owned the prestigious Eldorado radio station of São Paulo. Several influential journalists and editors of O Estado de São Paulo, were directly involved in the Public Opinion group of IPES. Others involved in the campaign were J. Dantas of the Diário de Notícias, the TV Record and TV Paulista, linked through IPES leader Paulo Barbosa Lessa; Jornal do Brasil, of Rio de Janeiro, through IPES activists Wilson Figueiredo and José Carlos Barbosa Moreira; Correio do Povo, of Rio Grande do Sul

and O Globo, of the IPES connected Marinho group, who also owned Radio Globo, the influential national radio station. News was also planted in O Globo, without attribution of source nor indication of payment and was reproduced as factual information. One such 'news' item which made a serious impact on public opinion was that the Soviet Union wanted to impose a Communist Cabinet in Brazil, exerting all sorts of internal and external pressures to that end. ²²

Other national newspapers were put at the service of IPES. Rafael de Almeida Magalhães, son of IPES leader Dario de Almeida Magalhães, placed Carlos Lacerda's co-owned Tribuna da Imprensa, a militant anti-Goulart and anti-populist Rio based newspaper, at the disposal of IPES, for any article to appear unsigned or in the form of an editorial. ²³ And in São Paulo, federal deputy Herbert Levy, UDN leader and entrepreneur who was connected with IPES, and whose sons were IPES activists in covert operations, launched a militant newspaper, Notícias Populares, to compete with the popular press for the hearts and minds of the industrial working classes and lower middle classes of São Paulo. Furthermore, IPES/IBAD also had hold of some minor newspapers throughout the country. The prestigious political column Seção Livre (Free Section) signed by Pedro Dantas (the pseudonym used by Prudente de Moraes Neto) provided an analysis of the political conjuncture and attempted to shape public opinion. This column was published in the advertising section of O Estado de São Paulo, and it operated within the ideological stream of IPES. Another fellow traveller was João de Scantimburgo, of Correio Paulistano (who had been singled out by Alfred Neal, of the Council for Economic Development in his letter to Gilbert Huber as one of the possible people for a CED support operation). ²⁴ In the

Northeast, Paulo Malta's column Periscópio, in the influential Diário de Pernambuco, promoted a series of 'anti-Communist exposures' and pro-Communist charges against Arraes, as a contribution to the general effort of the organic elite.²⁵

Arlindo Pasqualini, a director of Empresas Caldas Junior, an important media complex in the south of the country, was sought by José Luiz Moreira de Souza, in order to produce a series of articles attacking Leonel Brizzola and his growing popular influence and command within the PTB structure. Arlindo himself (brother of Alberto Pasqualini, the deceased PTB major ideologist) as well as the Rio Grande do Sul politicians, Paulo Brossard and Kos Chermont de Britto, were considered by IPES as desirable counter-candidates to be promoted against Brizzola.²⁶

In Paraná, IPES/IBAD were active in this area through Roberto Novaes, of Diários Associados and Diário do Paraná; Ubaldo Siqueira, of Imprensa Nova and Bacilla Neto, the Paraná correspondent of O Estado de São Paulo.²⁷

Career diplomat José Sette Câmara lent his name to political columns in the nationally influential Rio based daily O Globo;²⁸ and IPES leader Augusto Frederico Schmidt, entrepreneur, poet and ambassador, was active in the Public Opinion group of IPES.²⁹

Papers produced for political and entrepreneurial consumption were translated into 'housewife language' (linguagem de dona de casa) by people as varied as Wilson Figueiredo, secretary of Jornal do Brasil and novelist Raquel de Queiroz.³⁰ Writer Nelida Pifion, who served as IPES Rio secretary, also helped in the propaganda endeavour.

All these newspapers also kept their own steady editorial drumbeat, on behalf of the organic elite.³¹ This was aided by the control IPES/IBAD had of news agencies and outlets throughout the country and their special relationship with advertising companies and advertisers. IPES made sure that the editors of the major national newspapers ran their own newspapers in fact as well as in name according to the line of the organic elite.³²

Through Promotion S.A., the organic elite rented the editorial pages of A Noite, one of Rio de Janeiro's evening newspapers, a move initially proposed by its own director Nelson Nobre.³³ IBAD was also behind Repórter Sindical, a magazine dedicated to the dissemination of ideological information as well as engaged in data gathering. As IPES leader José Rubem Fonseca, himself a novelist engaged in public opinion activities, put it succinctly, "The Institute publishes in newspapers articles, editorials and opinions".³⁴ The aim was to occupy "the centre of political and ideological discussion".³⁵ IBAD also published its own monthly Ação Democrática, with a circulation of 250.000 issues, which had the collaboration of Gabriel Chaves de Mello, Eugenio Gudin, José Garrido Torres, Denio Nogueira, UDN deputy leader Aliomar Baleeiro and other influential entrepreneurs and politicians. It was distributed gratis and carried no advertising.

The Public Opinion Group of the organic elite, through the person of IPES leader Nei Peixoto do Valle, also helped to prepare the 'Survey on Communist Infiltration in the Press'³⁶ which was widely circulated among entrepreneurs, military and other opinion makers, as part of a campaign exposing varied intellectuals and journalists as being guilty of having leftist views. Those journalists were accused of manipulating public

opinion; precisely the activities in which IPES/IBAD were really involved.

In order to show to the entrepreneurs, professionals and to members of the Armed Forces the immediate threat to which they were being subjected, the organic elite made extensive use of a chart denouncing 'communist infiltration' which was circulated widely and appeared to have a serious impact. Prepared by Colonel A. da Fontoura, while head of the general staff of the 6th division in Rio Grande do Sul, the chart purported to give a panoramic view of the threat to the dominant classes. (See Appendix K). In 1962, the team of General Golbery drafted a list of 200 military from the three services, while Glycon de Paiva provided a list of 200 politicians (congressmen and state governors), 200 students, 150 professionals, 50 journalists, 50 entrepreneurs, 50 university lecturers and 100 IPES affiliates of São Paulo, all selected opinion-makers, to receive and be instrumental in the dissemination of ideological material released by the organic elite. A decision was taken that the name of IPES should not appear in many of the publications that were to be distributed. 37

A different form of action was the support and sponsorship of 'manifestoes' which flooded the press between 1962 and 1964 and which were produced by professional and functional associations and groupings. Among them, one should mention Manifesto das Classes Produtoras, for its emotional impact, which stated the political position of the Brazilian entrepreneurs and the publication in Rio and São Paulo, at the beginning of 1963, of a Manifesto to the Nation. This Manifesto was published in Jornal do Brasil and Correio da Manhã of Rio de Janeiro and in O Estado de São Paulo by the São Paulo based Democratic Centre

of Engineers, which was coordinated with IPES, signed by more than 500 professionals of nationwide prestige.

Also worth mentioning was the Manifesto of the Nurses to the Armed Forces, of mid-1963, in which they called upon the military to intervene directly in the political process against Goulart's government.³⁸ Other manifestoes were the 'Manifesto and Letter of Democratic Principles of Paraná', in April 1963, and the Manifesto by the Law Students of the Mackenzie University, in May 1963³⁹ as well as the manifesto, 'For Brazil, for its Progress and for the Happiness of its People, against disorder, irresponsibility and demagogy', a one full page appeal in O Estado de São Paulo, which was introduced by the entrepreneurial associations, federations, employers, 'sindicatos' and Lyons club.⁴⁰

These articles, announcements, and transcriptions were then reproduced in other newspapers throughout the country, by means of the relay network at the disposal of IPES/IBAD.⁴¹ Another form of shaping public opinion was the reproduction of speeches, expositions and public pronouncements by relevant individuals, such as that of IBAD General Punaro Bley, a former integralista, in Belo Horizonte, for whose speech Glycon de Paiva sought Nei Peixoto do Valle's cooperation to republish in other cities and through varied media.⁴² The channels for the dissemination of political and ideological material produced or reproduced by IPES were news agencies such as Planalto, run by IPES itself, which fed the small local newspapers throughout the length and breadth of Brazil, through around 800 media outlets. The same function was fulfilled by Asa-Press, owned by Fernando Marrey, whose director, Arlindo Olympio dos Santos, was linked with IPES.⁴³

IPES' covert ideological and political side blanketed the country with the organic elite's anti-communist propaganda in the form of books, folders and pamphlets. As observed earlier, in terms of doctrine, IPES saw itself as expressing Alliance for Progress objectives and ideals.⁴⁴ Over a million copies of IPES' Cartilha para o Progresso (Charter for Progress), introducing the purported benefits to be brought by the Alliance for Progress, were inserted in Brazil's Sunday newspapers.⁴⁵ ALPRO's leaflet was also inserted as a supplement in Fatos e Fotos, the leading magazine of the Rio based Bloch group and widely consumed by the middle classes.⁴⁶ Nossos Males e Seus Remedios (Our ills and their remedies), a crafty booklet produced by 'André Gama' (pseudonym of an American living in Petrópolis), also had a print-out of 1.000.000 copies.⁴⁷ Another publication which reached the 1.000.000 distribution mark was O Que é o IPES (What is IPES), an inlay jointly distributed with the ALPRO promotion. Material on the Mater et Magistra was also prepared by IPES in a form accessible to the great public.⁴⁸ The publications, promoting the Alliance for Progress and Mater et Magistra (leaning heavily on the image projection of John F. Kennedy and of Pope John XXIII) served two purposes: to provide public opinion with an ideological message sufficiently broad to allow for 'modernization' and restricted enough so as to disaffect the public from socialism, communism or national reformism. It also enabled IPES/IBAD to engage a series of Catholic intellectuals (lay and Churchmen) in the discussion and substract them from the popular-reformist camp.

IPES published and financed, edited, translated and distributed books, booklets, magazines, and leaflets, of its own production as well as of those of related sources. IPES also reached the masses by issuing pamphlets that had the well-known earmarks of cheap paper and poor typography in order to disguise the source.⁴⁹ IPES 'bought' quantities of certain publications, thus making them feasible commercially. Moreover, through its powerful network of publishing, distribution and retailers, IPES subsidized other publications either monetarily or through printing facilities and other services, and acted as an outlet for centres for the formation of public opinion.⁵⁰ Radical, PTB, socialist, communist or nationalistic arguments were counterposed with propaganda material of varying degrees of sophistication, ranging from material in gutter press style to 'serious' academic prose.

Some of the publications produced by IPES/IBAD were 'grey' propaganda, basically factual and carefully selected information to which 'spin' was added. Other works were straight lies and fiction. Among the subsidized and distributed magazines catering for a relatively intellectual public, as part of the campaign of what IPES called ideological 'cross-fertilization' and the creation of intellectual barriers to Marxism, were Cadernos Brasileiros,⁵¹ Convivium and Síntese, the last two geared towards the Church hierarchy and the Catholic lay intelligentsia.⁵² IPES also produced and distributed a series of booklets which tackled current affairs in a form accessible to the great public, although with a style and outlook which enhanced their pseudo-academicism. Among these booklets were 'Temas da

Hora Presente' and 'Cadernos Nacionalistas'.

A classic example of the lower type of psychological warfare was the regular publication 'O Gorila' (The Gorilla) which was distributed within the Armed Forces. In one of the issues, after introducing what were considered to be the basic tenets of Marxism, the authors commented that the programme sounded well. However, this was a bait, for "Behind the apparent beauty are the mass shootings, the abolition of dignity, forced labour camps, the rejection of every notion of liberty and fraternity". The 'communists' were then portrayed: "He is apparently inoffensive ... never betrays himself, will always betray others. He speaks about peace and fraternal love". "He will be your dearest friend, most sincere, most loyal ... until the day in which he will kill you, through the back, coldly ... They kill friars, rape nuns, tear down churches".⁵³ General Moacyr Gaya was in charge of the plans for the distribution of pamphlets and other similar material produced or distributed by IPES.⁵⁴ By 1963, the Public Opinion/Publications groups had published more than 280,000 books and printed 36,000 monthly bulletins. In all, by that time, IPES had distributed almost 2,500,000 printed units,⁵⁵ and several million copies of the above-mentioned pamphlets. With the exception of what were considered to be legitimate publications such as befitted an 'Institute for Research', none of the IPES reprints were identified as being sponsored by IPES.⁵⁶

Individual writers of what IPES/IBAD considered to be the 'correct' political and ideological persuasion and stance, were supported, stimulated and projected. Their books, when considered to be of the greatest importance for the formation of

institutional, class or public opinion were 'bought' by IPES to assure the publisher of an initial sale, as in the case of the IPES leader, jurist and entrepreneur, Miguel Reale. His book, Pluralismo e Liberdade, published by Editôra Saraiva in 1963, was sponsored by IPES.⁵⁷ Other IPES leaders, such as Rafael Noschese, of the Federation of Industries of São Paulo, and Paulo Almeida Barbosa, of the Commercial Association of São Paulo and of the American Chamber of Commerce, provided support through their respective institutions by buying up part of the circulation of books,⁵⁸ and subsidizing the activities of IPES in an indirect form.

IPES principles were applied to specific cases in the form of subsidies for the Parliamentary Action Group and the Public Opinion Group, as well as through the preparation of 23 proposals known as the Reformas de Base (Basic Reforms).⁵⁹ These detailed reform projects went well beyond those suggested at the Superior War College, which has been portrayed traditionally as the intellectual source of national change⁶⁰ for the modernizing-conservative bloc. IPES/IBAD had been firmly drawn into the ideological battle being fought in the early 1960s. As mentioned elsewhere, the Study and Doctrine groups prepared the systematic criticism of the government's reform proposals, while the Parliamentary Action Group arranged the blocking of the executive, supplying the ADEP/IBAD/ADP network with political and material logistical support. The study units in Rio examined matters in Congress on the request of IPES leader Mello Flores. Mello Flores established the priorities and remained in Brasília during the discussion of the projects and coordinated the operations. Thus, the study groups prepared amendments to government projects and bills in economic, social and political areas ranging from the

law proposal to curb strikes, to one of the most important worries of IPES, the bill on Profit Remittance; from the bill on the Electoral Code to Legislation on Telecommunications.⁶¹ Moreover, the study groups were responsible for sifting through the different projects, absorbing the work of different individuals and institutions into one sole IPES project⁶² and taking care of the procedural and legislative parts in Congress.

For example, the policy proposal on the envisaged Code on Telecommunications, one of the high priority studies for IPES was the responsibility of General Luiz A. Medeiros, of the O Globo network. He had to prepare the policy proposal (ante-projeto de lei) on the matter and was also asked to prepare a preliminary statement and an outline of required 'action behind doors' (Ação dos Bastidores).⁶³ The project was then worked on by the IPES study groups and the supportive action synchronized by the Conjunctural Survey Group and the Parliamentary Action Group.⁶⁴

Some of the most important study groups were those on Profit Remittance, Tributary Reform, Popular Housing, Electoral Reform, Inflation, Constitutional Reform, Agrarian Reform and Planning, all of them burning political issues at the time. The group on Profit Remittance was integrated by José Garrido Torres, Mario Henrique Simonsen (convener and spokesman), Denio Nogueira, General Heitor Herrera, Jorge Oscar de Mello Flores, José Luiz Moreira de Souza, Gilbert Huber, Harold C. Pollard, Glycon de Paiva and the ad hoc and anonymous participation of state bureaucrats.⁶⁵ The project and justification of the amendments relative to the Profit Remittance law in discussion at the time in Congress, was prepared for IPES by the Economic Council of the

National Confederation of Industries, where Simonsen was an executive member. It did not cost a cent to IPES. Only attendance fees (jetons de presenca) were paid out to M.H. Simonsen, Helio Schlitler da Silva and Denio Nogueira. The latter prepared the substitutive to the project on the law of Profit Remittance, introduced by senator Daniel Krieger. ⁶⁶

On Tributary Reform and Fiscal Policy, IPES produced an in-depth study contracted to Mario Henrique Simonsen. He was to elaborate the following bills, with their respective justification: a) income tax; b) consumption tax; c) stamp tax; d) single tax on petrol and oils; e) single tax on electric energy; f) improvement grants. It was prepared by a study unit integrated, among others, by Denio Nogueira, and a state bureaucrat, accountant Balduino, whose presence was kept secret. ⁶⁷

On Popular Housing, the study unit also prepared an ante-projeto and its corresponding parliamentary justification. It was financed and prepared by an IBAD team, in which Ivan Hasslocher was involved. ⁶⁸ As soon as it was ready, it was examined by IPES in the form of the procedure in other similar cases, such as the study group on Agrarian Reform. ⁶⁹

Sandra Cavalcanti, of Hosken Construtora, the big engineering and construction firm based in Rio and a political associate of governor Lacerda, was consultant to this unit. She was also a lecturer at IPES. Other studies were produced on this issue, such as José Arthur Rios' paper on Housing Policy (Política Habitacional). These papers were released through the Public Opinion Group, contributing to the general debate. ⁷⁰

On Electoral Reform, Themístocles Cavalcanti and Dario de Almeida Magalhães were involved, as well as Paulo de Assis Ribeiro. Other chosen people, such as Afranio de Carvalho, Alfredo Lamy Filho and Homero Pinho, ⁷¹ were convened, in order to provide their authoritative advice on various matters. On the Electoral Code, Oswaldo Trigueiro was consulted. ⁷²

IPES also researched into the issue of 'Democratization of Capital'. The position papers on this question were accomplished jointly with the Integration Group. Besides the economic reasons for the 'democratization of capital', namely placing shares of local companies in the stock market and capitalization through minor investors, such policy had a clear propagandistic effect. It highlighted the positive 'social effects' of the economic system which allowed for small shareholders to have a stake in business and for the 'co-ownership' by workers and employees. ⁷³ The team which was formed to supervise research to be conducted on private enterprises and whose findings were to serve as guidelines for the preparation of norms for the 'democratization of capital' in private enterprises, comprised Paulo de Assis Ribeiro, Alberto Venancio Filho and Juan Missirlan.

On Inflation and its causes, Denio Nogueira worked in cooperation with, among others, ADEP congressman Raimundo Padilha.

On planning, IPES was especially acute, as it was an issue of major concern to the organic elite, just as the bill on profit remittance had been. When Celso Furtado's Plano Trienal was launched, a 'technical group' of IPES prepared a number of critical studies, both for information and political action. Some of the analyses, such as those of Denio Nogueira, were turned into position papers to be released through the monthly bulletin of IPES; others, like the studies by Julian Chacel, Mario Henrique

Simonsen and Paulo de Assis Ribeiro were used as guiding lines for IPES' political and ideological action, especially in Congress.

Denio Nogueira, together with William Embry, was also in charge of the production of a study on Anti-Trust Law. Before it was introduced, its basic information was used by Mello Flores for his action in the Senate in 1963. It was prepared as a Bill of Law, with corresponding parliamentary justification. 74

On the participation of Employees in the Profits of Enterprises, a bill of law was envisaged and the basic work entrusted to Paulo Novais, of Pontificia Universidade Católica, of Rio. 75

On Judiciary Reform, Celestino Basilio, Carlos de Assis Ribeiro, Homero Pinho and Miguel Seabra Fagundes, among others, were involved. Paulo de Assis Ribeiro prepared the paper. 76
A study on the reform of the Legislative and the Public Administration was also prepared, for whose production IPES received wide collaboration. 77

On Constitutional Reform, IPES, through Paulo de Assis Ribeiro and his study group, had the following to say, at the beginning of 1962: 'IPES judges its duty to contribute to the study and debate which must precede the introduction of modifications in the Magna Carta' (sic) (constitution). Among the various aspects, which, according to IPES, should draw the attention of legislators was that of 'national security', a concept which in IPES' view could not be confined to the spheres of military defence of the country. According to IPES, 'the generalized phenomenon of the totalization of war

and the acknowledgement of the indispensability of an integrated strategy both for war and peace required a true policy of national security'. This policy entailed 'the conception and realization of suitably coordinated actions in the political, economic, ~~psyche-social~~ and without doubt, also in the military fields.

Thus, the concept of 'national security' is not entirely the necessarily specialized responsibility of the military. All the bodies of public administration are, therefore, called upon to collaborate in the respective planning' (of national security).⁷⁸ José Carlos de Assis Ribeiro prepared a study on Constitutional Reform, providing for the reformulation of 'outdated' and 'disadjusted' points. The paper on constitutional reform would stress needed changes in sensitive areas, such as planning, the right of workers to strike, political mobilization and increased faculties for the executive and the federal government. It is interesting to note that the notion of national security, expounded by the ESG is here incorporated by IPES as its proposal for the reform of the Constitution. The notion of national security was brought to bear by IPES, not only on military matters, but on civilian ones, in both peace and war.

On Banking Reform, IPES encountered some difficulties within its own ranks. Until mid-1962, the studies prepared by IPES were, according to Guinle Machado, 'independent of personal or group interests'. But on the Banking Reform, Gilbert Huber had to report to the Executive Committee in Rio that it was being prepared, not by IPES São Paulo, but by the very bankers, who, according to Glycon de Paiva, considered the question as being of such an importance for them 'that they wanted to be present, defending their interests'. In spite of the bankers' strength,

Glycon considered that IPES should not stop doing what it thought ought to be done and Huber considered that when a divergence of opinions arose, IPES' stance should be one of 'not being afraid of the bankers'.⁷⁹ Most of the big bankers were in IPES anyhow. What the political leadership of IPES wanted to avoid was partisan and narrow interests prevailing over the Institute's policy, as seemed to be the intention of São Paulo based bankers. The Institute's view prevailed. By March 1963, IPES had submitted 24 bills, through its Parliamentary Action Group and the ADP deputies it sponsored and controlled.⁸⁰

An important objective, within the limits of the ideological struggle of the early 1960s was to pre-empt the 'reformist value' of the labour left proposals for government and dissociate the modernizing-conservative entrepreneurs from the oligarchic polity. Such a strategy was clearly discernible in the drive of the organic elite to undercut the power base of the traditional right, centred on the oligarchic agrarian interests,⁸¹ and find a way to deal with the mobilized peasantry, which had begun to insurg against the populist structure, and most important perhaps, whose plight began to have a serious emotional appeal for the middle classes. In this endeavour, IBAD was the first line of combat of the entrepreneurial organic elite. It launched itself into the heart of the confrontation, appropriating symbols, themes and language which were, at the time, the rallying banners for the popular-reformist forces. It strove to place itself at the 'ideological centre', representing a grand middle class social project.

Through its newspaper Ação Democrática, IBAD stressed that its Agrarian Reform was in no way intended to serve the aims of the communists nor to maintain the iniquitous and immoral state of affairs sustained by the large 'latifundistas'.⁸² For IPES/IBAD intellectual, José Arthur Rios, it was the 'democrat's duty to combat the unique front formed by the reactionaries and the communists' against what he dubbed 'true Agrarian Reform'.⁸³ IBAD organized the dominant classes around the issue, studied the matter and published printed material propounding a modernizing capitalist efficiency-oriented Agrarian Reform, where industry and agro-business were integrated and which attempted to nullify the populist and socialist demands. In April, 1961, IBAD organized its Symposium on Agrarian Reform, out of which came a widely distributed and well printed book: Recomendações sobre a Reforma Agraria.

In all, 34 individuals participated in the Symposium: Álvaro Ribeiro, Bertha Koffman Becker, Celestino Sá Freire Basilio, Charles Hogenboom, D'Almeida Guerra Filho, Denio Nogueira, Dirceu Lino de Matos, Edgard Teixeira Leite, Edson Cesar de Carvalho, Estanislau Fischlowitz, Everaldo Macedo de Oliveira, Padre Fernando Bastos D'Avila, Frederico Augusto Rondon, Gladstone Chaves de Mello, Gustavo Corção, Hilgard O'Reilly Sternberg, Ivan Hasslocher, Jairo de Moura, Jan Litjens, João Camilo de Oliveira Torres, José Arthur Rios, José Augusto Bezerra de Medeiros, José Bonifacio Coutinho Nogueira, José Carlos Barbosa Moreira, José Gomes da Silva, José Irineu Cabral, José Vicente Freitas Marcondes, General Juarez Távora, Marcelo Lavener Machado, Milcíades Sá Freire, Moysés Rosenthal, Odegar Franco Vieira, Thomas Lynn Smith and Wanderbilt Duarte de Barros. The general coordination of the debates was in the hands of Denio Nogueira, Ivan Hasslocher, Gustavo Corção,

Hilgard O'Reilly Sternberg and Gladstone Chaves de Mello. The symposium was chaired by General Juarez Távora.⁸⁴ The participants in the Symposium were mostly a collection of ibadianos, lawyers and techno-entrepreneurs specializing on agrarian questions and labour relations and centre-right intellectuals. The participants favoured transformation of the rural economy, steering a middle course of modernization, which included the break of the oligarchic hold of the land, increase in productivity, rationalization of production, mechanization and the transformation of labour relations.

As political events developed in the countryside, where the peasantry organized in increasing numbers, and as the ideological struggle in the cities reached new levels of sharpness, IPES was forced to take up the issue of agrarian reform in a manner quite different from before. The issue had to be raised from what was termed the 'demagogic terrain' and IPES was forced to pose it in what they considered to be 'rigorous scientific terms'.⁸⁵ The Agrarian Reform issue nearly provoked a major crisis between the São Paulo and Rio sections of IPES, as the project envisaged by the political leadership in Rio suited the agro-industrialists but seemed too drastic for the paulista landowning interests represented in IPES. The blue-print of the IPES project was based on the conclusions of the IBAD organized symposium, from which a project and legislative justifications had been prepared by José Arthur Rios and Edgard Teixeira Leite. The work of the techno-entrepreneurs and entrepreneurs involved in the preparation of the project, was financed by IBAD. Due to agreed operational measures between IPES and IBAD, the project had to be discussed by IPES study units, which were made up of techno-entrepreneurs and entrepreneurs.⁸⁶ IBAD was officially represented in the joint committee in charge

of blending the proposals by Ivan Hasslocher, José Arthur Rios and Denio Nogueira and the participation of other members as required by the circumstances.

Following the suggestion of Wanderbilt Duarte de Barros, it was agreed that neither IPES nor IBAD should manifest itself as publicly sponsoring or defending the project in parliament or through the press. The project had to be delivered discreetly.⁸⁷ The master plan of IPES/IBAD was to produce first a project which was to be the substantive part of the work, containing principles and norms that could serve to define the position of IPES in relation to the Agrarian Reform. Secondly, it prepared a parallel document to 'soft sell' to public opinion the ideas contained in the project, without any reference to its origins in IPES/IBAD. This entailed for Julian Chacel, a dynamic view of the agrarian sector, the essential idea being that the beneficiaries of the access to rural property to be created by the Reform should be individuals endowed with entrepreneurial capacity, and that there was to be a necessary interdependence between the rural sectors and the industrial sector, whereby industries moved to invest and operate in the countryside.⁸⁸

The original study group on Agrarian Reform comprised Harold Cecil Polland, Cândido Guinle de Paula Machado, Antonio Carlos do Amaral Osorio, Julian Chacel, Paulo de Assis Ribeiro, José Garrido Torres, José Rubem Fonseca, Luis Carlos Mancini, Ivan Hasslocher, José Arthur Rios, Denio Nogueira, Wanderbilt Duarte de Barros, Fernando Mbielli de Carvalho, J. Irineu Cabral and Edgard Teixeira Leite, a mixed team of entrepreneurs and techno-entrepreneurs.⁸⁹ Bronislau Ostojka Roguski, as member of the Brazilian Rural Confederation and of the Agrarian Reform Council

of Paraná, was an ad hoc figure in the meetings. (See Apendix M). The project was laboriously developed at a cost of at least 50.000 dollars.⁹⁰ The study unit had 32 meetings over a period of six months, from May 1962 to November 1962,⁹¹ with Julian Chacel, J. Irineu Cabral, Denio Nogueira, Paulo de Assis Ribeiro, Luis Carlos Mancini, J. Garrido Torres and Wanderbilt Duarte de Barros, being the central working group. Significantly, the last meeting was at IBAD's own offices in Rio, with José Arthur Rios, Ivan Hasslocher and Edgard Teixeira Leite. Paulo de Assis Ribeiro discussed with them the re-examination of the anteprojeto de lei (bill of law) on Agrarian Reform, prepared by the Study Group of IPES and the last details were arranged with them in view of its future presentation in Congress, which involved mustering the necessary support from the IPES/IBAD sponsored Parliamentary Democratic Action.⁹²

The second document produced by the study unit was handed over to the Public Opinion Group in order to be transformed into material fit for propaganda and public action, without involving the name of IPES, or IBAD.⁹³

Publication of the recommendations of the various position papers as 'serious papers' was also necessary in order to legitimate arguments from a 'techno-scientific' point of view. This was done in book form and in pseudo-academic papers and booklets. Furthermore, from the basic study produced by the Study Group, various position papers and articles were produced and disseminated through the media, academic channels and by parliamentarians.⁹⁴

In spite of all the efforts of IPES and the commitment with which it threw itself into the heated debate on Agrarian Reform, it was not able to stop Goulart from passing his Agrarian Reform Decree and to establish the Superintendency for Agrarian Reform - SUPRA, the agency charged with the responsibility of carrying out the policy of the executive. With such a move, Goulart's government reaffirmed the support it had from the peasantry and of the national-reformist sectors of public opinion. Moreover, the activities of SUPRA pushed the most recalcitrant elements of the rural oligarchy to support the ever-widening front of anti-populist and increasingly anti-popular social forces.

The most elaborate single event whereby entrepreneurial demands for conservative modernization were publicly expressed and their opposition to labour-oriented reforms asserted as a national project for Brazil was the First Brazilian Congress for the definition of Basic Reforms.⁹⁵ The Congress for Basic Reforms took place in the Faculty of Law of São Paulo, in January 1963, in an emotionally charged atmosphere, with an estimated 22,000 persons in attendance at some time during the seven days of session. Presided over by ADEP general Edmundo Macedo Soares, the Congress was the forum in which a comprehensive collection of policy recommendations, in-depth studies and position papers were presented, publicly defining the position of the organic elite in relation to institutional and structural reforms. The Congress provided the rationale for direct and public entrepreneurial intervention in Brazilian politics couched as technocratic policy-making, a true programme of government in the making. Although ostensibly promoted by two national newspapers, Correio da Manhã, of Rio de Janeiro and Folha de São Paulo, of São Paulo, the Basic Reforms were a joint effort of the Study and Doctrine

groups of IPES Rio and IPES São Paulo, synchronized with the effort of subsidiary organizations, aligned groups and individuals. Garrido Torres, Denio Nogueira and Paulo de Assis Ribeiro were central figures in the preparation of the proposals which involved 300 participants, where over 50 separate topics were discussed and where 80 policy proposals were introduced.⁹⁶

The Study and Doctrine group prepared a basic guideline which would serve to orientate the Inesianos (IPES followers and affiliates) who were present at the Congress. The general line was the one subsumed in the already published documents.⁹⁷

The policy recommendations were regularly released through periodical publications, among others in the Jornal do Brasil, in the form of Declarações Síntese (Synthesis Declarations).⁹⁸

Responsible for this operation were Paulo de Assis Ribeiro and Denio Nogueira, who revised position papers and updated them.⁹⁹

The influential senator, Mem de Sa, provided advice on the form of publication of the 23 Documentos Síntese (Synthesis Documents) which emerged as conclusions from the Congress for Basic Reforms.¹⁰⁰

The policy proposals of the Congress covered three main areas of concern, namely: 1) Political order, which comprehended Electoral Reform, Legislative Reform, Reform of the Political Structure, Administrative Reform, Reform of the Judiciary and Foreign Policy Reform; 2) Social order, comprising Agrarian Reform, Reform of Labour Legislation, Reform in the Participation in the profits of the enterprises, Income Distribution Reform, Reform of Welfare Policy and Social Security, Education Reform, Housing Reform, Reform of Sanitary and Health Policy; 3) Economic order, which included Monetary and Bank Reforms,

Tributary Reform, Budgetary Reform, Reform of Anti-Trust Legislation, Reform of Foreign Trade Policy, Reform of Public Utility Services, Reform of the Policy of the use of Natural Resources and Reform of Private Enterprise.¹⁰¹ Among the discussion teams, conveners and those responsible for the exposition of theses presented in the plenary sessions were: Wanderbilt Duarte de Barros, Luiz Toledo Piza Sobrinho, Manuel dos Reis Araujo and General Frederico Rondon (Regional and National Planning - Agrarian Measures); Themistocles Cavalcanti (Labour Legislation); Valentim Bouças¹⁰² (Quinquennial Plan against Inflation); Fuad Buchain, Olympio Guilherme, Alirio de Salles, Luiz Cabral de Menezes, Manoel Linhares de Lacerda,¹⁰³ Decio Toledo Leite, A.F. Cesarino Junior and Mauricio de Carvalho (Professional Training); Jorge Oscar de Mello Flores, Estatização (Nationalization of Insurance in Brazil); Rafael Noschese (Participation of Employees in the profits of Enterprises); Joaquim Ferreira Mangia (Permanent Defence of the Prices of Exportable Products); J.H. Meirelles Teixeira (Constitutional Reform, Party Political Reform and Electoral Reform); Pedro Brando (Merchant Navy and Naval Construction); Antonio Pereira Magaldi (Trade Union and Wage Reforms); Rubens Gomes de Souza (Tributary Reform); José Costa Boucinhas (Regulation of Investment and Financial Societies); Rubens Rodrigues dos Santos (Organization of Coastal Traffic and Offshore Merchant Fleet); Marcello Damy de Souza Santos (Programme for the Production of Atomic Energy); J.V. Freitas Marcondes (Agrarian Reform); Dorival Teixeira Vieira (Brazilian Inflation

and its Control); Padre Felipe Nery Moschini (Agrarian Reform); Joaquim Peixoto Rocha (Banking Reform); Ruy de Azevedo Sodré (Participation of workers in the Profits of the Enterprises); A.F. Cesarino Junior (The Participation in Profits within a Programme of Basic Reforms); Otto Gil (Basic Reforms in Tributary Matters); Renato Costa Lima and Walter J. Santos (Alimentary Auto-Sufficiency). From the comprehensiveness and quality of the theses presented, it was clear that the entrepreneurial organic elite was developing not only a structured campaign to attain power, but a programme for government. It aimed at the reform of the state and it had prepared a coherent set of alternative policies to those propounded by the national-reformist executive. At the historical crossroads of 1963, the organic elite, centred in IPES/IBAD, was the only social force among the dominant classes possessing a coherent and cohesive project and model for the country. By April 1964, it also had the military, technical and political means to realize it. After 1964, the core of the proposals of the Congress for Basic Reforms prepared in the IPES/IBAD study groups, were adopted as the guidelines for a host of administrative, constitutional and socio-economic reforms implemented by the new military government.

Psychological warfare through
Radio and Television

The organic elite, through its Public Opinion group and the Doctrine and Study group of São Paulo was especially active in Radio and TV., where it gave maximum coverage to its militants, supporting activities and ideas. Through the audio-visual media it organized a formidable ideological and political barrage against the executive. It also attempted to shape opinion within the Armed Forces, stimulating the sense of the impending doom of the 'hierarchy, institutions and nation',¹⁰⁴ and stimulating a quasi-hysterical reaction by the middle classes, which in turn reinforced the military rationalization for intervention. Finally, it aimed at counterposing the organic elite's own social, economic and political message to the impact of national reformist ideology within the working classes. In these activities, IPES sought to keep away from the limelight, leaving to IBAD and ADEP/Promotion S.A. a relatively overt role.

The organic elite mounted, in effect, an efficient and powerful network of public relations and professional expertise in the fields of communication and propaganda.¹⁰⁵ IPES made ample use of TV in its campaign against the government and the labour-left, presenting weekly programmes in most national and regional channels.

As they drew closer, the legislative elections of October 1962 became a central preoccupation for the organic elite of IPES/IBAD, who were drawing up plans to influence public opinion. IPES/IBAD concentrated their efforts through audio-visual media in a manner hitherto unknown in Brazil.

At IPES, fifteen TV programmes costing 10.000.000 cruzeiros

were made, using three TV channels, and aimed at building up public opinion until the elections. Gilbert Huber took upon himself to raise the funds, although asserting that 'without political issues', he would be unable to motivate the would-be sponsors. General Golbery retorted that in the present circumstances there was no relevant issue that was not political. The 'urgency' of the political situation had to be brought to the prospective contributors through a well organized campaign of the Public Opinion and Integration groups.

José Luiz Moreira de Souza proposed nationwide interviews to be held by chosen journalists in Recife, Paraná, Rio, São Paulo and other key centres blanketing the country with the IPES inspired political messages. The interviewed persons would have to be well chosen 'national names'. The journalists would then submit a questionnaire provided by IPES on such issues as the 'Cost of Living', the 'Alliance for Progress', 'Education, and 'What do you think about a centre-position?' Senator Mem de Sá and another fourteen public figures were chosen to participate. The journalists would also seek to engage the newspapers to which they were attached, in order to provide coverage of the events and the necessary reverberation.¹⁰⁶

The pool of speakers for this operation was made up by: Carlos Lacerda; Carvalho Pinto (then governor of São Paulo); General Juracy Magalhães (governor of the State of Bahia); Mem de Sá; Egydio Michaelsen (candidate to the governorship of the state of Rio Grande do Sul); Daniel Faraco (Deputy for Rio Grande do Sul); Loureiro da Silva (prefect of Porto Alegre, capital of the state of Rio Grande do Sul); Lopo Coelho (president of the Legislative Assembly of Guanabara);

Raul Pila (Federal Deputy for Rio Grande do Sul); Milton Campos (Senator for Minas Gerais); Gilberto Freyre (historian and director of the Instituto Joaquim Nabuco, of Pernambuco); Raquel de Queiroz (writer); Guilherme Borghoff (president of COPEG); Lelio Toledo Pizza (entrepreneur of São Paulo); Miguel Vita (Entrepreneur-Fratelli Vita, of Bahia); Octavio Marcondes Ferraz (entrepreneur of São Paulo); Clemente Mariani (banker of Bahia and Minister of Quadros); Deputy João Mendes (leader of the ADP); Ernesto Leme (Rector of the University of São Paulo); Dom Helder Câmara (Bishop of Rio de Janeiro); Dom Vicente Scherer (Archbishop of Porto Alegre); Dom Fernando Gomes dos Santos (Archbishop of Goiás); Dom José Távora (Bishop of Aracajú); Padre D'Avila (vice-rector of Pontificia Universidade Católica); João Camilo de Oliveira Torres (writer and historian); Fernando Sabino (writer); Helio Beltrão (techno-entrepreneur of Rio de Janeiro); Álvaro Americano (entrepreneur of Rio de Janeiro); Octavio Gouvêia de Bulhões (techno-entrepreneur of Rio de Janeiro); Edgard Texeira Leite (vice-president of the Council for National Agrarian Reform); Julio de Mesquita Filho (owner of O Estado de São Paulo); Frederico Heller (of Consultec); Rubem Berta (president of VARIG); Raimundo Padilha (ADP Federal Deputy); Flexa Ribeiro (UDN); Sergio Marinho (senator); Miguel Reale; Aluisio Alves (governor of Rio Grande do Norte); Euclides Aranha (entrepreneur); Conceição Neves (State Deputy of São Paulo); Fernando Ferrari (leader of the Movimento Trabalhista Renovador, a right-wing splinter of the PTB and Edgard Santos, Rector of the University of Bahia. After a tactical appraisal of the pool of names, a short list was handed down to Glycon de Paiva, at a meeting of the Executive Committee in Rio. The list consisted of:

Lacerda, Carvalho Pinto, Aluisio Alves, Juracy Magalhães, Mem de Sá, Milton Campos, Daniel Faraco, Lopo Coelho, Raquel de Queiroz, Lelio Toledo Pizza, Euclides Aranha, Luis Carlos Mancini, João Mendes, Dom Vicente Scherer, Helio Beltrão, Álvaro Americano, Octavio Gouvêia de Bulhões, Rubem Berta, Raimundo Padilha, Miguel Reale and J. Marinho. The programmes, according to General Golbery, had to follow a mixed line 'having one common denominator - democracy',¹⁰⁷ which was understood as a wide capitalist platform opposed to Goulart, the populist stance and that of the left.

By July 1962, an outline was ready for what was named the Encounter of Democrats with the Nation (Encontro de Democratas com a Nação). It stated its fundamental aims as being those of strengthening what IPES called the 'Democratic convictions of the people', especially in relation to the forthcoming legislative elections of October 1962, to affirm a 'middle of the road' voice in the midst of the extreme right-left wing dialogue; orienting the electoral choice 'in the sense of containing the ongoing process of increasing radicalization of the Brazilian political life'. Some of the leit-motivs to be outlined were that all the current problems of the country could be solved within the democratic framework, that the radicalization of the political process was of interest only for adventurers, irresponsible or anti-democratic elements, at the 'service of ideologies foreign to the Christian feeling of our people', as well as the maintenance of a regime of private initiative and free enterprise as the sine qua non for the solution of the problems affecting the country.

They decided upon 14 weekly sessions through the national television network, of 30 minutes each. The programmes would receive wide press and radio coverage. Interviews were to be held with elements of the most diverse segments of society, 'all with previous acceptance of the fundamental aims of the programme and full agreement with the master-ideas mentioned above'. The journalists would be chosen from the various regions of the country. In each session a debate would take place, in a language within reach of the great public and without technical details which could blur the political message, on two or more of the principal issues already being discussed throughout the campaign oriented by the Group of Public Opinion. Among these themes were: Agrarian Reform, Development and Inflation, Tributary Reform, Participation of the Employees in the Enterprises, The Alliance for Progress, Foreign Capital, The Role of the University in National Life, State Planning versus Free Enterprise, Democracy and Communism, Parliamentarism versus Presidentialism, Electoral Reform, and Rural and Urban Trade-Unionization.¹⁰⁸

The organic elite maintained a series of political programmes in São Paulo, especially intensified in the critical election and post-election months of October and November 1962, to which prominent regional and national public figures were brought to express their views on current affairs. Among the participants were: Jamil Munhoz Bailão (on 'Democratization of Capital' and on 'Basic Reforms'); UDN deputy Padre Godinho; Carmen Prudente; several leaders of the Ordem dos Advogados (Lawyers' Order); trade-union pelego José Rotta; Jurist and mentor of the Estado Novo Francisco Campos (on 'a Panorama of the Brazilian situation');

UDN deputy Pedro Aleixo (on the 'Elections of October' and on the 'Crisis of Authority'); Senator Mem de Sá (on Profit Remittance, on Inflation and on the Cost of Living); João Mendes (on Resistance to Demagogic Pressures); Padre D'Avila (on Christian 'solidarismo' - the doctrine of Christian social solidarity, of which he was an ideologist - and on Social Order); General Juracy Magalhães (on Political Problems of the Northeast); Milton Campos (Parliamentarism); W. Menezes (on Workers' problems); Alberto Betanye (on solutions to the problems of the workers within the capitalist system); Raquel de Queiroz (on "False Nationalism"); Sandra Cavalcanti (on the Electorate of Guanabara and demagoguery) and Leda Collor de Mello (Private Cooperation in Social Welfare). The line of argument was prepared by the study and doctrine groups of IPES.¹⁰⁹ Another series of programmes on TV Cultura - Channel 2 was of particular interest. In this programme, personalities from different walks of life, whose opinions were 'in agreement with IPES objectives', were interviewed on matters of popular and middle class interests and on current affairs. According to Flavio Galvão, the leadership of IPES São Paulo intended to bring periodically to those programmes public figures based in Rio, as well as those from São Paulo. The Doctrine and Study Group of São Paulo drew up a list of themes, working out the argument. Among the Rio people were: General Golbery do Couto e Silva ('Democratic Nationalism'); Luiz Carlos Mancini (Economic Progress and Social Justice); General Jurandir Bizarria Mamede (on Armed Forces and Democracy); José Garrido Torres (on Free Enterprise); and Raimundo Padilha (on the Parliamentary Investigation over the National Union of Students).¹¹⁰ General Lyra was also considered.¹¹¹

IPES also sponsored jointly with IBAD, various other series of TV programmes, such as Frente a Frente (Face to Face) and individual presentations of polemical issues, among them Que Pensa Você sobre a Reforma Agraria? (What do you think about Agrarian Reform?) on TV Cultura; Carvalho Pinto's appraisal of the political situation through radio and TV¹¹²; Herbert Levy's Reforma da Constituição e Defesa da Democracia (Reform of the Constitution and Defence of Democracy), on TV Tupi¹¹³; João Calmon's discussion of the Problemas Nacionais (National Problems), on TV Cultura; Admiral Silvio Heck's most important public appeal and address through TV 4 of São Paulo, launching the Civilian-Military Patriotic Front¹¹⁴; and Mem de Sá's address after the realization of the Congress on Basic Reforms.¹¹⁵

IBAD was very active in the south of the country, especially through TV Paraná, where it had two key political programmes.¹¹⁶ The organic elite also backed, sponsored and coordinated, mainly through IPES, a massive TV campaign for the Alliance for Progress, coordinated with newspaper inserts and distribution of pamphlets. Moreover they also sponsored the TV Escola programme of Gilson Amado¹¹⁷ and the series Capitães do Progresso (Captains of Progress), thirty weeks of programmes in Belo Horizonte, São Paulo, Recife, Salvador and Brasília.¹¹⁸

The IPES network of general propaganda and indoctrination took care to circulate and relay TV material which was produced in Rio and São Paulo throughout the country, making good use of friendly airlines, TV stations and other agencies.¹¹⁹ To coordinate activities analysing and providing public opinion inputs on current affairs, IPES mounted a 'speakers bureau'.

In Rio, this action was led by Harold Polland, Nei Peixoto do Valle, Oswaldo Tavares and Rui Gomes de Almeida, while in São Paulo it was Flavio Galvão who led the operations.¹²⁰

In the period from July to September 1962, prior to the October Congressional elections, Promotion S.A. sponsored programmes in the name of ADEP, in 13 television and radio stations throughout the country. In these programmes current affairs were discussed by wellknown right-wing public figures. These thirty-minutes long, twice weekly programmes on a total of 312 stations, were charged by the stations at a price of 450.000 cruzeiros per half-hour, (a total of 140.000.000 cruzeiros). These programmes were called: Esta é a Noticia (This is the news); Assim é a democracia (This is Democracy); Democracia em Marcha (Democracy on the march); Julgue você mesmo (Judge for Yourself); Estado do Rio em Foco (Rio state in Focus) and Conheça seu candidato (Know your candidate).¹²¹

In Assim é a democracia, ADEP sponsored and promoted the presentation of ADP politicians and entrepreneurs Padre Godinho, Antonio Feliciano, Alipio Correa Netto, Araripe Serpa, Paulo Lauro, Hamilton Prado, Aniz Badra, Arnaldo Cerdeira, Agenor Lino de Mattos, Menotti del Picchia, Jamil Gadia, Yukishique Tanura, José Henrique Turner, Scalamandrê Sobrinho, Abreu Sodré, Mario Govas, Cunha Bueno, José Menck, Tufic Nassif, Herbert Levy, Homero Silva, Antonio Magaldi, Valerio Giuli, Chaves do Amarante, Dante Perri and Mario Beni.¹²²

The organic elite became connected with a host of wellknown producers, actors and directors of television programmes, such as Gilson Arruda and Baptista do Amaral. It favoured the use of comic programmes when possible. As Rui Gomes de Almeida noted, a joke against a politician could provoke 'formidable

harm'. The organic elite also severed support for actors who did not cooperate, or acted against, the programmes, the lines of reasoning and the people which IPES sponsored. This was the case with Chico Anísio, a popular figure on TV and acute observer of social reality. Another casualty of this kind of pressure was Arapuã, the widely-read columnist of Última Hora, who kept a section in which humorous criticism of United States policy was frequent. He had to leave the newspaper in 1962.¹²³

Finally, the organic elite was able to block undesirable and uncooperative individuals and programmes. That they would not have many difficulties in doing so was understandable. In October 1959, the powerful Brazilian Association of Advertisement Sponsors - ABA, was founded with the aim of gathering together the principal advertisers, establishing among them conditions for the mutual defence of their interests as well as the discussion of matters related to propaganda and sales promotion.¹²⁴ ABA's thirteen founder members, as well as the companies which joined it later, were related to IPES as direct financial contributors and through the participation of their directors in the executive levels of IPES.¹²⁵ It was precisely to coordinate their activities and produce a common guide-line, that a meeting of the big advertisers on TV was held at IPES in mid-1962.¹²⁶

Radio was a powerful means of general indoctrination and a valuable focus from which to mount offensive actions against the executive, especially in a country of masses of poor people who could not afford television sets. Moreover, with such a large proportion of the population being illiterate, and therefore not reached through the indoctrinating activities

of the press, the relatively cheap transistor radio, available in the most remote corners of the country, was an enormous aid for the organic elite. As with television, IPES did not openly sponsor radio programmes. Nevertheless, its connections with radio was not only in the form of financial support for anti-communist weekly programmes, geared to a working class public, such as those of Radio Tupi in São Paulo,¹²⁷ but also in the sponsorship of a variety of programmes and public figures, conferences and discussions.

Most of the radio propaganda of the organic elite was made under the ostensible or covert sponsorship of ADEP and Promotion S.A. In 1961, IBAD had radio programmes in 34 principal cities. By July 1962, it had 51 programmes in top reception hours during weekdays and special programmes at weekends. At the height of its activities, IBAD had more than 80 weekly radio programmes, transmitted all over the country at peak reception hours. IBAD also financed 300 daily radio programmes during the height of its campaign, before the legislative elections of October 1962, and at this time practically controlled the country's air time.¹²⁸ Through 82 radio stations, IBAD transmitted such programmes as Congresso em Revista (Congress in Review) and A Semana em Revista (The week in Review).¹²⁹ These programmes, produced in popular language, drove home to the listeners the points of the organic elite. The organic elite also formed their own 'Network of Democracy', of more than 100 radio stations all over Brazil. From October 1963 until the coup in April 1964, the radio stations of this network organized by João Calmon of the

Diários Associados, among others, went on the air at exactly the same time as those of the labour leader Leonel Brizzola, thus effectively 'jamming' his broadcast and delivering a steady stream of attacks on the labour left.¹³⁰

IPES also sought the help of Raul Brunini of Radio Mundial of Rio de Janeiro, a popular radio station, and that of Alziro Zarur, a right-wing 'Christian' populist politician, who had a wide political impact in urban slum areas. He also appealed strongly to Umbanda sectors.¹³¹ Professional politicians served as sources of feedback and as advisers on the efficiency and relevance of the IPES propagandistic campaign, by reporting back to the Executive Committee their own impressions and those which they had gathered among the general public. In this respect Senator Mem de Sá stood out, because of his capacity, influence and popular prestige.¹³² He was one of the most important covert links IPES had in Congress. As part of the advice given by Senator Mem de Sá, the IPES leadership was urged to emphasize that 'development' could only be attained through more security and the liberty of free enterprise.

Theatre people and television personalities gave a helping hand, such as Carlos Laje, who was connected with IPES leader Gilbert Huber.¹³³ This allowed IPES a singular form of 'cultural' intervention. IPES supported the SAJE theatre in São Paulo, taking care of the pay roll of the theatre's people.¹³⁴ IPES leader Luis Cassio dos Santos Werneck was responsible for contacts in this area. The public opinion group also played a big part in the preparation and distribution of propaganda films.

Psychological warfare through
The Comic Strip and Films

IPES attempted to reach a wide literate public by use of the comic strip. 'Diálogo Democrático' was placed in four newspapers widely sold among the popular sectors and the petit bourgeoisie, (O Dia, Luta Democrática, Última Hora and O Globo), stressing such values as private initiative, productivity and political plurality, as well as the rejection of 'étatiste' or socialist policies.¹³⁵ The importance of comic strips was immense in a country where a large segment of the population had limited reading abilities. This fact, duly noted by the organic elite, prompted the widespread release of booklets, magazines, cartoon strips in the press and leaflets which popularized the same line of argument developed by IPES/IBAD in other media, though geared to other sections of the public.¹³⁶

To reach a wide public, IPES relied on a series of extremely effective films produced by itself, and on others to which it gained access. These were shown in all cinema circuits throughout the length and breadth of the country in regular, as well as in special, sessions. Films were shown in a 'chain-system', by arrangement with distribution companies and owners of cinema houses connected to IPES. Subsidiary and related organizations, such as the Social Service for Industry - SESI, circulated IPES-made films. These were also shown on television, as in Silveira Sampaio's popular programme of current affairs.¹³⁷

To reach the poor, who could not afford a cinema ticket, IPES mounted projectors on open trucks and buses with special chassis, displaying the films not only in the favelas and

poorer urban neighbourhoods of the main cities of Brazil, but also throughout the interior of the states.¹³⁸ This project followed up an idea put forward by Oswaldo Tavares, of a 'cinema ambulante' (mobile cinema) for Rio's poorer sections. Some of the big companies provided IPES with the required technical infrastructure, such as Mesbla S.A., who contributed projection equipment, and other necessary requirements. Mercedes Benz and CAIO, one of the biggest bus and truck body builders in Brazil helped with transport.¹³⁹ Films were also screened in factories located in the industrial centres of the big cities, for the consumption of the industrial workers, by arrangement with the managers and owners.

The main feature was usually an American Western, with IPES shorts slotted in, ranging from a plea for social harmony among classes to a commentary on the exploitation of students for political purposes.¹⁴⁰

Some of the films were produced for IPES by Jean Manzon, the biggest commercial documentary producer in Brazil, who also helped in the circulation of films.¹⁴¹ Among these films were: O IPES é o Seguinte (IPES is the following), Que é o IPES? (What is IPES ?); História de um Maquinista (Story of an engineer worker), Nordeste Problema No. 1 (Northeast Problem No. 1), Criando homens livres (Rearing free men). Other films shown through this network of propaganda were: Que é a Democracia? (What is democracy?), Vida Marítima (Maritime Life), Portos Paralíticos (Paralytic Ports), Asas da Democracia (Wings of Democracy), Conceito de Empresa (The Concept of Enterprise), A Boa Empresa (The good enterprise), Deixem o Estudante Estudar (Let the Student study), Uma Economia Estrangulada (A Strangled Economy), Papel da Livre Empresa (Role of Free Enterprise).¹⁴²

Responsible for these operations were José Rubem Fonseca and Luiz Cassio dos Santos Werneck.¹⁴³

IPES São Paulo produced some films on its own, as well as a series on Brazilian problems, such as 'Electoral Reform', 'Agrarian Reform', 'Étatisme' and 'Free Enterprise'. It sponsored Filhos da Demagogia (Sons of Demagogy) made by Senator Auro de Moura Andrade, one of the major landowners of São Paulo.¹⁴⁴ CONCLAP also produced some films and the American based organization Moral Rearmament, with whom IPES/IBAD had a very close rapport, provided IPES with various films. The copies of those films were in the custody of Luiz Severiano Ribeiro, the biggest owner of cinema houses and film distributor of Brazil.¹⁴⁵ Luiz Severiano Ribeiro's support was very useful indeed.¹⁴⁶

Publicity companies contributed financially to the making of films that were to carry specific IPES messages and entrepreneurial ideology. This operation was discussed between J.B. Leopoldo Figueiredo and propaganda man David Monteiro, who for this task was to collaborate with Emil Farhat, of McCann Erickson Publicidade and Visão magazine.¹⁴⁷

Films were not only for the consumption of the working class, rural labourers or 'lumpen' proletariat. São Paulo produced films were shown in such exclusive places as the Monte Líbano and other Paulista social clubs, Lyons Club and the School of Police in São Paulo.¹⁴⁸ In charge of film exhibition for industry and commerce and some other entities was Ricardo Cavalcanti de Albuquerque.¹⁴⁹ Films were shown also at Universities, through the IPES penetrated Gremios (student federations), as was the case of the Faculty of Medicine

in São Paulo and the Faculty of Law of Mackenzie University. In charge of these operations was A.C. Pacheco e Silva.¹⁵⁰

Last but not least, IPES also produced a series of films with a double-pronged appeal to the Armed Forces and to the general public, portraying the nation-building role of the military. Films were produced about the Merchant Navy, the Air Force, the War Navy and the Army. According to Luiz Cassio dos Santos Werneck, some of the films were to be made by Canal 100, owned by Carlos Niemeyer, a short-film producer and current affairs film maker.¹⁵¹ Canal 100 was the most popular and most widely distributed newsreel shown in almost all commercial circuits before the main feature film. José Rubem Fonseca was in charge of studying the scripts of the films with Carlos Niemeyer himself.

IPES also received support from outside sources. Nei Peixoto do Valle was in contact with Harry Stone, the representative of Motion Pictures, singled out as a USA Central Intelligence agent, who provided basic material as well.¹⁵²

Specific Indoctrination

This section describes the activities which were intended to shape the entrepreneurial sector into a class 'for itself' and to push it into action, supporting and participating directly in the general effort led by the organic elite. As was put by Glycon de Paiva, the IPES motto might be to businessmen: 'if you do not abandon your business today for an hour, tomorrow you will have no business to worry about.'¹⁵³ The specific indoctrination carried out by IPES also aimed at the mobilization of the ever widening numbers of intellectuals, journalists, university students and Armed Forces towards a

'common will' defined by the emergent power bloc. The outcome of IPES activities was to conceal the demands of the multinational and associated bloc within the various pressures of a wider spectrum of class interests and action, while isolating Goulart's executive and neutralizing positions of a reformist-distributionist character. Most of these activities were carried out by the Rio IPES groups of Doctrine, Study, Integration, Public Opinion and the covert groups of IPES São Paulo.

The Doctrine groups provided ideological briefings to be disseminated among IPES/IBAD affiliates. This indoctrination was deemed necessary so as to provide a common denominator for IPES affiliates when attending private meetings, symposiums, conferences, interviews or any other public political and ideological manifestation. The shaping of this class awareness and common political stance was considered to be of the utmost importance, both for IPES action in the polity and for the development of the organization as a whole.¹⁵⁴

Not only did IPES/IBAD develop an intense ideological campaign aiming at its own rank and file of entrepreneurs, military and functional categories, but it also indoctrinated the bourgeois bloc at large, in an operation which was known within IPES as the 'projection of doctrine'. The organic elite sponsored and organized conferences, discussions, and symposiums, in schools, colleges, private houses, social and sports clubs, student and professional associations and at the headquarters of IPES itself. Many participants were recruited by the political units of the Integration group. The details were handled by General Heitor Herrera. The message which the organic elite spread, of strong anti-communism

and broad modernizing aims, with anti-labour overtones under a professional-technocratic veil, had a strong appeal for new recruits among the entrepreneurs, military and middle classes. It served the purpose of upholding and building up the legitimacy of the Armed Forces' anti-government involvement in politics. A measure of the success of the propaganda machine of the organic elite was shown by mid-1963 when populist and national-reformist political attitudes were depicted by IPES and by the middle classes, the Armed Forces and entrepreneurs, as intertwined phenomena, thus reinforcing their rejection of both the regime and its labour-left critics.

Various methods were used to hammer home the IPES/IBAD message. One of the most popular was the political-economic courses. These courses were administered both by civilians and military members of the organic elite, disseminating among the entrepreneurial organic intellectuals both the concepts and the worries about business-oriented security and development. Present at the meetings were industrialists, bankers, técnicos and military.¹⁵⁵

In order to ensure IPES influence, a group of covert IPES directors was appointed to each place where seminars were held, in such a number as to allow them to set the tone and aims of the discussion that followed the lecture.¹⁵⁶ These directors met before the seminars took place, in order to fix the general norms of orientation of the referred seminars and conferences, which took place usually under the cover of an interest association, generally the Commercial and Industrial Associations as well as the Rural Societies. The themes treated in the IPES sponsored and organized seminars reflected the sophisticated

level of the organic elite.¹⁵⁷ Moreover, by taking advantage of the overlapping of some of its leaders and affiliates with ESG and ADESG, IPES organized and participated in courses for entrepreneurs and military alike. By the end of 1962, IPES leader José Ely Coutinho informed the IPES leadership about the organization of a Course of National Defence at the Sociedade Harmonia de Tennis, a Paulista social and sports club, modelled on a previous course delivered at the Joquei Clube under the aegis of ADESG.¹⁵⁸ From IPES Pacheco e Silva and Luiz Cassio dos Santos Werneck participated.¹⁵⁹

IPES organized 'soft-ideological' courses and seminars as well. At the Clube de Engenharia of São Paulo, a centre for professional discussion and political articulation, a cycle of conferences was set up, on the 'Causes of Social Unrest in Brazil' (Causas da Inquietação Social no Brasil).¹⁶⁰ Another locus of ideological dissemination was the Fundação Lowndes, formally instituted in December 1963, in Rio de Janeiro. Its patron was Vivian Lowndes, an IPES contributor and wife of IPES leader Donald Lowndes, who was the president. It provided ideological courses and reference points for entrepreneurs and their executives. IPES affiliates or linked personnel were the lecturers.¹⁶¹

IPES/IBAD did not rely only on local organic intellectuals to disseminate their views. European and Americans also participated. IPES brought over from France the militant right-wing writer Suzanne Labin, whose books IPES distributed. Labin lectured on 'Tactics of Communist Infiltration' and 'Political War' for the most varied audiences and at such a range of places in Rio and São Paulo as ADESG, ESG, the Centre of Industries of Rio de Janeiro, the Sindicato dos Armadores (Syndical centre

of Shipbuilders), Colégio Santo Inácio, Teatro Municipal, IPES' own Institute of Education, the Automóvel Clube, and Colégio Mackenzie. Conferences and meetings were also organized in Porto Alegre, Belo Horizonte and Curitiba.¹⁶²

The organic elite provided for lectures at the Federation of Industries of São Paulo, CONCLAP, the Forum Roberto Simonsen, the Commercial Association of Rio de Janeiro and other class associations throughout the country. In this process it shaped not only civilians to a particular path of development. IPES invited military officers to these lectures and courses indoctrinating them in entrepreneurial interests, which were generalized as 'industrial national needs'. The military became 'civilianized' in this process. Value congruence established already through the ESG rapport was reinforced and the Armed Forces were portrayed as 'natural' entrepreneurial and political partners for this particular kind and form of development.¹⁶³

The Church became another ideological battlefield in the Goulart government, and perhaps one of the most influential channels for indoctrination. By the late 1950s and early 1960s, the drive for social change permeated the Catholic clergy and society's conflicts were refracted within the newly formed ideological cleavages. New perceptions and stances by the lower ranks of the clergy and by broad-minded figures, such as Frei Tomás Cardonell, a French Dominican and Padre Henrique de Lima Vaz, a professor of Philosophy, were challenging the traditional attitude of the hierarchy and even the positions of right of centre figures such as Dom Helder Câmara and Dom Eugenio Salles, Bishop of Natal.

The reformist positions crystallized in popular organizations, such as the Catholic Workers Youth, the Catholic Student Youth, the Catholic University Youth and Popular Action, a multi-sectoral political front. The Church was fundamental for the organic elite, for the clergy provided a much needed grass roots hold, being the only true national structure besides the Armed Forces. It was the ideal organ to reach the middle classes, of which, students, intellectuals, the organized womens' movements and military were an obvious part as well as the peasantry and sectors of the urban working classes.

Pressure upon the Church was exerted by IPES/IBAD affiliates, who were linked to the ecclesiastical and lay structures of the Church, and through the agency of Opus Dei, an organization that in Latin America, as in Spain, supported economic liberalism and technocratic polities in contrast to other segments of the Church at that time.¹⁶⁴ These activities of IPES/IBAD attempted to incorporate the widest possible spectrum of Catholic intellectuals and public figures who were not aligned with the government or who were opposing it. Thus, somewhat discordant positions were rallied behind a loosely connected Social-Christian-Solidarity message, which was blended in with the modernizing-conservative idea of the organic elite. In this way such disparate figures as Alceu Amoroso Lima and the extreme right-wing Gustavo Corção were brought into the IPES political fold. Adib Casseb of the Doctrine and Study group of São Paulo, was engaged in a programme of conferences and debates that attempted to convince the public of the 'incompatibility of Socialism and the Social Doctrine of the Church'.¹⁶⁵ Many reform minded Catholic intellectuals were

thus subtracted from the Goulart popular camp.

Paulo de Assis Ribeiro, with the assistance of José Garrido Torres, two IPES affiliates with significant links inside the Catholic hierarchy, prepared a seminar on the Reformas Democráticas para um Brasil em Crise (Democratic Reforms for a Brazil in Crisis) which was sponsored jointly with Pontifícia Universidade Católica and the Association of Christian Entrepreneurs - ADCE, for the beginning of 1963.¹⁶⁶

The seminars purported to provide the 'Christian answer to the Crisis' as opposed to the socialist solutions that were being presented. Members of the debate panels were all familiar names, making up an assorted, and in cases disparate, collection of entrepreneurs, technoentrepreneurs, politicians and academics. Members of the debate panels were: Octavio Marcondes Ferrez, João Carlos Vital, Guilherme Borghoff, Clemente Mariani, Padre Velloso, J.P.A. Magalhães, Paulo Ayres Filho, Themístocles Cavalcanti, J.B. Leopoldo Figueiredo, Lucas Lopes, Oswaldo Tavares, Eugenio Gudín, Paulo Lacerda, Miguel Reale, Julio Barata, General Juarez Távorá, Gustavo Corção, R. Cardim, E. Fischlowitz, Gilbert Huber, Augusto F. Schmidt, Gilberto Marinho, Konder Reis, Eudes de Souza Leão, General Betemio Guimarães, Dermeval Trigueiro, J. Irineu Cabral, Wanderbilt D. de Barros, John Cotrim, H. Penido, Álvaro Alvim, Raimundo Moniz Aragão, General L.A. Medeiros, Glycon de Paiva, Walter R. Poyares, Suzanna Gonçalves, Tarcisio Padilha, Padre D'Avila, Cândido Mendes de Almeida, João Camilo de Oliveira Torres, Edgard da Mata Machado, Raimundo Padilha, Joaquim Ferreira Mangia, Mem de Sá, Mario H. Simonsen and Mario da Silva Pinto. The coordinating commission comprised: Padre Laercio,

Padre Avila, Padre Beltrão, Celestino Basilio, José Carlos Barbosa Moreira, Daniel Faraco, José Garrido Torres and Paulo de Assis Ribeiro. Denisson Propaganda, owned by IPES leader José Luiz Moreira de Souza, and the newspapers O Globo, Jornal do Brasil, Jornal do Comércio and O Jornal, took care of the promotion of the event.

IPES also sponsored a Centre for Research and Social and Political Documentation at the Pontifícia Universidade Católica, and sponsored the establishment of a course on social and political science at the Faculdade de Filosofia, Ciências e Letras de Campinas. It distributed to 'decision makers'¹⁶⁸ a collection of studies and papers on a variety of subjects, most of them encompassed in the proposals of the Reformas de Base of IPES and the Congress for Basic Reforms. IPES also organized through PUC and the Diretórios Acadêmicos (Student Councils), a series of seminars, conferences and discussion papers aimed at the student body at large.

IPES links with the Pontifícia Universidade Católica - PUC, were significant. The PUC provided IPES with intellectual support; a field of action because of its student and academic population, as a channel for middle class penetration. It also functioned as a clearing centre and channel for financial contributions to and from IPES. Some of the activities in which PUC was involved are considered elsewhere.

IPES assisted several Church oriented or supported magazines, such as the Revista Ponte Pioneira and Padre Crippa's Associação de Cultura Brasileira Convívio, which published a more intellectual magazine, Convívium, dedicated to 'cultural and political affairs' and to the 'study and defence of the values of our

Christian occidental civilization'.¹⁶⁹ IPES, as in other cases, 'bought' a considerable amount of magazines for distribution among contributors and supporters. 'Convivium' was written mainly by university lecturers and intellectuals related to the Church. This organization acted through an Instituto de Formação de Líderes (Institute for the Formation of Leaders), a news agency and a Centre for Research. The Institute offered basic courses to students, trade unionists, and other sectors of the public, preparing them for ideological and political militancy in their particular areas of activity, providing political orientation as well as aiming at the widespread dissemination of the IPES' message. The 'best' students were picked out to participate in specialized courses for activists, mainly aimed at the student and trade union organization. The Institute also organized cycles of conferences destined to indoctrinate public opinion.¹⁷⁰ IPES also supported Padre Crippa's other projects, such as the Escola Superior de Liderança (Superior School of Leadership) and the setting up of a political seminar. João Baptista Leopoldo Figueiredo appointed Paulo Edmur de Queiroz as link-man and advisor of Padre Crippa's projects.¹⁷¹ The news agency through which this action centre operated was the IPES outlet Planalto,

As for the Research Centre, it provided the framework for the activities of right wing intellectuals dedicated to the analysis of the political situation. This work was subsidiary to that of the Doctrine and Study group and that of the Conjunctural Survey group of IPES São Paulo. It was this section which published the magazine Convivium.¹⁷²

Seeking to legitimate its public stance, IPES also intervened in apparently less offensive quarters. The Association of Christian Youth - ACM (the equivalent of the internationally known YMCA) was one of them.¹⁷³ In spite of their appearance and their declared sporting and cultural activities, the ACM was deeply involved in political matters. Moreover, the sight of ACM youngsters and their mothers parading through the streets of São Paulo, voicing their fear over the 'communization' of the country was an effective piece of propaganda. They were heavily involved in popular mobilization against the government, especially in street marches and public rallies, jointly with middle class womens organizations and other groups and movements sponsored by IPES. As reported to the IPES leadership, 'the ACM found it convenient to maintain the unity of the group that organized the Democratic Rally (Comício Democrático) at Roosevelt Square in São Paulo'.¹⁷⁴ For the continuation of their efforts, they sought the help of IPES.

The ACM was also an important asset in the infrastructure of IPES, as it provided a widespread network of centres for meetings, discussions, conferences and seminars. The carefully organized files of the ACM provided the organic elite with an identifiable target population for the dissemination of ideas in scattered neighbourhoods. It provided a valuable cross section of the middle class, assembling people from different walks of life and age groups. Because of its public image, the ACM had the advantage of providing institutional legitimacy for activities which did not quite fit the motto of the youth association; at the same time it could also operate as a financial clearing house for special contributions.

Some of the issues and themes of seminars and conferences organized by IPES that took place in ACM centres were:

'Company executives and the Preservation of Free Initiative', 'The Responsibility of Private Enterprise vis-a-vis Society', 'Economic Cooperation between Brazil and U.S.A.' and 'The Role of the Government'. As a by-product of its attempts to shape class solidarity and heighten the political consciousness among entrepreneurs, executives and managers, IPES also spread in these conferences its ideological message to the middle-class members of the ACM. Among the organizers of such events was IPES affiliate and entrepreneur, Decio Fernandes Vasconcellos.¹⁷⁵

The Brazilian Scouts (União dos Escoteiros do Brasil), led by Frei Daniel also received assistance from IPES, through Frei Metodio de Haas, who had been appointed by Archbishop Dom Jaime de Barros Cmara.¹⁷⁶ Contact was established initially through Eugenio E. Pfister with Paulo Ayres Filho. Guilherme Martins, of the Phillips company was sought as a candidate for contribution, because of his 'scoutist ties'.¹⁷⁷ Contributions to the Scouts served to shore up IPES public image, provided IPES with legitimate invoices for 'expenses' and another middle-class milieu in which to operate.

IPES also carried out its indoctrination activities through FACUR, the Christian Fraternal Urban and Rural Friendship Association, which used the headquarters of the Brazilian Rural Society for its seminars and courses. Involved in these activities were IPES affiliates Jos Ulpiano de Almeida Prado; Paulo Edmur de Souza Queiroz; Jos Pedro Galvo de Souza, from the Faculdade Paulista de Direito; Padre Raphael Llano, from

Opus Dei; Adib Casseb and Padre Domingos Crippa.¹⁷⁸ FACUR was also heavily involved in the middle-class mobilization against the executive and specifically in the political mobilization of women organized by IPES, which will be described in more detail in Chapter VII.

Other systematic means used to carry the IPES ideology to recruits, and also to shape the entrepreneurial social force into a bourgeois power bloc, were accomplished through a special group, that of Selective Education (Grupo de Educação Seletiva - GES) and through the Institute for Social Formation. The GES administered two basic courses, the Course on Brazilian Current Affairs - CAB (Curso de Atualidades Brasileiras) and the Superior Course on Brazilian Current Affairs - CSAB (Curso Superior de Atualidades Brasileiras), which continued to operate after 1964. Moreover, IPES also organized, under the responsibility of Oswaldo Breyne da Silveira in São Paulo, specialized seminars, conferences and courses.¹⁷⁹ IPES provided 'scholarships' for students, urban and rural trade union leaders and other activists of the Círculos Operários (Workers' Circles), the Catholic University of Campinas, of Convivium, the Movimento Universitário de Desfavelamento and the Instituto Universitário do Livro, in order to enable them to participate in those courses.

Courses were given to different audiences and at separate places, having in mind their cultural and intellectual differences as well as their functional roles. But exchanges were stimulated among the groups, thus 'dotting the class barrier lines'.

The programme of 'selective education' was a singular way

to co-opt members of the state apparatus and of other classes. It started with the primary intention of bringing together different segments of the entrepreneurial class and functional groups, so they might 'live together' intellectually. A second stage was then to introduce IPES to them and make them IPES affiliates.¹⁸⁰

IPES envisaged the composition of a selective education unit as being ideally formed by 10 entrepreneurs, 4 liberal professionals, 2 working-class trade unionists, 2 students, 2 journalists, 5 IPES, and 3 'special' guests.¹⁸¹ They reserved 2 places for suitable people who might fit contextually into any specific course.

Initially the seminars were to be grafted onto existing organizations which had at their disposal appropriate facilities, such as the Commercial Association, the Federation of Industries, the Clube dos Lojistas, the Centre of Engineers, the Reitoria of the Universidade de São Paulo, PUC, inviting to the direction of each seminar a member of the respective organization where the course was taking place. São Paulo activists of Doctrine and Study groups and Rio members of the Integration Group and of the Study and Doctrine Group were to provide the infra-structural support, as well as being its beneficiaries.

The objects of the courses were to 'inform' entrepreneurs, professionals, both civilian and military, and public opinion makers such as journalists, student leaders, trade union militants (the 'different classes of the national elite', according to IPES leader General João Baptista Tubino), about current Brazilian problems within the ideological perspectives of IPES.¹⁸² IPES also cultivated this fertile soil as a source of new recruits. An alumni organization called the

Association of ex-Alumni of IPES - ADIPES (Associação de Diplomados do IPES) was eventually formed to help maintain the former students tied with IPES, with important functions after 1964. ADIPES was structured on the model of the Alumni Association of the Superior War College - ADESG, and was, according to IPES affiliate Colonel J. Vidal, integrated with the Course on Brazilian Current Affairs, serving as a reservoir of activists¹⁸³ for political action and policy research.

Courses lasted three months and were organized in three different cycles, destined, according to General Tubino, to review 'basic concepts in the fields of economy, sociology, and politics' and to study the 'principal aspects of the national conjuncture';¹⁸⁴ to search and stipulate framework for the solution of the principal problems of the Brazilian current situation; to introduce papers produced by the work-groups of varied participants.¹⁸⁵ Lecturers in the CABs were, again, all familiar names,¹⁸⁶ and the structure of the courses had similarities with that of the ESG study groups and courses. The CABs served other purposes as well. They were idea-development units as well as research units into matters of entrepreneurial or political interest.¹⁸⁷ The courses were designed to be an anti-ISEB endeavour, an attempt to pose an alternative to the national-reformist Superior Institute of Brazilian Studies, the policy research centre which also drew upon academics, military, journalists and students.¹⁸⁸

Finally, the Instituto de Formação Social - IFS, established in 1963, was dedicated to the recruitment of followers 'at all levels of Brazilian society' and to the dissemination of the ideology of IPES. It was also a convenient cover for courses

of indoctrination among the working classes and for the development of trade-union activism. The IFS provided courses for entrepreneurs, executives and managerial staff, as well as for students and female activists. It also provided special courses for trade-union and peasant activism.

Conclusion:

It is obvious that the range of operations developed and carried out by IPES/IBAD in so many areas involved extraordinary professional and political expertise, as well as enormous financial resources, which went well beyond what IPES officially declared to be its expenses.

The multinational and associated bloc through its organic elite was able to encompass support within wide circles of the dominant classes in its attempt to shape a new historical bloc. The organic elite did not rely solely upon the material force which their economic dominance gave them, in order to exercise an effective leadership of the dominant classes. It was clear from the policies and action of the organic elite centred in IPES/IBAD that they understood the need for ideological activity leading to the establishment of their hegemony within the dominant class, as a means to their rise to power. The shaping of a militant bourgeois bloc and its politico-military leadership by the organic elite was a necessary condition in the struggle of the emerging power bloc to bring its predominance in the economic field into consonance with its political authority and its influence in the state apparatus. The formation of a militant bourgeois bloc, under the leadership of the organic elite, was also necessary to achieve the containment of the subordinate classes and the exclusion of the traditional interests.

Although the modernizing-conservative bloc was unable to impose itself by consensus on the Brazilian society, it nevertheless was capable through its ideological campaign to pre-empt the homogeneous support for the existing executive and rally the middle classes against the government. Moreover, the effects of the IPES/IBAD activities had consequences on the capacity of the executive and the labour left to muster a feasible political alignment to carry through its national distributionist reforms. However, ideological containment of the popular classes and the ideological mobilization of the middle-classes was on its own not enough to bring about a change of regime. Ideological containment was supplemented and coordinated with other activities in the political and military fields, which will be described in the following chapters.

The political-military action of the multinational and associated bloc would be central to the realization of the crisis of the populist historical bloc and fundamental in bringing about the institution of a new power bloc in state.

Footnotes Chapter VI

- 1 Finer makes a point pertinent to our argument when he argues that every economic interest has one basic policy: "to immobilize the remainder of the economy while itself remaining as free as before", Samuel Finer, Private Industry and Political Power, Ramsay Muir Lecture, 1958, Pall Mall Pamphlet, pp. 7-9.
- 2 In terms of the rule of maximising the satisfaction of a class, fraction or a bloc, this policy "is completely rational, and moreover, only to be achieved by political action". F.G. Castles, Business and Government: A Typology of Pressure Group Activity, in Political Studies, Volume XVII, No. 2, June 1969, Oxford University Press, p. 161.
- 3 It is interesting to note the remark made by Richard Bissel, former Director of Covert Operations for the CIA of the United States, which applies to our study. He spoke of the interdependent network of means and agencies that bring about a political change. He made this clear to a meeting of the Council on Foreign Relations, when he stressed that "Covert intervention is ... most effective in situations where a comprehensive effort is undertaken with a number of separate operations designed to support and complement one another and to have a cumulatively significant effect", quoted in Fred Hirsch, The Labour Movement: Penetration Point for US Intelligence and Transnationals, in Fred Hirsch and Richard Fletcher, CIA and the Labour Movement, Great Britain, Spokesman Books, 1977, p. 10.
- 4 IPES leader Glycon de Paiva was aware of this problem. In a meeting of the Comissão Directora of IPES on 3rd April, 1962, he remarked that "the return of the President, without greater delay in the United States will provoke much comment (vai dar muito que falar). The president is learning how to govern, Even Tancredo Neves (the Prime Minister at the time - RAD), in spite of being a bad pupil, also learns. If Jango Goulart brings any formula with him, he might create (gerar) big things". (My translation, RAD). There were similar assessments on the capacity of Goulart to manoeuvre within the system from other sources as well. Ambassador Lincoln Gordon concurred in that "Goulart has proven himself (a) clever politician, able and willing (to) win over long term opposition on (the) basis (of) moderate, responsible-sounding objectives, while still claiming loyalty to his popular political base ... For better or worse, Goulart is proving to be (the) only leader on the scene today around whom (an) effective coalition of centrist political forces can form ..." Telegram to Department of State from Brasília, Lincoln Gordon, 27th March, 1962, NSF, in JFK Archives. A few months

later, Gordon had to acknowledge that "Congress (is) completely demoralized by demonstration (of) Goulart's ability (to) organize labour behind him in (the) form (of) general strike". Telegram to Department of State from Rio, Lincoln Gordon, 6th July, 1962, NSF, in JFK Archives. (In the same telegram, Gordon mentions the return to Rio from Brasília of a PSD deputy who is coming to organize military personnel against Goulart). In 1963, Gordon reasserted that Goulart had shown himself "an exceptionally shrewd political tactician, whose performance in winning back full power would get the highest marks in terms of pure politics". Memo to McGeorge Bundy from Lincoln Gordon, The White House, Department of State, 7th March, 1963, Political Considerations Affecting US Assistance to Brazil, NSF, in JFK Archives.

- 5 On political attitudes by the entrepreneurial classes towards the ruling elite when the latter is regarded as illegitimate, see T.G. Castles, op.cit., pp. 162-163.
- 6 For Glycon de Paiva "Ação Política é igual a ação discreta", IPES CD, Rio, 22nd May, 1962.
- 7 Glycon de Paiva, quoted in 'Whose Coup?' by Marlise Simmons, BIB, Winter 1974, USA. See also A.J. Langguth, Hidden Terrors, New York, Pantheon Books, 1978, Chapter III.
- 8 The perception of the events leading to the coup of 1964 as being a military conspiracy can be seen in an extreme form in Alberico Barroso Alves 'O Romance da Revolução: Como e porque aconteceu a Revolução de Março, Rio de Janeiro, Artenova, 1974. Considerable attention has also been paid to the intricate military mechanism of the coup and the interpretation of the events that led to April 1964 as having been the result of the action of an autonomous military apparatus or a sub-system force. Such an autonomous military apparatus, although canvassed by civilians and interacting with them, has been portrayed as urged to intervene because of its 'institutional predisposition for moderating the system as well as its ideology of nation-building epitomized in the Superior War College. See in this respect, Fernando Pedreira, Março 31: Civis e Militares no Processo da Crise Brasileira - 1964 and Alfred Stepan, The Military in Politics - Changing Patterns in Brazil - 1971, which largely adopts Pedreira's analysis. For two studies which redress their emphasis, see Eliezer Rizzo de Oliveira, As Forças Armadas: Política e Ideologia no Brasil 1964-1969 Petropolis, Vozes, 1976 and Edmundo Coelho Campos, Em Busca de Identidade: O Exército e a Política na Sociedade Brasileira, Rio de Janeiro, Forense Universitaria, 1976. By following an analysis which highlights bourgeois class action, one is able to go beyond the search for immediate isolated causes such as the military mutinies,

middle class marches, inflammatory speeches or arbitrary actions of the executive, sparking off right-wing action. Finally, one is also able to place in perspective the contingent expansion of foreign troops in the area, the logistical support they provided and the direct covert involvement of specialized foreign agents and governments. In this respect, see Moniz Bandeira, Presença dos Estados Unidos no Brasil - 2 Séculos de História, Rio de Janeiro, Civilização Brasileira, 1973.

J. Knippers Black, US Intervention in Brazil, GB, Manchester University Press, 1971; E. Morel, O Golpe Começou em Washington, Rio de Janeiro, Civilização Brasileira, 1965; Phyllis Parker 1964: O Papel dos Estados Unidos No Golpe de 31 de Março Rio de Janeiro, Civilização Brasileira, 1977.

- 9 Military action by the dominant classes was brought about, precisely, by the awareness of the general staff of the bourgeoisie of the necessity to disrupt the political organization of the popular bloc and to produce a preventive move, or as it was described, a 'defensive coup', in order to contain and blunt the activity of the subordinate masses and their own incipient organic political leadership.
- 10 IPES CD Rio, 3rd April, 1962. The same point, about the need to act in the shadows is made repeatedly, as well as emphasizing the need to engage wide class participation. In a telegram sent by Glycon de Paiva to João Baptista Leopoldo Figueiredo, the latter was reminded that 'Confirming telephone today verbi gratia we are contrary ostensive action name IPES case Congress Cuba period Remind comrade need to make all class associations manifest themselves categorically ostensibly positively against. IPES Telegram, 25th March, 1963, Glycon de Paiva, Av. Rio Branco 156, 27th floor, Via Italcable, Ref. 400, Agency No. 4, Rio, to João Baptista Leopoldo Figueiredo, Rua Alvares Penteado 65, São Paulo.
- 11 IPES had to be shielded from any possible damage to its capacity for effective action. Identification or the hint of connections between illegal political or para-military groups and IPES had to be avoided or denied at all costs. For instance, in February 1962, two members of IPES, Gilbert Huber Jr. and General Golbery do Couto e Silva, were being pointed out as involved (comprometidos) with the Anti-Communist Movement - MAC, a right-wing para-military organization very active as organized hecklers, couriers in the plot against the government and shock-troops against students and trade union mobilization. That this connection had become public knowledge was considered harmful to IPES. For Glycon de Paiva, 'the equation IPES-MAC was lethal' and Antonio Gallotti considered that 'Every member of IPES, accused of belonging to MAC had to defend himself. But in his defence, neither positively nor negatively, is he to make the least

- reference to IPES'. Gilbert Huber added that Alfredo Nasser, who, as Goulart's Minister for Justice, would have to handle the problem, (and with whom IPES had links) was terrified and felt done in (apavorado e embromado) by the accusations. IPES CE Rio, 5th February, 1962.
- 12 "IPES has to adopt a position of complete unassailability. I give an example: a rising at the docks. IPES must never appear directly in such or similar matters. We have to act behind the screens. Within IPES are businessmen". The reason for not appearing directly was that in the forthcoming attempts by IPES to re-elect friendly deputies to Parliament, IPES had to remain "out of the play, the other organisms acting with defined functions". (My translation, RAD). IPES Minutes, 12th February, 1962.
- 13 IPES Ch. Gr., 21st August, 1962.
- 14 ADCE was "a recently founded entity, modelled on a similar French body. It had an impressive Christian social ideology that stressed the familiar Brazilian theme of paz social in a new garb and offered a comprehensive programme of managerial training courses". In P. Schmitter, Interest Conflict and Political Change in Brazil, California, Stanford University Press, 1971.
- 15 On pressure tactics and direct action by the organic elite and the need for short-range activities to ensure long-range goals, see N. Bailey, Organization and Operation of Neoliberalism in Latin America, in Latin America: Politics, Economics and Hemispheric Security, USA, Praeger, 1965.
- 16 As was pointed out in a discussion between the IPES leadership of São Paulo and General Moziul Moreira Lima: "O perigo no Brasil não é o comunismo, no momento, mas o movimento popular de subversão da ordem que será dirigido e encampado pelos extremistas. Os culpados do processo espoliativo nos olhos do povo, são as classes produtoras, muito mais do que o governo", IPES CD and CE, São Paulo, 27th November, 1962.
- 17 N. Bailey, op.cit., p. 215. The resistance to populism had also been a mainstay of the ESG - J. Kohl and J. Litt Urban Guerrilla Warfare in Latin America, Cambridge, Mass., MIT Press, 1974, p. 39.
- 18 See OESP, 19th July 1963; OESP, 20th July, 1963 on IPES and IRAD action.
- 19 IPES CE Rio, 12th June, 1962. IPES leader Gilbert Huber stressed that the reforms provided 'the ammunition for the public opinion group'.
- 20 IPES - Relatório Anual, 1963, p.7.

- 21 IPES CE Rio, 8th June, 1962, Glycon de Paiva.
IPES organized teams of 'devillers' who prepared and assembled material under the general coordination of the specialist in psychological warfare, General Golbery do Couto e Silva. These 'devillers' were responsible for the 'scare campaigns'. The 'Red Scare' campaign unleashed by IPES was also instrumental in the improvement of its financial situation, as it brought contributions from panic-stricken business and professional men who feared for their future. As far back as early 1962, Dario de Almeida Magalhães had been entrusted with the task of recruiting 30 well-known people to form an initial team which would write articles for wide sectors of public opinion, on matters determined by IPES. The published articles would, according to circumstances, be ascribed or not to IPES. Payment was to be on the basis of 5.000 cruzeiros per article. A series of articles was produced under the general coordination of Dario de Almeida Magalhães and Nei Peixoto do Valle. Payment was met by the giant brewery and soft beverage company Antártica. IPES leader Miguel Lins was assigned for making these arrangements. IPES CD Rio, 19th February, 1962.
- 22 Letter of J.B. Leopoldo Figueiredo, exhibited at the Parliamentary Inquiry Commission - CPI, instituted to investigate the denounced irregular activities of IPES/IBAD. In this letter was mentioned the purchase of editorial space in O Globo, and the support which was to be given to a right-wing newspaper soon to appear. In 'Política e Negócios', 2nd September, 1963, p. 11. (TV Globo is presently the most powerful audiovisual network in Brazil). See also Plinio de Abreu Ramos, Como Agem os Grupos de Pressão, Rio de Janeiro, Editora Civilização Brasileira, 1963, p. 63.
- 23 IPES CE Rio, 27th July, 1962, Glycon de Paiva.
IPES CD Rio and CD São Paulo, 20th November, 1962.
- 24 As mentioned in Chapter V.
- 25 Telegram to Department of State from Delgado/Arias, in Recife, No. 427, 29th June, 1962. In National Security Files - NSF at the John F. Kennedy Library.
- 26 IPES CD Rio, 4th September, 1962, J.L. Moreira de Souza.
- 27 Política e Negócios, 19th August, 1963, p. 30.
- 28 'As Sombras do IBAD', CPI Minutes, in VEJA, 16th March, 1977, p.4, Flavio Galvão to Glycon de Paiva, p. 374 of the CPI Report, Chamber of Deputies, Brasília, 1963. See also Plinio de Abreu Ramos, op.cit., p. 78.

- 29 Among others, A.F. Schmidt produced his influential 'Coluna Por Um' series in O Globo. Schmidt was extremely useful because of his influence and prestige with the Catholic middle class public. His denunciations of the centre and centre-left positions within the Church hierarchy, carrying the moral authority of the enraged poet and professional writer were particularly damaging. Even Dom Helder Câmara, the centre-right Rio based bishop, was a particular target for Schmidt's attacks. His scathing remarks about Dom Helder's populist overtones and worries about the situation of the slum dwellers of Rio ('this sudden conversion to the poor is far from deserving the consideration of the most lucid Catholics'), or his vitriolic attacks on the centre-left leaders of the PDC ('agents of communism disguised as Catholics') earned him a special place in the propaganda effort of IPES/IBAD. See further A.F. Schmidt, Preludio a Uma Revolução, Rio, Edições do Val, 1964, a selection of his political writings published in O Globo.
- 30 IPES CE Rio, 29th November, 1962, Glycon de Paiva.
- 31 Clarence S. Hall, The Country that Saved Itself, Special Feature in Reader's Digest, USA, November, 1964, p. 143.
- 32 A steady stream of daily denunciation was orchestrated by the Public Opinion Group. João Goulart, the Communist Party, Tito, Mao, Khrushew, Cuba, the student unions, the trade unions, agrarian reform, 'étatisme', the Brazilian Labour Party, corruption, inefficiency, socialism were all thrown into a hotch-potch of condemnation by association. See also Julio de Mesquita Filho, A Democracia e o Fenômeno Brasileiro, in QESP, 14th August, 1963; James W. Rowe, Revolution or Counterrevolution in Brazil, American University Field Staff Report, East Coast South American Series XI, No. 4, USA, 1964, pp. 11-12.
- 33 QESP, 11th July, 1963. See also Eloy Dutra, IBAD: Siglo da Corrupção, Rio, Civilização Brasileira, 1963, pp. 17-18. IPES/IBAD paid 2.000.000 cruzeiros monthly to A Noite, Plinio de Abreu Ramos, op.cit., p. 65.
- 34 IPES Special Report, 6th June, 1963.
- 35 IPES CE, 11th September, 1962.
- 36 IPES Minutes, 25th May, 1962, General Golbery.
- 37 IPES CE, 21st August, 1962, IPES CE, 29th November, 1962 and IPES CE Rio, 5th March, 1963. The idea was to "set the ball rolling, but without the 'made in IPES' label".
- 38 IPES Rio, 17th May, 1962 and QESP, 20th June, 1963.
- 39 Eldino Brancante, Relatório do Estado Maior Civil de São Paulo in General Olympio Mourão Filho - Memórias: A verdade de um Revolucionário. Presentation and Research by Helio Silva, Rio, L & PM Editôres, 1978, p. 212.

- 40 OESP, 21st January, 1962, 'Pelo Brasil, pelo seu Progresso e pela Felicidade do Seu Povo, contra a desordem, a irresponsabilidade e a demagogia'.
- 41 IPES practically controlled or had the direct support of the major press in the main urban centres of the country, as seen in Chapter V and throughout Chapter VI, as well as international support from friendly press.
- 42 IPES CE, 11th June, 1962. See also the space bought by IPES in Correio da Manhã for the newspaper to publish an interview with Mario Brant as mentioned in IPES CE, 11th September, 1962. In the fall of 1961, João Punaro Bley, commander of the 4th Division of the 1st Army, based in Minas Gerais, gave a speech in Belo Horizonte before a conference of the state's Commercial Association. The meeting had been underwritten by the Diários Associados chain, whose publisher "was being given funds by the CIA to promote anti-communism. Predictably Punaro Bley gave an anti-communist speech ... Punaro Bley claimed that Communists had penetrated every level of Brazilian society and posed a serious threat to democracy", in A.J. Langguth, Hidden Terrors, New York, Pantheon, 1978, p. 77. For the incidents which ensued the speech and its projection, see A.J. Langguth, 1978, pp. 78-80.
- 43 IPES General Meeting, São Paulo, 23rd October, 1962.
- 44 The Committee for the Alliance for Progress, established in Rio on 13th November, 1962, was composed of Luiz Simões Lopes (of Cia. Fiação Tecidos São Bento, Banque de l'Indochine, Sociéte Cotonière Francoocéanique), João Calmon (Diários Associados), Themístocles Cavalcanti, Dantom Jobim and trade union Pelego Ary Campista. Gilbert Huber and Paulo Ayres were frequently in contact with US-ALPRO officials, US entrepreneurs and executives who were tuned in with the general aims of the Alliance, as well as government figures. Thus, in May 1962, Huber was able to report back to the leadership of IPES on ALPRO matters, his contacts with Teodoro Moscoso, the Puerto Rican born ALPRO executive and a special meeting on mining matters he held in the USA. IPES CE Report, May, 1962. See also his report on trip to the USA in July, IPES CE Rio, 3rd July, 1962 and Paulo Ayres' declarations on his participation in the meeting of entrepreneurs with President John F. Kennedy, OESP, 6th March, 1963. This close contact between IPES and the entrepreneurial-political elites of the USA, through the ALPRO as well as through private channels, allowed for ample opportunities for manoeuvrability and support in their campaign to encircle and isolate the Brazilian executive. In this they were aided by the American Chamber of Commerce for Brazil, through Pedro Freire Cury and by the Committee for American-Brazilian Relations. It was through these, for example, that IPES would organize the big multinational and associated enterprises to support the Special Edition

of O Globo of 28th February, 1962 on the Programme of the Alliance for Progress. Among the contributing corporations were: Braniff Int., Leon Israel Agrícola e Exportação, IBM, Vick Farmacéutica, Esso Brasileira de Petróleo, Burroughs do Brasil, The Home Insurance Co., American Insurance Co., St. Paul Fire and Marine Insurance Co., Remington Rnad, ITT, Atlantic, Liquid Carbonic, General Electric, Gillette Safety Razor. See also Plinio de Abreu Ramos, op.cit., pp. 67-68.

45

IPES CD Rio, 19th February, 1962. This was done at a cost of 8.000.000 cruzeiros. See also N. Blume, Pressure Groups and Decision-Making in Brazil, Studies in Comparative International Development, Volume III, No. 1, Saint Louis, Social Science Institute, Washington University, 1967-68, p. 217. It is interesting to quote excerpts from one of the meetings in which the Alliance for Progress was discussed, as it throws further light on the general proceedings and attitudes. For José Luiz Moreira de Souza, "A ideia é a ação política. Falta colocar o problema em sua grande perspectiva. Aos poucos, tudo gira em torno do grande eixo Oriente/Ocidente. Podemos dizer ate que, hoje em dia, a Pasta das Relações Exteriores é a principal. Janio Quadros sentiu essa perspectiva e concebeu uma formula de Ação Política" ... "antes das eleições, seria necessario, por exemplo editar e difundir a Ata da Aliança para o Progresso, transformando em documento acessível a todo mundo, ao alcance de qualquer brasileiro. Ainda antes das eleições: Uma visita devidamente preparada de Kennedy ao Brasil (vide Venezuela e Colombia). 'Remember' vista de Roosevelt. Ora, os políticos tem antenas, sentem onde está o lado do interesse, das vantagens, da vitoria. Sentem o que é popular, em suma". Moreira de Souza added that "assim conduzida a questão, não seria negocio para os políticos profissionais passarem a ser ou continuarem a ser anti-ocidentais. Tambem seria necessario penetrar na area dos estudantes, conquistálos. Tudo junto, somado, daria uma especie de Plano de Salvação do Brasil e da America Latina. Confidencialmente: Ja estão dados os primeiros passos para a visita de J.K. ao Brasil, com Jacquie e tudo". I. Klabin: "tudo esta bem, mas nada impede de pensarmos em termos imediatos". G. Huber: "Os primeiros passos ja foram dados. É serio, alguem deve publicar a Ata da Aliança para o Progresso, na exata! Porque o Itamaraty não parece muito disposto a facé-lo". A. Gallotti: "Em texto fácil, sob a forma de cartilha ou em quadrinhos". Somebody who was not individualized in the minutes, reported then that "O Instituto Brasil-EEUU vai publicálo junto com: Carta de Juscelino e Ata de Bogotá. Tudo será publicado com texto exacto". IPES CE Rio, 5th February, 1962.

- 46 At a later meeting, presided by J.O. Mello Flores, with Harold C. Polland, G. Huber, General Herrera, J. Rubem Fonseca, A.C. Amaral Osorio, O. Tavares and J.L. Moreira de Souza, it was reported that the pamphlet had been prepared, jointly with a television campaign on the matter. The decision was taken to place the pamphlets as an insert in the newspapers. J.L. Moreira de Souza suggested that the inlay should appear "Domingo próximo, antes da ida do Pres. Jango Goulart aos States. Facilita-lhe a tarefa e preocupa-o. Diversos jornais querem o encarte. Saindo primeiro na Guanabara, depois nos demais Estados". A. Gallotti informed that the inlay was 'already on the table of the American Embassy'. "Os Diários Associados publicará no exterior. Fim: Fazer a propaganda da democracia. Vinda de J. Kennedy ao Brasil, antes das eleições. Onda da democracia crescendo antes da eleição. Política faz-se por ondas. Projeto J. Dantas: Empresarios preparados para discutir com todos". IPES CE Rio, 27th March, 1962.
- 47 André Gama's booklet was circulated by entrepreneurs and managers to their employees. It is significant that the execution of the immediate edition of this booklet was left to General Golbery's responsibility and the budget was taken care of by Wilson Figueiredo. IPES CE, 19th November, 1962.
- 48 IPES CD Rio, 19th February, 1962.
- 49 John Foster Dulles, Unrest in Brazil: Political-Military Crises, 1955-1964, Austin, Texas, University of Texas Press, 1970, p. 188.
- 50 José Rubem Fonseca, Report to Economic Supporters, IPES, 6th June, 1963.
- 51 Eduardo Portela's Cadernos Brasileiros was involved in a political scandal by 1967, accused of being connected with the CIA-supported magazine 'Encounter', Folha de São Paulo, 20th January, 1979. Directors of Cadernos Brasileiros were José Garrido Torres, Vicente Barreto, Afranio Coutinho and Nuno Velloso.
- 52 One thousand and two hundred units per issue were bought. IPES CE, 31st January, 1963, J. Garrido Torres.
- 53 'O Gorila', July, 1963. Moreover, in Rio, 50.000 posters were printed with cartoons depicting Fidel Castro lashing the Cuban people and the caption 'Do you want to live under the whip of communism?'. C.S. Hall, op.cit., p. 142.
- 54 IPES CE São Paulo, 14th May, 1963.
- 55 See Appendix L for a list of some of these publications.

- 56 After April 1964, IPES continued to publish and sponsor books and pamphlets. In 1967, IPES published Historia do Desenvolvimento Económico by Mircea Buescu and Vicente Tapajos. The Council for Latin America collaborated in financing the edition of 5.000 copies. IPES also published 'O Imposto de Serviços - Dúvidas e Esclarecimentos sobre Sua Incidência', by Arthur E.V. Aymoré. N. Blume, op.cit., p. 215.
- 57 CEESP, 17th March, 1979.
- 58 IPES CE São Paulo, 11th December, 1962.
- 59 The forerunners of these proposals were a tentative list of themes for study drawn up by the IPES/IBAD leadership in January 1962, and classified according to 'short-range' and 'medium-range' requirements. To each theme an individual, group or institution was ascribed, responsible for its realization. The degree of priority for the realization of these studies was determined by the needs of the Parliamentary Action Group and the political action coordinated by the Conjunctural Survey Group. The list of study groups was as follows:
- 1) Profit Remittance (or definition of a policy of investment, especially urgent in view of the curbing measures on foreign capital intended by Goulart. Its convener was Mario Henrique Simonsen;
 - 2) Agrarian Reform, José Arthur Rios;
 - 3) Fiscal and Budgetary Reform, M.H. Simonsen;
 - 4) Monetary Reform (including banking reform and the creation of a Central Bank), Casimiro Ribeiro;
 - 5) Repression to the abuse of economic power, Denio Nogueira;
 - 6) Reform of the Electoral Code, Themístocles Cavalcanti. (It is interesting to note that initially, Oswaldo Trigueiro was assigned to it);
 - 7) Participation of employees in the profits of enterprises, Nelio Reis;
 - 8) Functionality of social-economic planning. Aims and methods applicable in Brazil, Genival Santos;
 - 9) Problems of popular housing by IBAD, Luiz Carlos Mancini;
 - 10) Rural tradeunionization;
 - 11) Telecommunications, General Luiz A. Medeiros of O Globo.

The 'medium range' themes were:

- 1) Economic and Social function of the modern enterprise;
- 2) Expansion of market of capitals (supplementing measures proposed in the tributary and banking reforms, as well as those referring to the stock market and 'sociedades anónimas');
- 3) Discrimination of incomes for the strengthening of the federative system;
- 4) Dynamics of the economic development. Role of the private initiative and of state initiative;
- 5) Revision of the Federal Constitution and of the Parliamentary system;
- 6) Reform of Labour Legislation;
- 7) Reform of Social Security Legislation;
- 8) Educational Reform;
- 9) Reform of the Mines Code;
- 10) Foreign Trade Policy (ALALC, ECC, 'Iron Curtain');
- 11) Transport policy;
- 12) Energy policy;
- 13) Public Health policy;
- 14) Structural and methodological reform of public administration;
- 15) 'Lei de Sociedades Anónimas'.

The document added that all these themes (and others to be eventually added) would be treated under the inspiration of the doctrine exposed in the Encíclica 'Mater et Magistra' and framed within the corresponding programme of action represented by the 'Alliance for Progress'. Both these documents would be vulgarized by IPES, even under the form of commentaries to its thesis, with José Garrido Torres as the coordinator of the studies. (Plan for study of themes, IPES Minutes, 19th January, 1962. See also IPES Minutes, 29th May, 1962. Communication from J. Garrido Torres to Gilbert Huber).

60 A. Stepan, *The Military in Politics*, op.cit., pp. 186-187.

61 In a letter from the CE to J. Garrido Torres, head of the Study Group, on 5th June, 1962, it was stressed that:

"Apos detida análise do relatório apresentado pelo Chefe do Grupo de Estudos e

- considerando a necessidade de afirmar, junto à Opinião Pública, a orientação do IPES, relativamente aos problemas nacionais mais em foco;
- considerando o ritmo provável em que tais assuntos serão discutidos no Congresso;
- considerando os compromissos assumidos pelo Chefe do Grupo, em decorrência de decisão anterior;
- considerando, finalmente, a justa observação do mesmo Chefe, de que "uma das maiores dificuldades encontradas até agora no funcionamento do órgão tem sido a falta de comando e a de entrosamento nos setores do IPES;

O Comité Executivo resolve solicitar ao Chefe do Grupo de Estudos as seguintes providencias:

- 1) Coordenar as atividades de seu Grupo, de modo que cada um dos trabalhos encomendados seja objeto de dois estudos;
 - a) O primeiro, mais urgente, fixando a orientação do IPES quanto as linhas gerais que convém sejam observadas na elaboração do anteprojeto; as conclusões do Grupo de Estudos, discutidas e aprovadas pelo Comité Executivo, serão encaminhadas ao Grupo de Opinião Pública, não apenas com vistas a uma campanha de esclarecimento e conquista de apoio, mas também para afirmar a presença do IPES;
 - b) O segundo - necessariamente mais demorado - visando a elaboração do anteprojeto de lei e respectiva justificação, com todas as suas injunções de ordem técnica.
- 2) Programar estas duas categorias de estudos, de modo que em cada reunião semanal do Grupo com o Comité Executivo sejam apreciadas as conclusões a que se refere a letra a acima, cobrindo inicialmente os seguintes títulos:

Reforma Agraria
 Legislação Antitrust
 Reforma Tributaria
 Reforma Eleitoral
 Participação nos lucros
 Telecomunicações
 Reforma orçamentaria
 Reforma Bancaria.

- 3) Apresentar o orçamento mensal de despesas do Grupo para atender aos encargos solicitados acima".

- 62 IPES Minutes, 5th February, 1962, J. Garrido Torres, Glycon de Paiva, J. Behring de Mattos and I. Klabin. In IPES CE, 2nd May, 1963, it was decided to 'publish all the works of technical studies under the name of IPES', and to 'deliver to deputies and senators all the bills of law for presentation'.
- 63 IPES CE, 28th June, 1962.
- 64 IPES Rio Communication J. Garrido Torres to CD, 29th May, 1962. Communication J. Garrido Torres to General L.A. Medeiros, CE, 28th June, 1962.
- 65 Minutes of working session of the group on 16th March, 1962.
- 66 IPES Minutes, 20th March, 1962, J. Garrido Torres to General Herrera.
- 67 Letter from Mario H. Simonsen to J. Garrido Torres, 23rd February, 1962, Rio. Also J. Garrido Torres to CD IPES, 29th May, 1962. The study was budgeted at 800.000 cruzeiros to be paid to Simonsen.
- 68 Communication J. Garrido Torres to IPES CD Rio, 11th May, 1962. Paulo de Assis Ribeiro's agency and José Arthur Rios and his agency were also involved in the study of Urban Reform, a research and policy paper for which Glycon de Paiva contacted Sandra Cavalcanti and G. Borghoff (both Carlos Lacerda's political associates). It was J. Garrido Torres who sought Lacerda's support. This study would take 6 months to finish and was costed at 3.600.000 cruzeiros. It was budgeted as 'normal expenses of the Study Group', and became the basic material for the Housing Reform proposals of IPES. IPES CE Rio, 20th February, 1964, J. Arthur Rios.
- 69 Communication J. Garrido Torres to IPES CD, 29th May, 1962, 'in agreement with what was arranged with Harold C. Polland'.
- 70 IPES CE, 25th May, 1963.
- 71 IPES CE Rio, 28th August, 1962, Glycon de Paiva. Also IPES CE, 27th December, 1962. PUC carried out for IPES an analysis of the 1962 Congressional elections and other important studies for which it had an appropriate academic infrastructure. IPES CD Rio, 20th December, 1962, Glycon de Paiva. The Study Group also committed Paulo de Assis Ribeiro's technical agency to prepare a paper on the election process, pattern of voting and political behaviour, a study which came to be known in its popular form as Quem Elege Quem (Who elects Whom). IPES CE, Rio, 5th November, 1963. Assis Ribeiro also received 400.000 cruzeiros as payment for 'serviços extraordinários' for the 'Levantamento do Roteiro da Reforma Agraria' (Survey of the Guidleline for Agrarian Reform).

- 72 IPES CE Rio, 5th February, 1962.
- 73 J. Garrido Torres, A Democratização da Empresa no Brasil, in Cadernos Brasileiros, No. 4, July/August, pp. 14-18. See also Jorge Oscar de Mello Flores and Gilbert Huber, 'Democratização do Capital', Paper at 4th Conference of Public Relations. CESP, 10th October, 1963.
- 74 Denio Nogueira and William Embry were contracted for 200.000 cruzeiros. The bill and its justification cost 200.000 cruzeiros. (Communication of J. Garrido Torres to IPES CD, 29th May, 1962). Two further studies were prepared. The first was an analysis and criticism of the substitutive presented by Senator Sergio Marinho on the project 3.55 of the Chamber of Deputies. The second was released in the Monthly Bulletin of IPES, defining the institute's stance on the matter. The convener and spokesman of this group was Denio Nogueira.
- 75 IPES CE, 5th June, 1962. Also Communication of J. Garrido Torres to General Herrera on 29th May, 1962. Gilbert Huber arranged financial backing for the project and the São Paulo Doctrine Group also gave its support.
- 76 IPES CE, 27th December, 1962.
- 77 IPES CE, 25th September, 1962, Harold C. Polland. Also IPES CE, 25th September, 1962, Harold C. Polland. On the Reform of the Legislative and the Public Administration, IPES received wide collaboration. Dom Helder Câmara provided Polland with an analysis on the mechanisms of Congress, prepared by Nelson Mota, son of Cândido Mota, the former integralista.
- 78 IPES document 10th January, 1962.
- 79 IPES CD, 3rd April, 1962. Also G. Huber, Report to the CE Rio, April, 1962.
- 80 M. Cehelsky, The Policy Process in Brazil: Land Reform 1961-1969, Ph.D. Thesis for the University of Columbia, New York, 1974, p. 130.
- 81 N. Bailey, op.cit., p. 220.
- 82 Ação Democrática, Rio de Janeiro, February, 1962, p. 12.
- 83 José Arthur Rios, et al. Recomendações sobre a Reforma Agrária, Rio de Janeiro, Edições do IBAD, 1961, p. XXXV.
- 84 Denio Nogueira, Dirceu Lino de Matos, Padre Fernando Bastos D'Avila, Gustavo Corção, José Irineu Cabral, and Moyses Rosenthal presented papers. CESP, 13th June, 1963. T. Lynn Smith was a senior agricultural analyst for the US Department of State. He also belonged to the Institute of Brazilian Studies, Vanderbilt University and to the University of Florida. José Bonifacio Coutinho Nogueira was the owner of Usina Açucareira Ester, Cia. Agrícola São Quirino, Comercial Açucareira e Cafeeira and Cia. de Administração e Representação Ester.

- 85 IPES CE, 25th July, 1963.
- 86 IPES Minutes, 20th March, 1962.
- 87 IPES Minutes, 18th May, 1962. Among those to come out publicly in favour of an agrarian reform such as that supported by IPES was CONCLAP. OESP, 14th June, 1963. See also Paulo de Almeida Barbosa in A Gazeta, 8th May, 1963; statement by the Federation of Industries of São Paulo in Folha de São Paulo, 16th May, 1963. Another project was delivered at the beginning of 1963, also appearing without the name of IPES. IPES CE, 5th March, 1963, J. Garrido Torres.
- 88 Julian Chacel, CNI/Conselho Económico, Position paper prepared for the Study group on the 'substitutivo Afranio Lage' on the Law of Agrarian Reform.
- 89 These men were, respectively, directors of Banco Portugues do Brasil; Boa Vista financial and industrial group; Bethlehem Steel and Companhia Brasileira de Explosivos; Fundação Getulio Vargas; Conselho Brasileiro de Produtividade - CBP; CONSULTEC, Light S.A., IBAD, SPLAN, CBP, ESSO, ABCAR, US Steel Corporation. These technoentrepreneurs and entrepreneurs, linked to big petrochemical, industrial, construction and mineral groups, strongly favoured the interdependence between the rural and the industrial sector.
- 90 J.W. Rowe, op.cit., p. 82.
- 91 See IPES Minutes, 18th May, 1962, 25th May, 1962, 1st June, 1962, 4th June, 1962, 8th June, 1962, 15th June, 1962, 22nd June, 1962, 27th June, 1962, 29th June, 1962, 4th July, 1962, 11th July, 1962, 18th July, 1962, 23rd July, 1962, 25th July, 1962, 27th July, 1962, 31st July, 1962, 3rd August, 1962, 8th August, 1962, 13th August, 1962, 15th August, 1962, 27th August, 1962, 3rd October, 1962, 11th October, 1962, 18th October 1962 and 9th November, 1962.
- 92 IPES CE, 25th July, 1963. Through the Parliamentary Action Group, IPES sought its friends in Congress and individuals who had an important role to play in the articulation, such as Deputy Padre Godinho, were put on guard, as the organic elite braced itself for a political offensive against the labour sponsored agrarian reform. IPES prepared the material for Deputy Aniz Badra's bill of law which carried 212 signatures and was of an omnibus type, including 79 articles dealing with a broad range of matters relating to agricultural assistance, land reform and rural living. For a text of the bill, as introduced, see Correio da Manhã, Rio de Janeiro, 7th August, 1963.

- 93 IPES Study Group to CD, 29th May, 1962. See also 'Sumula de Atividades Desenvolvidas pelo Grupo de Estudos no Período Compreendido entre Março de 1962 a Fevereiro de 1963', and IPES Minutes, 18th May, 1962. IPES militants roamed the length and breadth of the countryside participating in a varied array of events and organizing ideologically, politically and otherwise, the rural dominant classes. An example of such flurry of activity was the Patos meeting of 23rd August, 1962, where Paulo de Assis Ribeiro and a team of IPES militants participated. IPES militants were also active in shaping right wing party positions on the agrarian question and canvassing support among the landowning classes through these political organizations, once their proposals had been accepted. Thus, for the 1963 UDN convention in Paraná, convened to debate agrarian matters, came a delegation of politicians and entrepreneurs from São Paulo bringing a thorough economic-political proposition. Among the main points were the rejection of the proposed CGT - General Workers' Trade Union, the regulation of the right to strike, a modernizing-conservative agrarian reform, the creation of a central bank, carrying out a banking reform and an electoral reform and finally, the establishment of an economic policy of government stimulus to export activities, control of inflation and wage austerity. The delegation, headed by UDN politician-entrepreneur Roberto de Abreu Sodré, also comprised IPES activists, Herman de Moraes Barros, Oswaldo Breyne da Silveira and Ariovaldo de Carvalho. In OESP, 28th April, 1963. The theses were adopted.
- 94 Carlos José de Assis Ribeiro prepared a Project of Constitutional Amendment on Agrarian Justice and José Arthur Rios produced a paper analyzing Project No. 93 of the 1963 Senate, disposing on the Statute of the Land. IPES CE, 23rd May, 1962. Other studies prepared by IPES were: 'The Agrarian Structure of Brazil', prepared by a team composed of Paulo de Assis Ribeiro, C.J. de Assis Ribeiro, J.A. Rios and José Garrido Torres, Julian Chacel and Wanderbilt D. Barros. Glycon de Paiva would introduce it at the time of the Congress on the Basic Reforms, in January 1963, Introduction to 'A Estrutura Agrária do Brasil', Glycon de Paiva, IPES, 5th November, 1963. Another very important work for its impact on the post-64 government, prepared by an IPES/IBAD team was a study that became a book, 'A Reforma Agrária: problemas - bases - soluções' (The Agrarian Reform: problems - bases - solutions). The individuals who composed this team were: Glycon de Paiva, Harold C. Polland, Paulo de Assis Ribeiro, J. Garrido Torres, José Arthur Rios, Denio C. Nogueira, Carlos José de Assis Ribeiro, Edgard Teixeira Leite, Julian Chacel, Luis Carlos Mancini, J. Irineu Cabral, Wanderbilt D. de Barros, Nilo Bernardes; General Golbery and General Herrera also participated. Letter P.A. Ribeiro

- to Luis Viana Filho 'Notas sobre a Implantação da Reforma Agraria' w/date in Paulo de Assis Ribeiro Archive. See also José J. de Sá Freire Alvim 'Os Números revelam a necessidade de Reforma Agraria, in 'A Defesa Nacional' No. 587, July 1963, pp. 31-36; Study on Agrarian Reform, launched in January 1964 in five languages according to Letter from H.C. Polland to João Goulart, OESP, 10th January, 1964; J.A. Rios, 'O que é e o que não é reforma agraria', in Cadernos Brasileiros, No. 4, 1963, July/August, Rio, pp. 45-50; M. Diegues Junior 'Antecedentes da Reforma Agraria no Brasil', in Cadernos Brasileiros, 1963, No. 4, July/August, Rio, pp. 51-54. J.V. Freitas Marcondes, 'O Estatuto do trabalhador rural e o problema da terra, in Cadernos Brasileiros, No. 4, 1963, July/August, Rio; C. Guinle de Paula Machado, Reforma Agraria, in Cadernos Brasileiros, No. 1, January/February, 1963, pp. 72-77.
- 95 "O IPES, seção do Rio de Janeiro vem mesmo realizando um movimento de esclarecimento em torno das chamadas reformas de base, lançando manifestos com princípios expurgados do 'virus' totalitario e comunista", João Baptista Leopoldo Figueiredo, quoted in OESP, 7th March, 1963. See also George N. Bemis, op.cit., pp. 58-59.
- 96 General Edmundo Macedo Soares, Interpretação dos Interesses e das Aspirações do Povo Brasileiro, Análise Econômica, ESG document, C-25-63, pp. 29-36.
- 97 IPES CE, 8th January, 1963.
- 98 They were scheduled to start on 9th December, 1962. They were published every Sunday from January onwards, IPES memo, 21st November, 1962.
- 99 Letter P. Assis Ribeiro to J. Garrido Torres, 5th February, 1963, Rio de Janeiro, in Paulo de Assis Ribeiro Archive, Rio de Janeiro.
- 100 IPES CE, 29th November, 1962. Telegram from Glycon de Paiva to Senator Mem de Sá.
- 101 The Reform of the Policy of the Use of Natural Resources was prepared by Paulo de Assis Ribeiro and Glycon de Paiva. See also IPES minutes of: CE, 14th August, 1962, CE, 16th August, 1962, CE, 17th August, 1962, CE, 20th August, 1962, CE, 27th August, 1962, CE, 28th August, 1962, CE, 5th September, 1962, CE, 6th September, 1962, CE, 10th September, 1962, CE, 11th September, 1962, CE, 12th September, 1962, CE, 13th September, 1962, CE, 17th September, 1962, CE, 18th September, 1962, CE, 19th September, 1962, CE, 20th September, 1962, CE, 24th September, 1962, CE, 25th September, 1962, CE, 27th September, 1962, CE, 28th September, 1962, CE, 11th December, 1962, CE, 19th December, 1962, CE, 20th December, 1962, CE, 27th December, 1962.

- 102 Valentim Bouças was a director of the following multinationals and associated corporations: Swift do Brasil; ITT; Cia. Brasileira de Material Ferroviário - COBRASMA; Serviços Hollerith; National Cash Register; Panair; Listas Telefônicas Brasileiras; Addressograph-Multigraph do Brasil; US Bethlehem; American Bank Note Co.; Coca-Cola; Cia. Nacional de Máquinas Comerciais; Goodyear; Ferroenamel and Cia. Imobiliária Santa Cruz. His son, Jorge Bouças was also a director of Addressograph-Multigraph, Serviços Hollerith and Cia. Imobiliária Santa Cruz S.A.
- 103 Letter from Manuel Linhares de Lacerda, Brasília, 30th April, 1964. Motive: "Audiência com Presidente. Assunto: Solicitar solução para o conteúdo do dossier encaminhado a Presidência da República por intermédio do General Ernesto Geisel". In Humberto Alencar Castello Branco Papers, CPDOC Archives, Rio de Janeiro.
- 104 Lieutenant Colonel Adyr Fiúza de Castro, 'O Fim de Um Exército', in A Defesa Nacional, No. 586, July, 1963, pp. 3-16. The same article was basically reproduced later in the pages of OESP, 17th September, 1963.
- 105 Jean Marc van der Weid, an opposition student leader in the mid-1960s, recalled that a meeting took place in his home in 1963 with various representatives of the communications media and the advertising industry, including the head of the second largest advertising company in Rio de Janeiro (McCann-Erikson) and a manager of American Light and Power. The purpose of the meeting was to discuss means of participation in the IBAD-IPES campaign against Goulart and the labour left. Van der Weid's uncle, deputy Fabio Sodre, who was chief legal counsel for American Light and Power and a close friend of Niles Bond, the cultural attaché of the US Embassy, became involved in the campaign. Jan Knippers Black, op.cit., p. 81.
- 106 IPES CD Rio, 29th May, 1962. IBAD prepared 50 stereotyped questions and answers which were reproduced in all states and on all Radio and TV stations. For example, answering the question of the interviewer on the growing Communist threat to Brazil, the interviewee had to say that "Communist threat is growing, principally because of the authorities omission. He should then cite the cases of UNE, The Peasant Leagues and the public pronouncements of Governor Brizzola. He should also talk of the action of the trade unions, controlled by Communists and of red infiltration in all the principal sectors of activity of of the country". João Doria, 'IBAD: Conspiração Internacional contra as reformas', in Política e Negócios, Rio de Janeiro, 4th November, 1963, p. 10.

- 107 IPES CE Rio, 30th May, 1962. A mixed line of 'Dogmatismo com Problemas Políticos'.
- 108 IPES CE Rio, 4th June, 1962. Guidelines for TV Programme 'Encontro de Democratas com a Nação'.
- 109 IPES CE Rio, 3rd July, 1962. Also CE Memo with list of 'Nomes Lembrados para TV'; IPES Ch. Gr. São Paulo, 28th August, 1962; IPES General Meeting São Paulo, 23rd October, 1962.
- 110 Official letter from IPES São Paulo (Flavio Galvão) to IPES Rio, 16th November, 1962. Protocol 667.1962.
- 111 It is interesting to note some of the remarks made on the side of each name. General Golbery's participation was considered not to be 'convenient'. General Mamede was 'not able to participate'. Herbert Levy, Mem de Sá, Carlos Lacerda, Armando Falcão and Carvalho Pinto were deeply involved in the TV campaign of IPES. IPES CD, 19th June, 1962.
- 112 This programme was on 25th October, 1963.
- 113 It was shown on 2nd July, 1963.
- 114 The address took place on 4th August, 1963. Admiral Heck was accompanied and met at the airport of Congonhas where he landed, by several IPES/IBAD affiliates.
- 115 Shown on 10th February, 1963.
- 116 Política e Negocios, 19th August, 1963, p. 30.
- 117 IPES CD, 27th November, 1962. Contracted by M. Villela.
- 118 IPES CE, 20th March, 1962. Supported financially by Fábrica de Geladeiras Cónsul and by Coco Serigy among others.
- 119 IPES Internal Communication from General Liberato da Cunha Friedrich to Flavio Galvão of São Paulo, 29th April, 1963. According to General Liberato, through the collaboration of VASP Airline the videotape of Armando Falcão's speech on TV Rio - Channel 13, of 19th April 1963, was sent to São Paulo. Denisson Propaganda, which arranged the recording, asked the Secretary of IPES São Paulo to enter into urgent communication with Radio Rio Ltda. (of the Emissoras Unidas) to make a copy of the recording, in order to relay it to Brasília for the programme 'Frente a Frente', of 1st May, 1963.
- 120 N. Blume, op.cit., p. 216.
- 121 VEJA, No. 445, 16th March, 1977, p. 6.
- 122 OESP, 7th November, 1963. See also João Doria, op.cit., p. 10.

- 123 IPES CD, 22nd May, 1962. When arguing in favour of cutting sponsorship of his programme, Rui Gomes de Almeida noted that 'The gun is ours. Will we let the other announce it and shoot us?' See also Nelson Werneck Sodré, A História da Imprensa no Brasil, Rio de Janeiro, Civilização Brasileira, 1966, p. 480.
- 124 Genival Rabelo, O Capital Estrangeiro, Rio de Janeiro, Civilização Brasileira, 1966, p. 219.
- 125 ABA's thirteen founding members were ARNO S.A., Atlantic Refining Co. of Brazil, Burroughs do Brasil, Cia. Gessy Industrial, Eletro Industria Walita S.A., Ford Motor do Brasil S.A., General Electric S.A., General Motors do Brasil, S.A., Philips do Brasil S.A., Shell Brazil Ltda., Texaco Inc. (Brazil), The Coca-Cola Export Corporation and Willys Overland do Brasil, most of them related to IPES, as contributors or through their directors. Other companies which joined the ABA were: Alumínio do Brasil, Mobil Oil do Brasil, Frigorífico Wilson do Brasil, Mercedes Benz do Brasil, Pirelli S.A., Cia. Swift do Brasil, Anderson Clayton y Cia., Armações de Aço Probel S.A., Pneus Firestone, Cia. Goodyear do Brasil, São Paulo Alpargatas S.A., Bendix do Brasil Ltda., Vemag S.A., Volkswagen do Brasil, Philco Radio e Televisão, Avon Cosméticos, Irmãos Lever S.A., Brastemp Aparelhos Domésticos Ltda. and Farloc do Brasil S.A., again a wide list of IPES members and contributors. See Rabelo, op.cit., pp. 218-219.
- 126 IPES CE, 8th June, 1962.
- 127 IPES, Relatório das atividades do IPES, São Paulo em 1963. See also N. Blume, op.cit., p. 217.
- 128 Robinson Rojas, Estados Unidos en Brasil, Santiago de Chile, Prensa Latinoamericana, 1965, p. 153.
- 129 CESP, 18th October, 1963.
- 130 C.S. Hall, op.cit., p. 142. See also in Chapter VIII the activities of IPES/IBAD within the military.
- 131 IPES CD, 24th July, 1962, Dario de Almeida Magalhães and H.C. Polland. 500.000 cruzeiros were paid to both for 'expenses'.
- 132 In his report to the CD of IPES, on 13th November, 1962, seconded by Helio Gomide, he commented on the issues that were the focus for the campaign of the national-reformist bloc (inflation, foreign capital, process of exploitation, advantages for the dock workers, etc.). He recommended that counter material be produced for 'local stations' and assessed the advantages of radio over written press.
- 133 IPES Minutes, 25th May, 1962, General Golbery.

- 134 IPES General Meeting São Paulo, 9th October, 1962.
- 135 N. Blume, op.cit., p. 217.
- 136 The Council for Latin America Release, 'Intercambio' explained to its readers - companies that integrated the São Paulo based Fundo de Ação Social - that "Alert companies are using cartoon format to reach labour and rural populations with limited reading abilities. Case in point: Caterpillar Tractor's 16 page 'El Camino Hacia El Futuro', a comic book which tells the story of joint government-campesino road building efforts in a small Latin American village. Meanwhile, it plugs Alliance for Progress objectives and soft-sells Caterpillar (only through the trade-mark on the road-building equipment pictured). One million copies in Spanish and Portuguese have been distributed to date by USIA in 14 countries - generally in cooperation with local Caterpillar dealers". "The reaction? Extremely favourable, according to a survey conducted subsequently through USIA field posts". In 'Intercambio', July, 1965, Vol. 1, No. 4, p. 1, USA.
- 137 IPES Ch. Gr., São Paulo, 8th January, 1963.
- 138 IPES General Meeting 9th October, 1962.
- 139 IPES CE and CD São Paulo, 20th November, 1962, João Baptista Leopoldo Figueiredo.
- 140 N. Blume, op.cit., p. 217.
- 141 IPES CE and Ch. Gr. São Paulo, 8th January, 1963.
- 142 Gilbert Huber would take charge of the expenses of a film on 'the modifications in the concept of company man' costing 2 million cruzeiros. IPES CE São Paulo, 2nd April, 1963.
- 143 From time to time, films were readjusted and updated to changing circumstances. For the retaping of 'Portos Paralíticos' and of 'Economía Estrangulada', IPES paid 750.000 cruzeiros. IPES General Meeting São Paulo, 16th October, 1962.
- 144 IPES CD, 7th August, 1962.
- 145 IPES CD, 28th August, 1962.
- 146 Cooperation from outside sources was followed up by the Council for Latin America after the coup of 1964. In its report of October, 1965, it was stated that "Day to day assistance to local groups ranges from providing ideas for new groups on relatively simple and inexpensive initial projects to assisting established groups with information and resources for major activities". The Council for

Latin America eventually also supported films, among them, the well-known 'Sermon of Campinas', which had been seen by some 13,000,000 Brazilians; the 'Price of Life', which documented the contributions of the international drug industry to health and welfare; 'Forbidden Land', which showed how private capital converted a dry, desert like section of Northeast Brazil into a garden of abundance; and 'This is my Life', a story of the progress that a worker had made under free enterprise. CLA also provided 'blue-prints' for public speeches and press and radio material, such as the following:

CLA-CRC-Circular 52/65.

Ref: ENTREGA DE COMENTÁRIOS PARA A RÁDIO E IMPRENSA

Junto a esta circular temos o prazer de remeter-lhes os seguintes artigos:

- 1) O PAPA E A PAZ INTERIOR
- 2) A CENOURA E A VARA
- 3) SUKARNO NO OCASO
- 4) SERÁ ISTO AINDA COMUNISMO?
- 5) SERÁ O TERRORISMO UMA FORÇA PARA O PROGRESSO SOCIAL?

Lembramos que êste material pode ser usado editando-o ou sem editar, com a assinatura do autor e preferivelmente adaptado ao estilo local.

Recordamos novamente a necessidade de receber seus recortes, impressões e conselhos. Muito Obrigado.

NOTA: É favor usar esta mesma fôlha para os seus comentários que serão bem recebidos.

COMENTÁRIOS:

8 de Outubro de 1965.

Every week CLA sent five or six original articles to some 100 press and radio outlets in Latin America. The basic purpose of these articles was to strengthen attitudes which fostered what they saw as 'democratic development'. An exchange agreement was reached with the SIB press services whereby the former was to use CLA press and radio material and CLA would distribute SIB material to Spanish speaking countries. Radio dramas were also offered (a series of either 50 or 60 half hour chapters). These radio dramas contained a pro-capitalist message amid the entertainment, fostering a message of 'social mobility and choice'. See Council of Latin America Report, October, 1965, New York, pp. 2-4.

- 147 IPES Minutes 23rd October, 1962.
- 148 IPES General Meeting São Paulo, 25th September, 1962, Ricardo Cavalcanti de Albuquerque in his report on the use of six documentaries.
- 149 IPES General Meeting São Paulo, 9th October, 1962.
- 150 Ch. Gr. São Paulo, 25th September, 1962.
- 151 The films were budgeted at 1.700.000 cruzeiros each. IPES Memo, 21st November, 1962.
- 152 IPES CE Rio, 14th June, 1962. See also Moniz Bandeira, O Governo João Goulart, As Lutas Sociais no Brasil 1961-1964, Rio de Janeiro, Civilização Brasileira, 1977, p. 74.
- 153 IPES CE, Rio, 8th June, 1962.
- 154 Every possible means of communication and pressure (papers, conferences, articles, symposiums, private meetings, professional and business pressure) were used to shape the minds and win the hearts of the entrepreneurs. These, in turn, were expected to take 'into their enterprises the democratic ideas of IPES', IPES CE Rio, 29th November, 1962, General Liberato. See also IPES Minutes 27th November, 1962, on the attempts to organize IPES as the roof of the commercial associations. The idea of creating an IPES 'in each enterprise' was developed at IPES, as well as stimulating the parallel actions, such as those of the Association of Christian Managers of Enterprises - ADCE, which, according to Jorge Frank Geyer, was 'already a sort of IPES', IPES CD, Rio, 27th November, 1962.
- 155 'Seminários do IPES', Rio, w/date, p. 1.
- 156 Idem, p. 4. The following directors of IPES were to 'guide' the seminars: Antonio Carlos do Amaral Osório, Augusto Trajano de Azevedo Antunes, Cândido Guinle de Paula Machado, Glycon de Paiva, Harold C. Polland, Israel Klabin, João Baptista Leopoldo Figueiredo, José Luiz Moreira de Souza, José Rubem Fonseca, José Ulpiano de Almeida Prado, Mauricio Villela, Miguel Lins, Oswaldo Tavares, Othon Barcellos Corrêia, Paulo Ayres Filho, Paulo Reis Magalhães, Rui Gomes de Almeida and Zulfo de Freitas Mallman. Antonio C.A. Osório was designated general coordinator.
- 157 A selection of themes for IPES sponsored and organized seminars which reflects the sophisticated level of the organic elite in its campaign to win over the bourgeois bloc and disarticulate its class adversaries can be seen in Appendix N.

- 158 Social and sport clubs have been, traditionally, the centres of informal communication between entrepreneurs, bureaucrats and politicians. Policy articulation, interest aggregation and politico-military conspiracies have been established, settled or arranged at such places. The social, regional and ethnical composition of their members reflected and shaped class and status divisions, as well as reinforcing these identities. On the actual participation of these social and sport clubs in the civilian-military movement, see Chapter VIII. The military also had their 'political' clubs. The Clube Militar and the Clube Naval were significant centres of policy discussion and conspiratorial bases until 1964. Their importance as centres of free discussion declined sharply after the coup.
- 159 IPES Minutes 20th November, 1962. An idea of the type of ideological formation which was being developed is hinted at when considering the subheadings of one of the papers delivered at such conferences in one of the Paulista society clubs, which one would have thought was hardly the place for such a lecture. The paper was called 'Strengthening of the National Potential - Planning'. The paper treated: 1) The meaning/sense of the problematic of National Security - the 'Conscious Generations'; 2) Power and National Potential - two diverse perspectives of the same reality; 3) Spheres of planning in the field of National Security; 4) The natural dynamic of the strengthening of the potential; 5) Conscious intervention in the process; 6) The totalitarian 'dirigismo' (direction) and democratic planning; 7) Strengthening of the economic potential and development. It was prepared by General Golbery. Document No. 1, 'Fortalecimento do Potencial Nacional' Planejamento, w/d.
- 160 It took place between 13th August, 1963 and 29th September, 1963. Lecturers were Alceu Vicente Wightman de Carvalho, on Economic and Social Implications of the Demographic Explosion; Sandra Cavalcanti, on Housing Problems; Achilles Scorzelli Junior, on Problems of Health; José Arthur Rios, on Social Differences; Paulo de Assis Ribeiro, on Access to Education; Odylo Costa Filho, on Social Welfare for Infancy and Youth; Moacyr Velloso Cardoso, on The Truth on Social Welfare; Fabio Macedo Soares, on Regional Disequilibriums; Mario Henrique Simonsen, on Social, Political and Economic Implications of Inflation; Nerio Battendiery, on The Salary Question; Jorge Duprat de Brito Pereira, on Unemployment and Subemployment; Jayme Magrassi de Sá, on Subconsumption; Wanderbilt Duarte de Barros, on Tensions deriving from the use of the land; Benedito Silva, on Inadequacy of the governmental structure.

- 161 Courses versed on 'Political Democracy and Economic Democracy', Entrepreneurs and the dynamic of state structures', 'The Political and Economic meaning of Democratization of Capital', 'Shares as expression and Instrument of Capital', 'Strategy of pressure groups against Democratic Capitalism', 'Planning and Capital'. Among the lecturers were: Carlos José de Assis Ribeiro, Denio Nogueira, Luiz Cabral de Menezes, Octavio Gouveia de Bulhões and Themístocles Brandão Cavalcanti, for the seminar on Democratization of Capital; João Baptista Vianna, C.J. de Assis Ribeiro, Eudes de Souza Leão, Paulo Mario Freire, F. Mbielli de Carvalho, Ary Campista, General Anapio Gomes, Brigadier João Mendes da Silva, Milton Monteiro, Affonso Almiro, for the seminar on Private Enterprise and National Security; C.J. de Assis Ribeiro, Affonso Almiro, General Poppe de Figueiredo, Glycon de Paiva, Padre Francisco Leme Lopes (SJ), Paulo de Assis Ribeiro, Vicente Barreto, Gilbert Huber, Gilberto de Ulhoa Canto, João Carlos Moreira Bessa, J. Garrido Torres, on Analysis and Diagnosis of the Brazilian Reality.
- 162 IPES CE 6th June, 1963. Also OESP 2nd August, 1963.
- 163 The organic elite was able to follow up these discussions with publications which made a strong impact in the entrepreneurial community and among the military alike. One such influential book was Segurança Nacional, which had articles by Octavio Marcondes Ferraz, A.C. Pacheco e Silva, General Edmundo Macedo Soares, General Lyra Tavares and General Humberto Alencar Castello Branco and which was published by the Forum Roberto Simonsen, of FIESP in 1963.
- 164 N. Bailey, op.cit., p. 220.
- 165 OESP, 18th October, 1963.
- 166 It was aimed at being recognized as the 'Christian Answer to Brazil in crisis'. IPES CE Rio 19th December, 1962. Also letter from Glycon de Paiva to Pontifícia Universidade Católica, IPES 62/1716 of 20th December, 1962. A list of participants and themes provides what by now must be familiar names and themes: Alceu Amoroso Lima (Analysis of the National Crisis); Oswaldo Trigueiro (Options and Objectives of the Basic Reforms); Sucupira (Historical evolution of social ideas); Oswaldo Trigueiro (Reform of the Political structure); José Murta Ribeiro (Judiciary Reform); Lucas Lopes (Reform of the Public Utilities Services); Paulo de Assis Ribeiro (Administrative Reform); J. Garrido Torres (Man and International Order); Dias Carneiro (Foreign Policy); João Camilo de Oliveira Torres (Foreign Trade Policy); Alexandre Kafka and João Baptista Pinheiro (Foreign Capital); Daniel Faraco (Man and Economy); Mario H. Simonsen (Tributary Reform); Carlos José de Assis Ribeiro (Budgetary Reform);
cont...

- Anibal Villela (Anti-Trust Reform); Oscar Barreto Filho (Reform of the market of capitals); Octavio Gouvêia de Bulhões, João Luiz Moreira de Souza (Private Enterprise); J. Queiroz Filho (Participation in Profits); Frederico Rangel (Labour Legislation); Carlos José de Assis Ribeiro (Social Security); José Arthur Rios (Social Structures); Paulo de Assis Ribeiro (Dignifying of Man); Julian Chacel (Agrarian Structure); Luiz Carlos Mancini (Housing Question); Padre Helder and Luiz Alberto Bahia (The Right of Expression and its social function); Silvio Froes de Abreu (Conservation of Natural Resources). Other themes were Electoral Reform, Legislative Reform, Education as a factor in the formation of Man, and Health and Sanitation. The seminar was sponsored jointly with the Pontifícia Universidade Católica of Rio de Janeiro, who shared the costs. See IPES CE 29th November, 1962. IPES also planned a seminar with the Instituto de Estudos para o Desenvolvimento Social Económico, of José Arthur Rios and Padre Lebret. IPES CE Rio 28th March, 1963. Paulo de Assis Ribeiro also sought the collaboration of Raquel de Queiroz for the elaboration of a cartilha on the fundamental reforms needed by the country. Letter from P.A. Ribeiro to J. Garrido Torres 5th February, 1963 - In Arquivo Paulo de Assis Ribeiro.
- 167 IPES CE Rio 19th June, 1962. For Dario de Almeida Magalhães, 'A Tática e fazer a ação extremista, mas com uma porção de biombos (M. Salles, D.H.C. Alceu Lima etc.) O Cardeal está firme'.
- 168 N. Blume, op.cit., p. 216.
- 169 Although Padre Crippa was displaced by Cardinal Mota from São Paulo, and sent away to Campinas, he returned on a regular basis to continue his work in 'Convivium'.
- 170 See further in Chapter VII
- 171 IPES CE and CD 4th December, 1962. In December, 1962, Padre Crippa presented a plan of action for 1963, which was studied by Paulo Edmur de Queiroz. Padre Crippa's plan included the establishment of a Superior School of Leadership, the expansion of the Institute for the Formation of Leaders and the News Agency Planalto, as well as the foundation of an ideological and political seminar. J.B. Leopoldo Figueiredo asked Paulo Edmur de Queiroz to be the liaison with Padre Crippa so that the latter would present his budget and determine the priorities. IPES CE and Ch.Gr. 18th December, 1962 for the project which was eventually set up.
- 172 IPES São Paulo - Relatório das Atividades 1963, p. 2.
- 173 IPES CE and Ch.Gr. São Paulo 31st January, 1963.

- 174 José Ely Coutinho, who succeeded Adalberto Bueno Neto in the contacts IPES held with the ACM, linked up with João Nogueire Lotufo, as ACM leader, who was also an active member of the American Chamber of Commerce - IPES São Paulo, General Meeting 16th October, 1962.
- 175 OESP 20th October, 1963.
- 176 IPES Letter 64/0128 to Frei Metodio, by General Liberato 18th February, 1964.
- 177 IPES CE and Ch.Gr. São Paulo 18th December, 1962. Also IPES CE 21st May, 1963.
- 178 OESP - Cycle of Conferences 12th December, 1963.
- 179 As General João Baptista Tubino stressed, "IPES, among its highest stated goals should aim at the perfecting of the civic and democratic conscience of the different classes of Brazilian society". IPES Document - Curso de Atualidades Brasileiras, p. 2.
- 180 IPES Minutes, 28th November, 1962.
- 181 IPES Document No. 3 - 6th June, 1963 Rio de Janeiro - 'Vagas Disponiveis'
- 182 IPES CE Rio 29th November, 1962. "Não concebo éxito para qualquer ação que salvguarde o regime democrático se não for apoiada em ideias. Uma ideia só se combate efetivamente com outra ideia melhor". "Por que não se cria uma instituição para pregação dos ideais democráticos". J. Garrido Torres to CD 29th May, 1962.
- 183 IPES Grupo de Integração, report November 10th 1964. The idea of formalizing the existence of ADIPES arose in view of the necessity to re-supply the cadres of IPES which were depleted by their integration within the government after the coup of April 1964. The directorship of ADIPES, in August 1964, comprised Harold C. Polland, Leopoldo Figueiredo Junior, Jorge Frank Geyer, Alberto Venancio Filho and Narzy Maia. Report of ADIPES, by Ormy Rosolem, Rio de Janeiro, January 21, 1965.
- 184 IPES Document No.4. 6th June, 1963, Rio de Janeiro. - 'Temas a Considerar'. This document provides a list of the themes available for these courses: Brazilian Reality; Democracy and the totalitarian regimes; Democracy and the Church; The Development of the Country and Foreign Policy; Economic Progress and Social Progress; Democratization of Capital; Brazilian Labour Legislation and the Enterprise; Plans for Development; The process of Basic Reforms in Brazil; Tributary Reform; Banking Reform; Entrepreneurial Reform; Agrarian Reform.
- 185 IPES - Relatório 1963, p.3. Also IPES Document No. 1. 6th June, 1963, Rio de Janeiro.

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'Objetivos do Curso'. Lecturers of the courses, some of which were given even after 1964, were, among others: Harold C. Pollard (Significance of the CAB); Alceu Amoroso Lima (Brazilian Reality); Themístocles Cavalcanti (Democracy and the Totalitarian Regimes); Gustavo Corção (Democracy and the Church); Delfim Netto (Economic Progress and Social Progress); Carlos de Assis Ribeiro (Plans for Development); Mario Henrique Simonsen (Tributary Reform; Political, Social and Economic Implications of Inflation); Denio Nogueira (Banking Reform); Aims and implications outcoming from Monetary Reform); J.L. Moreira de Souza (Entrepreneurial Reform); Democratization of Capital); José Arthur Rios (Agrarian Reform, Reform of Housing Policy); Paulo Sá (Labour Laws and Enterprises); Paulo de Assis Ribeiro (Process of Reforms); João Camillo de Oliveira Torres (Democracy and the Totalitarian Regimes); Octavio Gouveia de Bulhões (The Development of the country and Foreign Policy); Roberto Campos (Foreign Policy and the Development of the Country); Helio Drago, Fabio Macedo Soares Guimarães (Physiographic aspects of Brazil); José Garrido Torres, Moacyr Veloso Cardoso de Oliveira; Wanderbilt Duarte de Barros. List assembled from IPES Boletim Mensal, Nos. 19 to 39.

Lecturers and themes after April 1964 were, among others: Antonio Saturnino Braga (Aspirations of the Brazilian People); Luiz Alberto Bahia (Political Context and Economic Models); Helio Beltrão (Policy of Administrative Reform of the Government); Colonel Helio Gomes do Amaral (National Policy of Telecommunications); Colonel Wilson Moreira Bandeira de Mello (Science, Research, Technology and Development); Glycon de Paiva (Population and Development, Mineral Production); Eudes de Souza Leão (Vegetal Production and Agrarian Policies); Durval Garcia Menezes (Beef Cattle); Colonel Antonino Doria Machado (Industrial Production, Steel Industries); John Cotrim (Sources of Energy); A. Trajano Antunes (Internal Savings, Investments); Walter Lorch (Transportation Policy); Sergio Paulo Rouanett (Policy of Foreign Trade); Achilles Scorzelli Jr. (Health Policies); Geraldo Danemann.

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It is worth noting how both military rank and company affiliation are juxtaposed. The composition of one such group was as follows:

TRABALHO DE GRUPO

GRUPO: C

APRESENTAÇÃO: 9-XII-1964

TEMA: INFLAÇÃO, POUPANÇA E INVESTIMENTOS NO BRASIL

COMPOSIÇÃO:

Dirigente - Maurílio Augusto Silva
Vice-Almirante R. Rn (ESSO)

Relator - Octávio Alves Velho
General Divisão R1 (MESBLA)

Componentes (Tarefas)

PARTE	(	<u>Lineu Maria Vieira</u>
INFLAÇÃO	(	Economista - Professor Catedrático Univ. Fed. Est. Rio
	(	<u>Antonio Carlos Ferreira de Queiros</u>
	(	Economista - Min. Minas e Energia
PARTE	(	<u>Newton Arguello</u>
INVESTIMENTOS E	(	Economista - Dir. Revista Aviação Astronáutica
POUPANÇA	(	<u>Fernando Mibielli de Carvalho</u>
	(	Advogado - Professor Fac. Nac. Ciências Econômicas
PARTE	(	<u>Jerônimo Baptista Bastos</u>
OPINIÃO PÚBLICA	(	Maj. Brigad. RR - (ESSO)
	(	<u>Sérgio Pinheiro</u>
	(	Subgerente Vendas - (ESSO)

Relatório que, reflete a opinião unânime do grupo, após sofrer análise e crítica de todos seus componentes.

Maurílio Augusto Silva
Octávio Alves Velho
Newton Arguello
Fernando Mibielli de Carvalho
Sérgio Pinheiro

IPES CE 29th November, 1962. - José Rubem Fonseca.
At the beginning of 1963, General Tubino received from General Golbery a copy of a master plan for the first Curso Superior de Estudos de Atualidades Brasileiras. Its blue print was a course which had been started in July, 1962, lasted until November, 1962, had 34 classes twice a week. (See also Plan from General Golbery to General Tubino in IPES 6.5.63).
The course was to be delivered at the Sindicato da Indústria Farmacéutica, under an agreement secured by Villela. The staff comprised Nei Peixoto do Valle, J. Garrido Torres and José Rubem Fonseca, who had the help of the Study and Doctrine group. Fixed secretarial expenses were calculated at around 600.000 cruzeiros monthly, not including the material which was needed for

the courses. Forty-five students participated in the first group. Among them 10 of IPES, 3 of the Armed Forces General Staff - EMFA, 3 of the Trade Unions, 3 of the leadership of IPES, 1 of the Council for National Security - CSN, 1 of the Ministry of Industry and Commerce, 7 of the Ministry of Education, 4 of entrepreneurial associations, 3 professionals and 4 students.

The following were listed by IPES as the teaching pool of the courses: Alceu Amoroso Lima and Dantom Jobim (Socialism and Democracy); Erico Veríssimo, J. Garrido Torres, João Baptista Leopoldo Figueiredo and João Pinheiro Baptista (Capitalism and Democracy); General Golbery and Helio Jaguaribe (Democratic Nationalism); General Jurandir Mamede (Armed Forces and Democracy); General Macedo Soares (Democracy, National Security and Industry); Dom Helder Câmara (Church and Democracy); José Luiz Moreira de Souza and Gilbert Huber (Democratization of Capital); Luiz Carlos Mancini and José Arthur Rios (Economic Progress and Social Justice); Helio Jaguaribe and Gilberto Freyre (Northeast and Development); Padre D'Avila (Church and Economic Progress); Cândido Guinle de Paula Machado, Eliezer Burlá and Odylo Costa Filho (The entrepreneurs and public opinion); Cândido Mendes, Mario Henrique Simonsen and Helio Beltrão (Research and Economic Planning); Edgard Texeira Leite (Foreign Capital); Nehemias Gueiros and Daniel Faraco (Sociedades Anónimas), J. Garrido Torres (Extraordinary Profits; Latin American Common Market); Harold C. Polland and Paulo Ferraz (Transport); Major Mauricio Cibulares (Supply Measures; Energy); Glycon de Paiva (Minerals and subsoil); J. Carlos Vital and Lucio Costa (Transport and Urbanization); Daniel Faraco (Inadequate Legislation); Paulo de Assis Ribeiro (Agrarian Reform; Tributary Reform, Banking Reform, Anti-Trust Laws); Mario Gibson Barbosa and Carlos Chagas Filho (Cultural Exchange); Orlando de Carvalho, Flexa Ribeiro and Herbert Chamoun (University Problems); Ambassador Araújo Castro (Foreign Policy). It seems obvious from the above mentioned list of names that the capacity of IPES to articulate at this stage an intellectual-political position of the 'centre' was remarkable.

Chapter VII: The Class Action of the Organic Elite:

The Political Campaign of the Bourgeoisie

Introduction

The aim of this chapter is to describe some of the central actions of the organic elite in different areas of political activity, and to indicate that some events hitherto regarded as unconnected, or as 'spontaneous reactions' of segments of the population, were in fact co-ordinated by the organic elite centred in IPES/IBAD.¹

The political activities of the organic elite were remarkably varied in nature and wide in scope, covering a number of separate operations designed to support and complement one another and to have a cumulatively significant effect. The strategic goal of the organic elite was to establish itself in state power and bring about economic, administrative and political changes required by the interests represented in IPES. Tactically, IPES/IBAD were engaged in a wide campaign which attempted the manipulation of public opinion and the indoctrination of the entrepreneurial social forces, shaping these interests into a class for itself. Furthermore, IPES/IBAD were engaged in a wide campaign which aimed at disrupting working class solidarity, containing peasant trade-unionization and mobilization, supporting the right-wing ideological cleavages in the ecclesiastical structure, disaggregating the student movement, and blocking the national-reformist forces in Congress while mobilizing the middle classes as the organic elite's own masse de manoeuvre. Moreover, the tactical moves were necessary for another crucial reason: to bring the social structure to a point of crisis where the Armed Forces, whose support had been simultaneously and intensively canvassed, would be brought into action under a co-ordinated leadership. Throughout Goulart's presidency, 'historical conspirators' such as General Cordeiro de Farias, Admiral Silvio Heck, General Golbery do Couto e Silva, General Jurandir Bizarria Mamede, General Heitor Herrera, General Liberato da Cunha Friedrich, Brigadier Eduardo

Gomes, Admiral Augusto Rademaker Grunewald, General Nelson de Mello, Brigadier Fleiuss and a growing number of newcomers, among whom were General Olympio Mourão Filho, General Carlos Luis Guedes and General Amauri Krueel were busy building up their respective and in many cases, interlocking commands for staging a successful coup. An account of some of these manoeuvres shall be given in Chapter VIII. However, as long as the various conspiratorial groups acted as isolated units engrossed in their petty feuds, direct action could not be contemplated, or it would fail again as it did in 1961 - an event which in the words of General Golbery had been a disaster for the Army.² As long as the situation involved one of several would-be leaders disputing the leadership, responding to regional, sectoral and other pressures, so long as the military did not overwhelmingly condone the movement for a coup against Goulart, and felt their military intervention was legitimized by civilians, delaying tactics had to be employed against the executive, the popular organizations of the working classes, the traditional populist forces, and last but not least, against impulsive officers and the action of small conspiratorial factions.³

The delaying tactics, aimed at creating political tension and a middle class condemnation of the executive and labour-left policies and activists, fell within two general categories: those with ideological characteristics and those with strongly political or military overtones. They were all of a covert and even secret nature. For these activities, developed within the student population, the rural and urban workers and the middle classes, IPES counted upon a structure of action of 4,000 student and trade union activists, professionals, middle class housewives and functionaries of the state bureaucracy.⁴ For its activities within the legislature and the military IPES/IBAD

relied on their networks within the Armed Forces, and the politicians gathered under the political umbrella of the ADP, the leadership of the centre-right wing political parties and on the direct involvement of leading entrepreneurs.

Action among Students, in Cultural Activities and for Popular Mobilization

By the end of the 1950s, students, intellectuals, politicians and party militants, clergymen and military developed a general movement to inculcate in the masses some notions of group or class interests and some ideals about the role of the state and the desirability of certain national goals. This effort was known as conscientização, the stimulating of consciousness of the masses, a rational and planned effort to awaken a sense of awareness among the masses of their true and potential value in order to prepare them as participants and beneficiaries of social change.⁵ Various organizations became involved in the process: the Ação Popular - AP (Popular Action), which was a socialist off-shoot from the Juventude Universitária Católica - JUC (Catholic University Youth) and radical sectors of the Church through the Movimento de Educação de Base - MEB (Basic Education Movement); the União Nacional de Estudantes - UNE (National Union of Students), through its Popular Centre for Culture, which took to slums and working class suburbs a militant art and music, and which had a publishing house which released material with critical social and political contents; the Ministry of Education and the state secretaries of Education through their Commission for Popular Culture and a variety of literacy programmes, basically using the Paulo Freire method of teaching literacy together with political conscientization.⁶

By the early 1960s, the UNE presented a comprehensive set of

demands covering issues such as educational and university reform, inflation, foreign capital, imperialism, independent foreign policy, support for Cuba, solidarity with striking workers, literacy campaigns, agrarian reform and technical assistance to the rural syndicalization movement. By 1961, the UNE became an integral part of the national-reformist bloc and eventually an important component of the Popular Mobilization Front which assembled all the political and cultural labour-left organizations and institutions.⁷ These developments coincided with the ascendancy of Ação Popular within the student movement, with the election to the presidency of UNE in 1961 of Aldo Arantes, a 'Goiano' student and leader of AP. Arantes was succeeded by another AP leader, the mineiro Vinicius Caldeira Brant in 1962, and in 1963 another AP leader, José Serra, was elected president of UNE.⁸

An important landmark in the political development of the student movement was the Declaration of Bahia, an ideological-political conclusion of the 1st National Seminar on University Reform which took place in Salvador, in 1960. In the conclusions of the Declaration, Brazil was perceived as 'a capitalist nation in a stage of development', with 'an agrarian infrastructure under control of powerful foreign groups' and an 'oligarchic state' riddled by contradictions which 'indicated the failure of the liberal bourgeois structure'. As a solution to such a state of affairs, the document proposed the 'socialization of the fundamental sectors of the economy', an end to the alienation of the proletariat, the 'effective participation of the workers in the government organs' and the 'creation by the Government of conditions for the complete development of proletarian organizations'.⁹ These were the strategic aims of the student movement. However, they recognized the lack of a

tactical perspective which would help them to realize their goals. Consequently, the 2nd National Seminar on University Reform was convoked in Curitiba, in 1962. The political and ideological conclusions of the gathering were assembled in the Carta do Paraná, which became a most important document of the student movement. Significantly, university reform was included, in the section of the Carta which dealt with the 'tactical scheme of struggle', among the Basic Reforms, which were beginning to be widely discussed by the national-reformist bloc, the government and eventually even by the modernizing-conservative bloc. This proposal was the stepping stone in an eventual political alliance of workers, students and peasants, binding the movement for university reform to other popular claims.¹⁰ The student organizations envisaged the creation of an 'alliance with workers, peasants, progressive intellectuals, the democratic military, and other sections of national life' so that their united claims would be strong. They made the agrarian reform the banner-cry of the students. On the other hand, they expected that transformation in the teaching system would become the 'Objective and subjective aspirations of the workers and the peasants'. This belief was so widespread that the UNE sought to synthesize those claims in its programme of university struggle as the need to 'increase the Peasant-Worker-Student Alliance'.¹¹

It was against the efforts of AP and UNE that the organic elite developed a tough campaign of containment and disaggregation directed especially against the UNE, but also against its younger equivalent, the União Brasileira de Estudantes Secundários - UBES (National Union of Secondary School Students), and also against other popular oriented student organizations such as the Juventude Estudantil Católica - JEC (Catholic Student Youth), the Catholic

University Youth, and the União Metropolitana de Estudantes - UME (Metropolitan Union of Students).¹²

IPES supported these actions by financial, technical and administrative help, ranging from involvement in student elections, funding of publications and activists, to subsidies for specific activities, projects and individuals, and the sponsorship of trips to the USA for students.¹³ However, IPES leader Antonio Galotti had visualized from a very early date IPES action in the student movement not only in terms of monetary support. He had also seen the necessity to infiltrate 'democratic elements' among the student militant population, an activity which was perceived as central.¹⁴ Furthermore, IPES leader Duvivier Goulart pointed out the need for political action to be carried out also through lecturers, in so far as these were the permanent elements in the educational structure. On this point he was contested by IPES leader Cândido Guinle de Paula Machado, one of the main activists in student matters, who stressed that action would be efficacious only if it emanated from the students themselves. The most that IPES could do was to guide them. IPES had to provide logistical support for student militants and to avoid spontaneous reactions from student leaders and groups. The matter was left in the hands of Paula Machado. In practical terms, IPES/IBAD acted, according to the circumstances, through both students and staff, as supporters of organized action and as direct executors in limited areas.¹⁵ IPES even made its influence felt in the higher academic and administrative echelons of the Universidade do Brasil, mainly through the important connections of IPES leader Oscar de Oliveira,¹⁶ in its efforts to disrupt the student movement.

General Golbery, as head of the Conjunctural Survey group, was personally in charge of the supervision of the organic elite's

campaign within the student target population, for matters which required broad strategic planning. Such was the case of the university elections in São Paulo,¹⁷ where IPES was working with an association of ex-student leaders, of which a prominent figure was Paulo Egydio Martins, who lent his accumulated experience as a former São Paulo and national right-wing student leader in the attempt to influence the university public.¹⁸ In Rio de Janeiro, IPES was involved in university action through the Academic Centre Machado, of the Pontificia Universidade Católica, and through student leader Manoel da Rocha, of the Academic Centre Cândido de Oliveira - CACO of the Faculdade de Direito (Law). Manoel da Rocha approached IPES for support, asking for money to win the elections (which they eventually lost). Collaboration was urged by IPES leader Mauricio Villela, on the grounds that CACO was to be one of the main centres of action for the organic elite.¹⁹ Contributions were approved by IPES leader Joviano Rodrigues de Moraes Jardim, who was in charge of the caixinha (kitty).²⁰ IPES also attempted to influence the elections of the Metropolitan Union of Students, as well as the university elections in Pernambuco, where support for prospective governor Miguel Arraes and for the Peasant Leagues had to be neutralized,²¹ and where an anti-communist, Marco Antonio Maciel, was elected. The organic elite, operating under the cover of IBAD also penetrated the student movement. It went into action against the UNE with various degrees of success through the Movimento Estudantil Democrático - MED (Democratic Student Movement), founded and funded by IPES/IBAD.²² IBAD also penetrated the student movement through the Frente da Juventude Democrática - FJD (Democratic Youth Front), sponsored by IPES and led by right-wing student activists Duval Vianna and Alain Araujo.²³ Furthermore, IPES sponsored the Grupo

de Ação Patriótica - GAP (Group for Patriotic Action), led by Aristóteles Drummond and composed of middle and upper class students, who together with the FJD, the Anti-Communist Movement - MAC and MED, operated as bully-boys against sympathizers of UNE and UBES, as well as against propagandists of national-reformist positions within the student movement.²⁴ IPES/IBAD provided not only financial support for electioneering activities, but also supplied political expertise,²⁵ media coverage, produced and distributed propaganda material adverse to the UNE leadership and the national-reformist bloc, and trained student activists. IPES also encouraged direct entrepreneurial contribution, by advertising in friendly student newspapers, such as Juventude Universitária, and supporting the FJD newspaper Jornal Universitário or the right-wing Correio Acadêmico, as well as publishing 'professional material' through Editôra Agir, the publishing house of Candido Guinle de Paula Machado.²⁶ The idea of funding and founding student newspapers arose as early as April 1962, after an analysis of the national student situation made by the Conjunctural Survey group which gave the guidelines for action.²⁷ IPES leader Álvaro Americano was in charge of budgeting for the student newspapers action in Rio.²⁸ Another student newspaper, of Recife, was passed on to entrepreneurs A. C. Menezes and Bezerra Menezes for support.²⁹ However, despite the enormous resources and means at the disposal of IPES, their activities until the crucial elections for the national leadership of UNE, in July 1963, had met with mixed success.³⁰

By mid-1963, the university movement was leaning heavily towards the labour left and experiencing a political upswing. The UNE was engaged in a wide range of political activity, taking positions on every issue that appeared, from South-African apartheid

policies to the need for agrarian reform. Furthermore, students were actively engaged in national campaigns for adult literacy, and participated en masse in sanitary campaigns in the countryside promoted by the National Department of Rural Endemics of the Ministry for Health. Such campaigns made real the theoretical tenets and ideological goals of UNE, namely the Workers-Students-Peasants grand alliance. Moreover, through the UNE-Volante (flying squads of UNE), the Popular Centre of Culture was developing a strong political campaign among the working class throughout the length and breadth of the country. It was against this background of student mobilization, that General Golbery himself offered to take the direction of the countercampaign for the national elections to the UNE leadership.³¹

The 23rd annual Congress of the UNE was held between the 22nd and the 28th of July, 1963, in Santo André, a large industrial city near São Paulo. The outcome of the Congress would determine the line of political action of the UNE in a critical period. Efforts to capitalize on the Moscow/Peking split and sidetrack the students from their own political discussion about University and Basic Reforms were attempted and failed.³² The press reaction was extremely unfavourable to the UNE leadership in particular and to the Congress in general. O Estado de São Paulo and the Folha de São Paulo especially gave the Congress intensive coverage and much unfavourable editorial comment. The most important opposition elements to the labour-left incumbents in the elections of new UNE officers were the IPES-sponsored Democratic Youth Front, which the American Consul in São Paulo, Daniel M. Braddock described as 'an extreme rightist group. The violence-prone leaders of the FJD had made all kinds of hair-raising plans. They were reportedly prevented from bombing and machine-gunning the Congress more by police frisking

than by common sense. It is well that they refrained, for violent action would only have attracted public sympathy for the incumbents, especially if martyrs had been created. More responsible opposition leaders deliberately avoided contact with the FJD. The newspaper O Estado de São Paulo, while not defending the organization, gave prominent news coverage to its various manifestos denouncing Communist control of the students.³³

The opposition slate was headed by Luis Fernando Ferreira, a candidate from the University of São Paulo Medical School. The Ferreira slate was publicly branded as Ibadeana. An outstanding architect of the slate was none other than Luis Fernando Levy, an activist together with his brothers in the IPES-organized groups of action for the student, syndical and military sectors in São Paulo, and a son of the UDN leader Herbert Levy.³⁴ Ferreira, stretching his luck, might have received the votes of up to 200 delegates. To do this would have required getting the support of delegates from Pernambuco, whose State Student Union president, Marco Antonio Maciel turned out to be for American observers the biggest puzzle of the Congress. Although he publicly presented himself as an anti-Communist, he did not seem to commit himself to the degree that was expected of him. Furthermore, to obtain the vote of 200 delegates also meant mobilizing several delegations that did not even show up at the convention. There were several dozen eligible São Paulo delegates, for example, who opted for the beaches of Guarujá, at the last minute, after having promised to do their part. Moreover, a Rio Grande do Sul delegation of some 40 members was prevented from coming at all, because of a last minute quarrel with IPESUL who was paying for their air fares.³⁵ After all these mishaps, when the counting of cast votes was finally made, Ferreira received a poor

55 votes, which seemed insignificant when compared with the 679 votes for the incumbent national-reformist 'Unity' slate. The students had made clear where their sympathies lay. José Serra, the Paulista AP candidate was elected president, and IPES/IBAD had lost a crucial battle.

The student action of IPES was not limited to the manipulation of university activists or interference with university elections. IPES also intervened in the student elections of the highly combative Associação Metropolitana de Estudantes Secundários - AMES (Metropolitan Union of Secondary Students). IPES leader Helio Gomide was authorized to be paymaster for student activities in this vital field, in batches of up to 100,000 cruzeiros each time, both for AMES and UME.³⁶ In São Paulo, through the União Cívica Feminina, an organization of middle class female activists, IPES assisted the Congress of the União Paulista de Estudantes Secundários - UPES (Paulista Union of Secondary Students) and the Christian and Democratic Convention of Secondary Students.³⁷

As seen elsewhere, other forms of action by IPES involved the sponsorship and endorsement of cultural activities and university groups and the support for established cultural institutions which had ideological or political significance. In charge of such operations was IPES leader Paulo Edmur de Souza Queiroz.³⁸ Among such groups and institutions were the Associação de Cultura Brasileira-Convívio, which gathered together university lecturers and published the magazine Convivium; the Instituto Universitário do Livro - IUL; the Movimento Universitário de Desfavelamento - MUD (University Movement for 'De-slumming'); the soft intellectual magazine Cadernos Brasileiros; the Institute of Political and Social Studies - IEPS, of the Pontifícia Universidade Católica of Rio de Janeiro, which

published Síntese: Política Económica Social; and the Campanha de Educação Cívica - CEC (Civic Education Campaign).³⁹

IPES was connected with the Pontifícia Universidade Católica of São Paulo through the support of Marota Rangel and Manoel Ferreira, although their activities and presence in this university were sternly opposed by Padre Corazza.⁴⁰ The IPES Commission which established the convênio (agreement) with the Universidade Católica comprised General Golbery, José Luiz Nogueira Porto and Paulo Galvão. Other IPES members involved in the co-ordination between the organic elite and the entities which received support were José Ely Viana Coutinho and General Agostinho Cortes.⁴¹ With the PUC of São Paulo, IPES established a Social and Political Research and Documentation Centre.⁴² IPES strove to further this project with the creation of an Instituto Universitário de Ciências Sociais consisting of two main departments: the Superior School of Political and Social Sciences, and the School for the Formation of Leaders - EFL. The latter was a project to be launched, under the auspices of IPES, by Monsignor Enzo Gusso.⁴³ The Documentation Centre provided IPES with a data bank and in particular, it played a subsidiary role for the political and ideological activities of the Doctrine and Study Group, by keeping a specialized library, film archive and picture archive, tapes, video-tapes and microfilms.

IPES was also connected with the Universidade Católica de Campinas, establishing in 1963 the Course of Social and Political Sciences of the Faculty of Philosophy, Science and Letters. The course strove to help in the preparation and organization of lecturers in Social Sciences and Politics, who would perform in political and 'civic' activities. Seminars on current affairs were organized, where were discussed such varied topics as: 'The Northeast

of Today and Tomorrow'. 'Woman in the Brazilian Conjuncture', 'Illiteracy in Brazil and the World', 'Growth and Economic Progress', and 'The Influence of Human Dynamism in the Economy'. In Campinas, IPES also organized politically-loaded evening courses for adult alphabetization, in which the values of the organic elite were disseminated.

Another cultural and political centre with whom IPES had special links was the Centro de Estudos Sociais Brasileiros - CESB (Centre for Brazilian Social Studies). This connection was facilitated by sheer geographical location, as the CESB operated in the same building where IPES Rio had its headquarters. The person who served as link man was Dr. Calafate, one of the directors of CONCLAP, which also had its headquarters in the same building.⁴⁴

IPES supported the Brazilian Association of the Congress for the Liberty of Culture. Through this organization, which had international ramifications, IPES disseminated its own ideas on the Student Movement, and the nature of the University. This operation was carried out under the responsibility of IPES leaders A. Venancio Filho, José Duvivier Goulart and Oscar de Oliveira, who worked as a team of the Study and Doctrine group, on the University Problems' unit.⁴⁵

As already mentioned, IPES set up the University Institute of the Book - IUL, in 1962. The IUL served as a channel for the distribution of political books at low cost prices, the promotion and publication of 'didactic' books of what IPES deemed to be of 'real university interest', and the printing of leaflets and apostilas (basic text papers). The IUL also served as an institution 'granting' scholarships for 'special courses', and a forum for the promotion of studies of the political conjuncture in the form of seminars, series of lectures and conferences of interest for the 'universitarian

class' (classe universitária). In the area of the printing and distribution of leaflets, pamphlets and apostilas the IUL co-ordinated efforts with, among others, the Faculdade Paulista de Direito (the Faculty of Law of São Paulo), the Faculdade de Direito Mackenzie (the Law Faculty of Mackenzie University), the Escola Técnica de Química Industrial of Ribeirão Preto (Technical School of Industrial Chemistry), the Faculdade de Economia São Luiz (Faculty of Economics Sao Luiz), the Faculdade de Filosofia Sedes Sapientae (Faculty of Philosophy Sedes Sapientae), the Faculdade de Engenharia Mauá (Faculty of Engineering Mauá).⁴⁶ The directorship of IUL comprised José Ely Viana Coutinho, Paulo Egydio Martins, Carlos Eduardo Corbett, Eduardo Figueiredo and Maria Lucia Coutinho Galvão.⁴⁷

IPES provided for the direct interaction of entrepreneurs and university people by instituting a Department of Apprenticeships (Estágios), whereby university students were introduced and exposed to the practices of the business world in São Paulo, both commercially and ideologically. IPES sponsored public book fairs, which served as outlets for their favoured books and magazines.⁴⁸ It also sponsored the Centre for Social and Economic Documentation - CEDES.⁴⁹ José Ely Coutinho and Eduardo Figueiredo were involved in these activities.⁵⁰

IPES was also concerned with indoctrinating young people and strove to establish its ideological presence through high school and primary education as well. Moreover, through middle class children, IPES was able to reach their parents, mobilizing also in this process the 'school establishment', attempting to neutralize or integrate if possible the teaching staff in its wider political campaign in manipulating public opinion. IPES São Paulo sponsored the distribution of printed material throughout the school system,

such as Uma Escola Social (A Social School) produced by Dom Emílio Jordan, who had been connected to IPES through Paulo Ferraz. Dom Emílio Jordan was also responsible for the preparation of a plan to set up a school for the formation of 'leaders', which was duly forwarded to and taken up by the Doctrine and Study group of IPES São Paulo.⁵¹ The plan also involved the organization of civic and religious instruction in lay schools.⁵²

IPES intervened in the area of workers' education, and was behind the idea of launching a Universidade do Trabalho in Campinas.⁵³ It was for such a project that Monsignor Salim, the rector of the Catholic University of Campinas, who was already connected to IPES through José Ely Coutinho, and Padre Narciso, asked the organic elite for subsidies which would allow them to work during the first year.⁵⁴

IPES was even behind the constitution in 1963 of the Instituto de Formação Social - IFS (Institute of Social Formation). The aims of the IFS were to provide basic indoctrination courses for all sectors of the public. The IFS organized courses of executive level for enterprise managers, of middle level for employees, sales personnel, students and middle class women, and evening courses for industrial workers. The IFS also organized special indoctrination courses of Leadership and Syndical Administration, as well as courses of Rural Trade-unionization.

IPES was also interlinked with the Coimbra Bueno Foundation,⁵⁵ which was dedicated to social, cultural-civic action and philanthropic activities. The Coimbra Bueno Foundation was a convenient channel to reach the lower middle classes and the working classes, a public in which IPES had an obvious interest.

Finally, an important landmark in the ideological struggle against the national-reformist student movement, which had serious

repercussions in the intellectual, political and military environments was the setting up of the famous book UNE - Instrumento de Subversão (UNE - Instrument of Subversion), a lurid exposé of left-wing activities in the Universities in general and, in particular, in the Faculdade Nacional de Filosofia of Rio de Janeiro, which accounted for much of the book's impact.⁵⁶ During the period from 1960 to 1964, the Faculdade Nacional de Filosofia played the role of a sort of higher echelon of the student movement, a spearhead of politicization and awareness and the forum for intellectuals such as Jean Paul Sartre and politicians such as Leonel Brizzola and Miguel Arraes to put their views and cases across to the student movement. What happened at the FNF had obvious national repercussions, given its role as a pacemaker for student activities and with a student union controlled by one of the most active labour-left blocs led by Enylton de Sá Rego. It was, then, quite useful to discredit the activists involved and their activities. And this, the book set out to do thoroughly.

The book was written by Sonia Seganfredo, who in 1962 was a student in Rio de Janeiro. She had entered the Curso-Pré-Vestibular of the Faculdade Nacional de Filosofia in 1958. From the beginning Seganfredo took a stern anti-communist stance. In 1962, she denounced, in a series of interviews published in O Globo, the activities of both the UNE and the national-reformist Superior Institute of Brazilian Studies - ISEB. It was then that she was approached by IPES. In November 1962, Lieut. Heitor de Aquino Ferreira, who was General Golbery's personal assistant, established contact with Seganfredo. After sending her books and other publications analyzing the political situation and the student movement,⁵⁷ Lieut. Aquino decided to make himself known and explain to Seganfredo why he had contacted her. Lieut. Aquino assured Seganfredo that they were both engaged in the

same struggle and on the same side. He went on to explain to her that 'Our group in the army - which the left insists always in calling golpista (coup-supporting) - continues to exist, although it is quite weakened, among other reasons, by a lack of leadership, after some of our more enlightened leaders passed to the reserves - some of them even on account of the excellent reason that outside the Army they could work with greater results. I mention this because the fact has links with the problem I want to discuss with you. We have printed ourselves and channelled to friendly publishers several works of great value as democratic propaganda, anti-communist propaganda.'⁵⁸ Lieut. Aquino then mentioned some of these publications, the majority of which would soon be released, such as Conversations with Stalin by M. Djilas, 'which will be published back home (em minha terra) by Editôra Glôbo⁵⁹ to whose director I am related by ties of friendship'; Strausz-Hupe, The Protracted Conflict; Suzanne Labin, Il est Moins Cinq; Raquel de Queiroz, Crônicas Engajadas (Committed Chronicles); George Orwell, Animal Farm, and several others.⁶⁰

Sonia Seganfredo was then invited by Lieut. Aquino to co-operate with IPES by publishing a book based on the articles she had written for the national newspapers, denouncing the 'broad left', the nationalist ISEB and the UNE. IPES financed the book, which was published by the GRD Editôra of São Paulo. The GRD Editôra, which had released so many other books distributed by IPES, was able to sell cheaply UNE - Instrumento de Subversão because of the subsidies provided by IPES, who also 'succeeded in getting American help for its publication'.⁶¹ IPES asked Seganfredo to keep the secret of its participation in the publication, because it could not become involved in an overt manner in these activities.⁶² Distributed gratis in its tens of thousands,

sold cheaply in the book stores and receiving wide coverage from the IPES co-ordinated press, Seganfredo's book was an important part of the attempt by IPES to contain the student movement, denigrate the reputation of UNE, and create a climate of suspicion and rejection against the National Union of Students, especially among the 'middle of the road' students, their families and, most important, among the military.⁶³

However, despite this effort and numerous actions such as those mentioned earlier, the student movement continued to lean towards the labour left. The assessment of such a trend was made by the organic elite, when the UNE, the UME, the UBES, the AMES and the Diretórios Acadêmicos of the various Faculties of the Universities appeared among the sponsors and organizers of the Comício Pelas Reformas de Base (Public Rally for Basic Reforms) of March 13, 1964, the mass-mobilization which the national-reformist bloc engineered to press for their demands. José Serra, the UNE president was even one of the speakers at the rally, side by side with President Goulart himself, who addressed the mass of participants by attacking the latifundio and imperialism as two of the main factors for the ills of Brazil. Student delegates of all the states of Brazil, together with working class organizations and trade unions were then able to hear President Goulart announcing the signature of two presidential decrees of the highest importance: one expropriating property bordering roads, railroads, dams, federal water holes (açudes) and areas benefited by improvement works accomplished by the Federal government within ten kilometers - areas which were declared of social interest. The other decree nationalized private refineries of oil, strengthening the state monopoly in this sector. The UNE saw these decrees as the realization of some of their demands and the public rally as effec-

tively strengthening the Peasant-Student-Worker alliance. Stimulated by these events, on the 28th of March the Diretório Acadêmico of the Faculdade Nacional de Direito - CACO, the Diretório Acadêmico of the Faculdade de Filosofia da Universidade do Brasil and even the Diretório Acadêmico of the Faculdade de Sociologia of PUC, as well as AMES, launched a simultaneous manifesto in support of those 'military who struggle for the realization of the structural transformations which are needed by Brazilian society'.

Other means had to be sought by the organic elite in order to deal with the student movement. Three days later, military intervention, the removal of President Goulart, the imprisonment of the student leaders, the invasion of the universities and banning of the UNE would shatter the students' illusions about the power of their alliance.

Middle Class Mobilization and Female Support

The most significant achievement of IPES in the field of political and ideological mobilization was the utilization of the middle classes as the new political clientele and the development of means to mobilize them successfully as a masse de manoeuvre, an effect which the traditional parties and fronts had not been willing or able to accomplish. The mobilization of the middle classes gave the appearance of wide popular support for the organic elite, and the activities of these mobilized middle classes were given ample coverage by the IPES co-ordinated media. In the elitist atmosphere of Brazil, middle class demands were portrayed as the referential point for the identification of legitimate popular expression. In contrast, the popular support of the working classes for the government or for labour-left political groupings and individuals was portrayed as the result

of subversive incitement of the masses by the executive and the national-reformist bloc. But above all, the mobilization of the middle classes was an offensive campaign, designed to enhance the atmosphere of unrest and insecurity and provide the appearance of a popular appeal to the Armed Forces for military intervention.

The organic elite's preoccupations and aims were clearly stated in a position paper produced by Arlindo Lopes Corrêa for the Executive Committee of IPES, appropriately called the Conquista das Classes Médias para a Ação Política em Grupo (The Conquest of the Middle Classes for Political Action).⁶⁴ In this document, Arlindo Corrêa described the existence of a gradual 'étatiste' trend of the country, which was assumed to be the 'final objective of the strongest current of Brazilian communism'. Several factors contributed to the 'étatiste' trend, among them the militancy shown by communist activists. For Arlindo Corrêa, the 'prestige of the communists in the working class milieu derived primarily from the capacity for leadership which its militants have shown in the demands for salary improvements.' Such demands, Arlindo Corrêa argued, were 'being exacerbated under the real or artificial pretext of the rising cost of living'. Both the militance of the communists and the causal manifestations of their success had to be contained. Among the causes of their success were inflation, which gave them a leitmotiv for struggle. Arlindo Corrêa detected in the middle classes the political dyke against the communist demands. Arlindo Corrêa argued that 'the components of the middle class, who once were well remunerated, have witnessed the generalized deterioration of the real value of their income, and a constant decrease of their social status.' This fact was 'easy to prove', and the logical argument for this point was, according to Arlindo Corrêa, to 'compare the incomes of civil servants, civilian

and military, officers and employees in commerce with those incomes of workers of the Merchant Navy, Dock and Railway who were considered to be the privileged segments of the working class as well as political trouble-makers.' Then Arlindo Corrêa argued that 'a layer of society which is suffering a process of impoverishment as the middle classes can be easily reunited around democratic ideals'. The middle classes had 'never pressed decisively and collectively' in the sense of obtaining the salary advantages achieved by the 'privileged segments of the Brazilian working class: railwaymen, maritime workers, dockers, because it had never been organized as a class'. However, 'dissatisfaction', he stressed, 'bears the great social movements'. Furthermore, Arlindo Corrêa argued that it was 'easy, also to prove that the transformation of Brazil into a "Syndicalist Republic"⁶⁵ was correlated to the impoverishment of the middle class and its compression by lower salary levels. Moreover, to demonstrate the identity between syndicalization of the republic and the progress of communism is not difficult'. Arlindo Corrêa then stressed that the rallying issue for the aggregation of the middle classes must be, therefore, the salary question. The tactical objective had to be to combat against inflation; the final objective the combat against esquerdização (pushing to the left) of the country'. Arlindo Corrêa observed that the 'leadership of the middle class may seem difficult or even impossible, as a consequence of the individualized consciousness of each of its members. We think, nevertheless, that it is not difficult. We merely consider that this segment of society never felt the necessity of uniting. Now the times are rough for its members and the motives have emerged...' Moreover, Arlindo Corrêa argued, the middle class being the smallest one, electorally speaking, 'the Brazilian politicians never could call themselves the champions of its defence,

because acting in this way they would be committing electoral suicide. Nevertheless, the middle class did identify among the various candidates to elective posts those which best attended to their claims.' Arlindo Corrêa also pointed out that in a mistaken assessment 'the Brazilian politician considers that the middle class is impervious to emotional arguments and only accepts rational theses', while in relation to the masses, the Brazilian politicians considered that to reach political success, it was a sine qua non to present illogical theses, under an appearance of logic or based on emotional terms. 'Luckily,' Arlindo Corrêa argued, 'the middle class is not totally deaf to socio-political emotions, if the latter contain an element of apparent rationalism. In short,' he concluded 'the conquest of the middle class has to be made through a propagandistic activity which mixes rational arguments with emotional arguments. Thus, the leadership of that class shall be obtained.'

Arlindo Corrêa then argued that the 'next step will be to convince the middle class that the containment of the salaries of the working class sectors, infiltrated by communists, must be obtained at any price; equally, that inflation has to be identified as its big enemy. Finally the middle class must be used as an instrument of political pressure in the same way and by the same means as the working classes: maritime workers, dockers, railwaymen, etc.' For Arlindo Corrêa, the best way 'to win proselytes for the cause is the individual conquest of the members of the middle class, through pamphlets, propaganda through the media and, afterwards, in a more advanced chronological stage, through public rallies'. Finally, Arlindo Corrêa recommended that the 'classes' to be 'initially "worked" must be the military and those of the liberal professionals in public places'.⁶⁶

Arlindo Corrêa's arguments were not lost to the IPES leadership. The theme of the República Sindicalista was extensively handled by the press. Middle class opinion was stirred by the unruly behaviour of railwaymen, dockers and maritime workers and their 'exorbitant' wage claims. The lowering of socio-economic status was a powerful argument among the military, and the middle classes, 'aided' in their identification of the 'right' candidates, were finally rallied as a most important masse de manoeuvre.

For the organic elite, the organization of such activities was not difficult. IPES/IBAD activists and affiliates were also members of many class organizations and social institutions which campaigned through the media, in conferences and by pamphleteering, as part of the anti-communist drive of the 'cold war' period. Their message appealed precisely to the literate middle classes. IPES had also been successful in co-ordinating the so-called movimentos paralelos (parallel movements), i.e., social organizations, class associations and cultural institutions which shared some of the values and tactics of IPES.⁶⁷ The co-ordination of the parallel movements, which at its peak numbered 3,000, was the responsibility of IPES leader Helio Gomide and through them, the great thrust of 'democratic' public opinion was channelled and relayed.

Among the 'cold war' organizations whose propaganda campaign coincided with that of IPES it is worth mentioning the Associação dos Amigos das Nações Cativas (Association of the Friends of Captive Nations) and Moral Rearmament. The Association was a strongly anti-communist umbrella institution, with similar bodies in the United States, whose leadership in Brazil comprised Gustavo Corção (president), Glycon de Paiva (vice-president), G. B. Weinschenk (treasurer). Among its directing council were a number of IPES/IBAD associates and

activists. Some of the affiliates were: Dario de Almeida Magalhães, Eugenio Gudin, Monsignor F. Bessa (SJ), Padre F. Leme Lopes (SJ), João Camilo de Oliveira Torres, Raul Fernández, Prudente de Moraes Neto, Carlos Povina Cavalcanti, Carlos Guinle, Alberto Barreto de Mello, Manuel de Azevedo Leão and Gladstone Chaves de Mello. The Association was also an outlet for anti-communist propaganda, produced in other countries as well as in Brazil.

The other institution which added to the anti-communist scare drive was Moral Rearmament, the American based international 'cold war' organization, which was very strong in the early 1960s. Moral Rearmament, which reached a wide spectrum of middle class public opinion engaged in its activities some very prominent military officers of that period. General Juarez Távara campaigned for their cause, which he made his own. In 1962, General Távara, prior to the Congressional elections of October of that same year, appeared for Moral Rearmament in several public engagements in several urban centres. In Petrópolis, the middle class mountain resort above Rio de Janeiro, where a highly publicized conference of Moral Rearmament was taking place, General Távara signed jointly with Marshal Henrique Teixeira Lott, the former Minister of War and PSD presidential candidate for the elections of 1960, a declaration of support and adherence. In Ibirapuera, together with General Hugo Bethlem, brother both of Colonel Belfort Bethlem (who belonged to General Ernesto Geisel's cluster of officers) and of reserve general Agrícola Bethlem, an IPES affiliate, General Távara introduced Moral Rearmament to São Paulo.⁶⁸ Moral Rearmament also maintained a programme of ideological training whereby military officers and other opinion shapers were sent to the United States for a period of ideological guidance and political preparation. The then Air Force Colonel Moreira

Burnier, former leader of the Jacareacanga and Aragarças military revolts was among those sent abroad in the framework of such a programme.⁶⁹ Moral Rearmament also provided propaganda material to IPES, ranging from films to pamphlets geared towards different sectors of public opinion, and its effectiveness was felt even within the dominant classes in shaping class awareness. The aims of the Moral Rearmament team operating in Brazil, with whose representative, a Mr. Zimmerman, the IPES leader José Rubem Fonseca was connected, were to impress upon entrepreneurs reluctant to co-operate with the organic elite, the needs and the urgency of the hour.⁷⁰ IPES São Paulo was channelling funds to Moral Rearmament, as an independent operation from IPES Rio.⁷¹

Among the 'parallel movements', so active in the anti-populist and anti-popular campaign were the União Nacional de Associações Femeninas (National Union of Female Associations),⁷² the already mentioned ACM - Christian Youth Association, and the Association of Christian Enterprise Managers - ADCE, which according to IPES leader Jorge Frank Geyer was 'already a sort of IPES'.⁷³ Influential figures of the ADCE were the entrepreneurs Paulo Egydio Martins, Severo Gomes and Murilo Macedo. IPES-linked Padre Fernando Bastos D'Avila, a PUC and ESG lecturer, and the ideologist of the 'Christian Solidarity Doctrine' was the ADCE's ecclesiastical assistant. The ADCE was important in mobilizing the smaller entrepreneurs and the middle classes through the organization of conferences and lectures and in supporting the campaign of IPES.

But what IPES regarded as one of its most successful exploits was the 'discovery' of female pressure groups, so widely and effectively used ten years later against the constitutional government of Salvador Allende in Chile, and for which the Brazilian experience provided the blueprint.

Singling out the middle class housewife as the potential rallying point for the counterattack against Goulart was of singular importance. In doing so, IPES was aiming directly at the wives, sisters, and mothers of the military, the professionals, the commercial employees and the techno-bureaucrats. IPES is said to have imported anthropologists and sociologists, who advised IPES on the great influence that mothers and grandmothers wielded in Brazilian society. It seems that it took the entrepreneurs one year to learn how to use the techniques of middle class mobilization, but once they did, it was a 'steam roller' which did not stop. Glycon de Paiva considered it to be the perfect example of an 'Idea-Force', possessing organization, money and slogans.⁷⁴

The organized women were to provide a significant part of the powerful and far reaching propaganda machinery (Caixa de Ressonância), which the organic elite needed. Female organizations (generally with a body of male political and organizational advisers)⁷⁵ were both instrumental in the dissemination, as well as being the target, of the 'red scare' campaign which the organic elite unleashed.⁷⁶ During the early part of 1964, the female organizations and Catholic groups provided the most visible civic action in Brazil against Goulart, and the national-reformist forces especially in Minas Gerais, São Paulo and Guanabara.

IPES funded, organized and guided politically the three most important female organizations: the Women's Campaign for Democracy - CAMDE, of Rio de Janeiro; the Feminine Civic Union - UCF, of São Paulo, and the Campaign for Civic Education - CEC. IPES also assisted financially, provided organizational expertise and political orientation to such Catholic conservative and 'family oriented' groups as the Campanha da Mulher Brasileira - (Campaign of the

Brazilian Woman); the Movimento de Arregimentação Feminina - MAF (Movement for Female Regimentation), headed by Antonieta Pellegrini; the Liga Independente para a Liberdade -- (Independent League for Liberty), headed by Maria Pacheco Chaves;⁷⁷ the Movimento Familiar Cristão - MFC (Christian Family Movement); the Confederação das Famílias Cristãs - CFC (Confederation of Christian Families); the Liga Cristã Contra o Comunismo -- (Christian League Against Communism);⁷⁸ the Cruzada do Rosário em Família - CRF (Crusade of the Rosary in Family); the Legião de Defesa Social - (Legion of Social Defence); the Cruzada Democrática Feminina do Recife - CDFR (Democratic Feminine Crusade of Recife); the Associação Democrática Feminina - ADF (Democratic Feminine Association) of Porto Alegre; and the Liga de Mulheres Democráticas - LIMDE (Woman's League for Democracy) of Minas Gerais.⁷⁹

Although the Movement for Feminine Regimentation began in 1954, as an organization protesting against the rising cost of living and the lack of civic education in public schools, its manifestly political role developed in the early 1960s. In an increasingly radical political atmosphere, the MAF devoted increasing efforts to 'combating Communism and corruption' by pamphleteering, public rallies, petitions, and door-to-door propaganda. The directorship of MAF comprised exclusively members of very high status from traditional Paulista families, and its action was restricted to São Paulo. Its president was the sister of Julio de Mesquita Filho, the owner of O Estado de São Paulo and many of the IPES activists who performed as advisers to MAF were connected to the newspaper. MAF had about 6,000 members and its funds came from IPES São Paulo.⁸⁰

The Feminine Civic Union was organized in São Paulo in 1962, aiming at the 'enlightenment' of Public Opinion, the 'defence of the

democratic regime' and to 'awaken the civic consciousness of women'. The UCF disseminated its views mainly through lectures, conferences and basic indoctrination courses provided to housewives, and workers, on such varied issues as the Social Doctrine of the Church and Problems of Brazilian Economy, and Politics.

The UCF was also active in extraordinary heckling activities, and their action had little to do with the attitudes of Brazilian housewives. They represented the propaganda prong of the IPES-led machinery whose other prong was organized para-military activities. In these activities, the UCF was supported by Governor of São Paulo Adhemar de Barros and his tough state police, disguised as students.⁸¹ Paulo de Tarso, Miguel Arrais, Leonel Brizzola, Almino Afonso, João Pinheiro Neto and Eloy Dutra were special targets for the violent activities of these organized groups.⁸² The UCF was instrumental in providing the 'chorus line' for the mass demonstrations against the visit of Yugoslavian President Tito, as well as against a host of governmental measures. The UCF stormed into television stations to make their views known, and sent busloads of anti-Communist 'students' and bully-boys to participate in student union elections.⁸³ The UCF was also a channel of funds and a source of political support for other groups and organizations, such as the Paulista Union of Secondary School Students. It was through the UCF that promotion and public relations conferences in favour of the government of Rio Grande do Norte, in the troubled northeast, were organized. These activities related to the launching of the IPES inspired plan of development for the state, which happened to have been one of the key states chosen for the show-case policy of promoting 'islands of sanity' designed to counteract through a massive influx of financial resources for impact projects and other means, the growing unrest

of the labour left and to prop up the images of the respective governors. Aluisio Alves, the Governor of Rio Grande do Norte also happened to be a business associate and relative of IPES leader José Luiz Moreira de Souza. The plan designed by IPES provided for the state of Rio Grande do Norte to become a show-case of what private initiative could do for the northeast, striving to solve the problems of the region by the establishment of the Company for the Development of Rio Grande do Norte - CODERN. The company was established with 500 partners, destined to evaluate the economic possibilities of the state for the centre-south industrial and banking investors. The UCF promotional activities also had a mutual reinforcement effect.⁸⁴

The UCF had fewer members than MAF, but a more extensive network of action nuclei, spreading into neighbouring Paraná state. It is interesting to note that after 1964, the UCF occupied itself with favela social work, and consumer protection. It also maintained an Archive of Politicians, with personal biographical data as well as information on their voting record.⁸⁵

IPES organized in 1963 the nationwide Campaign of Civic Education - CEC, with a programme involving the 'awakening of the nation's civic awareness' and 'patriotic stimulus for the great masses, principally the middle class, the workers and the youth'. The UCF with other IPES-led organizations was a joint sponsor of CEC. The activities of CEC were co-ordinated by a central committee formed by university lecturers, journalists, professionals, and incorporating members of the female action groups, selected workers and students, of the IPES-sponsored movements and groupings. CEC was involved in middle class mobilization and propaganda, as well as the indoctrination and organization of student and workers' activists, and its activities coincided mostly with those of the most

prominent of all the women's groups, the Campanha da Mulher pela Democracia - (Woman's Campaign for Democracy).

The Woman's Campaign for Democracy, presided over by Amelia Molina Bastos, sister of Gal. Antonio de Mendonça Molina, owed its prominence to its very active promotional programmes since its inception in 1962 up to the coup in 1964, to its rapport with important political and military elites and with the national press, especially O Globo, and last but not least to its particular role in public agitation in the days preceding the coup.

The idea to create CAMDE shortly before the legislative elections of 1962 reportedly came from three men: Leovigildo Balestieri, the Franciscan vicar from the upper middle class suburb of Ipanema, Glycon de Paiva and General Golbery do Couto e Silva. 'They argued convincingly that the Army was undermined by "the vice of legalism", that it would move only if "legitimized" by some civilian force, and that the middle class and upper class women were the most concerned and easily mobilized group of civilians.'⁸⁶ The immediate reason for the creation of CAMDE was the necessity to mount an effective 'popular chorus' to prevent Santiago Dantas from becoming Prime Minister by stimulating unfavourable repercussions to his nomination and against whom the 'Caravana a Brasilia' (Caravan to Brasilia) was organized.⁸⁷ CAMDE's first meeting, symptomatically, was held in the auditorium of O Globo and the Rio newspaper and radio network ensured the maintenance of CAMDE in the limelight of events from there onwards.

CAMDE carried on a steady campaign of 'esclarecimento' (enlightenment). The organization was effectively used during the election campaign of October 1962, sponsoring lectures for its members on the peril of 'Communist subversion', holding public meetings, handing

out pamphlets and collecting signatures on protest petitions. It put up rabid anti-Communist banners and posters depicting a child urging citizens to 'Vote for a Democrat so that tomorrow I may still be free'. CAMDE activists also appeared on television endorsing a great variety of political, religious and social personalities which IPES set up through their 'speakers' bureau'.

CAMDE set up public protest meetings, wrote tens of thousands of letters to congressmen, and in the same way as IBAD did, it put pressure on commercial firms to remove advertisements from pro-Goulart or labour-oriented newspapers. CAMDE distributed millions of circulars and booklets prepared mainly by IPES/IBAD and it produced its own literature aimed at the concerns of the housewife. These pamphlets were distributed in hundreds of thousands per issue and efforts were concentrated on the wives of members of labour controlled unions.⁸⁸ CAMDE was also used in the build-up of organized public pressure on the Foreign Ministry at the time of the Cuban Missile Crisis, attempting to disrupt Brazil's neutralist foreign policy.

CAMDE worked in collaboration with sister associations in São Paulo and elsewhere, such as CEC, UCF, MAF, LIMDE, CDFR and ADF, among others, and with other IPES/IBAD outlets, such as the Democratic Student Movement, the Democratic Syndical Movement and the National Confederation of Christian Workers. It received direct collaboration from IPES-Rio through one of its leaders, Oscar de Oliveira, from the Commercial Association of Rio, and from the Brazilian Association of Municipalities - ABM, which also functioned as an IPES outlet. CAMDE was also instrumental in the seizure of alleged 'subversive' literacy material being used by the Movement for Basic Education - MED and in the hysteria campaign unleashed on top of it. Moreover, CAMDE was responsible for the mass demonstration

of one million people in Rio in support of military intervention against the government and suppression of the left. When President Goulart came to Rio to deliver his famous speech at the public rally for the basic reforms, on March 13, CAMDE engaged in a telephone campaign asking people not to attend the rally, urging women to stay at home and to light candles on their windows, as their sign of protest and Christian faith.

The culmination of the efforts of the IPES-guided women's associations came six days later, on the day of St. Joseph, patron of the family, with the co-ordination of the 'March of the Family, with God, for Freedom' which took place in São Paulo. An estimated 500 thousand people turned out to protest against Goulart's comício of March 13. The idea of organizing such a march had been voiced by Federal Deputy Antonio Silvio Cunha Bueno, a wealthy landowner and director of Willys do Brasil; Deputy Conceição da Costa Neves; José Carlos Pereira de Souza, an official of the National Confederation of Commerce; Sister Ana de Lourdes; and Oscar Thompson Filho, the Secretary for Agriculture in the state of São Paulo. The actual organization of the march took place at the Brazilian Rural Society - SRB premises, under the supervision of IPES members of the Commercial Association, the Federation of Industries, the Federation of Rural Associations, the Club of Retail Merchants and the civilian-military general staff of IPES.⁸⁹ Another important institution which assisted in the organization of the march was the Council of Democratic Entities, which functioned as a peak association for a wide variety of specialized professionally based 'democratic' parallel associations.⁹⁰ The General Secretary of the CED was IPES leader Oswaldo Breyne da Silveira. The march had the added support and participation of CEC, the local YMCA, FACUR, the Federation of Workers' Circles, the Federation of Parent-Teacher Associations and the propagandistic

expertise of MacCann Ericsson, the multinational publicity company.⁹¹

At the offices of the SRB, which also housed the Independent League for Liberty,⁹² posters, banners and flags were made. Some called for 'Down with Red Imperialism', 'Resignation or Impeachment', others supported 'Reforms yes, with Russians No', while others still reminded the public that 'Getulio arrested the Communists, Jango rewards Communist traitors'. The governor of São Paulo, Adhemar de Barros joined in the organization and provided facilities. The organic elite made sure that airplane and bus companies offered free transportation for representatives from all of São Paulo's municipalities and from other states, not a very difficult proposition since many of the transport companies' executives were themselves IPES members or supporters. Among the leading participants in the march were Auro de Moura Andrade, who was the president of the Congress, Carlos Lacerda and General Nelson de Mello, of the civilian-military general staff of IPES, who addressed the throng: 'For the Christian conscience of Brazil we are present at this demonstration. This is a decisive day for the existence of Brazil. We have faith in the armed forces; we have faith in democracy'.⁹³

The march was ostensibly an upper class and upper middle class affair, and a very restricted one at that, as only half a million people were mustered in a city of eight million. As Ambassador Lincoln Gordon noted in a letter to the American Secretary of State, Dear Rusk on April 2, 1964: 'the only sad note was the obviously limited participation of the lower classes in the march'.⁹⁴ The march was followed by lesser ones in Belo Horizonte, Curitiba, Porto Alegre and Santos.⁹⁵ According to IPES and SRB leader Salvio de Almeida Prado, one of the effective organizers, the march was hailed as 'a miracle of faith',⁹⁶ although, as seen earlier, a more mundane cause was at hand.⁹⁷

The most important thing to bear in mind is that 'The Army, it is generally agreed, would have been hesitant to move had there not been strong indications that public opinion was favourable, and it is quite possible that spectacular demonstrations, such as the March 19 "March of the Family, with God, for Freedom" in São Paulo, were decisive in convincing the strictly military sector of the "Revolutionary Movement" that the time was ripe'.⁹⁸ This assessment was corroborated by Colonel Vernon Walters, the USA intelligence officer, who observed that 'Until the marches took place there was a fear that the movement to overthrow Goulart would not succeed'.⁹⁹ Whether the coup supporting sectors of the Armed Forces intervened feeling themselves justified by the appeal of the marchers, in an increasingly radicalized atmosphere which provided the emotional background, or whether the military had to intervene by anticipation, in view of what could be easily argued was the slack support they received after so much hard work is still open for discussion. But less than two weeks later, in response to the 'yearning of the people', Goulart was deposed.¹⁰⁰

Containing the Peasantry

Brazil has had a long history of rural unrest, but the increase in rural tensions throughout the 1950s was rapid. Unlike the urban industrial sector, the agrarian sector had not been a part of the corporatist syndicalization effort during the Estado Novo and even during Vargas' second presidency. Rural unionization remained illegal throughout the 1950s, and rural workers of all kinds remained under the unchallenged control of the large landowners until the mid-1950s.¹⁰¹ The roots of the drive to organize the peasantry could be found during the 1940s in the work of the Brazilian Communist Party initially, by establishing a network of Ligas Camponesas, which should not be confused with

the Peasant Leagues later associated with Francisco Julião. Organizational activity among the peasantry re-emerged in the mid-1950s in Galiléa, first with the establishment of the Agricultural Society of Planters and Cattle Ranchers of Pernambuco, assisted by a former Communist Party member, José dos Prazeres, and, then, by the formation of civil and legal rights societies which soon grew, throughout the northeast under the leadership of Julião, into a network of Peasant Leagues - as they were called by the landowners - in an attempt to confuse them with the defunct Communist Ligas.¹⁰²

As talk of agrarian reform became widespread in the late 1950s and early 1960s, and as the political climate for rural mobilization became more favourable, other agrarian organizations began to function or were re-activated. Among the more important were ULTAB, the Union of Tillers and Agricultural Workers of Brazil, originally created by the Communist Party in 1957, and MASTER, the Movement of Landless Peasants, created by Rui Ramos and endorsed by Leonel Brizzola in Rio Grande do Sul. To combat their influence the Catholic Church began to sponsor and organize rural syndicates to counter the 'godless' ligas in various parts of the northeast and the south.¹⁰³ The rural labour movement demonstrated impressive vitality growing in regions where virtually no organization at all had existed just a couple of years earlier. The demands of the organized peasantry ranged from the abolition of the cambaão - the obligation to work for the estate owner for a number of days per week or per month at a lower than normal wage¹⁰⁴ to better wages and requests for rural social services and public utilities - schools, water, sewerage, housing and roads. The demand for land reform was inchoate. Nevertheless, in November 1961, the First National Congress of Labourers and Agricultural Workers was held in Belo Horizonte, assembling 1,400 delegates

and over 2,000 other participants who endorsed Julião's call for a radical land reform. Among the proposals of the Congress were: 'the radical transformation of the existing agrarian structure, with the elimination of a majority of land ownership by the latifundistas; principally by expropriation of the large estates by the federal government, substituting, for monopolistic proprietorship, peasant ownership in individual or partner form and state property';¹⁰⁵ the free distribution of unoccupied land, and rent at moderate rates of the land expropriated from the latifundistas; the right of independent organization of the peasants in their class associations; the effective application of labour legislation already in existence but hitherto only applied to urban workers, as well as development of adequate labour legislation for the rural workers; immediate recognition of the rural unions and effective and immediate assistance for the peasant economy of all types. It was against this background that the Goulart administration began to press for land reform and actively and officially supported the rural labour movement, finally legalizing rural unionization through the rural labour statute at the beginning of 1963.

However, the period of most intense activity in the field of peasant organization began by 1961, when the organic elite decided to challenge the Ligas through the promotion of rural labour unions organized by a segment of the Catholic clergy, an effort which coincided with that of conservative sectors of the Church. By the early 1960s, the peasant context was perceived by IPES/IBAD as a political and ideological powder keg, and, likewise, the attention of the rest of the nation was at the time focused on the progress of the rural labour movement, especially that which had been developing in Pernambuco for a number of years under the leadership of Julião, as well

as the efforts to trade-unionize the rural workers by the Communist Party. The organic elite's specific aim was to counteract what it considered to be the subversive activities of the Peasant Leagues, especially those in Pernambuco, the key state of the northeast.¹⁰⁶ It was obvious that the vision of a mass of 40 million mobilized peasants breaking the rural yoke and overrunning the cities was a terrifying prospect for landowners and bourgeoisie alike.¹⁰⁷ As a consequence, the organic elite strove to contain rural politicization and disrupt the incipient peasant mobilization, not only in the northeast, where it was more pressing, but also in the south and centre of the country.

For IBAD, the looming revolution in the northeast would be avoided only by the 'Christian and democratic reforms of the estatuto da terra', within the framework of the plan for agrarian reform proposed at their Symposium on Agrarian Reform, of April 1961. However, while the required reform was not implemented IPES/IBAD attempted to contain popular awakening and buy time for other events to take their course.

IPES/IBAD could not disregard the popular yearning for agrarian reform and other social changes demanded by the peasantry, the student movement, intellectuals and politicians of the national-reformist bloc. Agrarian reform of some sort had to be an issue if the hearts and minds of the peasantry were to be won, and IPES/IBAD had to pay at least lip service to it. However, even to pay lip service to agrarian reform created serious problems for the organic elite in their uneasy relationship with landowners and their class associations. The most recalcitrant segments of the agrarian oligarchy condemned even the mild modernizing endeavours of IPES/IBAD as being of 'communist' inspiration. Furthermore, IPES/IBAD could hardly afford to antagonize the landowners, as their political strength in Congress

remained massive. To tread the golden path between the landowning bloc and the mobilized peasantry was not easy. Nevertheless, the organic elite tackled its dilemma and decided to 'launch itself in the arena of political war'. One of the forms this step took was for IBAD to indicate to the rural population their choice of politicians for regional and national elections.¹⁰⁸ In these activities, IPES/IBAD were aided by sympathetic members of the rural class associations represented in IPES, and abetted by the tight control which the landowners exercised over their rural workers and employees,¹⁰⁹ and which favoured the voto de cabresto (bridle vote). Another form of interference was to meddle directly in peasant affairs, by competing with labour left organizations for the minds of the peasantry. This action which involved some degree of trade-unionization - anathema to the landowners in general - was carried out by proxy, mostly through peasant organizations established by right-wing Catholic clergy, which provided a convenient outlet and thus concealed the action of IPES/IBAD from the public, in general, and from the recalcitrant landowners in particular.

Violent containment of the peasant leagues was left to other organizations and individual action by landowners who did not have ostensible connections with IPES/IBAD.

In order to organize their work, two IBAD activists, the lawyers Frutuoso Osorio Filho and Herculano Carneiro, went to Recife, the headquarters for the northeastern region, and, in conjunction with local civilian and military personnel belonging to the ADEP cells and to IPES,¹¹⁰ organized the organic elite's class disruptive action, fostering the formation of ideological cleavages and political right-wing enclaves within the peasant movement. Side by side with its facade as a welfare agency dispensing medical services and food,

handing out seeds and basic tools, IBAD operated as a propaganda centre and political action unit in the countryside, gathering intelligence on peasant political organization and the individuals involved as activists, engaging itself in scare campaigns against labour-left militants and stimulating the fear of 'Communism'. IBAD sought, with rather mixed success, to counterpose the Paulo Freire method of alphabetization, and that of the Movement for Basic Education sponsored by the Ministry of Education, with its own system of Courses of Democratic Formation for peasants and rural leaders.¹¹¹

The activity of IBAD was carried out also through the framework of the Rural Orientation Service of Pernambuco - SORPE, which served as a channel for the organic elite's strategy of containment and detraction of peasant mobilization. SORPE had been founded at a meeting of some 26 rural priests promoted by Dom Eugenio Sales, the Bishop of Natal and a few bishops from Pernambuco, including Dom Carlos Coelho and Dom Manoel Pereira. SORPE was set up under the direction of Padre Paulo Crespo, the principal strategist of the movement, and Padre Antonio Melo, himself the son of a senhor de engenho. The SORPE's primary task was to occupy itself with the training of potential peasant leaders, able to combat revolutionary political organizations and ideologists, while keeping the rural masses 'within the Church'.¹¹² SORPE also encouraged the formation of co-operatives and provided literacy courses which ran counter to the MEB and other groups using the Paulo Freire method.¹¹³

SORPE entered the arena of política reivindicatória in direct competition with the more radical Peasant Leagues of Julião and against the embryonic trade union movement of rural and urban workers of the northeast, which was perceived to be more important in the medium range than the leagues. Between 1961 and 1964 SORPE created

ten rural trade unions and through Padre Melo another twelve were created in Pernambuco.

SORPE was assisted by a group of local and southern lawyers and professionals and received the support of local rural entrepreneurs. SORPE was also one of the major beneficiaries of CLUSA, the Co-operative League of the United States. CLUSA, in its turn, was partly funded by contributions from institutions which served as recipients of United States CIA funds. Between 1963 and 1965, CLUSA received over half a million dollars from these institutions.¹¹⁴ Many of the CLUSA field experts helped SORPE as advisers, and CIA agents worked under their cover. The young CLUSA field worker who advised SORPE that, 'in convincing the peasant that the misery of his condition is unnecessary, one must be careful not to push him to the extreme of revolt against the authorities and vested interests who have held him in his present state', was on the CIA payroll.¹¹⁵

Although the links between IPES/IBAD and SORPE were kept as low-key as possible, by late 1963 Padre Melo was openly accepting finance and other assistance from IBAD, denouncing Miguel Arraes, the national-reformist governor of Pernambuco and publicly endorsing ultra-right wing candidates for public office, as SORPE had done in the legislative elections of October 1962. IPES was also active through its powerful mass media network with which it provided the necessary coverage for the operations of SORPE and others, as well as the negative media exposure of Julião, Arraes and the Peasant Leagues.¹¹⁶ IPES leader Nei Peixoto do Valle, of the Public Opinion Group, took care of Padre Melo's media coverage.¹¹⁷

The influence exerted by Padre Crespo and Padre Melo was, at least in the short run, effective and clearly counter-revolutionary, a fact duly noted by intelligence officials in Washington.¹¹⁸ Not

by chance did the CIA contingent treble, while the number of vice-consuls went up to fourteen. A host of special advisers was established in Recife, which became the biggest sub-regional operation anywhere of the US - American Agency for International Development - AID, while the northeast became a special target area for the American Institute for Free Labour Development. The CIA did indeed enjoy some success in the containment and disruption of peasant mobilization through the proxy action of right-wing organizations operating in the northeast and in particular through SORPE.¹¹⁹ Serafino Romualdi, the Inter-American representative for the American Federation of Labour, who also had a hand in Brazilian urban and rural trade union affairs¹²⁰ paid his tribute to the activities of these right-wing organizers. For Romualdi, who was also the principal CIA agent for Labour Organization in Latin America,¹²¹ the Brazilian right-wing trade union movement had to feel 'greatly indebted to the Capuchin Frei Celso of São Paulo, Father Velloso of Rio de Janeiro and the Reverend (sic) Padre Crespo of the northeast', as well as to others who were responsible for 'the breakthrough in the rural areas where Catholic inspired unions succeeded against many odds in organizing the agricultural workers'.¹²² Frei Celso, Padre J. Velloso and Padre Crespo were all sponsored and assisted by IPES in their particular operations, and functioned as field organizers for IPES.¹²³

As mentioned earlier, the conservative sectors of the Church were also involved in their own efforts to contain peasant mobilization and to oppose the activities of the Peasant Leagues. These efforts in many cases coincided or were even co-ordinated with those of IPES/IBAD and their supported unions. Historically, the Church had taken its influence over the rural masses for granted, but with the formation of the ligas in the rural areas, and their subsequent

rapid spread, the Church's influence was no longer so secure. Partly as a reaction, and, partly as the continuation of its own efforts, Church involvement in rural unionization began in 1959, when Dom Eugenio Sales gave his full support to unionization through his movement the Serviço de Assistência Rural - SAR, an essentially paternalistic and ameliorative organization which had been active since 1949 promoting limited social change at the local level in the state of Rio Grande do Norte. Beginning in Natal, the movement caught on and by 1961 had also become established in Pernambuco, where the meeting of rural pastors that gave birth to SORPE had taken place. By 1964, there were Church rural union movements in about half the states, including all those of the northeast. These rural unions included the SAR in Rio Grande do Norte, SORPE in Pernambuco, FAG in Rio Grande do Sul, in direct opposition to the Brizzola sponsored union MASTER, FAP in São Paulo, and FAG in Goiás. Radical sectors also established their own rural unions, such as MEB in Maranhão and Minas Gerais and variations of MEB and Ação Popular in several other states.¹²⁴

The Church unions for the most part were not the 'revolutionary' ones, most often they attempted to enforce the existing laws rather than embark in more polarized, radical strategies.¹²⁵ An important issue in rural unionization was legal recognition of the rights of the workers, as well as of the unions that fought for the enforcement of the existing laws. However, a particular union had to be recognized by the government to be legal. Furthermore, legality ensured privileges concerning dues and ultimately questions of control of larger organizations as unions began state level organizations, the federations, which in turn gave rise to the attempts to create confederations of a national character. (A confederation could be

constituted according to the law only once three federations had been established and recognized by the Ministry of Labour.)

By 1962, the Church had organized some 50 unions, but none had been recognized by the government. In May of that year, these unions met in the First Congress of Rural Workers and Tillers of the North and Northeast which took place in Itabuna in the northeastern state of Bahia. Representatives of Church-controlled unions dominated the meeting, which was sponsored and financed by the big rural entrepreneurs and some of the more 'modern' landowners. After a certain amount of bargaining and pressure, the Minister of Labour, Franco Montoro, an important figure of the Christian Democratic Party, who had been invited to the Congress, agreed to recognize some 22 Church unions.

By 1963, the Church was openly competing in the founding of unions with several other political groupings, even with President Goulart, governor Arraes and the Communist Party, while in June of that year, a group of Pernambuco unions banded together to form a state-wide Federation of Rural Syndicates. The Federation was under the firm control of Padre Crespo and his SORPE associates, and was assisted by the same group of lawyers who advised SORPE.¹²⁶ By then, Goulart, who had been cautious initially not to antagonize the landowner bloc, had lost their support completely, and was in open confrontation with their representatives in Congress, who were part of the IPES/IBAD-run machinery of the ADP. The support Goulart gave to unionization served several purposes: it counterbalanced the growing Communist Party's influence among the peasantry and provided the President with his own rural masse de manoeuvre with which he could bring pressure to bear upon the landowners and their political representatives. It also marked the turning point for the ascendancy of

national-reformist unions.

By mid-1963, the Ministry of Labour, in consonance with Goulart's aims to mobilize the peasantry and introduce social reforms in the rural areas, set up the National Commission for Rural Unionization - CONSIR, made up of three representatives of the Ministry, three of the Superintendency for Agrarian Reform and one peasant appointed by each. By July 1963, five federations existed: three conservative Catholic ones in the northeast, SORPE included; the IPES-sponsored Federation of Workers' Circles in São Paulo (whose conception of the role of a trade-union movement was to a large extent modelled on that of the AFL-CIO, the confederation of labour unions of the United States, and on that of its Latin American off-shoot, the Inter-American Labour Organization - ORIT), and, finally, one federation run by ULTAB, the Union of Tillers and Agricultural Workers of Brazil, influenced by the Communist Party, in Paraná. ULTAB, though, had another eight federations in preparation. The rural area became a true field of battle for these rural federations and, in all instances, the key issue was the legal recognition by the government, which it duly withheld or granted according to its own political calculations.

By mid-1963, the four Christian federations - set to win the grand prize, the establishment of a national Confederation - met in Recife and founded the National Confederation of Agricultural Workers - CONTAG, in a gathering to which the Paraná Federation was not invited in time to participate. The legality of the founding meeting and Church-Unions' held elections which ensued were then called into question by ULTAB, whose demands were supported by the government's CONSIR. The government refused to accept the results, declaring that Paraná had not been invited in time and that many federations were then in the process of being recognized, a fact which gave rise to suspicions that the meeting took place precisely to pre-empt the

probable dominance of the rural labour movement by the national-reformist forces. By December 1963 a second gathering was held, to which were invited all the federations existing up to that time. By December 31, the Ministry of Labour recognized 256 unions and ten federations, while 557 unions and 33 federations were awaiting recognition. These figures contrasted sharply with the situation before the early 1960s when only 6 rural unions existed in all Brazil and give a clear measure of the wide peasant mobilization and the intense process of politicization occurring in the countryside. Eventually, CONSIR invited twenty-four federations to the December gathering. ULTAB controlled the largest group of delegates (ten federations). Six federations had a more or less moderate to conservative Catholic orientation, while eight were inclined towards the student movement Popular Action - AP and the MEB. The AP, and a large part of the MEB ended up forming a front with ULTAB. The National Confederation of Agricultural Workers was under control of the national-reformist bloc. The Church groups, including SORPE, FAG, SAR, the Workers' Circles and some of the more moderate MEB achieved no control in CONTAG.¹²⁷

Despite all the time and energy wasted by the national-reformist leadership in fending off the diversionist tactics of IPES/IBAD¹ and the initial success the organic elite enjoyed in containing the Peasant Leagues, the peasant movement, and, what is more, the trade-unionization of the peasantry had hardly been contained by 1963. By 1964, they seemed poised on the way to unification under the control of a reform oriented leadership which even received legal and financial support from the Goulart government.¹²⁸ With ULTAB holding the presidency in CONTAG and AP the general secretariat, other solutions to arrest peasant mobilization within a comprehensive

political framework had to be found by the organic elite, as not much more time could be bought by the right-wing rural organizations.

Action among the Industrial Working Classes

The corporative structures which had been established in the 1930s to provide the ruling elites with institutionalized control over the working class began to weaken by the early 1960s and falter under Goulart. Brazil's significant post-war industrial expansion and economic development had led, by the 1960s, to extensive modernization which favoured political mobilization. The amorphous, individualized clientele, held together by personal contact and patronage, began to give way to specific constituencies organized around clearly definable social sectors and classes, although the number of unionized workers was small, gaining a far greater measure of political leverage than the populist model had hitherto allowed. This made it much more difficult for the holders of power to buy off these constituencies simply by distributing modest amounts of patronage to their leaders. Organized labour began to seek redistributive policies, i.e., changes in the allocation of resources among social groups and classes.

For the labour leaders political leverage accrued from two major sources by 1960: the positions allocated to them in the official corporative institutions where they benefited from state patronage, and offices in the trade unions where they led major strikes whose economic and political impact increased their bargaining power with the president and other political actors.¹²⁹ In the early 1960s the frequency of strikes multiplied indicating the growing strength and combativity of the working classes and their leadership.¹³⁰ Among the alleged motives for the outbreak of strike movements, economic

reasons - mainly defending the buying power of their salary - were uppermost. The strikes were rarely started for political reasons; however, other political actors sought to give them a broader political connotation. During Goulart's administration strikes began to bear a deliberate political stamp such as the general strike of July 1962, which was considered to be much of a landmark, although even this strike was not free from immediate and explicit economic objectives. The demands that united a vast number of different working class groups and organizations were: the fight against inflation and product shortages; the implementation of a radical and immediate agrarian reform, with recognition of the rural workers' unions; the introduction of urban reform as the only possible solution for the housing problem; bank reform and nationalization of deposits; electoral reform giving illiterates, N.C.O.s and soldiers in the armed forces the right to vote; university reform and the participation of students in assemblies and departmental and university councils; the continuity and expansion of neutralist and Third World oriented foreign policy; repudiation of the financial policy of the International Monetary Fund; approval of the law guaranteeing the right to strike; expropriation of all foreign enterprises exploiting public utilities; control of the entry of foreign capital into the country and restriction of remittance of profits; workers' participation in profits; revocation of all and any agreements injurious to national interests; strengthening of Petrobrás, with a state monopoly responsible for the importation of crude oil, the distribution of derivatives for the petrochemical industry and the expropriation of private refineries; effective measures for the implementation of Eletrobrás and the creation of Aerobrás, thereby instituting a state monopoly in electric energy

and commercial aviation; the sea transportation of at least 50 per cent of all imports and exports by national merchant vessels and the approval of the law instituting the payment of the thirteenth-month salary (bonus payment).¹³¹ United in a single platform were the current demands of the national-reformist bloc encompassing the claims of the trade unions, the peasant movement, the student movement, politicians and even of some nationalistic military. What made the general strike fully political was that it was launched to press for a cabinet which would support such measures. The strike enabled the labour leaders of the national-reformist bloc to expand their already growing political power, which was reinforced by the general strike of September 1962.¹³² The organized labour movement, although still responding to populist leaders, was increasingly breaking out of the political and ideological constraints of the corporative structures.

Faced with such a critical situation, IPES/IBAD launched themselves into a campaign aimed at containing popular mobilization and disrupting the incipient class consciousness and militancy which the working masses were acquiring. Action among the industrial working classes was carried out through ideological and political means. The ideological activities encompassed general propaganda, welfare schemes and even clientelistic manipulation. The political activities involved the creation or support of existing right-wing organizations within the labour movement. In these activities IPES/IBAD acted on their own or as channels for other organizations, even from outside Brazil.

The socio-ideological activities of IPES/IBAD stressed the 'social function of capital'.¹³³ This was a calculated propagandistic effort to give the working masses a clearly visible stake in the

economic system, the idea of profit sharing, indirect social property and co-managerial responsibility. Such action had two purposes: to improve the public image of private enterprise, equated with democracy, and to delay a violent upheaval until suitable political action could be developed.¹³⁴ In this sense, ideological activities employed by the organic elite were strongly anti-mobilizational. The complex of ideological measures was believed to be necessary in order to contain those elements of the working classes and the rural workers most directly aware of social reality, in order to prevent what the organic elite perceived as the impending social chaos.¹³⁵ As General Moziul Moreira Lima, one of the IPES/IBAD activists in São Paulo, stated at a meeting of the IPES leadership of São Paulo, the problem lay in that 'in the eyes of the people those guilty of the exploitative process were the entrepreneurial classes rather than the government'.¹³⁶

Ideological action was carried out through literacy campaigns, training of trade union leadership, the setting up of schools of political indoctrination for business and popular sectors and the projection of an imitative model of development, basically patterned on the United States, as mediated by the image transmitted by the Alliance for Progress. The ideological campaign of IPES/IBAD also included the distribution of propaganda material in the forms of books, pamphlets, films, booklets, and the establishment of training centres for intermediate managerial staff, as well as the dissemination of reading material through mobile libraries and the employment of the audio-visual media to carry their message. The Group of Doctrine and Study in São Paulo and the Public Opinion groups of Rio and São Paulo were responsible for these operations. The assumption that narrow economic demands were permissible

but a questioning of the social system was not were instilled through a meticulous campaign of indoctrination.

Areas of propaganda preferred by the organic elite were those in which national-reformist forces had made inroads through their political struggle to change the basic conditions of existence of the working masses, such as housing, health and other community services. The activities which the organic elite developed to counter the impact of the national-reformist bloc were encompassed under the general heading of Community Action, which included the Sector of Social Works and the Group for Social Activities of IPES, and carried out basically as welfare schemes and social philanthropy. For Community Action IPES was offered direct assistance by Enno Hobbing, the director of the USA based and sister organization Committee for Economic Development, through the special services of CED field man Gabriel Kaplan and his Community Action unit.¹³⁷ Community services were operated mainly in Pernambuco, where IBAD had developed its welfare programme to the fullest and in the big centre-south urban concentrations of working class.¹³⁸

The organic elite developed several different schemes of welfare, all of which aimed at the creation of 'islands of content' among the working classes. These 'islands' served to delay ideological class solidarity and political organization of the working classes. IPES created a Corpo de Assistentes Sociais (Social Workers' Corps - CAS), which paternalistically provided material and human resources in favour of localized popular demands for community services.¹³⁹ The CAS activities coalesced with the work carried out by other IPES sponsored action units, such as the Movimento Universitário de Desfavelamento. This University Movement for 'De-Slumping' - MUD, attempted to emulate a project which had been developed in São Paulo by university students

aiming at the provision of basic services to the slums and to stimulate the social consciousness of the slum dwellers, so as to organize them into pressure groups and teach them to demand their rights. MUD attempted to counter this action by regimenting various right-wing university groups under its own aegis and engaging in its own brand of civic action, the widely publicized community services. They promoted a 'rag to riches' image as an alternative to social struggle while dampening attempts at politicizing the plight of the slum dwellers. The Favela do Vergueiro, the Favela da Mooca and the Favela do Tatuapé, comprising altogether 600 families were intended to be show-window cases.¹⁴⁰

Through welfare schemes, IPES also gave material and propagandistic support to friendly trade union leaders and to would-be supporters, so as to shore up their prestige and to strengthen their political positions.¹⁴¹

To counteract increasing political motivation for working class mobilization, IPES concentrated on narrow socio-economic issues clearly meant for the consumption of the masses. Such a policy was made obvious after the return of an IPES delegation from one of the Nassau meetings which were held from time to time, to co-ordinate policy and exchange information among the sister organizations. On his return, IPES leader Harold C. Polland stressed the need for IPES to pass into the offensive and not remain in the sphere of abstract principles, presented through newspapers, declarations and pamphlets. IPES had to focus upon material objectives, more in the reach of the masses, which the people themselves would feel were real. For such action Polland was sure of American support. Furthermore, IPES had to take advantage of the fact that people in the government itself would be objectively interested in such sensitive projects as popular

housing, a problem always present as a political issue, given a large homeless urban population and one living in down-trodden conditions. Polland recommended that IPES establish contacts with the banking network, with a certain Mr. Frias in Puerto Rico and with Ambassador Teodoro Moscoso, the Puerto-Rican born ALPRO official, so that the policy and techniques which were implemented and tried in the Caribbean island could be extended to Brazil. Moreover, Polland observed that IPES should be attributed with the role of creator of the idea. IPES would then have to be portrayed through the media machinery of its own organization, and hopefully be perceived as a sort of flag-bearer of real, objective goals.¹⁴² It was also felt in IPES that the organic elite needed to tackle down-to-earth issues and win over the sympathy of sectors of public opinion before they could launch themselves into public debate over more delicate problems, such as defending the right to free royalty remittances by multinational corporations to their matrices, which was rightly considered to be an explosive issue. It was clear to the leadership of the organic elite that in early 1962 IPES still had not enough know-how (cancha para tanto) to deal with these problems in the face of the national-reformist arguments and the mood of public opinion.¹⁴³ It would not take long for IPES to master the art of manipulation of public opinion and tackle not only the bigger issues, but to sway the ideological stance of the middle classes and make significant political impact among some of the working class.

The political action of the organic elite among the working class and the trade unions was carried out largely through puppet organizations and clergy-based movements, which competed with labour-left trade unions for the support of the working classes. The activities of organizations either created or supported financially and technically by IPES/IBAD were extremely varied. Among these

activities were the indoctrination of the rank and file of the labour movement and leadership training for militants, the running of seminars, conferences and congresses of the right-wing trade unions, breaking strikes and the staging of counter-demonstrations and other counter activities to the labour-left leadership, and to the executive. By these means IPES/IBAD were able to sap away at the roots of the national-reformist trade union movement. The right-wing trade unions under the aegis of IPES/IBAD were also mobilized in conjunction with other student and middle class organizations controlled by the organic elite. IPES/IBAD, in their action among the working class were not only prime-movers, but also served as channels for the action of other political agencies, even foreign and international.

An important achievement for IPES was to sponsor and inspire the political action of the right-wing Federação de Círculos de Trabalhadores Cristãos (Christian Workers' Circles Federations), which had been founded by Padre Leopoldo Brentano. The Workers' Circles Federations were established in seventeen out of the 22 states in the Brazilian Federation, and by the early 1960s they numbered approximately 400 across the length and breadth of the country. According to their own estimates, they had 435,000 members.¹⁴⁴ The centre-south, where the industrial belt was localized, was of prime importance for the organic elite. Accordingly, IPES sponsored and guided politically the Christian Workers' Circles Federation of São Paulo - FCO, an umbrella organization for around 80 circles and assembling approximately 250,000 affiliates. The FCO was led by José Rotta, who was leader of the Tailors and Dress-makers Trade Union, which was engaged in political disruptive action and ideological co-optation of workers. Rotta was also an activist in CONTAG. Another Workers' Circles Federation which received

particular attention from IPES was the Fluminense Federation of Christian Workers' Circles - FCOF, of the state of Rio de Janeiro. The FCOF accomplished a series of significant tasks in the field of ideological indoctrination and political training which were supported financially by IPES. In a letter to IPES of Niteroi, capital of the state of Rio de Janeiro, the FCOF leadership explained that they had bought a small property in Cachoeira do Macaú, with the help of the Cooperativa Agrícola de Cotta, of which Fabio Yassuda was the General Secretary.¹⁴⁵ The property was designed to serve as a meeting place for the right-wing syndical leaders of the state. Padre Antonio da Costa Carvalho, one of its mentors, arranged for Dom Altivo Pacheco, the bishop of Barra do Pirai, to lead the courses and to canvas support among the urban and rural working class population for the defence of democracy, which was equated with the system of private enterprise. Dom Altivo was considered by the FCOF leaders to be a 'priest with great syndical tarimba' (experience), who did not allow himself to be 'swaddled by communist manoeuvres'. He was important to the organic elite, because his diocese included Volta Redonda, the biggest steel complex in Brazil and a regional centre for a string of working class communities.¹⁴⁶

With the aid of Padre Leopoldo Brentano, the organic elite, under the cover of IBAD, organized the National Confederation of Workers' Circles - CNCO. IBAD was supported in this activity by Frei Celso, mentioned earlier in relation to his activities with the peasantry, who was in charge of a project on trade union penetration; by Padre Velloso, a former rector of the Pontifícia Universidade Católica of Rio de Janeiro; and by Padre Pancrácio Dutra. IPES also supported financially and technically the CNCO.¹⁴⁷ Through the CNCO, the organic elite participated in the formation of right-wing

trade union leaders and activists.¹⁴⁸

Furthermore, in civic action which intended to enhance their prestige, the Workers' Circles offered legal, medical, dental and hospital assistance, consumers' co-operatives, credit co-operatives, and house-building co-operatives. They also offered varied courses, such as dactylography, industrial design, artistic design, propaganda design, architectural design, commercial practice, industrial chemistry, dress-making, home economics and an agricultural beginners' course.

IPES sponsored national congresses of the Workers' Circles. One of the outcomes of the Seventh National Congress of the Workers' Circles was the launching of a Escola de Líderes Operários - ELO (School for Workers' Leaders), in twelve different state capitals. The enterprise was put into action by Padre Velloso. of IBAD and directed by Gilberto Machado. The ELO provided two types of courses: Popular Courses for Labour Preparation in the working class districts and Intensive Courses of Leader Formation. Both courses prepared the individual for right-wing counter activities in the fray against the labour left and aimed at shaping the political attitudes of selected members of the working class. The Popular Courses aimed at neutralizing the participational potential of the working class in shoring up national-reformist proposals and theses. The Intensive Courses aimed at the formation of militants capable of steering away from national-reformist mobilization if not the whole working class movement, at least groups and sectors within it.¹⁴⁹ According to IBAD's mouthpiece, Ação Democrática, the ELO was to make a test of extraordinary importance, i.e., to verify the receptivity among the working class of the Christian Social Doctrine.¹⁵⁰ Padre Velloso's project for the formation of 'popular leaders', which aimed to interfere

in the trade union sector, and which was referred in IPES as being a 'plan for shaping attitudes', was co-ordinated by Cândido Guinle de Paula Machado, who was also active in student matters.¹⁵¹ Guinle Machado, when justifying the need for continued support of such groups as the Workers' Circles, explained that it was an active movement which prepared trade union leaders with a course of 6 months, for their political syndical career. That they prepared trade union pelegos was in no doubt. They were, as Guinle Machado put it simply, 'men that respond in our favour'.¹⁵² Another organization was spawned from the ELO, also funded by the entrepreneurs. This was the Movement for Trade Union Guidance - MOS, which was set up to act directly within the labour movement, in the shape of 'fifth columnists' and 'orienters' of trade union action and opinion. Their role was similar to that of the IPES/IBAD-supported Movimento Renovador Sindical - MRS, which also had a religious orientation. The São Paulo branch of IBAD's Promotion S.A. headed by Claudio Hasslocher, the brother of IBAD president Ivan, had as one of its syndical 'clients' the local section of the MRS, which was led by Geraldo Meyer, a former journalist of the O Estado de São Paulo.¹⁵³ Meyer also ran a magazine called Correio Sindical (Syndical Courier), which was supported financially by advertising from O Estado de São Paulo and from Açúcar Esther, the sugar industrial complex belonging to José Bonifácio Coutinho Nogueira, IBAD's candidate to the governorship of São Paulo.¹⁵⁴

IPES also supported Padre Velloso's Brazilian Confederation of Christian Workers - CBTC, of which he was the ecclesiastical assistant. As the political participation of the CBTC grew, it would become indistinguishable from the Confederation of Workers' Circles, finally merging into one organization.

Following the same pattern adopted by IPES/IBAD of stimulus to the syndical activities of the clergy members in the trade union movement, General Golbery and General Liberato endorsed the assistance to Padre Carvalho for his programmes of 'leader formation' in Campos and Petrópolis.¹⁵⁵ IPES also funded the School of Leaders of the Pontifícia Universidade Católica.¹⁵⁶

IPES São Paulo also provided regular support for rural and urban trade union activities and the formation of trade union militants,¹⁵⁷ channelling funds to SEI, its sister organization, for the maintenance of a Centre of Leader Formation, which had an output of 350 militants per year.¹⁵⁸ Funds were also channelled as well as directives transmitted through IPES activist Wladimir Lodygenski, who was in contact with German trade unions and from whom the IPES Executive Committee received regular reports on discreet action in trade union activities.

Another organization with which IPES linked up was the Brazilian Democratic Movement - MDB, of São Paulo, also connected to SEI. The MDB had a sítio-escola (farm-school) in São Paulo, where they administered four monthly courses for trade union and working class militants. Its ideological line was basically 'anti-communist'. According to an IPES report, the movement originated out of the need for Macedo Soares at the Itamaraty to have accurate information on trade union movements. IPES activists who made the contact with MDB were impressed by the efficiency and the amount of resources at their disposal. According to IPES leader Rui Gomes de Almeida, he knew of at least 12 São Paulo based firms which were contributing heavily and anonymously. The MDB became a channel for the ideological and political activities of IPES (distribution of propaganda material, pressure on union activists, heckling), who also placed articles

in the MDB-sponsored newspapers and bulletins which circulated among the working class. The MDB also received support through IBAD.¹⁵⁹

Another operation sponsored by IPES was the Centro de Orientação Social - COS. The Centre for Social Orientation was formally constituted in 1963, with the aim of: a) analysing trade union and general socio-political problems; b) penetrating ideologically the trade unions through publications, courses, conferences and other means; c) stimulating the improvement of employer-employee relations, the increase in productivity, the improvement of civic and social consciousness, 'bearing in mind the superior interests of national development'. The COS operated both in urban and rural environments. It gathered information on trade union activists and the working class movement and published a weekly fact sheet on trade union activity for mass consumption, which was distributed both to individuals and to hundreds of organizations.

The organic elite also controlled several labour organizations outside the direct sphere of influence of the Church. IPES/IBAD were in control of the rabidly anti-communist Movimento Sindical Democrático - MSD (Syndical Democratic Movement), which operated as a 'political pet' of Adhemar de Barros, the governor of São Paulo, of Herbert Levy the UDN leader, and of the São Paulo entrepreneurs. The MSD also provided the working class constituency of Guanabara Governor Carlos Lacerda, who had helped to establish the Rio de Janeiro branch of the trade union.¹⁶¹

The MSD, led by Antonio Pereira Magaldi, was particularly strong among commercial employees. Magaldi was also head of the Union of Pharmaceutical Workers and was acting president of the National Confederation of Commercial Employees - CNTC, which he used to further the ends of his anti-communist Movimento Sindical Democrático.

The MSD had extraordinary facilities in audio-visual media to get its points across to the general public, thanks to the coverage of IPES. The MSD disseminated its political position throughout the trade union movement by intense pamphleteering, and publications of its own making as well as of other sources. The MSD served as a focus of anti-Goulart and anti-socialist propaganda, aiming especially at the military and skilfully playing upon middle class fears. The MSD was also heavily supported by the UDN, and Antonio Pereira Magaldi appeared together with Herbert Levy and other trade union leaders supported by IPES, such as José Rotta, in political programmes sponsored by the 'speakers' bureau' of IPES. The MSD was responsible for spreading among the middle class in general and the military in particular the fear of Goulart's purported attempts to establish a República Sindicalista, a bogus neo-corporativist Peronista-like regime with working class manipulation and the stifling of the middle class.¹⁶² Such a belief demoralized many of the working class supporters of Goulart, while it reinforced military antagonism.

Furthermore, the MSD organized trade union conferences and Courses of Syndical Orientation, preparing ideologically and training politically trade union activists. These IPES/IBAD oriented courses constituted the practical framework in which 'neo-capitalist' indoctrination of the workers was carried out.

IPES/IBAD also controlled REDETRAL, the Democratic Resistance of Free Workers which was launched by Deocleciano de Hollanda and led by Floriano da Silveira Maciel. To REDETRAL of Guanabara belonged among others Ary Campista, the archetype of the 'pelego', and José Campello. The Rio branch of IBAD's Promotion S.A. produced media coverage of REDETRAL.¹⁶³

The type of ideological message that IPES/IBAD succeeded in

instilling or fostered in the political struggle they waged throughout the working class was well characterized in the final declaration of the prolific 7th National Congress of Workers' Circles, on one of the fundamental issues: private property of the means of production. The declaration read: 'Property is based on the natural right of man and is necessary to his full development. Property has a social function, and so have the goods it produces. The facility of access of all men to property is an imperative of democracy. Not (to be) all proletarians, but (to be) all proprietors. The improvement of the personality, the widening of individual capacity and the security of the fundamental liberties demand the defence of private property, including that of the means of production'.¹⁶⁴ As for the state's role in the economy, it ought to reduce itself to a 'supplementary role' (papel supletivo) for private capital.

International support for the IPES/IBAD-controlled MSD came from ORIT, the Inter-American Regional Organization of Workers. ORIT was the regional affiliate of ICTFU, the International Confederation of Free Trade Unions. In both ideology and practice, ORIT mirrored the American Federation of Labor-Congress of Industrial Organizations, popularly known by its acronym, as AFL-CIO.¹⁶⁵ ORIT's prime goal has been 'to fight Communism and to promote "democratic trade-unionism"'. It preached 'reform within the existing capitalist system, denying the existence of class antagonisms', while pointing to the USA as an example of the rewards which the system could bestow upon the working class and upon organized labour.

ORIT was organized in 1951 by Serafino Romualdi. The principal sources of ORIT's funding have been the AFL-CIO, ICTFU's International Solidarity Fund and other US agencies.¹⁶⁶ Furthermore, ORIT operated as one of the principal mechanisms for CIA labour operations.¹⁶⁷ The

CIA exercised considerable control over ORIT.

ORIT had been the umbrella organization for other trade unions besides the MSD, such as the National Confederation of Industrial Workers - CNTI; the National Confederation of Commercial Workers - CNTC (whose birth in 1953 was assisted by an entrepreneurial association, the National Confederation of Commerce); and the National Confederation of Land Transport Workers - CNTT, which was led by Mario Lopes de Oliveira.¹⁶⁹ The latter, together with Jorge Coelho Monteiro, of the National Federation of Workers of Telephone Enterprises; John Snyder, the representative of the Postal, Telegraph and Telephone International; Samuel Powell, head of the CIO-SL-ORIT mission in Brazil; and Joaquim Otero, of the International Federation of Transport Workers, formed the Democratic and Free Syndical Movement - MSDL. The Syndical Movement was important in co-ordinating trade union activities against the government and penetrating the urban working classes with right-wing ideology.

Other trade union figures who joined their efforts and organized support for the disruptive endeavour of the organic elite were Raymundo Nonato Costa Rocha, of the Hotel and Tourism Trade Union; Ary Campista, of the Federation of Chemical Industries Workers of Guanabara and Rio de Janeiro; and V. Orlando, of the Federation of Construction Industries' Workers of Guanabara.

IBAD was particularly active in the trade union movement of the politically key state of Paraná, where they lined up support for Governor Nei Braga and where they sponsored several trade unions and their leaders. Paraná was important because of its geographical proximity to São Paulo, and although not being among the top industrial centres of the country, it had a large working class population in the rural areas and from the middle industries and service system

of the state. IBAD also organized the 1st Encounter of Democratic Workers of the State of Paraná, with more than 200 representatives of trade unions. The table was chaired by IBAD trade union leaders Marconi Pedroso, president of the Commercial Employees of Paraná; Jorge de Matos, president of the Federation of Industrial Food Workers of Paraná; Salomão Pamplona, of the Syndical Front of Paraná; Alderico Reis Petra, president of the Leather Industry Workers of Paraná; Miguel Krug, of the Trade Union of Metallurgy, Electric and Engineering Industrial Workers; João Wagner, of the National Confederation of Industrial Workers; and Astrogildo Souza. The slogan of the Encounter was, appropriately, 'anti-Communists always, reactionaries never', which appealed both to workers in the commercial sector, services, the upper layers of the industrial working class, the middle classes and the rank and file of the Armed Forces. Their programme stressed their opposition to 'totalitarianisms of right and left', and included demands for the security and rentability for foreign capital, the complete integration of Brazil into the Latin American Free Trade Association, the Organization of American States, and the Alliance for Progress, and the need to fight for the 'dissemination of private property together with educational and financial assistance'.

IBAD also organized the well publicized 'Inter-State Encounters of Democratic Syndicalism'. For their all important meeting in Guanabara (the 'reverberation box' of the Nation) in 1962, previous to the legislative elections, IBAD counted upon the presence and support of Governor Carlos Lacerda; right-wing trade union leader Antonio P. Magaldi; Rego Monteiro; ADP/IBAD Deputy João Mendes; Governor General Juracy Magalhães; UDN/ADEP Deputy Eurípides Cardoso de Menezes; Padre Velloso; and IPES trade union activist Floriano

da Silveira Maciel, all of whom chaired the event.¹⁷⁰

These national and regional congresses, symposiums and conferences of trade union leaders organized by IBAD, which counted upon the presence of professional politicians and representatives of the entrepreneurial syndical associations and Armed Forces, were of extreme importance. Their aim was to project their day-to-day militant trade union activity with events that had a serious impact on public opinion and carried weight among the middle classes and the military, who were receptive to the well publicized denunciations of the government and the national-reformist bloc. The congresses and conferences also served as rallying points for renewed organized action with the labour movement and reinforced the disposition of IPES/IBAD-supported labour groups to dispute political ground with labour-left organizations.

Support for IPES also came from the Moral Rearmament movement, for which IPES served as a channel of propaganda.¹⁷¹ A secondary, though not to be dismissed, form of propagandistic action was carried out directly by the IPES entrepreneurs themselves. Heads of business concerns and industrial plants called regular meetings of their employees where the meaning of what was happening in Brazil was discussed and where the employers thrust into the hands of their workers 'informative' pamphlets which equated the current situation in Brazil to that of Hungary in 1956 and where the negative aspects of the political situation were explained in terms of an imminent foreign inspired communist take-over, illegitimate state expansion into areas where private enterprise should command the economy and unreasonable barriers to foreign capital.¹⁷²

Last but not least, action within the unions came through a variety of other political organizations to which IPES/IBAD were linked, and which had an international and foreign dimension.

IPES/IBAD were linked in particular to one key input centre, the American Institute for Free Labour Development - AIFLD, a political bedfellow of US-American labour, entrepreneurs and governmental agencies such as AID and CIA. AIFLD came into official existence in the United States in October 1961, a short while before IPES did in Brazil, as an off-shoot of the AFL-CIO, under whose policy direction it remained. According to Serafino Romualdi, first full-time executive director of AIFLD until 1966, the latter was a 'successful institution with a multi-million dollar budget and branches in practically every country of Latin America and the Caribbean area.'¹⁷³

AIFLD had relied since its inception upon business sponsorship and was essentially 'trade conscious rather than class conscious'.¹⁷⁴ About 60 giant US corporations, among them Anaconda Co., Pan American Airways, I.T.T., EBASCO and Merck & Co. contributed to the AIFLD budget. Its chairman of the board was J. Peter Grace, president of W. R. Grace Corporation,¹⁷⁵ a leading member of the Committee for Economic Development and head of the influential Committee on the Alliance for Progress - COMAP, of the USA Department of Commerce, with whom IPES leaders were linked and visited in their trips to Washington. Peter Grace, a founding father of the AIFLD and front man for CIA-Labour operations, had been sponsored to the post in COMAP by his friend John F. Kennedy.¹⁷⁶ One of COMAP's tasks was to evaluate the Alliance for Progress and draw up recommendations for its future role.¹⁷⁷ COMAP also focused on short-term ways of increasing the flow of private investment in Latin America. COMAP, which was composed of the presidents and vice-presidents of 25 major US concerns provided executive members for AIFLD,¹⁷⁸ and when the business association was replaced by the Business Group for Latin America - BGLA, it was the latter who supplied the business representatives for the AIFLD's Board of Trustees.¹⁷⁹

It is necessary to note that many of the leading entrepreneurs of IPES were directors of the Brazilian subsidiaries of American multinational corporations that made up first COMAP and then BGLA, or of local companies associated with them. Moreover, COMAP and BGLA corporations in Brazil were financial contributors to IPES/IBAD.

Besides Serafino Romualdi and J. P. Grace, other board members of the AIFLD Board of Directors included AFL-CIO boss George Meany (president); Berent Friele, an old Brazilian hand associate of Nelson Rockefeller and senior vice-president of the American International Association for Economic and Social Development (vice-chairman); Joseph Beirne, president of the Communication Workers of America and a collaborator in CIA-Labour operations through the Post, Telegraph and Telephone Workers International (secretary treasurer); and William C. Doherty Jr., of the Postal, Telegraph and Telephone International (administrator). Other US-American entrepreneurs who have held executive positions in AIFLD include Charles Brinckerhoof, chairman of the board of the Anaconda Co.; William M. Hickey, president of the United Corporation; Robert G. Hill, director of Merck and Co.; Juan C. Trippe, chairman of the board of Pan American World Airways; Henry S. Woodbridge, chairman of the board of Tru-Temper Copper Corporation.¹⁸⁰

Completing AIFLD's tripartite structure was its association with the Department of State; the Agency for International Development - AID; and the CIA. It was through AID contracts that AIFLD became the principal instrument of the US Government for supplying technical assistance to Latin American trade unions (political education, and training of trade union activists as well as the development of social projects), which in the language of the day was covered under the label of 'civic action'.¹⁸² Moreover, AIFLD was a CIA

controlled labour centre financed through AID. The extent to which AIFLD was under the aegis of the CIA was highlighted by the fact that Serafino Romualdi, while at AIFLD, was still an agent of the CIA's International Organizations Division. Through the International Organizations Division Romualdi and William Doherty Jr. exercised day-to-day control of AIFLD for the CIA.¹⁸³

AIFLD personnel have been given de facto quasi-official status in the formation and implementation of US-Latin America labour policy.¹⁸⁴ AIFLD was engaged in a variety of activities within the field of general propaganda, the so-called 'social projects', which ranged from education to low-cost housing projects, credit unions and labour banks, co-operatives and community services.¹⁸⁵ However, the major task of AIFLD, similar to that of ORIT has been to organize anti-communist labour unions in Latin America. To this end, AIFLD set up training institutes which carried on the teaching of courses given by AIFLD members, and although the administrative control of the training institutes in Washington would be kept within the AIFLD fold, it was expected that the institutes themselves would be headed by salaried CIA agents under operational control of the local CIA station.¹⁸⁶ In addition, AIFLD underwrote periodic hemispheric educational gatherings and published books and pamphlets, being also involved in the field of social and community activities, the so-called impact-projects. However, specifically, the AIFLD dedicated itself to what was termed 'labour education'.¹⁸⁷

AIFLD operated on three principles. First 'divide the working class by attempting to create a unionized, privileged labour aristocracy that would defend material gains against unemployed people and non-unionized workers. Second, fight labour militance by fighting militant workers, "prevent Communist infiltration and where it

already exists, get rid of it'. And finally, deny class struggle by arranging a "consensus" between management and labour based on enforcing a higher productivity for labour. AIFLD was also eminently suited to serve as a subtle intelligence gathering network due to its position inside Latin American labour movements."¹⁸⁶

The ideological horizons of AIFLD were clearly stated by George Meany, in his 1965 address to the Council of America, which had succeeded the Business Group for Latin America. Meany said: 'We believe in the capitalist system, and we are members of the capitalist society. We are dedicated to the preservation of this system, which rewards the workers... we are not about to trade in our system for any other.'¹⁸⁹

To undermine Goulart's support throughout the organized labour movement, ICFTU, ORIT, AIFLD and the US-American Embassy worked hard to support right-wing unions and oppose the left-dominated General Workers Command - CGT, which had become Brazil's largest and foremost national confederation of unions. The IPES/IBAD-controlled Syndical Democratic Movement - MSD, with its Motto 'God, private property and free enterprise', was one of the recipients of AIFLD aid and advice in sponsoring meetings and setting up their trade union courses.¹⁹⁰ Moreover, the efforts of the AIFLD were realized at the third National Labour Congress of 1962, when US labour specialists, who had been flown in specially for the occasion, were able to undermine the CGT's efforts to unify the labour movement.¹⁹¹

AIFLD's programmes in Brazil have been conducted mainly through its local affiliate, the São Paulo based and IPES-sponsored Labour Cultural Institute - ICT, for which it provided 80 per cent of the funding.¹⁹² The ICT trained labour personnel and disseminated anti-

communist propaganda throughout the labour movement, press, and general public. The ICT also had a branch office in Recife, for the training of rural leaders. In response to the growing popular movements in the rural northeast, AIFLD initiated a series of training and aid programmes for right-wing peasant activists and rural workers' leaders.¹⁹³ According to AIFLD official William C. Doherty, the ICT had successfully trained by 1964, when it had been operating for some two years, more than 12,000 Brazilian trade union leaders and activists from all walks of life and in all trade unions.¹⁹⁴

According to the ICT's first director, J. V. Freitas Marcondes, of the Technical Council of the Federation of Commerce of São Paulo, the Institute offered regional courses, varying from one week of studies to one month, for trade union and peasant leaders.¹⁹⁵ From the regional courses, the best students (who showed promise in union leadership qualities) were re-selected. These candidates were then offered grants to attend a three month intensive trade union leadership course of eight hours daily, in São Paulo.¹⁹⁶ The most outstanding graduates were then taken to attend three month-long advanced courses in the United States, where AIFLD operated a full-time training school, the renowned Front Royal Institute in Virginia.¹⁹⁷ At the end of their courses, the AIFLD graduates returned to Brazil under a nine month salaries programme as full-time organizers, which allowed the trade union activists to engage professionally in political activities.¹⁹⁸ (A list of graduates from these courses can be seen in Appendix P.) AIFLD graduates and trainees played a significant role in the coup which brought down the government of João Goulart.¹⁹⁹ At the beginning of 1963, AIFLD trained a special all-Brazilian class of thirty-three participants at its Virginia based institute. When they returned to Brazil, some of the trainees

were sent to the countryside on assignments to organize political action and conduct indoctrination activities, while others served in their unions in Rio de Janeiro, São Paulo, Santos and other industrial centres.²⁰⁰ One of those instructors, the PDC-linked 'pelego' Romulo Marinho, secretary of the Brazilian Labour Federation,²⁰¹ established 'anti-communist' seminars for telegraph workers, warning key workers of coming trouble, and preparing them for a crisis situation. When the coup was finally staged, the national-reformist unions and the labour left called a general strike. But to their dismay, the co-ordination of the trade unions was made impossible, as the wires kept humming, and the army was able to co-ordinate troop movements at ease through their own communications network.²⁰²

William C. Doherty, Jr., of the Post, Telegraph and Telephone International - PTTI, AIFLD and Front Royal Institute official, bragged about his institute's role shortly after the coup: 'Some of the (Brazilian trainees) were so active that they became intimately involved in some of the clandestine operations of the revolution before it took place on April 1. What happened in Brazil on April 1 did not just happen - it was planned - and planned months in advance. Many of the trade union leaders, some of whom were actually trained in our institute, were involved in the revolution, and in the overthrow of the Goulart regime.'²⁰³

The activities of IPES/IBAD met with relative success. They were able to create and sponsor a great number of varied political agencies and organizations which engaged in delaying tactics to prevent the consolidation of working class awareness and solidarity. Through their plurality of organizations canvassing for working class support, they were able to establish a political impact of significance within the working classes and engage the national-

reformist unions in a strenuous fight for supremacy, which diverted energy and resources from other aims. However, despite their efforts, other trade unions veered to the left, in support of a national-reformist programme, and in support of the creation of the labour-left oriented Central Única dos Trabalhadores, the umbrella organization which was de facto growing out from the Comando Geral da Greve (General Strike Command) which had initially been constituted to mobilize public opinion to ensure Goulart's assumption of government after Quadros' resignation, and which was on the way to becoming the Comando Geral dos Trabalhadores (General Workers' Confederation).²⁰⁴ Nevertheless, by the time the leftward swing of the trade unions was effectively felt, the military movement against Goulart had been effected. The IPES-IBAD-sponsored organizations had been able to buy off critical time.

Political Action on Political Parties and Congress

As seen in Chapter IV, the populist polity was in a process of disaggregation and this was reflected in the internal dissensions among the centre-right political parties and the polarization of positions within Congress leading to the formation of centre-left blocs and the leftward trend of the electorate. Congress, in spite of being a locus of oligarchic representation was also becoming the forum where popular demands gained expression. The control of Congress was essential for the national-reformist bloc and in particular for the executive, in order to implement its ambitious programme of reforms. Nevertheless, the conservative and reactionary political forces attempted to remain in control of the Senate and the Chamber of Deputies in order to block the enactment of legislation conducive to substantial national reforms. Congress was transformed into a

most crucial battlefield. As the central national political forum, parliament became a focus of propaganda by the Parliamentary Nationalist Front and the Democratic Parliamentary Action, who presented their cases not only on the merit of the issues but aimed at gaining the sympathy and active support of the various sectors of public opinion. In a way parties, groups and individuals as never before canvassed their respective constituencies through their performance in Congress which was relayed to the public by the audio-visual media. The coverage and treatment by the media of political events and actors became critical.

Against this background, the strategic goal of IPES/IBAD was to bring the political structure to a crisis point, in which the civilians would support extra-constitutional solutions and the military would feel compelled to intervene as moderators in what was by 1962 a highly polarized political system. The tactics of the organic elite were aimed at influencing political decisions by blocking the government's reformist policies and those of the labour-left bloc in Congress, fostering the isolation of the Executive from middle class support and stimulating the withdrawal of institutional backing for the administration's policies. By blocking Congress to legislation by the Executive, the organic elite constrained the government into appealing to popular mobilization to support its proposals, which in order to be turned into policies had to be implemented by decree. However, popular mobilization from the Executive downwards alienated the support of a wide spectrum of opinion within the Armed Forces and stimulated the disaffection of middle class 'public' opinion, conveniently highlighted by the media network of IPES/IBAD. The middle classes which were at the same time being mobilized by IPES/IBAD were feeling their socio-economic status was being threatened.

Moreover, the middle classes were confronted with a degree of political agitation to which many years of elitist politics had unaccustomed them.

IPES/IBAD displayed a resourceful range of means to put pressure on the polity.²⁰⁵ Their main action in Congress and on the political parties was carried out through the Democratic Parliamentary Action - ADP, which operated as the political front and ideological channel of the organic elite in parliament and vis-a-vis public opinion.²⁰⁶ As seen in Chapter III, the ADP was a multi-party bloc of conservative and reactionary federal deputies, mostly of the UDN and PSD and organized through a countrywide network of Popular Democratic Action - ADEP groups, and which even had counterparts in many state legislatures and municipal councils.²⁰⁷ IPES and IBAD reached a decision of establishing themselves in Congress²⁰⁸, and the agreed strategy for action of IPES/IBAD was to co-ordinate the efforts of IBAD with those of the Parliamentary Action Group of IPES, i.e., 'to establish the axis Ivan Hasslocher-Mello Flores in the Chamber of Deputies and the Senate'. The main channel for action of such 'axis' was the Democratic Parliamentary Action, through which IPES/IBAD were made one in covert action.²⁰⁹ The ADP, led by UDN deputy João Mendes, established the political presence of IPES/IBAD in Congress and thus allowed the organic elite of the multinational and associated bloc to meddle in national politics and shape public opinion through one further channel. It was by means of the ADP that the dominant economic bloc expressed its demands, translating its socio-economic power into ideological and political authority.²¹⁰ In Brasilia, site of the Congress and the Executive, IPES leader Jorge Oscar de Mello Flores took care of what was considered to be 'discreet action' in the Chamber of Deputies and the Senate, thus 'freeing IPES of

public responsibilities'.²¹¹

The ADP had a dual role. It was both the focus in Congress for the action of the Parliamentary Action Group and Conjunctural Survey Group against the Executive and a significant outlet for the activities of the Study and Doctrine Group, which, covered by the Public Opinion Group, made the ADP an effective 'reverberation box' stimulating the public's support for IPES/IBAD-inspired tactics and policy proposals. ADP members introduced in Congress motions, bills of law and law amendments prepared by the Study and Doctrine Group of IPES. ADP also criticized the government's projects and those of the national-reformist bloc. By employing bloc-voting, the ADP was also able to defeat governmental policy proposals.²¹² The massive ADP bloc of friendly parliamentarians sponsored by IPES/IBAD and ably co-ordinated by the Parliamentary Action Group, numbered approximately 200 by December 1962,²¹³ almost half the Chamber of Deputies. The ADP was crucial in the endeavour to block Goulart's attempts to implement reforms by legislative approval, forcing the government to use presidential decrees, delaying the Executive in the implementation of its plans, wearing it out in lengthy procedural battles and creating an atmosphere of Congressional impasse and ingovernability, which stimulated the search and legitimation for extra-constitutional solutions to what was perceived as the impending crisis of the regime.

The following were influential political figures who constituted the ADP bloc in Congress and in state assemblies:²¹⁴

From the North and Northeast:

Amazonas - Jaime Araújo (UDN), Djalma Passos (PL)

Pará - Deodoro de Mendonça (PSP), João Menezes (PSD)

Maranhão - Cid Carvalho (PSD)

Ceará - Adolfo Gentil (PSD),²¹⁵ Costa Lima (UDN), Dias Macedo (PSD)

Rio Grande do Norte - Jessé Freire (PSD), Djalma Marinho (UDN)

Paraíba - Janduhy Carneiro (PSD), Plinio Lemos (PL), Ernani Sátiro
(UDN), João Agripino (UDN), Abelardo Jurema (PSD)

Pernambuco - Dias Lima (UDN), Gileno de Carli (PSD), Padre Arruda
Câmara (PDC), Alde Sampaio (UDN), Aderbal Jurema (PSD)

Alagoas - José Maria (PTN)

Sergipe - Lourival Batista (UDN)

Bahia - Aloisio de Castro (PSD), Antonio Carlos Magalhães (UDN),
João Mendes (UDN), Luiz Viana Filho (PL), Miguel Calmon (PSD),
Rubem Nogueira (PSD)

Espírito Santo - Álvaro Castelo (PSD), Dirceu Cardoso (PSD), Oswaldo
Zanelo (PRP)

Amará - Amílcar Ferreira (PSD)

From the Centre-South and East:

Rio de Janeiro - Pereira Pinto (UDN), Raimundo Padilha (UDN), Satur-
nino Braga (PSD), Moacyr Azevedo (PSD)

Guanabara - Gladstone Chaves de Mello (PDC), Danilo Nunes (UDN),
Aguinaldo Costa (UDN), Hamilton Nogueira (UDN), Nelson Carneiro
(PSD), Marshal Mendes de Moraes (PSD), Mauricio Joppert (UDN),
General Menezes Cortes (UDN), Amaral Neto (UDN), Adauto Lucio
Cardoso (UDN), Lopo Coelho (PSD), Raul Brunini (UDN), General
Juracy Magalhães (UDN), Gabriel Chaves de Mello (PDC), Raimundo
de Brito (UDN), Eurípides Cardoso de Menezes (UDN)

Minas Gerais - Elías Carmo (UDN), Feliciano Pena (PR), Geraldo Freire
(UDN), José Humberto (UDN), Leopoldo Maciel (UDN), Monteiro de
Castro, (UDN), Nogueira Rezende (PR), Padre Vidigal (PSD), Pedro
Aleixo (UDN), Pinheiro Chagas (PSD), Último de Carvalho (PSD),
Rondon Pacheco (UDN), Bias Fortes (PSD), Gustavo Capanema (PSD),
José Bonifacio (UDN)

São Paulo - Carvalho Sobrinho (PSP), Cunha Bueno (PSD), Ferreira Martins (PSP), Afranio de Oliveira (PSB), Hamilton Prado (PTN), Horacio Lafer (PSD), Mario Beni (PSP), Olavo Fontoura (PSD), Herbert Levy (UDN), Arnaldo Cerdeira (PSP)

Mato Grosso - Rachid Mamed (PSD)

Paraná - Mario Gomes (PSD), Othon Mader (UDN), Munhoz da Rocha (PR), Plinio Salgado (PRP)

Rio Grande do Sul - Alberto Hoffman (PRP), Daniel Faraco (PSD), Joaquim Duval (PSD), Raul Pila (PL), Tarso Dutra (PSD)

Santa Catarina - Antonio Carlos (UDN), A. C. Konder Reis (UDN), Carneiro Loyola (UDN), Celso Franco (UDN), Laerte Vieira (UDN)

Goiás - Anisio Rocha (PSD), Benedito Vaz (PSD), Emival Caiado (UDN)

As is evident from the above mentioned list of parliamentarians forming the multi-party bloc, the ADP reunited traditional conservative and modernizing conservative members mostly of the PSD and the UDN. In order to be in the ADP, some of the most influential political figures of each state had to overcome long-standing regional and personal conflicts and even family power feuds. This gives a measure of what was at stake.

The IPES/IBAD/ADP interconnection in Congress was made explicit in a highly significant letter from the head of the Parliamentary Action Group and electoral paymaster of IPES, Jorge Oscar de Mello Flores to IPES leader Glycon de Paiva. In this letter, Mello Flores set out the guidelines for measures to be taken by the appropriate study and action groups of IPES-Rio in relation to points previously discussed by the IPES leadership. He stressed that if the organization in Brasilia was to be reinforced, he could then activate the introduction of bills of law in Congress. Mello Flores urged Glycon de Paiva to speed up the preparation of the proposals of basic reforms on issues which 'the leftists, Petebistas and demagogues

consider as vital for our country' (sic). Drawing upon the Reformas de Base which IPES had prepared as the core of the Congress on Basic Reforms, held in January 1963, these bills of law were eventually presented by ADP deputies.²¹⁶ Mello Flores saw as urgent the presentation in the Chamber of Deputies and through the ADP, of 23 de-nationalizing (desestatizantes) and 'anti-demagogic' (sic) bills of law, some of which were already prepared by IPES. According to Mello Flores, the most important bills of law amongst those prepared by IPES would be introduced in the Senate as well by the ADP, thus opening new fronts of action.²¹⁷

Once the final texts were discussed at IPES, the bills of law would then be forwarded to the ADP, for their introduction in Congress. The bills of law would be presented as being of the ADP's making, so as to enhance its prestige. According to Mello Flores, several advantages would accrue from such a 'tactic': the 'technical projetos' of IPES/IBAD would be counterposed to the 'demagogic' bills of law of the 'agitators' (sic). Furthermore, the large number of basic reforms produced by IPES/IBAD, larger than the one offered by the national-reformist bloc, would help to place the entrepreneurs and the ADP in a more favourable position vis-a-vis public opinion. Moreover, it would also be publicly demonstrated that there were no objections to the realization of basic reforms on the part of the entrepreneurs. Mello Flores also asserted that such IPES/IBAD tactics would help to 'counterbalance the effects of the introduction of anti-demagogic and de-nationalizing laws' by the ADP bloc in Congress and which were 'susceptible to being dubbed as reactionary action'. Together with the presentation of 'basic reforms', these tactics would 'define the position of the producing classes and of ADP, as defenders of the democratic principles in a developed and progressive

sense'. Finally, Mello Flores emphasized, the tactics he recommended would 'place the leftists, petebistas, and demagogues on the defensive, reducing their possibilities of successfully formulating and introducing their own bills of law', and would 'measure the force of the leftists, petebistas and demagogues, both in the Chamber of Deputies and in the Senate'. Mello Flores concluded his letter by urging the IPES leadership to help set up 'investigating committees' in Congress and the formulation for the ADP parliamentarians of requests for information to be raised on the floor of the Chamber of Deputies. Such requests were aimed at obtaining 'self-fulfilling answers' to corroborate the points of view contained in the IPES-prepared proposals as expressed by the ADP on the necessary reforms to be applied to the country. On top of enhancing the prestige of the ADP, these proposals aimed at placing the national-reformist bloc on the defensive.

Action within the houses of Congress also meant the 'necessity of anticipating the intentions of the national-reformist legislators, withdrawing all the elements of surprise from their bills of law.' To pre-empt their surprise effect, a structure of 'data-gathering' and insight-action was to be mounted. General Golbery's team made sure that Mello Flores was able to gain access to amendment proposals and bills of law which were to be introduced in Congress by the national-reformist bloc well before this actually happened.²¹⁸

There were two events of the highest political significance in which the ADP was instrumental, co-ordinating the opposition to the government and the national-reformist bloc. One was the co-ordination of the rejection by the Chamber of Deputies of the nomination of Santiago Dantas, an entrepreneur and politician of the PTB, for the post of Prime Minister. The other major event in which the ADP

served as an IPES/IBAD channel was the crucial legislative elections of 1962. In these elections, the organic elite threw all its legitimate and illegal political and economic muscle behind the thrust to ensure the elections of a conservative, and when possible, modernizing bloc of deputies, senators and governors of several contested states, which were expected to operate as the political backbone for the future action of the ADP in the remainder of Goulart's government.

The rejection of Dantas, an able political figure representing the industrial entrepreneurs within the PTB, who had an authoritative presence in the centre-left of the Brazilian political spectrum, forced Goulart into a constant cabinet reshuffling. This reshuffling in turn was reinforced by the changing alliances the Executive had to make to survive the pressures of an ADP-commanded conservative bloc and plunged the government into a crisis-ridden period which led it down the political slope to a coup d'etat. Santiago Dantas represented the last opportunity for a consensual government led by the bourgeoisie.²¹⁹ The rejection of Dantas was in effect the rejection by the dominant classes of an alliance with labour. Against Dantas' nomination, the ADP was able to muster a wide spectrum of parliamentarians, in what IBAD hailed as the 'great victory commanded by the ADP'.²²⁰

By far the most effective way to influence Congress and exert pressure on the government was for IPES/IBAD to secure a majority ADP bloc in the Chamber of Deputies and the Senate and this is what the organic elite set out to do. What could be considered as the most comprehensive operation ever of the organic elite in the electoral field of action, involving all the resources of IPES/IBAD and parallel organizations was their overt and covert intervention in the elections of October 1962.²²¹ In these elections, the organic elite

achieved some of its most significant victories and also some resounding defeats.²²²

In the elections of October 1962, the whole of the seats of the Chamber of Deputies (409), part of the Senate (45) and 11 state governatures were contested. At stake in those elections was the essential composition of the congressional machinery which would legislate throughout the Goulart presidency until 1965, and which would condemn to failure or success any attempt at basic reforms by the national-reformist bloc. The elections would also decide whether or not Goulart would have political-institutional backing for his government. Moreover, those elections would also decide whether the conservative-modernizing bloc would be able to hold on to an operational majority, sufficient to contain the Executive while enabling it to develop its campaign until the Armed Forces and the political atmosphere were conducive to more drastic measures.

The organic elite had already interfered in previous elections.²²³ IBAD, as already noted, had taken upon itself the organization of a national movement to support centre-right candidates, and their presence in the electoral process had already been felt in the national elections of 1960. After Quadros' resignation, IBAD attempted to 'buy the rights of Castilho Cabral's Movimento Popular Janio Quadros', in order to capitalize on its name and prestige and be able to act under its cover. According to Castilho Cabral, the IBAD leader Ivan Hasslocher, who conducted the negotiations, had as his intermediary in the contacts John W. Foster Dulles, who, as seen previously, was at the time a Hanna Mining executive. Castilho Cabral asked Hasslocher what financial resources were available, and the IBAD director confided that he could count on '60 to 70 financiers of the "producing classes" of São Paulo and Rio, ready

to raise one billion cruzeiros'.²²⁴ This sum was then offered to Castilho Cabral, in exchange for Hasslocher being able to choose (escolher a dedo) the candidates for the Senate and the Chamber of Deputies.²²⁵

In the elections of October 1962 IPES/IBAD subsidized candidates for office, formulating their programme for the elections in return for financial assistance. According to IPES/IBAD activist, José Arthur Rios, the Popular Democratic Action - ADEP prepared its list of candidates, and assumed the responsibility of financing their electoral propaganda. The list, which was never published, named what the organic elite perceived as 'full hearted democrats (democratas convictos) and anti-Communists of the first order'. Criteria for selection as IPES/IBAD/ADEP beneficiaries were not according to party affiliations, but according to ideological orientation, which cut across party lines. Candidates were reportedly required to sign an ideological affidavit (compromiso ideológico) whereby they pledged their loyalty to IBAD above the loyalty to their party and which committed them to fight Communism and defend foreign investment.²²⁶ Furthermore, the candidates supported by IPES/IBAD/ADEP signed an affidavit pledging them to join the Parliamentary Democratic Action - ADP, led by UDN deputy João Mendes.²²⁷

IPES/IBAD mobilized public opinion in the selection of candidates and used modern and expensive techniques of public opinion polling to guide campaign strategy,²²⁸ stimulating the greater political participation of the middle classes in general and the female vote and involvement in particular, through their controlled organizations. IPES/IBAD also stimulated more direct electoral activity of the clergy through its lay political organizations and through influential right-wing personalities.

The organic elite also sponsored and formed organizations 'specifically created to intervene and have a weight in the elections, ranging from the Electoral Alliance for the Family - ALEF (formerly known as Catholic Electoral League), to the Adult Catholic Action Movement and other diverse institutes and parallel movements.²²⁹ Prominent members of ALEF, which was led by Navy Commander Moura, were Rui Santos (UDN-Bahia), João Mendes da Costa Filho (UDN-Bahia), Regis Pacheco (PSD-Bahia), Heitor Dias (UDN), Theódulo Albuquerque, and Oscar Cardoso. ALEF, which was backed by the Brazilian Council of Bishops,²³⁰ studied candidates for their stances and electoral possibilities and indicated a selected number as worthy of Catholic support, and proved itself an effective legitimating device for the 'approval' of right-wing candidates sponsored by the IPES/IBAD/ADEP network.²³¹

Furthermore, IPES/IBAD mobilized the sectors which they controlled of the working class movement and clergy-led organizations, as well as other minor parallel action groups in an attempt to create an atmosphere favouring a right-wing backlash which could influence the result of the elections.²³²

However, the entrepreneurs acting through IPES/IBAD were not the only ones who interfered with illegitimate and illegal means in the electoral process. For one, the Brazilian elections of October 1962 were upheld as being the climax of one of the US CIA Western Hemisphere Division's largest ever operations of political action. For most of 1962, the Rio de Janeiro station and its many bases in consulates throughout the country, which had been appropriately increased in number, were engaged in a multi-million dollar campaign to finance the election of anti-communist candidates in the federal, state and municipal offices being contested.²³³ The CIA was not

alone in the efforts of the US government to intervene in the Brazilian electoral process. Other forms of intervention were the 'contextual actions', which had significant direct support from the United States government whereby social projects of great propagandistic impact were developed to impress the population. 'Contextual actions' were organized so as to create favourable conditions for centre-right candidates or holders of offices to operate in their constituencies and create a positive image of themselves and their programmes, quite independent from the central government or party leadership. According to Philip R. Schwab, an informant of the Agency for International Development - AID, the American Embassy 'began to seek out those places in the Brazilian political picture where ability, stability, and democratic convictions presented sufficient dimensions to allow cooperative ventures to be undertaken. Those places (or persons) represented in Brazil's dark and stormy seas, democratic "Islands of Sanity"'.²³⁴ This policy followed the broad guidelines President Kennedy had laid out in February 1962, in a message to Fowler Hamilton, the administrator of AID.²³⁵ The 'island of sanity' policy (a phrase coined by Ambassador Gordon) favoured direct assistance through AID to federal states in Brazil, headed by friendly governors, instead of assisting the central government. Among the most frequently mentioned recipients of such support were Carlos Lacerda, of Guanabara; Adhemar de Barros, of Sao Paulo; Cid Sampaio, of Pernambuco; Aluisio Alves of Rio Grande do Norte; and José de Magalhães Pinto, of Minas Gerais.²³⁶ Thus AID became the channel for the US government to put at the disposal of these chosen political actors large quantities of money, which could be used to finance 'impact projects' to influence public opinion.

The significance of the October elections was obviously

understood by Ambassador Gordon. In a telegramme to the Department of State, he stressed that 'As Washington authorities must certainly be aware a political war of great importance is taking place in this country which will determine its domestic and external orientation and with it most of the continent. We have large stakes in the outcome and are trying to use our influence skilfully to bring about a favourable one. All elements of this Country Team have been vigorously instructed by the President and all the parent agencies to contribute to this process. In any kind of war strategic and tactical timing of actions can easily be decisive. This pre-election week is one unique strategic moment.'²³⁷

The elements of the 'Country Team' to which Ambassador Gordon himself referred were the following lines of action which had been drawn up in the United States. A 'Memo for the Latin America Policy Committee' for its meeting of July 12, 1962 provided a 'Plan of Action for the period to October 7, 1962'. The objectives were to 'strengthen moderate and centre elements in Brazil'. The Plan of Action recommended, among others in the Economic area of action, the concentration of US financial assistance in 'sound economic and social projects of high visibility, rather than in balance of payments assistance or financial support of stabilization measures'. The Plan of Action also recommended the support of elements 'working to defeat or modify the bill passed by the Brazilian Chamber limiting profit remittance and otherwise restricting foreign investments'. Furthermore, the Plan of Action aimed in the area of Public Affairs to 'increase substantially the programme for translation of books into Portuguese and their distribution in Brazil'. In the military area of action, the Plan recommended to 'maintain a military aid level adequate to provide internal security equipment and material, engineer battalion

support and equipment for civic action activities, and support for anti-submarine warfare'. The Plan also recommended the utilization of 'local currency available under the provisos of the "wheat fund", i.e., the PL 480 section 104 C in this effort'.²³⁸ Moreover, the Plan recommended to 'maintain and increase insofar as possible contacts between the US and Brazilian military, with emphasis upon the Brazilian National War College (sic), upon those elements of the Brazilian Army known to be pro-US and anti-Communist and upon those pro-reform elements who might be won over to a pro-US and anti-Communist position'. Finally, the Plan recommended that through the US Service Mission, attempts should be continued to 'persuade the Brazilian military to focus closely on counter-insurgency and internal security'.²³⁹ After the elections of October 1962, at the Executive Committee of the National Security Council a short-term policy was decided upon, which included 'continuing to encourage Brazilian moderate democratic elements in Congress, Armed Forces and elsewhere, who advocate democratic and foreign policies (which) we can support'. Moreover, the decision highlighted the role of the military, stressing the fact that 'Because of their organization and possession (of) physical force, (the) armed forces (are) obviously (the) key element which in (the) Brazilian case have strong tradition (of) moderate behaviour as ultimate political censors and guardians of (the) constitutional system'.²⁴⁰

It is interesting to have a close look at the internal proceedings of IPES in their preparation for the October elections and how they built up the potential of their Parliamentary Action Group. Their leadership meetings revealed the intense political manoeuvring and financial dealings in which they were involved and which up to now had been attributed solely to isolated

action by IBAD.

In an Executive Committee meeting of mid-May 1962, in the presence of Glycon de Paiva, José Rubem Fonseca, Joviano Jardim Moraes, Gilbert Huber, General Golbery, General Herrera, General Liberato and the head of the Parliamentary Action Group, Jorge Oscar de Mello Flores, they discussed the problems of raising the material and financial requirements and preparing the human resources of IPES/IBAD-oriented action for the oncoming Congressional elections.²⁴¹ As part of the preparations for the electoral campaign, Mello Flores informed those present that it was necessary to get hold of João Mendes, the UDN activist in the Chamber of Deputies and draw up a definitive strategy and structure for the Parliamentary Democratic Action - ADP. Mello Flores also asked those present to give the authority to convene meetings to Paulo Watzel, a functionary of the Chamber of Deputies, who acted as go-between for ADP and IPES. Another problem raised by Mello Flores was the selection and appointment (indicação) of candidates favoured by IPES/IBAD to key positions who for one reason or another were not available. He gave the example of Mendes Gonçalves of Paraná, who as second in the list was not re-elected, thus creating the contingency of having to choose an appropriate substitute between Raymundo Padilha, Mader Gonçalves and Dirceu Cardoso. For all these operations, Mello Flores needed money and complained that he did not have enough of it. Mello Flores also needed resources, both human and material, to set up the Analysis Group which was to work with him in Brasilia. This unit studied the political conjuncture and specific cases of potential recipients of aid who required public image promotion. Mello Flores also intended to use the services of Bahia Congressman Rui Santos, who, according to this report, received

finance from two places: the state/private Brazilian-Japanese joint venture USIMINAS and the Brazilian-American Chamber of Commerce. Mello Flores added that a lot of money was needed for him to go to Brasilia and suggested that Gilbert Huber could supplement the payments from his own parallel sources. He also required a pass from the airline Panair, which was to be obtained through the services of Celso Rocha Miranda, its director. Mello Flores wanted somebody to be permanently based in Brasilia to do what he called 'preventive work'. Whenever an amendment came out, this person would collaborate with Nova Press, the IPES-controlled news agency for the distribution of relevant material to the most important newspapers. For the initial part of his project for political action, Mello Flores required a basic sum of 3 million cruzeiros, a monthly sum for the salaries of the permanent staff and funds to furnish rooms which would serve as centres of operation, as well as resources for transportation.²⁴²

In terms of financing and providing political expertise, Mello Flores considered the problem to be a question of dealing directly with the cúpulas (leadership) of the PSD and the UDN over jeeps and other types of material and technical aid. There were, according to him, 17 favourable senators, with whom he wanted to form a 'democratic resistance'. For this, again, resources were needed for the cúpulas of the parties. He gave the example of Amaral Peixoto, president of the PSD, who was in need of six jeeps, either on favourable financial terms or simply on donation. To complete the operation, cash on a monthly basis was also needed and extra funds should be available if necessary. As for subsidies for Federal Deputies, Glycon de Paiva recommended the re-election of 'individuals, good anti-

communists, of character'. Mello Flores explained the procedures for subsidizing candidates. 'In general, agreements are made with federal deputies according to the coeficiente eleitoral' (electoral quotient) or vote getting capacity. Calculations were also made regarding electoral residuals and security margins (safe places). As for the money needed, Mello Flores asserted that he thought of approaching initially 50 deputies, worth 300 million cruzeiros, each deputy costing 6 millions. Glycon wanted to obtain a clear idea of the money needed and asked if Mello Flores could 'get by with 6 million per head', to which Mello Flores answered that such was the price for Paraíba candidates and those of the other minor states. Already in Ceará the price was higher and in Bahia it was higher still. Mello Flores pointed out that São Paulo and Rio candidates were much more expensive,²⁴³ thus the most sensible average was of 15 million per capita. The need was for financial aid of the scale of 1,000,000 dollars.²⁴⁴ G. Huber remarked that he would have to 'interest more people from outside'.

Mello Flores also explained the payment procedures. In general, the matter involved three stages. Initially 40 to 45% of the sums were paid out to cover for immediate needs. Subsequently, smaller quotas were paid out until the election day. During the election day money had to be made available for transportation to and feeding of activists and voters at currais eleitorais (concentration sites of the practically captive voting population, which was the practice in the hinterland and peripheries of the big urban centres). This operation amounted to about 100 million cruzeiros per month.

Mello Flores would start the project with Rui Santos, while he would appear in Brasilia in periods of prontidão (political emergency).

General Golbery recommended that Jorge Behring de Mattos should be

sought and have explained to him the case of Pernambuco, where the organic elite was bracing itself for a crucial election.²⁴⁵

General Golbery himself was to visit the Centro Industrial of Rio de Janeiro, to articulate with Jorge Behring de Mattos, its president, a campaign to create and impinge a feeling of urgency upon the potential contributors²⁴⁶ in order to increase the industrialists' financial co-operation. Another decision of that meeting was that Helio Gomide would be projected as the ostensible element involved in these operations, so as to cover other sensitive figures. Glycon de Paiva and General Herrera assured those present that they would see to everything on the next trip to São Paulo in a few days time, where they would have an important meeting at the headquarters of IPES São Paulo, the main recipient of finance from the big multinational and associated corporations.

The Sources of Finance

Political campaigning for the elections of October 1962 was affected more than previously by the influence of large scale financing and patronage. Big business, largely through IPES/IBAD gave heavy assistance to right-wing and centre-right candidates. A report from the US American Department of State noted that 'Business groups and producers organizations, not aligned with a particular party have always been influential behind the scenes and this year are quite openly mobilizing their resources to support their kind of candidates and to combat the extreme leftists. Most of this direct political action is taking place through newly formed "fronts", such as the Institute of Political and Social Studies - IPES (sic), rather than by the long established organizations themselves.'²⁴⁷

The direct forms of contribution ranged from straight financial aid

to the candidate or party, to providing other costly material needs, such as transportation, TV and radio time and newspaper space, propaganda material (billboards, pamphlets). Indirectly, the organic elite assisted the campaign of its candidates by creating a favourable political climate through the media, giving extraordinary projection to their candidates, ideas and supplying their candidates with intellectual aids, namely well prepared blueprints for public pronouncements and other forms of congressional intervention. This array of activities was the result of a co-ordinated effort by the Public Opinion Group, the Parliamentary Action Group, the Study and Doctrine Group, the Conjunctural Survey Group and the Integration teams.

According to former US Ambassador Lincoln Gordon, he could not refute the existence of finance from American sources in the elections of 1962. Moreover, he could not deny the existence of '1 or 2 American dollars' in 1964, when the coup finally occurred.²⁴⁸ Ambassador Gordon stressed that in the crucial elections of 1962, 'many people were after money. They kept asking everyone they could get hold of. They were certainly after the American entrepreneurs, all the American functionaries they could get near to. Therefore, the idea of having that kitty for political expenses appeared and developed, as was made clear in other cases, such as Chile. The CIA was used to having political funds. Everything started in Italy, in 1948, when American funds helped the strengthening of Christian-Democracy.'²⁴⁹ Ambassador Gordon then affirmed that in the elections of 1962, American enterprises and American officials contributed with a sum that ranged from 1 to 5 million dollars, for the campaigns of candidates adverse to the Goulart government and his Programme of Basic Reforms.²⁵⁰ Furthermore, the American Embassy was denounced as using in the electoral campaign, funds that were destined for the

'wheat fund'. The 'wheat fund', which was placed at the BNDE and whose accounts the American Embassy operated, 40% of which had no accountability, consisted of the cruzeiro surplus accumulated by US-American wheat sales to Brazil under the PL 480 proviso,²⁵¹ and from which the Embassy derived large amounts of local currency for its own usage. (As previously observed, the use of funds from PL 480 sources had already been recommended by the US-American government's Plan of Action for the period to October 7, 1962, in order to shore up civic action activities with the Brazilian military.)

Those were not the only sources of finance of the organic elite's action groups for its intervention in the election process. IBAD and IPES were denounced as having three main sources of income: the Wheat Fund, already mentioned; foreign aid; and the Caixinha (kitty), sponsored by foreign and national enterprises.²⁵² When Niles Bond, the former US Charge D'Affaires, was asked if IBAD had been funded by the CIA, he responded that 'he did not know who else would have been funding them'.²⁵³

Ivan Hasslocher, IBAD, ADEP and Promotion S.A. held accounts and drew money from the Brazilian branches of three foreign banks: the Bank of Boston, the First National City Bank of New York and the Royal Bank of Canada, and from the Banco Mineiro da Produção, Banco da Lavoura de Minas Gerais, Banco de Crédito Real de Minas Gerais, Banco Nacional de Minas Gerais and Banco Andrade Arnaud. The Banco Novo Mundo, Banco Irmãos Guimarães and Banco Nacional do Norte were also regarded as channels for the IBAD/ADEP network. IPES had accounts in many of those banks, several of whom were corporations who contributed to IPES, or whose directors and owners were IPES affiliates and activists.²⁵⁴ Both the former secretary-general and the former treasurer of ADEP affirmed that in the hundred and fifty

days preceding the 1962 elections, ADEP alone spent more than one billion cruzeiros.²⁵⁵ (According to Fundação Getulio Vargas inflation indexes, calculated in 1977, this sum was by then the equivalent of roughly 62 million new cruzeiros, or approximately 5 million dollars.)

For the financing of 250 incumbent and candidate deputies, IBAD spent more than five billion cruzeiros. Budgets were administered by IPES leader Dario de Almeida Magalhães and Arthur Oscar Jonqueira, the ADEP treasurer.²⁵⁶ Hasslocher affirmed that his operations in IBAD were funded by 93 industrial and commercial firms, mainly from Rio de Janeiro and São Paulo. He refused to name the financiers who deposited these sums at the Royal Bank of Canada (to which IPES leader João Baylongue was linked), or in any of the other banks named above. Although no national firm or entrepreneurial association acknowledged contribution to the IBAD/ADEP/Promotion S.A./IPES funds, Hasslocher affirmed that 126 corporations and wealthy individuals from Rio de Janeiro, São Paulo, Guanabara, Santa Catarina, Paraná and Rio Grande do Sul, contributed to ADEP a basic sum of 950 million cruzeiros. Among these 126 firms were 86 or 83 (sic) IBAD sponsors.²⁵⁷

In spite of the smoke-screen that has been cast over the sources of finance for the electoral campaign, some of the enterprises that have been identified as being contributors were: Standard Oil of New Jersey, U.S. Steel, Texas Oil, Gulf Oil, Hanna Corporation, Bethlehem Steel, General Motors, Willys Overland, who deposited in the accounts of IBAD, ADEP and Promotion S.A. IBAD was also reported as having IBEC, the Rockefeller group's commercial spearhead in Brazil, as one of its major benefactors.²⁵⁸

When the Congressional elections of October 1962 were finally

held, the organic elite, through the IPES/IBAD/ADEP/ADP/Promotion S.A. had assisted 250 candidates in their attempts to become federal deputies, 600 candidates aiming to become state deputies, 8 candidates for state governorships and several senators, prefects and municipal councillors. More than a third of the Chamber of Deputies were on the receiving end. From a total of 110 parliamentarians, whose mandate depended on IPES/IBAD/ADEP money, and which in turn bought the position of each one against the structural reforms which the national-reformist executive asked for, 46 belonged to the UDN, 37 to the PSD, 5 to the PRP, 5 to the PTB, 4 to the PTN, 4 to the PSP, 3 to the PDC, 3 to the PR, 1 to the PL, 1 to the PRT and 1 to the MTR.²⁵⁹

Out of the 8 supported candidates to governor's offices, 5 were defeated by the national-reformist forces, in spite of all the efforts by the organic elite. These defeated candidates were Paulo Neri (Amazonas), Leandro Maciel (Sergipe), General Edmundo Macedo Soares (Rio de Janeiro), Fernando Ferrari (Rio Grande do Sul), and João Cleofas (Pernambuco). Elected beneficiaries were former Goulart Transport Minister, Virgilio Távora, of Ceará, supported by a PSD-UDN coalition; and Antonio Lomanto Junior, of Bahia.²⁶⁰

The most resounding campaign of them all, for the publicity it received and the high stakes involved, was that of Pernambuco, where João Cleofas, a conservative candidate linked to Orquima S/A, the uranium consortium, was running against the candidacy of Miguel Arraes, a national-reformist regional leader of considerable national projection and a prospective presidential candidate for 1965. The defeat of Arraes was deemed to be of the utmost significance in conservative circles. The right-wing elements in the centre-south of Brazil realized full well the dangers posed

by Arraes and his movement and so tried to nip it in the bud. Their weapon was IBAD, which quite early in the campaign set up shop in Recife. Colonel Astrogildo Correa, of IBAD and a leading member of the Frente Patriótica Civil-Militar, was the general co-ordinator of Promotion S.A. for Pernambuco and in charge of the right-wing candidate's campaign.²⁶¹ Cid Sampaio, the incumbent governor, who was guiding the Cleofas campaign, assigned one of his brothers-in-law to act as liaison between IBAD and anti-Arraes, pro-Cleofas forces. The support for Cleofas²⁶² came from the funding of oil corporations Texaco and Shell, pharmaceutical groups Pfizer, Ciba, Gross, Schering, Enila and Bayer, the banking establishments Banco Nacional do Norte, Banco Irmãos Guimarães, and Banco Novo Mundo, the mercantile institutions and companies Herman Stolz, Lojas Americanas, the textile group Tecidos Lundgren, food-stuffs companies Coca-Cola and Standards Brands, the General Electric Co., IBM, Perfumes Coty, Remington Rand, the steel complex Siderúrgica Belgo-Mineira (so important in the coup operations in the state of Minas Gerais), the Companhia AEG de Electricidade, and the Commercial Federation of Recife.²⁶³

A central thrust of the strategy to neutralize Arraes was to play upon the fears of 'atheistic communism', harboured by many middle class and lower middle class Catholics, which, as seen elsewhere, was a hallmark of IPES/IBAD propagandistic action. A group known as the 'Adult Catholic Action Movement' ran daily front-page advertisements in one of the Recife newspapers, railing against the 'red threat' to family, property and tradition. Cleofas also received support for his media campaign through local radio stations (Radio Tamandaré, Radio Clube), the television station TV Canal 6 and Diário de Pernambuco,²⁶⁴ and the support of right-wing intellectuals,

such as Gilberto Freyre, who denounced Arraes for his acceptance of Communist backing.

Other less subtle techniques were used, playing upon the deep-seated fear of communism. Supporters of Cleofas built a replica of the Berlin Wall in downtown Recife at the 'Sulacap' building, to suggest what the future held for the population if Arraes was elected. Pictures were distributed showing Arraes on his knees, in prayer, with rosary beads from which dangled, instead of a cross, a hammer and sickle. The Diario de Pernambuco ran a story which told of candidate Arraes being invited by the local mayor of Tambe' to have lunch in the latter's residence. As Arraes passed through the mayor's residence, there fell to the ground with a shattering crash a framed picture of the Sacred Heart of Jesus. The columnist then printed a poem which referred to Arraes as the 'Anti-Christ' and told his readers of the efforts of Tambe' residents to exorcise the evil spirit. The climax of the campaign was reached on the day of the election, when a full-page in Diario de Pernambuco reproduced a cartoon showing Arraes constructing his own 'Berlin Wall', with Fidel Castro holding the blueprint, Krushchev pushing a wheelbarrow full of planes and guns and marked 'commercial agreements', and Communist Party secretary-general Luis Carlos Prestes piling bricks. They were all looked on by entrepreneur Jose' Ermirio de Moraes, stirring a vat marked '¢ cement'. Ermirio de Moraes, who was running for the senate, was a leading contributor to Arraes' campaign. His properties in the north-east included sugar mills, farmlands, the only cement factory in Pernambuco, brick and tile factories and limestone quarries. The caption at the bottom of the page read 'The Price of Liberty is Eternal Vigilance'.²⁶⁵

To top off the religious aspect of the campaign, Father Patrick

Peyton, of the international 'Family Rosary Crusade', carried out a campaign of daily prayer in family gatherings, holding a public rally just before the voting took place.²⁶⁶ According to a report from the American Consulate in Recife, Father Peyton's activities proved 'extremely effective in eliminating confusion and in weening many Catholics from any tendency to support Arraes, now more clearly identified with Communism'.²⁶⁷ Besides Father Peyton's activism, the campaign against Arraes included a Pastoral letter by the local Archbishop on the Christian duty of all citizens which, without naming names, preached the protection of the family and the defence from the dangers with which it was threatened.²⁶⁸ Cleofas also asked for the American Consulate's assistance with anti-communist material and very specifically, any films depicting conditions in 'Castro's Cuba', which he 'could very effectively use'. The officers of the American Consulate promised Cleofas to 'do what they could to find any such available material', and they strongly recommended the US-American Department of State 'that such films, possibly put together from newsreels and without attribution, and cartoons, (should) be immediately sent (to) Recife for use in (the) campaign'. In the meantime, the Consulate officers were making available to Cleofas' organization 'substantial quantities (of) anti-Communist cartoons, books on Cuba and pamphlets on Berlin'. 'However', they reminded the Department of State, 'nothing has the immediate popular appeal of motion pictures'.²⁶⁹

Perhaps the anti-Arraes campaign would have been able to carry the day had the counter-candidate been someone other than the hopeless Cleofas, who allowed himself to be photographed in the middle of the campaign, sitting on the veranda of his sugar plantation, 'wearing riding boots, and looking for all the world like an old slave-

owner'.²⁷⁰ He had nothing positive to say beyond his anti-Arraes and anti-Communist line, and worse than that, from a political point of view, he was popularly identified as the candidate supported by the United States and a representative of the reactionary and corrupt 'colonel' system. In spite of the seemingly endless funds available to Cleofas and the media support he received, Arraes was able to clinch a narrow and crucial victory, Ermirio de Moraes won his Senate seat and Francisco Julião, the leader of the Peasant Leagues was elected to the federal Chamber of Deputies. The national-reformist bloc in Pernambuco had obtained a significant triumph. IBAD closed down its Recife office, but Cid Sampaio's brother-in-law and the entrepreneurs linked to IPES through the Commercial Association of Pernambuco kept the anti-Arraes forces organizationally intact.²⁷¹

Among the influential beneficiaries of the organic elite's financial support and the recipients of technical and administrative assistance, with whom co-ordinated political action was established before and after the election, one should mention:²⁷²

In the state of Guanabara: deputies Hamilton Nogueira; Eurípides Cardoso de Menezes (UDN); Aliomar Baleeiro (UDN); F. Santos do Amaral Netto (UDN); Arnaldo Nogueira (UDN); Mauricio Joppert (UDN); General Juracy Magalhães (UDN and candidate to senator); Lopo Coelho (PSD); Danilo Nunes (UDN); Raul Brunini (UDN); Gladstone Chaves de Mello (PDC); Raimundo de Brito (UDN); and Governor Carlos Lacerda.²⁷³

In Minas Gerais, 14 out of the 48 elected deputies were supported and their political activities articulated through the ADEP/ADP network. The following politicians received assistance: Teófilo Pires (Partido Republicano - PR); Abel Rafael (PR); Celso Murta (PR); Aécio Cunha (PR); Elias de Souza Carmo (UDN); Guilhermino de Oliveira (PSD);

José Bonifacio (UDN); Manoel Taveira (UDN); Geraldo Freire (UDN); Nogueira de Rezende (PR); Ormeo Botelho (UDN); Oscar Dias Corrêa (UDN); José Humberto (UDN); Padre Nobre (PTB); Padre Vidigal (PSD).²⁷⁵ It was reported that Francelino Pereira (UDN); and Ozanan Coelho (PSD) were also recipients of IBAD/IPES funds.²⁷⁶ Moreover, the ADEP handed over to Arthur Bernardes Filho, himself an important IPES contributor and president of the Partido Republicano the sum of three million cruzeiros for the electoral campaign of that party.²⁷⁷ Furthermore, Hasslocher stressed that he had also maintained 'entendimentos' (understandings/conversations) with the governor of Minas Gerais, José de Magalhaes Pinto, one of the leaders of the UDN, over the electoral campaign.²⁷⁸

In Pernambuco, the organic elite helped 7 candidates to federal deputies and 31 to state deputies. IBAD assisted federal deputies Costa Cavalcanti, Augusto Novais, Alde Sampaio (brother of Cid Sampaio), Monsenhor Arruda Câmara, José Meira and Aurino Valois, who were all elected. Also supported were José Lopes de Siqueira Santos (of Usina Ribeirão Estreliana, who was not elected), Nilo Coelho, Dias Lins, and the elected state deputies Antonio Corrêa, Felipe Coelho, Suetone Alencar, Olimpio Ferraz, Francisco Sampaio Filho, Antonio Luiz Filho, Draiton Nejaim, Olimpio Mendonça, Antonio Barreto Sampaio, Elías Ibanio, Adauto José de Melo, Antonio Farias and Audomar Ferraz.²⁷⁹ In Rio Grande do Sul, according to Senator Daniel Krieger, in the elections of October 1962, the centre-right constituted in Rio Grande a coalition that received the abbreviation ADP - Popular Democratic Action. It was comprised of the PSD, the UDN, the PL, the PDC and the PRP.²⁸⁰ Ildo Meneghetti, who became governor of the state, stressed that local industry and commerce under the aegis of IPESUL contributed to the victorious campaign.²⁸¹ Other

X political figures, ^{WHO} who assisted were Clovis Pestana (former Minister of Transport with Janio Quadros); Raul Pilla, leader of the Partido Libertador; Federal Deputy Daniel Faraco (PSD); Colonel Peracchi Barcellos (PSD); Euclides Triches (PDC); Cid Furtado; Luciano Machado; and Rubem Bento Alves.

In the north and northeastern states the following deputies received assistance:

Piauí - Souza Santos

Paraíba - Ernani Sátiro, Flaviano Ribeiro, Janduí Carneiro, Luiz Bronzeado, Plinio Lemos, Raúl Goes

Alagoas - Medeiros Neto, Ozeas Cardoso, Segismundo Andrade

Bahia - Aluisio de Castro, João Mendes, Oscar Cardoso, Regis Pacheco, Vasco Filho, Ruben Nogueira

Espírito Santo - Dirceu Cardoso, Floriano Rubim, Oswaldo Zanelo

Pará - Gabriel Hermes

Amazonas - Abrahão Saba, Leopoldo Peres

Rio Grande do Norte - Djalma Marinho, Mavir Fernandes, Aristófanes Fernandes

Ceará - Armando Falcão, Paulo Sarazate, Furtado Leite, Leão Sampaio, Martins Rodrigues, Osslan Araripe, Wilson Roriz

Maranhão - Luiz Coelho, Pedro Braga, Lister Caldas, Eurico Ribeiro, Alberto Aboud.

Some other well known names who received assistance were:

Mato Grosso - Correia da Costa, Saldanha Derzi, Rachid Mamed

Goiás - Anisio Rocha, Benedito Vaz, Castro Costa, Emival Caiado, Alfredo Nasser

Santa Catarina - Laerte Vieira (UDN), Albino Zeni, Antonio Almeida, Orlando Bertolli, Pedro Zimmer, Domicio Freitas, General Gentil Barbato, Gil Veloso, Afonso Anschad (UDN)

Paraná - Munhoz da Rocha (PR), Ivan Luz (PRP), Othon Mader (UDN),

Plinio Slagado, and Nei Braga (PDC and governor of the state).

In Guanabara the following political figures received assistance:

Theófilo de Andrade, General Menezes Cortes (leader of the UDN in the Chamber of Deputies under Janio Quadros and until his death at the end of 1962), Marshal Juarez Távora (PDC). In Rio de Janeiro

Raimundo Padilha, Daso Coimbra, Edilberto Castro, Napoleão Fontenele, and Amaral Peixoto, president of the PSD, received assistance.

Chagas Freitas, the PSD-clientelistic boss of Guanabara and owner of the O Dia-A Notícia newspaper complex, and Nelson Carneiro (PSD) were also denounced as having received assistance.²⁸³

In São Paulo, the following were assisted: Aniz Badra, Arnaldo

Cerdeira, Herbert Levy (president of the UDN), Mario Covas, Padre A.

Godinho, José Menck, Antonio Feliciano, Carvalho Sobrinho, Celso

Amaral, Cunha Bueno, Diaz Menezes, Derville Alegretti, Hamilton Prado

(director of Cia. Antártica de Bebidas), Helcio Maghenzani, José

Henrique Turner (director of MAFERSA), Lauro Cruz, Nicolau Tuma,

Tufy Nassif, Yukishigue Tamura, and Ranieri Mazzili, president of

the Chamber of Deputies.

In concrete terms, the organic elite had shown itself able to rally the centre-right in the country. But in spite of the massive support the centre-right received from the entrepreneurial power bloc and the intense ideological campaign it exerted upon public opinion, when the electoral dust settled down it showed that the political balance kept swinging to the popular and national-reformist forces.

In São Paulo, the organic elite suffered a resounding defeat for

their modernizing-conservative programme, when the populist candidate

Adhemar de Barros was elected governor of the state over the candidacies

of Janio Quadros and José Bonifácio Coutinho Nogueira. Rio de Janeiro state elected a PTB candidate, Badger da Silveira, as their governor. Leonel Brizzola, contesting a federal seat in Guanabara, although an outsider and still technically governor of Rio Grande do Sul, moved to the centre of the political scene, receiving an unprecedented vote, of six times the necessary electoral quotient and nearly two-thirds of the total vote received by the entire PTB-PSB slate. Eloy Dutra, the PTB-PSB supported candidate and a particularly unpalatable figure for the IPES/IBAD elite, which he consistently denounced, won the vice-governorship of Guanabara, thus being able to breathe down the neck of incumbent governor Carlos Lacerda. In Sergipe, João Seixas Doria was elected on a national-reformist platform, adding strength to the northeastern victories of Arraes and Julião in Pernambuco. In the Federal Senate, which had 66 seats altogether, the UDN senators were reduced to 15, the PSD was left with 21 seats, and the PTB went up to 18.

The proportion of popular votes for each major party's congressional candidates varied from their previous results. The PSD fell from 33.6% in 1954 to 23.3% in 1962. The UDN rose from 20.9% in 1954 to 23.2% in 1962, and the PTB rose from 18.9% in 1954 to 24.0% in 1962. The PSP dropped from 11.3% to 4.7% and the FDC rose from 2.1% to 5.7%. It is interesting to note that both the UDN and the FDC had among their rank and file a significant tendency which aligned itself with the popular national-reformist forces.²⁸⁴ The percentage of total valid votes obtained by the major parties showed a decrease of the centre-right positions. The PSD dropped from 22.0% in 1954 to 15.6% in 1962; the UDN dropped from 13.6% to 11.2%; and even the PTB dropped from 14.9% to 12.1%. Party alliances grew from 25.7% to 41% and the blank vote rose from 4.3% to 15.1%.²⁸⁵

In terms of the distribution of seats in the Chamber of Deputies, the PTB became the second largest party, with 104 seats, 41 of which won in alliances. The PSD received 119, 40 of which won in alliances, and the UDN received 97, 42 of which won in alliances.²⁸⁶

IPES gave to the elections their due significance. In November 1962, General Golbery sought ways and means to produce a competent analysis of the results.²⁸⁷ The most important conclusion that surfaced was that in spite of the massive efforts of the organic elite, there was a constant labour-left trend of the electorate, while the Executive managed with direct appeal to the masses over the effective blocking of Congress by the modernizing-conservative forces, to push forward its reforms. If changes in the state were to be achieved, which would satisfy the entrepreneurial bloc, they had to be imposed. For the multinational and associated interests a military solution became inevitable.

The unprecedented large sums of money spent by IBAD/IPES/ADDP/Promotion S.A., at least the equivalent of some 12,500,000 dollars, possibly as much as twenty million, aroused widespread suspicion concerning the nationality and the political aims of those contributions, and elicited demands for investigations into their activities.²⁸⁸ Moreover, IBAD's publicly denounced attempts to turn the 1962 elections by giving illegitimate financial and other support to right-wing General Magessi for the presidency of the Clube Militar against other candidates, forced the Minister of War, General Jair Dantas Ribeiro, to join those who were calling for a congressional investigation into the activities of IPES/IBAD.²⁸⁹ A Parliamentary Commission of Inquiry was established in 1963 to probe into the activities and sources of funding of the IPES/IBAD/ADDP network and investigate the alleged irregularities in the elections of October 1962. The IPES

president, João Baptista Leopoldo Figueiredo, called to testify before the Parliamentary Commission of Inquiry, was able to declare: 'Elections are a manifestation of the people which assumes its most sacred right, that of choosing its representatives. We have said already and turn to affirm that IPES is strongly against the pressure of the private or government economic power. The purchase of votes, the economic pressure on voters or on candidates, the monopoly of the means of information, etc., are anti-democratic practices.'²⁹⁰

The Commission was somewhat handicapped from its inception, as at least five of its nine members had been themselves beneficiaries of those secret funds.²⁹¹ In spite of such handicaps, the investigations were able to reveal that IBAD and its related and counterpart organizations had been responsible for a process of electoral corruption. But it failed to establish links between IBAD and IPES, whether through common sources of finance, overlapping militants and leaders or joint action.²⁹² On September 7, 1963, President Goulart signed the decree suspending IBAD and ADEP activities on account of their unconstitutional behaviour. A couple of days later, IBAD-linked deputy Amaral Netto, of the UDN, set up the National Committee for the Defence of Democracy (Comitê Nacional de Defesa da Democracia).

ADP members flocked to it. Its first members were: Raul Pilla; deputies Flores Soares (UDN-RGS); Eurípides Cardoso de Menezes (UDN-GE); Abel Rafael (PRF-MG); Oswaldo Zanelo (PRF-ES); Costa Cavalcanti (UDN-PE); Plínio Lemos (UDN-PE); Olavo Costa (PSB-MG); Laerte Vieira (UDN-SC); Leão Sampaio (UDN-CE); Elías Carmo (UDN-MG); Regis Pacheco (PSB-BA); Floriano Rubin (PTB-RS); Ezequias Costa (PR-AL); Moura Santos and Afonso Anschad (UDN-SC). The committee took up the political and ideological banners which IBAD/ADEP had been

carrying up to the period of the investigation. ADEP and IBAD offices were finally closed down by decree in October 1963. By then most of its activists were integrated within the IPES network anyhow.

The Executive had been able to hit at IBAD/ADEP in general and Ivan Hasslocher in particular, but it was impotent to probe into deeper matters. IPES was acquitted from charges.²⁹³ Years later, protesting (insurgindose) against the inclusion of only Hasslocher in the electoral crime (delito eleitoral) investigated by the Parliamentary Commission of Inquiry, Deputy João Mendes, leader of the ADP, declared that if a crime had been committed, four ministers of the Castello Branco government, among them General Juarez Távora and Daniel Faraco, Herbert Levy, the president of the UDN, and Amaral Peikoto, president of the PSD, and 87 deputies and 9 senators should have been prosecuted, as all of them were beneficiaries of resources provided by IBAD.²⁹⁴

Conclusion

Despite their resourceful political action in the various sectors of public opinion described above and their attempts to rally the dominant classes behind their lead, IPES/IBAD were unable to impose themselves by consensus on Brazilian society. Nevertheless, IPES/IBAD succeeded, through their ideological and political campaign, in pre-empting homogeneous support for the Executive and were able to stimulate widespread reaction against the national-reformist bloc.

The activities of the large number of members and linked activists which IPES/IBAD had accrued throughout the length and

breadth of the country were strategically co-ordinated in Rio de Janeiro. The various Groups of Study and Action of IPES were fundamental in the preparation, co-ordination and implementation of the different ideological and political activities (see Appendix S). IPES/IBAD acted on their own and in association and collaboration with a large number of local parallel organizations and groups. IPES/IBAD also collaborated with and received the support of foreign organizations, agencies and individuals.

As seen in this chapter, the organic elite's endeavours were met with mixed results in their various areas of action, and with the exception of their influence among the middle classes IPES/IBAD were strongly resisted and even defeated in other sectors. These defeats and partial successes were notable in the student movement, where IPES/IBAD stimulated the formation of right-wing organizations and para-military groups within the student population, but were unable to deter the leftward trends within the National Union of Students.

In the peasant sector and among the industrial working classes IPES/IBAD were able to stimulate existing right-wing organizations and trade-unions and even create new groups which were instrumental in the campaign to delay the acquisition of class solidarity and class awareness. However, they were unable to block in the final instance the constitution of national umbrella organizations with a labour-left orientation among the peasantry and the industrial working classes, and the consolidation of a national labour-left leadership of the workers.

They were partly successful in the electoral field with the election of a large number of conservative politicians belonging to the centre-right political parties for the contested seats of the

Chamber of Deputies and the Senate, and the governorships of some important states. Nevertheless, they were unable to contain the ascendancy of politicians belonging to the National Parliamentary Front, and they were not able to fend off the election of some very influential figures of the national-reformist bloc. Furthermore, IPES/IBAD were unable to stem the integration of the various labour-left forces within the student movement, the peasants, the industrial working class and the national-reformist politicians into a Popular Mobilization Front, whose incipient activities were abruptly cut short by the coup d'etat of March 31, 1964.

Nevertheless, the political activities of IPES/IBAD were central in the realization of the crisis of the populist historical bloc. They stimulated an atmosphere of political unrest and were able to bring about the intervention of the Armed Forces against 'chaos, populist corruption and the communist threat'. As shall be described in the next chapter, IPES was able to co-ordinate and integrate the various military groups plotting against the government and, in a sense, to provide the required strategic thinking for the coup.

FOOTNOTES. Chapter VII

- 1 This chapter is not a historical review of the period. A description of the full political and social process is beyond the scope of this thesis. Accounts of the period under consideration can be found in a variety of sources, some of which are listed in the bibliography, although none adopt a similar emphasis to the one offered here.
- 2 A. Stepan: The Military in Politics: Changing Patterns in Brazil, Princeton, Princeton University Press, 1971, p. 189. Harold Pollard and Glycon de Paiva agreed that "in the hour of the crisis, what generally is missing is the support to the men and the good ideas - 'a caixa de ressonancia!', so as to avoid the mistakes of the crisis of August 1961". IPES CE 8th June, 1962.
- 3 Telegram from Ambassador Lincoln Gordon to the Department of State, May 22n, 1963 No.2275 "Current plotting is typically Brazilian in not being unified and in suffering from the presence of too many would-be leaders. All groups, however, of which we know, recognize the need for any such movement to be countrywide". It was obvious that Ambassador Lincoln Gordon was aware of the efforts to oust Goulart by force. See also J.A. Langguth, Hidden Terrors, New York, Pantheon Books, 1978 pp.84-85, 101.
- 4 Robinson Rojas, Estados Unidos en Brasil, Santiago de Chile, Prensa Latinoamericana, 1965, p. 71.
- 5 Leonard D. Therry, "Dominant Power Components in the Brazilian University Student Movement Prior to April 1964" in Journal of Inter-American Studies, Vol. VII, No. 1, Coral Gables, Florida, University of Miami, 1965. p. 35.
6. P. Schmitter, Interest, Conflict and Political Change in Brazil, California, Stanford University Press, 1971, pp. 65-66. See also Paulo Freire, Pedagogy of the Oppressed, Great Britain, Penguin Books, 1973; Paulo Freire, Cultural Action for Freedom, Great Britain, Penguin Books, 1972; and Paulo Freire, Extensión o Comunicación?: La Concientización en el medio rural, México, Siglo XXI, 1979.
- 7 On the political participation of students and a history of the student movement, see Arthur José Poerner, O Poder Jovem, Rio de Janeiro, Civilização Brasileira, 1968, and Marialice M. Forachi, O Estudante e a Transformação da Sociedade Brasileira, São Paulo, Companhia Editora Nacional, 1965; See also: Bryan Wedge, Problems in Dialogue: Brazilian University Students and the United States, Institute for the Study of National Behaviour, Princeton, New Jersey, 1964, and Leonard D. Therry, op.cit.
- 8 Although the UNE and AP students promoted university reforms because it was there that their immediate interests lay, they understood the limits of the 'University situation' and the possibilities opened by it. They understood that the specific

- social and political relations in the university environment were also manifestations of broader political and social relations in the national society, thus establishing real connections between university reform and the general transformation of society. Octavio Ianni, Crisis in Brazil, New York, Columbia University Press, 1970. p. 108.
- 9 A.J. Poerner, op.cit. pp 200-203.
 - 10 Movimento (Magazine of the UNE) No.12, Rio de Janeiro, 1963. p.24.
 - 11 Constituição, National Union of Student, Rio de Janeiro, 1963, p. 3.
 - 12 P.Schmitter, op.cit., p. 206.
 - 13 R.Rojas, op.cit., p. 71.
 - 14 IPES CD 27th March, 1962. IPES Leader José Luiz Moreira de Souza favoured direct contacts with student activists, but as IPES Leader Cândido Guinle de Paula Machado noted, the students would not come to the IPES headquarters. These contacts, therefore, were to be made in what was dubbed as 'neutral territory'. Guinle Machado strongly argued that IPES/IBAD should not be seen to be meddling in student affairs, which was accepted by the IPES leadership. IPES Leader Coimbra Bueno stressed the need for IPES to take on the function of coordination, but not to do too much in a direct form. IPES CD 21st August, 1962.
 - 15 At the end of August 1962, the discussion centred around Harold Polland's proposal: the organization of a command of lecturers and students for the political 're-orientation' of the universalists, which IPES assumed to be confused in the face of the crumbling of right-wing student groups in Rio de Janeiro. The point was also made that the movement against UNE, which had had mixed fortunes in the regional and national elections, as well as in the campaign of denunciation throughout the media, should not be left to die out, once the elections were over. IPES CD 21st August, 1962.
 - 16 IPES CD 27th November, 1962.
 - 17 IPES CD 3rd April, 1962. - Gilbert Huber.
 - 18 On Paulo Egydio Martins' previous role within the student movement, see A.J. Poerner, op.cit., p. 190.
 - 19 IPES CD 27th November, 1962. - Mauricio Villela.
 - 20 IPES CE 31st July, 1962.
 - 21 IPES CE 12th June, 1962. - Harold C. Polland.
 - 22 R. Rojas, op.cit., p.74; Also P. Schmitter, op.cit., p.218 and Jan Knippers Black, U.S. Intervention in Brazil, Manchester, Manchester University Press, 1977, p.75. The MED participated in the organization of the giant 'Democratic concentration' against Goulart, set up by the various IPES/IBAD organizations - in June 18th, 1963.

- 23 N. Blume, Pressure Groups and Decision Making in Brazil. Saint Louis, Washington University, 1967/68. pp. 217, 233. Also J. Knippers Black, op.cit., p. 75.
- 24 See further information on GAP in Chapter VIII.
- 25 For specialized political action IPES was involved in the importing of 'students from Ecuador', where Quito, as seen previously, was the base of an important sister organization of IPES. IPES Minutes, 21st November, 1962. See also IPES CD 27th March, 1962.
- 26 IPES CD 13th March, 1962. See also Robert O. Myhr - 'Brazil', in Students and Politics in Developing Nations, ed. Donald K. Emmerson, London, Pall Mall Press, 1968, p. 276.
- 27 IPES CD 3rd April, 1962.
- 28 IPES CE 26th July, 1962.
- 29 IPES CE 31st July, 1962. - José Rubem Fonseca - Alberto Carlos Menezes was the owner of Cotonificio Moreno
- 30 Although General Golbery expressed optimism in his view of the situation in São Paulo as positive results had been obtained in the student sector, in late 1962, Cândido Guinle de Paula Machado was forced to conclude that the general situation was grave, especially in Rio de Janeiro, considering the unfavourable trends and election results at PUC-Rio and other places. IPES CD 27th November, 1962.
- 31 IPES CE 8th October, 1962.
- 32 Telegram to the Department of State from Rio de Janeiro and Brasilia, from Daniel M. Braddock, American Consul in São Paulo. Drafted by Embassy Officer, Datus C. Proper, August 16, 1963, p.7. In NSF, JFK Archives.
The telegram significantly was headed - 'Communist oriented students win national elections'.
- 33 Daniel M. Braddock, *idem*. p.6.
- 34 The American Consul reported that "Despite the attempts of the incumbents to characterize the Ferreira slate as reactionary and 'Ibadeana', they presented a convincing picture of themselves as centrist, reformist, and genuinely democratic in orientation. They had great difficulty in ever reaching a vote, though a large number (no majority) of the delegates present were very possibly sympathetic to them. Many did not dare to vote for the slate or to sign a petition for its presentation. Fifty signatures were legally necessary before it could be officially approved. The organizers were able to get only about 40. They resorted to forgery for the rest, getting the slate accepted by a bit of straight-faced trickery". Daniel M. Braddock, *ibid.*, p.8. See also J. Foster Dulles - Unrest in Brazil: Political-Military Crises - 1955-1964, Texas, University of Texas Press, 1970, p.218.
- 35 Daniel M. Braddock, *ibid.*, pp. 7-8.

- 36 IPES CD 22nd October, 1962. São Paulo in its turn spent in the university sector a minimum basis of 500.000 cruzeiros per month; for the formation of student leaders, at least another 1,100.00 cruzeiros per month. IPES was to spend in the 'university sector' until August of that same year, at least another 11.000.000 cruzeiros. These figures do not include the sums earmarked for student activities in the parallel budgets, nor contributions for specific targets. IPES CD 22nd May, 1963 João Baptista Leopoldo Figueiredo.
- 37 Relatório das Atividades do IPES São Paulo, - IPES, São Paulo, 1963.
- 38 IPES CE São Paulo 3rd January, 1963. - J. Ely Coutinho.
- 39 IPES Minutes 13th November, 1962. Also IPES CD 19th November, 1963, IPES CE 31st January, 1963 and N. Blume, op.cit., pp.217, 233. IPES supported Dr. Rubem Porto's magazine Síntese, by subsidizing each number and provided a list of people to whom the magazine should be sent. Such activities also provided easy channels for 'clearing money' by attributing 'contributions' and 'payments' to organizations which could then provide IPES and its private contributors with justification for expenses. The task was eased by the fact that many of these organizations were themselves IPES-run operations. Receipt of 350.000 cruzeiros contributed for 3.500 magazines is mentioned in IPES CE 19th November, 1962.
- 40 IPES Ch.Gr. São Paulo 4th October, 1962. The meeting discussed 'irregularities' in the agreement with the Universidade Católica. Members were also informed by Dr. Santanché that the Institute to which the Centre for Documentation belonged had already been created. In relation to the three members of the Commission proposed by the University, Manoel Ferreira and Marota Rangel had already worked with IPES.
- 41 IPES Ch.Gr. São Paulo 4th September 1962 and IPES Ch.Gr. São Paulo 12th February, 1963.
- 42 IPES CE São Paulo 11th December, 1962. - Paulo Ayres Filho.
- 43 IPES CE and Ch.GR. São Paulo 8th January, 1963. - Paulo Edmur de Souza Queiroz.
- 44 IPES CE Rio 10th December, 1962. IPES was also connected with another professional centre, the IRESI, which carried out research for IPES.
- 45 Letter to IPES from A. Venancio Filho 13th December, 1962. See also IPES CE Rio 6th December, 1962.
- 46 IPES Report 1963, p.2.
- 47 IPES CE São Paulo and Ch.GR. 31st January, 1963. Even the furniture was owned by IPES.

- 48 IPES CE São Paulo and Ch.Gr. 31st January, 1963. IPES spent more than 600.000 cruzeiros monthly in this activity.
- 49 IPES CE 21st May, 1963.
- 50 IPES General Meeting São Paulo, 4th October, 1962.
- 51 IPES Ch.Gr. São Paulo 5th June, 1962.
- 52 IPES CE and CD São Paulo 20th November, 1962. For this plan the required subvention was 1.200.000 cruzeiros.
- 53 IPES Minutes São Paulo 20th November, 1962. - J. Ely Coutinho.
- 54 IPES CD and CE São Paulo 20th November, 1962.
- 55 IPES CE 19th November, 1962. For appearances sake IPES leader Coimbra Bueno was asked to formally apply for IPES to participate in the work of the Foundation.
- 56 For an overview of the FNFfi role, see A.J. Poerner, op.cit., Chapter IX.
- 57 "As the specialist you are", wrote Lieut. Aquino, "you will note certain weaknesses in the part referring to the student sector. True. It is even good that you note them. Perhaps you might even help me in the future in preparing the new issue. Show it certainly to anybody you find appropriate, let it even be copied. Only, it is not convenient to have it published and I ask you not to mention the origin of the offer". Letter from Heitor de Aquino Ferreira to Sonia Seganfredo-Rio, 25th October, 1962. See Appendix O.
- 58 Letter Heitor de Aquino Ferreira, *idem*.
- 59 Editora Glôbo was the biggest publishing house of Rio Grande do Sul, based in the capital city of Porto Alegre.
- 60 Letter from Heitor de Aquino Ferreira, op.cit.
- 61 N. Blume, op.cit., p.215.
- 62 Seganfredo would later complain that she received only 420.000 cruzeiros in payment. Letter from Sonia Seganfredo to the National Intelligence Service - SNI, Rio de Janeiro 19th November, 1965. pp.1-2. IPES Archive, Rio de Janeiro.
- 63 J. Knippers Black, op.cit., p.99
- 64 Arlindo Lopes Corrêia - A Conquista das Classes Médias para a Ação Política em Grupo. Position Paper for discussion at CE and CD meetings - Rio de Janeiro 1962, IPES Archives, Rio de Janeiro.
- 65 A rather blurred notion of what was assumed to have been Peron's Justicialista polity and party, and of which Goulart was portrayed initially by Carlos Lacerda, as the Brazilian counterpart. Goulart was accused by the IPES/IBAD activists of leading the country to such a 'República Sindicalista'.

- 66 Arlindo L. Corrêia, op.cit., pp.3-4
- 67 The issue of the 'movimentos paralelos' was of importance to IPES. In April 1963, Helio Gomide, Harold C. Pollard and J. Rubem Fonseca discussed the matter, pointing to the encompassing meaning of 'integration' into IPES, and underlining the advantages of organizing certain social categories such as the parents associations and teachers associations, so necessary in the formation of a 'chain of reverberation' of public opinion and which widened IPES' influence in areas where the interest was not specifically of a financial nature. The goal of IPES was to create what it called 'The permanent great democratic opinion' on an every day basis, which would enable IPES to coordinate close to 3,000 associations and groups already registered for the organic elite's action. IPES CD Rio, 27th November, 1962 - Helio Gomide. Helio Gomide gave the example of the Sindicato de Hotéis do Rio de Janeiro. The Hotels in Rio had a daily intake of approximately 78,000 people who could be the target for IPES campaigns once the operation had been properly coordinated. Another example was that of the Clube de Professoras Primárias da Guanabara (Club of School Teachers of the State of Guanabara). IPES CD Rio. 23rd April, 1963.
- 68 OESP, 6th January, 1962. General Hugo Bethlem, the former Ambassador to Bolivia (1952-1954), was eventually involved in the conspiracy which deposed Juan Carlos Torres, the Bolivian President, in 1971, together with another IPES leader, H. Boillessen. In that year, Bethlem had been detained in Santa Cruz de la Sierra and expelled from Bolivia, accused of attempting to induce Bolivian military (against payment in dollars) to turn against Torres. VEJA, No.575, 12th September, 1979. p.40.
- 69 ISTO É, 8th March, 1978. p.9. Colonel Burnier would become one of the leading figures of the hard-liners after 1964.
- 70 IPES CE Rio 8th June, 1962. This was a general plan devised by General Golbery's team, and which is not mentioned in detail in the Minutes.
- 71 IPES CE Rio 11th June, 1962. 'Moral Rearmament' was not a priority of IPES Rio for its subsidies and expenses. General Golbery favoured the publication and distribution of IBAD's book 'Assault on Parliament'. (Assalto ao Parlamento) against providing funds for certain activities to be carried out by 'Moral Rearmament'.
- 72 IPES CE 13th August, 1963 and IPES CE 20th August, 1963.
- 73 IPES CD 27th November, 1962.
- 74 J.W. Rowe, Revolution or Counterrevolution in Brazil: An Interim Assessment, American Universities Field Staff, June 1964, Vol. XI, No.4. p.4. - East Coast South America.

- 75 For the mobilization of the middle layers and, in particular, of the housewives, IPES built up a special public opinion unit. This unit comprised among others Oscar de Oliveira, Eurico Castanheira, Nelson Parente Ribeiro and Coimbra Bueno. Oscar de Oliveira took part in the dissemination of anti-communist material, such as the Cartilhas Brasileiras, Nossos Males e seus Remedios, Suzanne Labin's publications and John Cotrim's Um Engenheiro Brasileiro na Russia, among the organized women, military and the state administration, in particular, and the middle classes in general. In São Paulo, Salvio de Almeida Prado and the activists responsible for 'sectoral mobilization' (Church, students, middle classes) were responsible for similar operations. Oscar de Oliveira provided Frederico Cesar Maragliano, of IPES São Paulo with the names of 100 people in the Aliança para a Família and in the Campanha da Mulher Brasileira, so that they could become targets and carriers for the dissemination of Cartilhas Brasileiras. IPES CE Rio 12th October, 1962.
- 76 José Luiz Moreira de Souza had once emphasized the dramatic aspect that the organic elite's causes did not have adequate follow-up nor efficient public coverage and reverberation for its actions. What was missing, according to Moreira de Souza, was the set up of a 'popular chorus', with institutes, syndicates, and the certainty that once an issue had been raised throughout the media, it would receive thousands of letters of censorship, or support. De Souza was of the idea that IPES needed 2000/3000 people who would write to the Minister of War and to other public figures forming what he called a 'Chain of Democracy'. The coordinated and controlled chorus-scheme had to be fabricated as authentic, in what was perceived as a similar system to that which Dom Helder Câmara used to fill the Maracanã Stadium. Moreira de Souza took upon himself the organization of these activities, asserting that he had even the money for them. IPES CD Rio 5th June, 1962.
- 77 Under the supervision of the Civilian-Military Staff of IPES-São Paulo, the Independent League for Liberty was installed at the Brazilian Rural Society, where the IPES sponsored women's organizations were housed under the responsibility of IPES activist Salvio de Almeida Prado. A similar sector operated in São Paulo through Blandina Meirelles. General Olympio Mourão Filho - Memorias: A Verdade de um Revolucionário, ed. Helio Silva, Rio de Janeiro, L.& P.M. Editores Ltda, 1978. pp.183, 201.
- 78 The 'Christian League against Communism' was under the direction of José Lemos. In Ribeirão Preto, a Major Fleury led a similar parallel organization, while another such grouping, the FAC was under the direction of Sylvio Marques. General Mourão Filho, op.cit., p.219.
- 79 In 17th July, 1962, the issue of providing the leadership for the Campanha da Mulher Brasileira was discussed at the CE of IPES Rio. One week later, Glycon de Paiva took two cheques of 100.000 and 45.000 cruzeiros for CAMDE. IPES CE 26th July, 1962. See also J. Knippers Black, op.cit., p.72.

- Miguel Arraes, Testimony at the CPI on IBAD/IPES, in OESP. 23rd August, 1963.
- 80 Although a feminine organization, it had a group of male advisors behind it. P. Schmitter, op.cit., pp.219-220.
- 81 J.W.F. Dulles, op.cit., p.258.
- 82 J.W.F. Dulles, op.cit., pp.257-260.
- 83 J.W.F. Dulles, op.cit., p.189.
- 84 IPES Ch.Gr. São Paulo 21st August, 1962. - See also João Baptista Leopoldo Figueiredo, in OESP 31st December, 1963.
- 85 P. Schmitter, op.cit., p. 220.
- 86 P. Schmitter, op.cit., p.447
- 87 IPES CE 12th June, 1962. See also Report by General Golbery on UNE, Petrobrás and 'Caravana a Brasília', of 26th June, 1962 in IPES Archives, Rio de Janeiro.
- 88 C.S. Hall, 'The Country that saved itself' - Special feature of Reader's Digest, November, 1964, pp.144-145.
- 89 P. Schmitter, op.cit., pp. 220-221. Also J.W.F. Dulles, op.cit., p. 189.
- 90 Testimony of Eldino Brancante, in General Olympio Mourão Filho, op.cit., p. 219. Also P. Schmitter, op.cit., p.447. and Helio Silva, 1964 Golpe ou Contragolpe?, Rio de Janeiro, Civilização Brasileira, 1975. p. 339.
- 91 J. Knippers Black, op.cit., p. 81.
- 92 General Olympio Mourão Filho, op.cit., p. 183.
- 93 J.W.F. Dulles, op.cit., p. 276.
- 94 Phyllis Parker, 1964: O Papel dos Estados Unidos no Golpe de Estado de 31 de Março, Rio de Janeiro, Civilização Brasileira, 1977. p. 109.
- 95 Santos, a stronghold of the General Confederation of Workers-CGT, the principal port handling coffee export as well as a significant IPES base, was another place chosen to stage a march. According to Wladimir Lodygenski, the IPES activist in trade union matters, Maria Paula Caetano e Silva, an unusually effective leader, went from São Paulo to the port city to organize popular mobilization.
J.W.F. Dulles, op.cit., p. 277. - Interview with W. Lodygenski, a member of the American Chamber of Commerce and an affiliate of SEI, was also the director of Allset-Sociedade Técnico Comercial Ltda., which dealt with technical advertising.
- 96 J.W.F. Dulles, op.cit., p. 275. - Interview of J.W.F. Dulles with Salvio de Almedio Prado.

- 97 Moreover, as it was reported, "Us businessmen resident in Brazil, who were in close contact with the CIA representatives there, helped to organize and finance these demonstrations". Jerome Levinson and Juan de Onis - The Alliance that lost its way: A critical report on the ALPRO, Chicago, Quadrangle Books, 1970. p.89.
- 98 J.W. Rowe, op.cit., p. 82.
- 99 See Philip Siekman, "When executives turned revolutionaries; A story hitherto untold: How São Paulo businessmen conspired to overthrow Brazil's Communist infested government." Fortune, No. 3. 1964, pp.147-149, 210-221. It is possible to argue whether the impending civilian-military coup triggered off the march rather than the opposite. P. Schmitter, op.cit., p. 221
- 100 In any case, as one of the leaders of these associations commented "he had been fully apprised of the military conspiracy three months before the fact." P. Schmitter, op.cit., p. 447
- 101 Marta Cehelsky, Land Reform in Brazil: The Management of Social Change, Boulder, Colorado, Westview Press, 1979, pp.23-42.
- 102 Mary E. Wilkie, 'A Report on Rural Syndicates in Pernambuco', Centro de Pesquisas em Ciências Sociais, Rio de Janeiro, 1964. pp.3-6. Mimeo. For various interpretations of the causes of rural organisation, see Clodomir Moraes, Peasant Leagues in Brazil, in Rodolfo Stavenhagen, ed. Agrarian Problems and Peasant Movements in Latin America, New York, Doubleday, 1970, pp.462-472; and Cynthia Hewitt, 'Brazil: The Peasant Movement of Pernambuco, in Henry A. Landsberger, ed. Latin American Peasant Movements, Ithaca, New York, Cornell University Press, 1969, pp.374-398.
- 103 The Church-sponsored Federations had 200,000 members, the Peasant Leagues had 30,000 and the unions leaning towards the Communist Party had 50,000. Cynthia N. Hewitt, op.cit., p.374. Figures vary. By 1962, according to LI GA and ULTAB estimates their total membership was of approximately 550,000 people, ULTAB claiming 500,000 - Other sources gave only 200,000 members to the syndicates, and the Church claimed to have 45,000 unionized rural workers in the Northeast and in Rio Grande do Sul. M. Cehelsky, op.cit., pp.247-248.
- 104 Francisco Julião, Cambão - The Yoke: The Hidden Face of Brazil, London, Penguin Books, 1972.
- 105 "Declaração de Belo Horizonte", printed in Francisco Julião Que São as Ligas Camponesas, Rio de Janeiro, Civilização Brasileira, 1962, pp.84-85.
- 106 C. Hewitt, idem, p.393.

- 107 IBAD considered that 'The Northeast has been until now the great source where the communist propaganda seeks its best weapons for the political war unleashed against the democracy in Brazil. There exist the misery, the corruption, the exploitation of man by man, the sordid and enslaving distribution of land, illiteracy and a series of other factors that facilitate the use of the tragedy of the Northeast by communist propaganda'. "The Communist forces are playing a decisive game for their survival in the Northeast". (My translation RAD). Ação Democrática, February, 1962. p.12.
For the writer Antonio Callado, Pernambuco in the early 1960s: was "The best laboratory for social experiments and the best producer of ideas in Brazil". Antonio Callado, Tempo de Arraes, Rio de Janeiro, José Alvaro, 1965. p.20.
- 108 Ação Democrática, February, 1962. p.13.
- 109 M. Cohelsky, op.cit., p.44
- 110 See M. Bandeira, O Governo op.cit., pp. 70-73.
See also the list of military activists of IPES/IBAD for the Northeast, in Chapter VIII.
- 111 It is interesting to note that there was in IBAD's contradictory arguments, an early acknowledgment of the basic failures of the organic elite in obtaining 'positive' results in the ideological front, i.e.; winning over the peasant movement: Ação Democrática wrote that "When the nucleus of IBAD was founded, the peasants did not accept its offers, which once more proves that 'man lives not from bread alone'. Nevertheless, "The disinterested, courageous and loyal work of our comrade F. Osorio Filho, little by little, did overcome the unsurmountable ideological barrier created by Francisco Julião, among the democrats and peasants, who, finally, forced by necessity accepted the democratic and humane help that was offered to them. They accepted it, but, as the free men they are, they did not abjure their ideological convictions. In this they were respected by IBAD", Ação Democrática, February, 1962, p.13.
See also P. Schmitter, op.cit., p.218.
- 112 For a detailed account of their activities and the setting in which they performed, see Joseph A. Page, The Revolution that never was: Northeast Brazil 1955-1964, New York, Grossman Publishers, 1972. Especially Chapter 11, 'Chaos in the Countryside', pp.146-169. See also Emanuel de Kadt, Catholic Radicals in Brazil, London, Oxford University Press, 1970. p.109, and Thomas C. Bruneau, The Brazilian Catholic Church, Cambridge, Cambridge University Press, 1974. pp.70-71, 89.
- 113 H. Silva, op.cit., p.281.
- 114 J.A. Page, op.cit., p.129. See also 'Co-op Group got CIA Conduit Aid', in The New York Times, May 16, 1967. p.37.

- 115 J.A. Page, op.cit., p.169.
- 116 J. Knippers Black, op.cit., p.134. See also Glauco Carneiro, 'A outra face de Julião' in O Cruzeiro, Rio de Janeiro, 14th April, 1962. p.20.
- 117 IPES CD 11th May, 1962. According to Nei Peixoto do Vale, Padre Melo 'left satisfied with the coverage'.
- 118 J.A. Page, op.cit., p.153.
- 119 J. Knippers Black, op.cit., p.133. For an account of the CLUSA-CIA-IBAD-SORPE-AID-AIFLD network in action in the Northeast, see J.A. Page, op.cit., Chapters 8-12; Paulo Cavalcanti, Da Coluna Prestes a Queda de Arraes, Rio de Janeiro, Editora Alfa-Omega, 1978. p.299. In 1963, AID signed a contract with CLUSA, which established regionally funded offices. In Survey of the Alliance for Progress - Compilation of Studies and Hearings of the Sub-Committee on American Republic Affairs of the Committee on Foreign Relations - U.S. Senate, 91st Congress, April 29, 1969, p.520.
- 120 Romualdi was an Italian emigrant, who had worked for Nelson Rockefeller's Office of Inter-American Affairs during the Second World War. He had also been an important troubleshooter and field man in Italy in the 1940s; Argentina under Juan Domingo Perón and Uruguay in the early 1950s. "The State Department reportedly took a direct interest in planning Romualdi's itinerary", in 'Labour Policies and Programs', A study prepared by the Staff of the Committee on Foreign Relations, U.S. Senate and Report of the Comptroller General, July 15, 1968, in Survey of the Alliance for Progress, op.cit., p.580.
- 121 Philip Agee, Inside the Company, London, Penguin Books, 1975. p.620.
- 122 Serafino Romualdi, Presidents and Peons, U.S.A., Funk and Wagnalls, 1967, p.408.
- 123 Other areas in which the IPES/IBAD organic elite penetrated intensely the peasant countryside, sponsoring labour activists and gaining over political groupings were the Paraíba Valley of Rio de Janeiro, the São Paulo hinterland, and the states of Rio Grande do Norte, Paraná, Minas Gerais and Bahia. In the centre-south IPES operated among the rural workers through the Brazilian Confederation of Christian Workers - CBTC. The CBTC had been prominent in political action among industrial workers as well. While seeking to organize rural workers' sindicatos, the CBTC joined forces with São Paulo's Rural right-wing activist, José Rotta, of the National Confederation of Agricultural Workers - CONTAG, an alliance funded by IPES. IPES CE Rio, 15th January, 1963. J.W.F. Dulles op.cit., p.221.

- 124 T. Bruneau, op.cit., pp.88-91.
- 125 'Simply applying the existing laws would completely modify the situation of misery in the rural zone', SORPE, 'Pequeno Resumo do Movimento Sindical Rural em Pernambuco', p.11, cited in T. Bruneau, op.cit., p.92.
- 126 J.A. Page, op.cit., p.156.
- 127 For an account of the period, the setting and the actors, see T. Bruneau, op.cit., pp.85-94; E. de Kadt, op.cit., pp. 107-121; M. Bandeira, O Governo..... op.cit., Chapters IV and V; C. Hewitt, op.cit., pp.374-398.
- 128 C. Hewitt, op.cit., p.395.
- 129 On the strength and weaknesses of organized labour in this period, see Jover Telles, O movimento Sindical no Brasil, Rio de Janeiro, Vitória, 1962; Jorge Miglioli, Como são feitas as greves no Brasil, Rio de Janeiro, Civilização Brasileira, 1963; Kenneth Paul Erickson, The Brazilian Corporative State and Working Class Politics, Berkeley, University of California Press, 1977, Chapter VI. Leoncio Martins Rodrigues, Conflito Industrial e Sindicalismo no Brasil, São Paulo, DIFEL, 1966 and Trabalhadores, Sindicatos e Industrialização, São Paulo, Brasiliense, 1974.
- 130 In São Paulo alone in 1961, the number of strikes roughly equalled the total number of strikes which occurred in the whole of Brazil 10 years earlier. O. Ianni, Crisis..... op.cit., pp.94-96.
- 131 O. Ianni, op.cit., pp.97-99.
- 132 For an account of the general strikes and an assessment of their impacts, see K. Erickson, op.cit., pp. 107-131.
- 133 The initial limits of the IPES centred entrepreneurial consensus for action in the working class milieu, as well as in other sectors, were expressed by José Luiz Moreira de Souza, when he remarked that political action was to win over public opinion and not to substitute the State, IPES CD Rio 12th February, 1962.
- 134 N. Bailey, 'Organization and Operation of Neo-liberalism in Latin America', in Norman Bailey, ed., Latin America: Politics, Economics and Hemispheric Security, U.S.A., Praeger, 1965, p. 202.
- 135 N. Bailey, idem, pp.203-207.
- 136 Flavio Galvão concurred, finding it essential to modify the 'image' of the entrepreneurial classes. According to IPES Leader J.B. Leopoldo Figueiredo, in this last activity, of image formulation and legitimation of the entrepreneurial classes vis-à-vis society in the nation-building process, the Christian Association of Enterprise Managers - ADCE had to be instrumental. General Moziul added that he deemed "the 'status quo' as unsustainable". Having been all over Brazil, General Moziul thought that the worst situation was
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that of the State of São Paulo, because of being a developed state in an underdeveloped country. "This situation gives to São Paulo an extremely dangerous euphoria". IPES CD and CE São Paulo 27th November, 1962.

- 137 Letters from Flavio Galvão to Enno Hobbing - São Paulo 4th February, 1963; from F. Galvão to Gabriel Kaplan - São Paulo 4th February, 1963; telegram from João Baptista Leopoldo Figueiredo to Enno Hobbing 5th February, 1963. Correspondence from IPES to Gabriel Kaplan was directed to c/o Mr. John Diefenderfer, at the U.S.A. Consulate in Recife. John Diefenderfer had been Assistant Director for Planning and Programs in the USAID mission in Rio de Janeiro and was in 1963 head of the USAID mission in Recife. For Diefenderfer's activities, see J.A. Page, op.cit., pp. 124-144.
- 138 For the action of IBAD in the Northeast, see J.A. Page, op.cit., pp. 115-118, 153. See also Eloy Dutra, IBAD, Sigla da Corrupção, Rio de Janeiro, Civilização Brasileira, 1963; Adirson de Barros, Ascensão e queda de Miguel Arraes, Rio de Janeiro, Editora Equador, 1965. See also IPES CD and CE São Paulo 15th January, 1963. - Letter from Enno Hobbing to João Baptista Leopoldo Figueiredo.
- 139 IPES CD 27th November, 1962.
- 140 After the coup of 1964, this type of operation was taken over by Ação Comunitária (Community Action), an entrepreneurial-backed organization, headed by General Juracy Magalhães. Its Directing Council and Executive Committee were comprised mostly of businessmen who had been associated with IPES. Among them, it is worth mentioning, Fernando Mbielli de Carvalho, Gilberto Huber Jr., Jorge de Mello Flores, José Thomas Nabuco, Lars Janer, Roberto de Oliveira Campos, Victor Bouças, Edmundo P. Barbosa da Silva, Aldo B. Franco, João da Silva Monteiro. Most of the original IPES/IBAD contributors were among the large list of enterprises that backed this operation. See Jornal do Brasil, 28th January, 1976. 'Ex-Ministro se ve na Ação Comunitaria como esmoler'.
- 141 When a representative mission of the 'Trade Union of the Sugar Workers of Oriente' (Sindicato dos Trabalhadores da Indústria de Açúcar de Oriente) came to IPES in order to obtain the immediate delivery of a van they wanted to transform into an ambulance to be used in the countryside, IPES leader, Leopoldo Figueiredo, authorized them to seek the person in charge of public relations of the Volkswagen company, in his name. IPES CD and CE 4th December, 1962. - Flavio Galvão.
- 142 The system Polland recommended, for the construction of popular housing, was one developed by the Rockefeller organization and the person to be contacted in the government for this project was, appropriately, the PDC politician Franco Montoro, then Minister of Labour. Montoro had, in the beginning of 1962, announced ~~at~~ a luncheon offered by Cia. Antártica Paulista, one of the important IPES contributors, the Program of the Own House (Programa da Casa Propria). The occasion was the 1st National Convention
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of the Regional Labour Delegates. Moreover, on his return from a trip to the U.S.A., soon thereafter, Montoro would announce the building of 1,000,000 houses through the Alliance for Progress programme. IPES had set the tone for policy discussion and was reaping the positive results of the public impact of such a popular dream.

In the campaign for popular housing, Nei Peixoto do Valle's unit of Popular Opinion prepared written material, set up interviews for Pollard and his collaborators on T.V. and through the written press, showing that IPES was providing concrete and immediate care for pressing matters, as opposed to empty promises for long range action from other quarters. IPES CD 12th February, 1962.

- 143 IPES CE Rio 27th March, 1962.
- 144 P.Schmitter, op.cit., p. 190-193
- 145 The Cooperativa Agrícola de Cotia is a wellknown cooperative agricultural endeavour of medium size farmers in the south of São Paulo state, mostly inhabited by Japanese immigrants. It has been the political and economic base of Fabio Yassuda, its General Director in the early 1960s, who became Minister for Industry and Commerce in 1967.
- 146 Letter to IPES-Niteroi, from the Federação Círculos Operários Fluminenses, 26th February, 1964.
- 147 The support given by IPES amounted to 2,000,000 cruzeiros monthly, up to 1963, and then the CNCO received even higher sums. IPES CE/001 - 2nd April, 1962. Letter from José Rubem Fonseca to Padre Velloso. See also OESP, 18th July, 1962.
- 148 IPES CE Rio 8th January, 1963. - José Rubem Fonseca, and IPES CE Rio 15th January, 1963. By January 1963, Cândido Guinle de Paula Machado, who was in charge of an IPES action group for trade union matters, ordered the payment of 2,000,000 cruzeiros monthly. This contribution was raised to 2,500,000 cruzeiros in the same month.
- 149 Ação Democrática, September 1962 - Rio de Janeiro -, p.10.
- 150 Ação Democrática, idem.
- 151 IPES Minutes 27th February, 1962.
- 152 IPES Minutes 27th March, 1962. - Cândido Guinle de Paula Machado. Padre Velloso's project had a budget of 3.000.000 cruzeiros monthly, to which had to be added the activities in Rio de Janeiro, São Paulo, Pernambuco and two more other region-heads, supported by their own 'regional' funding. IPES São Paulo contributed through the Confederação Paulista. Padre Velloso received from IPES a total of 47.395.000 cruzeiros mostly during the period of 1962-1963, for the Confederation of Christian Workers. Letter from IPES to Padre Velloso - Sec. 65/0280, Rio de Janeiro, 18th May, 1965.
- 153 P. Schmitter, op.cit., p.192. On the 'Movimento Renovador Sindical' see, Carlos Renato Costa Neto, Revista Brasiliense, No. 3, São Paulo, Nov/Dec. 1960. pp. 59-87.

- 154 José Bonifacio Coutinho Nogueira, a member of the IBAD organized symposium on Agrarian Reform of 1961, was Secretary of Agriculture and a losing candidate at the election of the São Paulo governorship in 1961 against Adhemar de Barros. He was linked commercially to Banco Comercial de São Paulo S.A., among others.
- 155 IPES CE 2nd October, 1962.
- 156 Once IPES was established as a secure source of material, administrative and technical support, it was sought, in turn, by different clergy activists and Church groups. Padre Bello came for assistance and was addressed to Antonio Carlos Menezes. Padre Bello's activities were to be strongly supported financially by IPES, a task left under the responsibility of the São Paulo branch. IPES CE 17th May, 1962. On 31st July, 1962 Glycon de Paiva informed the CE of a sum of 500,000 cruzeiros approved for Padre Bello. Other clergy members supported and sponsored by IPES were the Cannon Vanderhallen, of the Colegio São Norberto de Jauú, also linked to the IPES network. Vanderhallen produced a commentated abstract of 'Mater et Magistra', revised by Paulo Edmur de Souza Queiroz and mimeographed at IPES. The abstract, which appeared to be quite effective as a propaganda item, was then disseminated among the popular sectors of the population. IPES also sponsored Padre Aquino (SJ), Director of Padre Saboia's project. IPES CE and Ch.Gr. São Paulo 8th January, 1963 - Flavio Galvão and José Ely Coutinho. Moreover, IPES sponsored financially Padre José Coelho de Souza Netto (SJ), president of the 'Aloisianum', in the form of 'scholarships', of 300,000 cruzeiros per year. IPES CE 30th May, 1963.
- 157 By May 1962, IPES was contributing 2,000,000 cruzeiros monthly for general 'labour activities'.
- 158 IPES channelled 1,500,000 cruzeiros for SEI, IPES CD São Paulo 22nd May, 1962. - João Baptista Leopoldo Figueiredo.
- 159 At least 500,000 each per month. The information was furnished to Wladimir Lodygensky and Wladimir Pereira - IPES CE 2nd July, 1962, IPES CD 27th March, 1962, IPES CD 28th August, 1962 and IPES CD 16th October, 1962.
- 160 IPES: Report of Activities, 1963.
- 161 P. Schmitter, op.cit., p.437; J.W.F. Dulles, op.cit., p.206
- 162 MSD - 'A República Sindicalista do Brasil', São Paulo, N.P. 1963, in IPES Archives.
- 163 Eloy Dutra, op.cit., p.13. Also R. Rojas, op.cit., p. 74. See also Plínio de Abreu Ramos: Como agem os Grupos de Pressão Rio de Janeiro, Editôra Civilização Brasileira, 1964, p.63.
- 164 Final Declaration of the 7º Congresso Nacional de Operários under the auspices of the CNCO. In OESP, 22nd July, 1962.

- 165 Lenny Siegel, AFL-CIA, in The Trojan Horse, ed., Steve Weissman, California, Ramparts Press Reader, 1975, p. 119. "Furthermore, ORIT, in reality, forms only one link in a vast chain of agencies and organizations that compose the imperialist network seeking to control and manipulate Latin American labor. Its methods vary and at times may even seem to work at cross-purposes, but the central aim remains the stifling militant, left, working class movements and the promotion of U.S.-style business unionism or at best mild Christian or social democratic forms of it. The network is vast and encompasses a whole range of national and international bodies. A partial listing of these includes the Alliance for Progress and USAID; the Organization of American States (OAS) and the Inter-American Development Bank (IADB); International Trade Secretariats (ITS); the AFL-CIO; the labor sections of every U.S. embassy in the hemisphere; private foundations like the International Development Foundation (IDF) or Council on Latin America, Inc.; and last but not least, CIA." Hogart A. Spalding Jr., 'U.S. and Latin American Labor: The Dynamics of Imperialist Control' in Ideology and Social Change in Latin America, eds., J. Nash, J. Corradi and H. Spalding, New York, Gordon and Breach, 1977, p.64.
- 166 The AFL-CIO spends 23% of its budget on international affairs each year and is the largest contributor to ORIT, where it pumps as much as 2 million dollars annually into a special projects fund to complement the 1 million flowing into its international activities accounts. Spalding, op.cit., p.65.
- 167 P. Agee, op.cit., p. 611.
- 168 P. Agee, op.cit., p.237.
- 169 P.Schmitter, op.cit., pp.189, 437.
- 170 Ação Democrática, October, 1962, Rio de Janeiro, p.9.
- 171 IPES leader, G.Borghoff, introduced to a special meeting of the Comissão Diretora, a Moral Rearmament field unit composed of seven members. They provided IPES with books, magazines and other printed material. An English ex-officer explained matters in English and introduced Dario Morais, a railworker of the Mogiana railway line and a former Communist activist in the area of Campinas in the State of São Paulo, who was now active with Moral Rearmament as Vice-president of his trade union. Dario Morais' personal experience and the facts and experiences of right-wing political activism in the area of Campinas were discussed. An American member of the Moral Rearmament team explained matters related to propaganda including printed material and films, which were deposited with film distributor Luiz Severiano Ribeiro. A certain General H.G., who was present at that meeting, also participated in the discussion. A period of questions and answers on political matters followed. IPES CD 28th August, 1962.
- 172 C.S. Hall, op.cit., p.141

- 173 J. Knippers Black, op.cit., p.256. See also Marcelo Beraba and Ricardo Lessa, 'Infiltração Imperialista no Sindicalismo', in Em Tempo, September 18-24, 1978, pp.6-7. S. Romualdi, op.cit., p.415.
- 174 Robert F. Hoxie, Trade Unionism in the United States, New York, Russell and Russell, 1966, p.45.
- 175 For economic and political insight into the amazing Grace empire, see The W.R. Grace Corporation, in NACLA's (North American Congress on Latin America) Latin American and Empire Report, Vol X. No.3, March 1976.
- 176 P. Agee, op.cit., p.610.
- 177 ALPRO's essential goals were to strengthen the capitalist sector in Latin America. Moreover, it sought to control the degree of class conflict with limited social reforms while Latin American military and police forces were made ready for the possibility of popular insurgency. See Gregorio Selser, Alianza para el Progreso : La Mal Nacida, Buenos Aires, Ediciones Iguazú, 1964, Chs. II and III.
- 178 COMAP was also the arena for dispute between the Grace and the Rockefeller networks of interests, which appeared to be centred on the question of who had hegemony in setting U.S. economic policy for Latin America. The Rockefellers' pre-eminent position was soon apparent, while COMAP sunk into obscurity with Kennedy's death. David Rockefeller furthered his offensive and by 1961 the Business Group for Latin America - BGLA was formed under his chairmanship. Thus, the BGLA replaced COMAP and Rockefeller replaced Grace. As seen in Chapter II, soon thereafter the BGLA expanded into the Council of America and subsequently into the Council for Latin America, which was by now incorporating also CED and LAIC members. Both the COA and its successor, the CIA, were led by David Rockefeller. By the mid 1960s the Council was representing more than 225 corporations, approximately 85 per cent of all U.S. corporations doing business in Latin America and accounting for over 85% of all U.S. investments in the region. NACLA Report, 1976, op.cit., pp. 11-12. Also Yanqui Dollar, The Contribution of U.S. Private Investment to Underdevelopment in Latin America, NACLA, Berkeley, 1971, p.39.
- 179 When the BGLA was finally succeeded by the COA and subsequently by the CIA, J.P. Grace kept a pre-eminent position within the Council, which continued to provide the business representatives to the AIFLD's Board of Trustees. Survey of the Alliance for Progress, op.cit., p. 582.
- 180 Moreover, executives from Gulf Oil International, Johnson & Johnson International, Owens-Illinois, as well as members of the Institute of International Education and the Fund for International Social and Economic Education (both donees from CIA fronts) hold, or have held, senior AIFLD positions. See Ronald Radosh, American Labour and United States Foreign Policy, New York, Random House, 1969, p. 480. See also 'Brazil and CIA' by Peter Gibbon in COUNTERSPY, April/May, 1979. Vol.3. No.4. p.13. and Spalding, op.cit., p.67.

- 181 Survey of the Alliance for Progress, op.cit., 581.
In Fact, AID was created almost parallel to AIFLD, on November 3, 1961. USAID had been created by the Foreign Assistance Act of 1961, and approved by the American Congress in September 1961.
- 182 P. Agee, op.cit., p.600. Between 1961 and 1963, one source has claimed that the AIFLD received nearly a million dollars from CIA channels. Spalding, op.cit., p.67. quoting figures from Jim Nellen, 'Leaders for Labor-Made in America', in North American Congress on Latin America - New Chile, Berkeley, California, 1972, p. 55.
- 183 P. Agee, op.cit., p. 244. - See also P. Gibbon, op.cit., p.13.
- 184 Survey of the Alliance for Progress, op.cit., p.588.
See also Lenny Siegel, op.cit., pp. 122-125 on the inter-relation of AIFLD, AID and the ALPRO.
- 185 A partial account of AIFLD is given in Romualdi, op.cit., Chapter XXIV.
- 186 P. Agee, op.cit., p.245. Also P. Gibbon, op.cit., p.14.
- 187 Eugene H. Methvin, 'Labor's New Weapon for Democracy', in Reader's Digest, October, 1966, U.S.A., pp. 21-28.
- 188 NACIA, 1976, op.cit., p. 12. "In straight terms, AIFLD's central functions consist of combating non-capitalist influences within the ranks of Latin American Labor and to strengthen both U.S. labor influence and business image in order to develop pro-capitalist, reformist unions while maintaining Latin America as a field for investment." Spalding, op.cit., p.66.
- 189 S. Romualdi, op.cit., p.148. J. Peter Grace, AIFLD's former president and current Chairman of the Board, could have found little fault with these principles - "The AIFLD", he stressed, "urged cooperation between labor and management and an end to class struggle", in NACIA, 1976, op.cit., p.13. Moreover, J. Peter Grace emphasized that AIFLD must "work towards a common goal in Latin America, namely, supporting the democratic form of government, the capitalistic system and general well being of the individual". He continued, saying that AIFLD "is an outstanding example of a national consensus effectively at work for the national interest of the United States and for the best interests of the people of Latin America". H. Spalding, op.cit., p.67, quoting the Survey of the Alliance for Progress, Labor Politics and Program, of the Committee on Foreign Relations, Sub-Committee on American Republics Affairs of the U.S. Senate, 90th Congress, 2nd Session, July 15, 1968.
- 190 H. Spalding, op.cit., pp.70-71.
- 191 P. Gibbon, op.cit., pp.66-68.

- 192 J.V. Freitas Marcondes, Radiografia da Liderança Sindical Paulista, São Paulo, Instituto Cultural do Trabalho, 1964.
- 193 H. Spalding, op.cit., pp. 70-71.
- 194 Survey of the Alliance for Progress, op.cit., p.586. In all, some 24,000 unionists and 3,500 peasant leaders from every state have received AIFLD-related training. in H. Spalding, op.cit., p. 71, quoting AIFLD Report, Vol.10. No.5, March 1972, p.5.
- 195 Up to 1966, AIFLD had trained over 49,000 people, directly involved in working class cultural and political life, through its field programs and up to 1973, 30,000 union activists were trained in Brazil, Erickson, op.cit., p.169. Brazil's members on the Board of Directors of AIFLD were José Barbosa de Almeida, of the IPES supported ICT., who had been its president since 1963, as well as president of the Institute of Lawyers of São Paulo, and Helcio Maghenazi, also an ICT Director, J. Knippers Black, op.cit., p.122.
- 196 V.J. Freitas Marcondes, 'The Revolution of Labour Legislation in Brazil', in John Saunders (ed.) Modern Brazil: New Patterns and Development, U.S.A. University of Florida Press, 1971. p. 152.
- 197 It also operated 11 trade union centres in Latin American capitals, 'serving' 19 countries.
- 198 R. Radosh, op.cit., p.421.
- 199 Lenny Siegel, op.cit., p. 131. AIFLD officials were well acquainted with the ongoing plotting against Goulart, at least as early as the fall of 1963. In that time, Serafino Romualdi accompanied by Berent Friele, an old Brazilian hand belonging to Nelson Rockefeller's entourage ... visited governor Adhemar de Barros. Romualdi himself, on top of his other functions, had been linked to Nelson Rockefeller, working at his Inter-American Affairs office during the war. Adhemar de Barros confided to them plans that were already "under way to mobilize military and police contingents to counter any attempt by Goulart to establish dictatorial control by force." Friele and Romualdi decided to acquaint U.S. Ambassador Lincoln Gordon with the substance of Adhemar's statements. Romualdi also drafted notes for the attention of Labour Attaché John Fishburn. Other regular contacts kept by Romualdi throughout this period were with Guanabara governor Carlos Lacerda, trade union 'pelego', Ary Campista, and with 'pelego' Deocleciano de Hollanda Cavalcanti, long-time serving head of the Brazilian Confederation of Industrial Workers, and a member of the Executive Board of the International Confederation of Free Trade Unions - ICTFU. S. Romualdi, op.cit., pp. 226, 270-288.
- 200 S.Romualdi, op.cit., p.289.

- 201 Another U.S.A. supported 'pelego' was Helio Araújo, a trade union leader in Recife. For Rómulo Teixeira Marinho's activities and that of others, see Wilson Juvenato Reis, Notas de um Dirigente Sindical: Conquistas dos Trabalhadores Telegráficos, Rio de Janeiro, Gráfica Editora São Francisco Ltda., 1965. pp.10-13, 47, 57, 76-77 and 121.
- 202 E. Methvin, op.cit., p. 28.
- 203 W.C. Doherty, quoted in L. Siegel, op.cit., pp.131-132. For further activities of the AIFLD after 1964, see Ernest Ganey - 'Meddling in Brazil: The CIA Bungles On' in Commonweal, February 9, 1968, pp.553-554.
- 204 For an account of the leftward trend of the working class and the growing militancy of the trade unions, as well as the rivalries and conflicts within the national-reformist bloc, see K. Erickson, op.cit., Chapter VII.
- 205 On pressure techniques, see N. Bailey, op.cit., p. 220. Among the forms of establishing the organic elite's influence on the political process were the pressures exerted on political parties through the members of their regional and national leadership, who, in many cases, were IPES/IBAD affiliates and activists. IPES also organized a national gathering of parliamentarians, in March 1962, at the Hotel Quitandinha in Petrópolis which served to coordinate efforts of the modernizing-conservative bloc. In charge of the organization of the meeting were IPES activists Angelo Moraes Cerne and Mader Gonçalves.
- 206 IPES/IBAD made also use of personal influence in their relations with government agencies and bureaucratic-entrepreneurial rings, which as mentioned in Chapter III were, in many cases, political strongholds of affiliates and activists of the organic elite. IPES also attempted to gain prominent positions in agencies, ministries and parliamentary committees, jockeying for positions within the government structure. Jorge Oscar de Mello Flores was able to report on his contact with Itamaraty, the foreign ministry, on foreign policy matters, having been invited by Renato Archer. According to Mello Flores, IPES was to be brought into the policy-making picture as an observer and representative in the Planning group. IPES Minutes 27th March, 1962.
- 207 Brazil: Election Factbook, op.cit., p.37.
- 208 M. Cehelsky, op.cit., p.130. See also IPES CE 12th March, 1963.
- 209 IPES CE 12th March, 1963. See also IPES CE Rio 2nd February, 1962; IPES Rio Minutes 20th February, 1962; IPES Minutes 17th May, 1962; IPES CD Rio 11th December, 1962.
- 210 It is interesting to consider an example of how the IPES/IBAD/ADEP organization operated. In mid March 1963, Glycon de Paiva, J. Rubem Fonseca, General Golbery and J. Garrido Torres, met with I. Hasslocher, to discuss the strategy for the presentation of the project of Agrarian Reform which IPES/IBAD had prepared. It was decided that the project would be

introduced under the name of a deputy of the ADP, for which PSD Armando Falcão, UDN J. Mendes and UDN Raimundo Padilha were considered. General Golbery supported the idea of a simultaneous introduction of the project in the Chamber of Deputies and in the Senate, by a group of senators and a group of deputies, preferably of several political parties, to disguise the source of the project and generalize its message, a tactic which was eventually followed. While these operations proceeded, the personnel of the Study groups prepared a critique against the proposals of the government, and through the audio-visual media a barrage of criticism was launched against the executive and the national-reformist bloc on their proposals for agrarian reform. IPES CE 12th March, 1963.

- 211 IPES CD Rio 22nd May, 1962. Glycon de Paiva. - See also Chapter V on the GAP.
- 212 The question of introducing bills of law, amendments and general discussion in Congress was a delicate issue, which varied in form according to circumstances and themes and which was presented to the general public in several ways. At a meeting of the Executive Committee of IPES Rio, in August 16, 1962, Garrido Torres, head of the Study and Doctrine group, discussed the option open to IPES for the 'presentation' of the bill of law on Agrarian Reform. Garrido Torres pointed out the 'idea of attempting to introduce IPES/IBAD's bill of law and project on Agrarian Reform by means of the National Council for Agrarian Reform - CNRA, with the help of councillors Edgard Teixeira Leite and Wanderbilt de Barros, both incognito IPES/IBAD affiliates, who had participated in the preparatim of the IPES/IBAD project on Agrarian Reform. The other suggestion was to deliver the bill of law to the Chamber of Deputies through the IPES/IBAD Parliamentary Action Group (Assessoria Parlamentar). A week later, on August 23, at a meeting of the Executive Committee, Paulo de Assis Ribeiro raised the question again, referring himself to a bill of law that would be delivered (encaminhado) to the National Monetary Council, to be transformed into a law-decree, introduced by Wanderbilt de Barros, of the CNRA. See also, IPES CE 9th May, 1963, on discussion over Banking and Agrarian Reform bills of law and on Glycon de Paiva's recommendation to study Milton Campos' bill of law so as to introduce amendments through friendly parliamentarians. Some of these parliamentarians involved in these manoeuvres were: Senator Mem de Sá, a leader of the PL and a most influential figure, Deputy Armando Falcão, Deputy Herbert Levy, president of the UDN, Deputy Daniel Faraco and Deputy Aniz Badra (who introduced a bill of law on Agrarian Reform in August 11, 1963).

Moreover, through Deputy Jessé Pinto Freire, the organic elite introduced a bill of law to sell to private interests the shares of the government in state enterprises, even those of Petrobrás. The National Confederation of Commerce was mobilized in support of such proposals, also asking for the same measures to be applied to the Companhia Vale do Rio Doce - CVRD, the Banco do Brasil and the National Steel Company - CSN. See R. Rojas, op.cit., 76-77.

- 213 IPES CE Rio 10th December, 1962.
- 214 Osny Duarte Pereira, Quem Faz as Leis no Brasil?, Rio de Janeiro, Editora Civilização, Brasileira, 1963, pp. 102, 138. See also Ação Democrática, issues of July - December, 1962. Nelson Werneck Sodré, A História da Imprensa no Brasil, Rio de Janeiro, Civilização Brasileira, 1966, pp.494-495. Plinio de Abreu Ramos, op.cit., p.76.
- 215 Adolfo Gentil was the brother of Ellsworth Bunker's son-in-law. Telegram to the Department of State, from Ambassador Lincoln Gordon, Control No. 9447, August 2, 1962, in JFK Archives.
- 216 Letter from Jorge Oscar de Mello Flores to Glycon de Paiva, Rio, 15th April, 1963. Written on correspondence paper headed with SULACAP logotype. A copy of this letter, which captures the mood and the political tone of the period is in Appendix Q.
- 217 Such bills of law were on Agrarian Reform, which was already prepared and in the hands of the ADP; on Banking Reform, which Mello Flores considered easy to prepare on the basis of the projetos of the commission appointed by Minister Miguel Calmon and the Congress on Basic Reforms in São Paulo; on Urban Reform, fundamentally restricted to the problem of private housing, already at a stage of advanced study by IBAD and coordinated with deputy Alvaro Catão, of the ADP. (Catão, the UDN congressman connected to the ADEP was also linked to Irineu Bornhausen, one of the political bosses of the state of Santa Catarina, governor of the state and himself a business associate of IPES leader Antonio Gallotti. Bornhausen was also a Director of Eletro Aço Altona S.A. (Administradora Rex S.A., Warnow S.A. - Agricultura, Comercio e Industria, Administração Blumenau). Catão and Bornhausen were associates in the Cia. Brasileira Carbonífera Arananguá. Catão was also responsible for introducing the bill of law on Urban Reform.
- Other bills of law were on Administrative Reform and Tributary Reform, which were already being studied at the Getúlio Vargas Foundation. (which had become, as seen in Chapter III, the ideological and political stronghold of a large number of IPES/IBAD affiliates), on Electoral Reform, which Mello Flores considered could be prepared on the basis of guidelines already set out by IPES and reaffirmed in the Congress of Basic Reforms of São Paulo, some of whose points would have to be reviewed, such as the vote of the illiterates, which Mello Flores recommended to be restricted to municipal elections. Mello Flores also urged the preparation of all the other bills of law being prepared by IPES which were not yet ready, so that they might be presented in the Chamber of Deputies while the very issues were being discussed.
- 218 On 21st May, 1962, Mello Flores was able to send to Rio a bill of law and policy proposal which Sergio Magalhães, one of the leading members of the national-reformist bloc

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was to introduce shortly on urban reform (specifically on Housing Disappropriation). This project had been secured for General Golbery's team so that the GLC and the Study Group could prepare an effective counter-strategy. - IPES Minutes 22nd May, 1962. See also IPES CE 15th May, 1962. The political action of IPES was also strong on 'preparing events'. In a meeting of the CD, of 31st July, 1962, they discussed the 'line of action in relation to the crisis of 8th August' defined by Glycon de Paiva as the problem No. 1. (On August 8, General Nelson de Mello, Minister of War, gave a strong speech in the Chamber of Deputies, exerting military pressure. The speech was considered to have originated because of 'pressures and equivocals, if not equivocal pressures' (pressões e equívocos, senão a pressões equívocas). In Carlos Castello Branco, Introdução a Revolução de 1964, 1st Vol., Rio de Janeiro, Artenova, 1975. pp.33-34.

To add emphasis to their campaign for the orientation of public opinion, the IPES leadership decided to publish in O Dia, A Notícia and Luta Democrática (all newspapers from Rio de Janeiro), a manifesto to rally public opinion, for which a certain LFM was to give 200,000 cruzeiros. O Globo carried a similar manifesto. In IPES CD 31st July, 1962 - José Rubem Fonseca.

- 219 Dantas' bid for the premiership came under harsh attack from IBAD as a symbol of demagogy, and as the epitomé both of Brazilian friendly relations with Cuba and the Soviet Union, considered an anathema by IBAD, and of a corrupt oligarchy which had ruled the country. Ação Democrática, July, 1962, p.6.
- 220 The list of 174 deputies who voted against Dantas' nomination is to be found in Ação Democrática, July 1962, pp. 6-7. Sergio Magalhães, the national reformist leader, was also rejected in his bid for the vice-presidency of the Chamber of Deputies.
- 221 For the dominant classes electoral politics had become a matter for class self-preservation. Former methods of un-coordinated support for individuals were considered to be obsolete and self-defeating. Schmitter pointed out that for the first time, all the peak (employers') associations, civil and syndical, issued a joint manifesto announcing their sponsorship of an 'enlightenment campaign' in support of those candidates who would preserve 'our Christian heritage and maintain intact those institutions that signify the continuity of our national life and the defence of our sovereignty'. P. Schmitter, op.cit., p.278.
- 222 In any case, it has been the most publicized action of the IPES/IBAD complex. Because IPES strove to hide its involvement carefully, this action has been perceived as an isolated endeavour accomplished by IBAD, a sort of 'bête noire' of the 1962 elections, than as a broad and all embracing class action, whose centre was located within IPES. The numerous action units, fronts, and organizations involved in the electoral campaign of the right, as well as the individuals committed to its platform acted publicly as if they were autonomous political agents, though with coinciding

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political stances. Once entrepreneurial involvement and interference in the electoral process became public knowledge, all the efforts went to cover up for the centre of action of the organic elite -IPES-, as well as attempting to blur the impression that there was an organized action of the entrepreneurial classes. The peripheral institutions were sacrificed and finally IBAD was made the scapegoat. No connection was established between the strategic and the tactical organizations of the entrepreneurial organic elite. See P. de Abreu Ramos, op.cit., p. 72.

- 223 IPES Leader, Rui Gomes de Almeida referred himself to three specific cases of IPES action in Brazilian elections at state level, namely in Rio, Pernambuco and Rio Grande. Gomes de Almeida added that the kind of action developed in those state elections had to be modified and adapted for the coming elections at national level. IPES CE 27th March, 1962.
- 224 Castilho Cabral, -O. Junqueira: Testimony at the Parliamentary Commission of Inquiry-Session of August 29, 1963, in OESP November 14, 1963.
- 225 At the beginning of 1962, Hasslocher sought Castilho Cabral for him to lead a movement, for which the IBAD leader would secure a budget of 1 billion cruzeiros. Eventually Foster Dulles and Hasslocher came to see him. In Política e Negócios, São Paulo, August 26, 1963, p.21.
Foster Dulles also wanted Castilho to carry to Janio Quadros, who by then was in London, a report on Hanna, as he feared measures against the corporation. See also Edmar Morel, O Golpe Começou em Washington, Rio de Janeiro, Editora Civilização Brasileira, 1965, p. 52; and Castilho Cabral, Testimony at the Parliamentary Commission of Inquiry of August 29, 1963, in OESP August 30, 1963.
- 226 José Arthur Rios, 'Os Grupos de Pressão' in Comportamento Eleitoral no Brasil (edited by Themístocles Cavalcanti and Reisky Dubnic, Rio de Janeiro, FGV, 1964, p. 149.
- 227 J. Knippers Black, op.cit., p.73. See also João Doria, 'IBAD: Conspiração Internacional Contra as Reformas' No.III, in Política e Negócios, Rio de Janeiro, November 4, 1963. IBAD was denounced as spending daily at least, 600,000,000,00 cruzeiros in Rio de Janeiro, for the propaganda of the candidate through newspapers, radio stations and television. IBAD/ADEP had more than 80 weekly radio programmes, sponsored by IBAD, via Promotion S.A. The resources came from 'open accounts' in The Royal Bank of Canada, The Bank of Boston and the National City Bank. See Política e Negócios, São Paulo, August 26, 1963, p. 20.
- 228 IBAD member, A. Leopoldino, in his testimony before the Parliamentary Commission of Inquiry, -OESP, November 11, 1963. See also N. Bailey, op.cit., p. 223.

- 229 At a meeting of the IPES leadership, Helio Gomide introduced a document on the 'Convenience of a Unified Command for the Struggle of Democratic Action' (Da conveniencia de um comando unificado para a luta de Ação Democrática), which aimed at coordinating parallel and congruent efforts of other political actors. Gomide suggested arranging for J.A. Leite Barbosa, the Director of the Boletim Cambial, to be in charge of the material part of his plan. Leite Barbosa was to remain in charge of producing small articles and lectures on democracy, liberty, education, vida doméstica (home life), all of which were considered to contribute to the correct voting of the citizens. IPES CD Rio 21st August, 1962.
- 230 Brazil: Short Term Action Paper (Action Paper for the period from now to October 7 - Brazilian Elections) - For consideration of Latin America Policy Committee, July 12, 1962, - NSF, in JFK Archives.
- 231 José Arthur Rios, Os Grupos... op.cit., p.144. See also P. Agee, op.cit., p. 365. Political Synthesis 1962, in APEC yearbook, Rio de Janeiro, APEC, 1963, and P. Schmitter, op.cit., p.279. For details of ALEF's role, see Nelson de Souza Sampaio, 'Analysis of Bahia Elections', in Cavalcanti and Dubnic, op.cit., pp. 26-27, 39-40, and José Arthur Rios, 'Os Grupos de Pessão' in Cavalcanti and Dubnic, op.cit., pp. 145-149.
- 232 *The principal components of the extreme-right wing groups within the clergy were found among the top hierarchy of the Church. Some of its more outstanding members include the Archbishops of Rio de Janeiro, Diamantina, Bahia and Curitiba. These leaders show a natural predisposition to support traditionalism because they have emerged from the old, conservative families and are beholden to them for financial support."
 "The ideological position defended by this group is violently anti-communist".
 "Domestically they accuse any manifestation against foreign investments and any agrarian reform as being of communist origin".
 "Members of this group have found supporters in various segments of Brazilian society. They have attracted journalists, and are, in fact, the principal inspiration behind O Globo, the Rio de Janeiro evening paper. Among politicians they count as adherents, Carlos Lacerda, Governor of Guanabara, and the leadership of the National Democratic Union (UDN) in Rio de Janeiro".
 In Memorandum to the White House (Mr. Schlesinger) from Department of State INR/RAR - John N. Plank, March 28, 1963. Subject - Political Systems Study - Brazil, Sanitized Version, pp. 64-65.
- 233 P. Agee, op.cit., p. 254.

- 234 Thomas Mann, the U.S.-American Assistant Secretary for Inter-American Affairs, testified that "we did not give any money in balance-of-payments support, budgetary support, things of that kind, which benefit directly the Central Government of Brazil". Instead AID assisted "states which were headed by good governors we think strengthened democracy" (quoted in Carlos Dias Alejandro, 'Some Aspects of the Brazilian Experience with Foreign Aid', Unpublished manuscript, December 1969, p.11. cited by Peter Bell in Riordan Roett, Brazil in the Sixties, Nashville, Vanderbilt University Press, 1972. p. 89.
- Alfred Stepan has stressed that "the United States official policy - economic, political and military - was to weaken the Goulart government, especially in its last nine months ..." "By mid-1963, the U.S. government, afraid of the growing radicalization of the Goulart government, moved from a position of mild support to one of opposition", which involved the support for political sectors operating against the Brazilian executive. "This policy of aiding the opposition forces was known by State Department officials as one of strengthening 'islands of sanity' in Brazil". A. Stepan, op.cit., pp. 124-125.
- 235 President Kennedy's message read: "I feel that we should do something of a favourable nature for Brazil before the election this Fall, which is going to be crucial. Perhaps a food, water or some other project could be proposed. Would you talk to Ted Moscoso about this and then discuss it with me". P Parker, op.cit., p.46.
- 236 Thomas Mann was quoted by O Estado de São Paulo on June 19, 1964 as saying that even before his occupance of the post he now held, there was a policy of strengthening the political position of certain state governors against the central government by selective economic aid. See Octavio Ianni, 'Processo Político e Desenvolvimento Económico' in Weffort, Singer, Ianni and Cohn, Política e Revolução, op.cit., p.61.
- 237 Telegram from Ambassador Lincoln Gordon to Department of State, No.751, October 3, 1962 - NSF, in JFK Archives.
- 238 On PL 480, see The Sources of Finance in this Chapter - See also, M. Bandeira, Presença op.cit., p.429.
- 239 Memo for the Latin American Policy Committee Meeting of July 12, 1962. Plan of Action for Period to October 7, 1962, JFK Archives, - Sanitized version.
- 240 Memo for National Security Council Executive Committee Meeting, December 11, 1962, - U.S. Short Term Policy Towards Brazil. JFK Archive. See also Telegram from American Embassy in Rio de Janeiro to Department of State No.1315, January 14, 1963. - Sanitized version.

- 241 IPES CE 15th May, 1962. There had been a meeting already on the 11th May, in which Mello Flores addressed the Comissão Diretora and complained about the scarce monetary resources he had at his disposal to finance deputies. Mello Flores stressed that Pernambuco (where Arraes would take power according to General Golbery) was the worst problem. Mello Flores added that he had come to the meeting because of Cid Sampaio's needs; he was the incumbent governor of Pernambuco and who had endorsed João Cleofas candidature. Mello Flores also remarked that "all the politicians have sought me and all I could do was to offer lunches" instead of being able to offer material support. All the deputies handling the Banking Amendment prepared by IPES were asking him for money. One of them even sent Mello Flores a letter asking him for a loan by Sul America, the insurance company of which Mello Flores was a director. Mello Flores explained to the CD that one deputy required 6 million cruzeiros, if he was from a minor state and that a São Paulo deputy would require a great deal more. He said that he needed up to 300 million cruzeiros for 30 deputies.
- Mello Flores also raised a tactical problem. He considered that he had to disassociate himself from IPES, as he was becoming too obvious in his activities. He added that he needed a room outside Congress, which would be rented by the Centro de Seguros, providing a discreet locus for his operations.
- 242 Mello Flores had already explained to the CE of IPES in Rio in the first session of the meeting, the 'measures to be taken in Brasília with the installation of headquarters and the contract of personnel, as well as the contract of services with the publicity agency, Nova Press. Mello Flores foresaw expenses of about 3 million cruzeiros monthly. Glycon de Paiva, confirmed by General Herrera, remarked that the 3 million was 'no problem'.
- 243 As the elections drew closer, the budget for a candidate considered to be 'quiet', i.e., little known and of reduced electoral 'aggressiveness' was of 10,000,000 cruzeiros. (This included: sound equipment, 40,000 billboards, 600 strips, pictures, soft marketing, space in newspapers, records with music and propaganda, radio and T.V. messages, gas, mail, help, etc.); 10,000,000 was the equivalent to the daily wages of 20,000 workers.
- 244 On 15th May, 1962, at the meeting of the CE of IPES, Mello Flores expressed the "problem of supporting the election or re-election of 15 'approved' deputies, foreseeing a global expenditure of 300 million cruzeiros for that end, the payment divided in three instalments".
- 245 IPES CE 15th May, 1962. Handwritten Minutes. Mello Flores explained to the leadership of IPES Rio his activities in Brasília through the ADP, which, according to him, controlled 153 deputies. He reported that because the seats in the Chamber of Deputies were to be contested, money for the campaign of the ADP members was a big problem.

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- The situation in the Senate was not that urgent, according to Mello Flores, as 21 members of the House, which had a clear conservative majority anyway, had four more years of mandate. Mello Flores also explained that the ADP needed administrative assistance, even more than technical assistance. IPES Minutes CD 22nd May, 1962.
In June 1962, 150 million cruzeiros for Mello Flores activities with the ADP in Brasília were in the IPES pipeline. IPES CE 8th June, 1962.
- 246 IPES CE 15th May, 1962. - Typed Summary of Minutes.
- 247 From Roger Hislman, Director of Intelligence and Research, Department of State, to Martin Chammons, of the Latin American Policy Committee, July 11, 1962. in JFK Archives.
- 248 Roberto Garcia, 'Castello perdeu a batalha', in VEJA No.444, March 9, 1977. p.6. Clarence W. Hall in his widely circulated Reader's Digest separata 'The Country that saved itself', who had first-hand knowledge from the IPES militants, asserted that "Future historians may well record the Brazilian Revolution as the single most decisive victory for freedom in the mid-20th Century. This was a home-grown, do-it-yourself revolution, both in its conception and accomplishment. Not one U.S. dollar or brain cell was involved..." in Clarence Hall, op.cit., p.137.
- 249 Roberto Garcia, op.cit., p.6.
- 250 Ambassador Gordon recalled that "Undoubtedly, it was much more than a million dollars, and I would not be surprised if it had been as high as five million dollars. But it was not an enormous sum, it was not tens of millions of dollars". Gordon still emphasized that "there was a ceiling per candidate... the money was to buy radio time, to print billboards ... and you can be sure that many more requests were received than were actually complied with..." Roberto Garcia, op.cit., p.6. (My translation RAD).
- 251 Moniz Bandeira, Presença.... op.cit., p.429. P. Schmitter, op.cit., p.446. J. Knippers Black, op.cit., p.41.
In the note released by Gordon, listing the expenses made by the Embassy with the budget of the Wheat Fund (PL 480), he referred only to the 20% for the cost of diplomatic representation of his country, forgetting about the other 20% which was handed to him for distribution as donations to be made according to his own criteria. Gordon also did not specify expenses he had made. He classified them as generic items: Medical expenses, trips, various supplies and equipment, etc. Even so, he made it clear that between May and August of 1962, that is, in the heat of the electoral campaign and in the most intense period of activities of IBAD, he spent two billion cruzeiros on printing, newspapers and journal subscriptions, office materials, etc. Under Item 'various supplies' the sum of 725,600,000,00 cruzeiros was spent. Trips costing 119 million cruzeiros and transport more than 75 million cruzeiros. Communications (post, parcel, telephones and telegrams) took another 293 million cruzeiros. But with educational exchange his expenses were more austere: a mere 10 million cruzeiros. in G Semanário, No 349, September 11, 1963 - Rio de Janeiro.

- 252 Cited in Moniz Bandeira, *O Governo*, op.cit., p.75.
- 253 J. Knippers Black, op.cit., p.76.
- 254 CPI of IBAD/ADEP/IPES in OESP, October 17, 1963. Also J. Knippers Black, op.cit., p.74.
- 255 IBAD activist Frutuoso Osorio Filho provided for the campaign of João Cleofas, between May 30 and October 1st, the sum of 308,057,100 cruzeiros. Colonel Astrogildo Correia, general co-ordinator of Promotion S.A. and a member of the Frente Patriótica Civil Militar, who was among those IBAD activists linking up with right-wing officers of the 4th Army, drew from the Banco Mineiro da Produção, in Recife, during the period of electoral dispute, the amount of 63,359,247.60 cruzeiros. Another agent of Hasslocher posted in Pernambuco, Adeildo Coutinho Beltrão, did transactions at the Banco Mineiro which amounted to 26,720,000 cruzeiros for activists related to the electoral campaign. In Plinio de Abreu Ramos, op.cit., p.79. Many of the huge figures, broken into cents could possible indicate foreign currency conversions, as in an inflationary economy such as that of Brazil in 1962-1963, it was common practice to round up figures.
- In an official letter of August 15, 1962, addressed to A.O. Junqueira, the treasurer of IBAD, Hasslocher enclosed 40 million cruzeiros for ADEP operations. In August 21st, 1962, a cheque was enclosed for 16 million cruzeiros for ADEP operations and another one of 38,050,000 cruzeiros. Altogether, Junqueira dealt with 1 billion and 40 million cruzeiros. In Plinio de Abreu Ramos, op.cit., p. 77.
- In September 4, 1962, Colonel Cascais received from Hasslocher the amount of 10 million cruzeiros for ADEP operations in his native state of Amazonas. Salvador da Grasia, of ADEP Paraná received 15 million cruzeiros. Osorio Filho received in September 10, 1962, for the north-eastern operations of IBAD, the sum of 25 million cruzeiros. Documents in E. Dutra, op.cit., pp. 81-91.
- 256 Nelson Weneck Sodré, op.cit., pp.494-495.
- 257 OESP, December 12, 1963. - Claudio Hasslocher, testifying before the C.P.I. stated that 'IBAD's money is from nebulous sources'. Also VEJA, March 16, 1977 p.4. Eloy Dutra, op.cit., p.62; N. Werneck Sodré, op.cit., p.496.
- 258 J. Knippers Black, op.cit., p.76.
- 259 Helcio França, testifying at the C.P.I. on IBAD/IPES, in VEJA, No.445. March 16, 1977. Ivan Hasslocher, Testimony to the C.P.I. on IBAD/IPES, in OESP, December 27, 1963. See also Política e Negócios, São Paulo, August 26, 1963, p.20. Each one gained 1,000,000 cédulas. See further Plinio de Abreu Ramos, op.cit., p.77; Maia Neto, Brasil: Guerra Quente na América Latina, Rio de Janeiro, Civilização Brasileira, 1965, pp.107-108, and P. Agee, op.cit., p.32.

- 260 VEJA, 16th March 1977. pp.3-6.
- 261 "One of the strongest pressures for Cleofas comes from IBAD which apparently conditioned an offer of assistance to Governor (Cid Sampaio), insisting Cleofas be candidate". Telegram to Department of State from American Consulate in Recife, - Delgado/Arias, No.427, June 29, 1962. NSF in JFK Archives.
- The 'technical committee' of Colonel Astrogildo Corrêa consisted of Vicente Silva, Fernando Luiz da Câmara Cascudo and Caio de Souza Leão. In OESP, September 1, 1963.
- 262 Plinio de Abreu Ramos, op.cit., pp. 79-80. According to Governor Arraes, testifying at the C.P.I. in 1963, the superintendent of IBAD in Pernambuco was Frutuoso Osorio Filho. Having ample power, delegated by Hasslocher, Osorio Filho, with Carlos Lavinio Reis and Bertelémy Beer, directors of Promotion S.A., operated in Pernambuco, between May 30 1962 and October of that same year, with approximately 500 million cruzeiros. Lael Sampaio, brother of Governor Cid Sampaio received 5 million cruzeiros through a cheque of Banco Mineiro da Produção. See Adirson de Barros, op.cit., p.173.
- In the same period, Hasslocher channelled 350 million cruzeiros to Osorio Filho, which were to be distributed to the regional headquarters of IBAD. VEJA, 16th March, 1977.p.6. According to Frutuoso Osorio Filho, testifying at the C.P.I., the bank flow of IBAD in the northeast was done through the Banco Nacional de Minas Gerais, while that of ADEP was done through the Banco Mineiro da Produção. See OESP, August 13, 1963, and OESP, November 2, 1963.
- 263 Another alleged channel for contribution was denounced at the time when the U.S. American government conceded high subsidies for the functioning of the Companhia Pernambucana de Borracha Sintética - COPERBO, an enterprise destined for the use of sugar in the production of synthetic rubber. Cid Sampaio had substantial interests in COPERBO. Ambassador Lincoln Gordon eventually admitted that the process of planning and approval of COPERBO was not carefully studied, due to the political aspects involved. COPERBO received 6.7 million dollars. See P. Parker, op.cit. p.47.
- 264 OESP, September 3, 1963.
- 265 Adirson de Barros, op.cit., p. 83. Also J. Page, op.cit., pp.115, 117.
- 266 J. Page, op.cit., p.116.
- 267 Telegram to Department of State from Delgado/Arias, Recife, August 23, 1962. No.105, NSF, in JFK Archives.
- 268 "An Arraes comicio announced for 8 p.m. yesterday in Casa Forte section Recife was virtually deserted when local priest scheduled motion picture, showing same time at other end of square". - Telegram Delgado/Arias, No.105, op.cit.

- 269 Telegram Delgado/Arias, No.105. op.cit.
- 270 J. Page, op.cit., p.117.
- 271 J. Page, op.cit., p.118.
- 272 The list of names has been reconstructed out of the following publications: Plinio de Abreu Ramos, op.cit., pp.18-19; Moniz Bandeira, Presença, op.cit.: Moniz Bandeira, O Governo, op.cit., Adirson de Barros, op.cit.; Edmar Morel, op.cit.; Osny D. Pereira, Quem Faz, op.cit.; J. Knippers Black, op.cit.; Eloy Dutra, op.cit.: Furthermore, several issues of O Estado de São Paulo of 1963, especially June 13, August 1, August 8, August 9, August 10, August 31, and November 7, as well as the IPES Archives in Rio de Janeiro.
- 273 IPES CD 10 April, 1963. A. Leopoldino, Testimony at C.P.I, in OESP, October 10, 1963. See also José Arthur Rios, op.cit., p. 149. In a reference to the election of senators in Rio de Janeiro, Rui Gomes de Almeida asserted that "It is of our interest to elect the two senators (Gilberto Marinho and Lopo Coelho)", while Miguel Lins added that 'We will need much money for the elections' - IPES CD. 10th April, 1963.
- 274 Brother in law of General Golbery and director of Cimento Portland de Minas Gerais S/A. After 1964 he was to become an executive of the Banco do Estado de Santa Catarina.
- 275 A. Leopoldino, Testimny at CPI, in OESP, October 10, 1963.
- 276 In his testimony at the CPI, Leopoldino the ADEP militant of Minas Gerais declared that he was not sure if Francelino Pereira (UDN) and Oznan Coelho (PSD) were 'helped'. A. Leopoldino - Testimony at CPI, in OESP October 10, 1963.
- 277 A. Leopoldino, Testimony at CPI, in OESP, October 10, 1963.
- 278 OESP, December 21, 1963.
- 279 In spite of the support they received from IBAD the following were not elected: Aderval Tôrres, Agripino Almeida, Luis Oliveira, Álvaro da Cost Lima, Clodomir Moreira, Arnaldo P. Oliveira, José Emídio Lima, Justino Alves Bezerra, Clóvis Correira, Antonio Pinto Ramalho, Francisco de Assis Barros, Jurandir Barros, Dídimo Guerra, Constâncio Maranhão and Francisco Falcão.
- 280 Daniel Krieger, Desde as Missões ... Saudades, Lutas, Esperanças, Rio de Janeiro, José Olympio, 1976. pp: 158-159.
- 281 Analysis of Rio Grande do Sul elections, in Comportamento Eleitoral no Brasil, edited by Themístocles Cavalcanti and and Reisky Dubnic, op.cit., p.268.
- 282 It was A. Nasser, who as Minister of Justice of João Goulart, would dampen the public furture over the alleged connections of the Movimento Anti-Comunista, -MAC and IBAD. See OESP, July 1, 1963. and July 6 to 16, 1963.

- 283 Oscar Junqueira, former secretary of the ADEP, testifying before the CPI declared that he did not remember if they had received support or financial aid. In OESP, October 14, 1963.
- 284 Election Fact Book, op.cit., p.58.
- 285 Election Fact Book, idem, p.60.
- 286 Election Fact Book, ibid, pp.64, 66.
- 287 In that same month, at a meeting of the CE of Rio, the IPES leaders considered a budget to pay for the research on the elections to be carried out by the School of Sociology of PUC, through Padre Avila. The research was designed to discern the 'will of the people', as well as establishing opinion trends through geographic sectors. A European specialist was also sought. The study was budgeted at 900.000 cruzeiros. IPES CE 29 October, 1962. The Study and Doctrine Group of Rio also prepared several conjunctural studies and 'in-depth studies' of the post election situation. A central study was that of Paulo de Assis Ribeiro, to which we referred in Chapter IV.
- 288 P. Agee, op.cit., p.321. See also OESP, June 13, 1963, June 20, June 30, August 21, August 28, September 28, and Correio da Manhã - 1963: August 1, August 8, August 9, August 22, August 23, August 30 for developments in CPI.
- 289 J. Knippers Black, op.cit., p.75. In fact it was IPES who contributed to the campaign of General Magessi.
- 290 J.B. Leopoldo Figueiredo, Correio da Manhã, Rio de Janeiro, March 23, 1962. Osny Duarte Pereira, Quem faz.... op.cit., p.119. J.B. Leopoldo Figueiredo testified before the Parliamentary Congressional Committee of Inquiry that IPES had never involved itself in partisan politics or contributed directly, or indirectly, to partisan electoral campaigns of any candidate. IPES Boletim Mensal, July 1963, pp.3-7. See also N. Blume, op.cit., p. 223.
- 291 Even José Aparecido de Oliveira, a member of the 'Bossa Nova' wing of the UDN, right-hand man of Janio Quadros and very close to José de Magalhães Pinto was denounced by Deputy Athos Vieira as being IBAD supported. Pedro Aleixo, the president of the Commission, who was to become the vice-president of General Costa e Silva's government, was allegedly articulated with IBAD/ADEP.
- 292 In so far as IPES is concerned, the spokesman stressed that it was "a perfectly legal civil society (sociedade civil), whose statutes are consonant with the law (que se enquadram na lei) and which prohibit party-political activities". The report went on to stress that "no vestiges are found of the participation of IPES in the contest (pleito), whether in financing deputies or in any activities not foreseen in its statutes" (Pedro Aleixo - Final Report of the CPI, quoted in OESP, November 14, 1963). The full contents of the final Report have not been made available to the public.

- 293 J.B. Leopoldo Figueiredo in his testimony before the CPI, declared that "there is no link between IPES AND IBAD", attributing the confusion which is made with both institutions only to 'ill-feeling' (má fé). In OESP, July 26, 1963. See also IPES Boletim Mensal - Editorial, July, 1963. pp.3, 5.
- 294 In Diário de Notícias, of June 8, 1965, as cited by Revista Civilização Brasileira No. 4. p. 23. See also Jornal do Brasil, September 6, 1965. General Juárez Távara also received transportation equipment from IBAD. Moreover, General Távara spoke, on several occasions on television programmes financed for the PDC by Ms. Pérola Byngton, mother of Alberto Byngton, another PDC candidate for Guanabara. (Byngton was also an IPES leader, President of CONCLAP and financial courier between sources in the U.S.A. and IPES in Brazil. Furthermore, General Távara also received radio time on Radio Eldorado, owned by Julio de Mesquita Filho, of O Estado de São Paulo. es Marshal Juárez Távara, Uma Vida e Muitas Lutas - Memórias, Volume III; Voltando a Planície, Rio de Janeiro, José Olympio Editôra, 1973, p. 151.

Chapter VIII - The Class Action of the Organic Elite

IPES/IBAD and the Military

Introduction

This chapter is concerned with the action of IPES/IBAD among the military. Despite the obvious difficulties in obtaining detailed information about their activities because of their very secretive nature, some evidence appears in IPES documents. This information, coupled with the rich material which can be obtained in the recently published memoirs of senior military officers¹ and the information assembled by historians studying this period² allows one to reconstruct many of the main military events in which the IPES/IBAD activists were involved. This chapter does not attempt to be a history of the several factional conspiracies among the military and the civilian-military movements of the period in question, nor of the intricacies of the civilian-military campaign which toppled Goulart. This is a task beyond the scope of this section. Indeed there is a place for further research in this area. Despite the numerous partial accounts of these events there is still the need for a comprehensive description and analysis of the political activities of the Armed Forces and of the interplay of personal ambition, ideological commitment, political alignments and institutional constraints which shaped the course of action of particular military officers as well as of large segments of the military corporation.

This chapter also describes the involvement of civilians and officers of the Armed Forces belonging to IPES/IBAD or linked to the various groups of the organic elite in the military strategy against the Executive and the popular forces. IPES/IBAD activists, as seen previously, were at the centre of events

in other areas of public opinion. What has become clear through this research is that IPES/IBAD activists were also leading and organizing a civilian-military movement of their own making, based on an infrastructure of ESG officers, which placed itself at the centre of the political military campaign against Goulart. Moreover, IPES/IBAD military officers were also responsible for the military articulação³ (co-ordination and integration of military factions and ring-leaders and of civilian groups and individuals into a harmonious, organized civilian-military movement) which encompassed the various plotting groups within the general politico-military campaign of the organic elite.⁴ In particular, this chapter attempts to draw attention to the fact that the ousting of the government came about as the culmination of a civilian-military movement rather than a military coup of the Armed Forces against Goulart. The military network of IPES/IBAD, as well as officers belonging to other groups, was actively canvassed and operated in close co-operation with civilians, endorsing and reinforcing some of the political activities mentioned in earlier chapters. The action of IPES/IBAD among the military was mainly directed towards involving a majority of military officers in the popular mobilization against the government. The actual coup consisted of the deployment of military forces commanded by officers actively engaged in the conspiracy according to a plan which in real military terms amounted to no more than a giant simulated war-game.

Military operations as such were directed mainly towards the imprisonment of trade union and peasant activists and the detention

of politicians, intellectuals and student leaders.

IPES leaders were also in close contact with American officials⁵ throughout their campaign and with the American government with a view to securing logistical support for the coup.⁶

The organic elite was also involved in para-military action,⁷ although they were most anxious not to be linked to any covert action groups.⁸

Furthermore, IPES/IBAD sought the support of national political party figures and the governors of the key states of São Paulo, Minas Gerais, Paraná, Rio Grande do Sul and Guanabara. The governors of the states were instrumental in putting the police forces of their states at the disposal of the civilian-military movement against Goulart, a measure of the utmost importance in view of the strategic localization of the state militias in the urban areas, with fire-power, making them armies in their own right and special training to deal with civilians.⁹ In many respects, the state militias were much better equipped than the military themselves for direct intervention. The governors were also significant for the cover they could provide to the military subversive movement. Furthermore, the governors were important because in most cases they were national leaders of their respective parties, both expressing party policy and reinforcing partisan attitudes in favour of the civilian-military movement. Moreover, the governors were

central figures in the aggregation of regional socio-economic interests to the sectoral and class interests already represented in IPES. Last, but not least, their party machineries were key elements in the campaign of political mobilization which IPES launched through its Public Opinion group.

The Presence of IPES/IBAD in the Armed Forces

IPES/IBAD action within the Armed Forces aimed at neutralizing Goulart's popular dispositivo (backing, support, arrangement) and minimizing military support for socialist or populist policies.

The organic elite was also responsible for stimulating coup-favouring groups within the military. Their action was synchronized into a master plan, the scope of which the various components and participants were not always fully aware. This obviously meant the existence of insiders and outsiders, late-comers and core and, consequently, different levels of trust and involvement.

The organic elite attempted to function as a co-ordinating unit of the anti-Goulart and anti-popular campaign, making factional conspiracies and loosely connected movements aware of one another.¹⁰ It strove to place its men into the various factional conspiracies, subversive groups and civilian-military movements, in some cases

merely to keep itself informed of events, in other cases to contain and control these particular groups and in other cases even to co-ordinate their efforts, securing the articulação of separate, though congruent political actors.¹¹

The offices of IPES São Paulo, as well as those of IPES Rio provided discreet loci for civilian-military articulações.¹² Many military officers, both those in reserve and on active duty reported regularly at IPES executive meetings, providing an important input of political assessment and information on the situation, as well as a steady flow of communication with the military throughout the length and breadth of the country.¹³ These contacts intensified towards the end of 1963. The presence of military personnel in these meetings was generally kept as little publicized as possible,¹⁴ and in any case, many of the most active officers used code names for their contacts. The cover-up of these links was of vital necessity for the anti-popular movement led by entrepreneurs.¹⁵ However, there was more systematic civilian-military interaction than that effected by the mere establishment of sporadic contacts or by family ties, very significant in a tightly knit kinship structure such as that of the Brazilian Armed Forces, where so many officers came from families with strong military background. IPES also established an action group which operated in the sector of Armed Forces and Intelligence. This action group, operating in Rio and São Paulo under the name of the Conjunctural Survey Group and the Planning Unit, with sections in other capital cities, was responsible for the strategic preparation and action of the organic elite. As seen previously, it was General Golbery who was in charge of the general co-ordination of the Military and Intelligence operations of IPES, and his civilian-military group was consulted on all military and political matters.¹⁶

General Golbery was not merely the national head of the sector in charge of strategic preparation of IPES, for which he had been hired by the entrepreneurs at the end of 1961.¹⁷ He also had a central role in the military campaign to oust Goulart from government, as the co-ordinator of the covert articulation between the various leaders of the movement.¹⁸ According to Glycon de Paiva, General Golbery was the one who did the 'parte cerebral' (brain part) of the take-over. Glycon de Paiva went as far as to stress that 'without his work, the Revolution of March would not have been possible'.¹⁹

The Conjunctural Survey Group was composed, as seen in Chapter V, by a large number of civilian activists, both in Rio and São Paulo, most of them entrepreneurs, whose activities were largely aimed at co-opting influential military officers for the movement against Goulart.²⁰ IPES leaders Herman de Moraes Barros, Teodoro Quartim Barbosa, Gastão Bueno Vidigal, Octavio Marcondes Ferraz, and Adalberto Bueno Neto, as members of the Conjunctural Survey Group of São Paulo led by General Agostinho Cortes, and Gilbert Huber, Antonio Gallotti, Harold C. Polland, Glycon de Paiva and Cândido Guinle de Paula Machado in Rio de Janeiro were extremely active in the articulation of the civilians with the military elements.²¹ Especially important in these activities was Marcondes Ferraz, whose home was a centre of co-ordination and who synchronized his activities with those of General José Pinheiro de Ulhoa Cintra (son-in-law of former President General Dutra), General Cordeiro de Farias, General Menezes Cortes, General José Canavarro, Marshal Denys, Admiral Penna Boto, Brigadier Grun Moss and other high-ranking officers in active service and in the military reserve. Marcondes Ferraz was also a key figure in the political co-ordination of influential younger officers, such as the then Lieut. Col. Fernando Cerqueira Lima, Lieut. Col. Rubens

Resteel and Major Bozon. Other civilians who worked with Marcondes Ferraz in order to canvas support among the military were Julio de Mesquita Filho, the owner of O Estado de São Paulo newspaper; Herbert Levy, the UDN leader; Armando Falcão, the PSD leader; the influential lawyer and journalist Prudente de Moraes Neto, better known by his nom de plume Pedro Dantas; and Eldino Brancante, of the American Chambers of Commerce of São Paulo,²² all of whom had a most significant participation in the campaign to oust Goulart from government.²³

The civilian-military command also had an important stake in the creation of links within the military milieu for this purpose. One of the most active groups was led by E. Brancante, Adalberto Bueno Neto, Herbert Levy and João de Almeida Prado (of Banco de São Paulo S/A.) who were tireless in their links with the military. IPES leader Herman de Moraes Barros recalled that it was through their 'skilfull and persistent work that a climate of friendship and trust was established' between civilians and tens of middle and lower rank officers, among which were Colonel José Thomas, Lieut. Col. Buitron, Colonel Erasmo Días, Major Adalberto, Major Geraldo Franco, Major Lauro Faria, Captain Herbis Franco, Major Ismael Armond, Lieut. Rui Machado, Lieut. Forjaz, Lieut. Queiroz, all of the IIInd. Army. From the Air Force, they linked up with the commander of the IV Air Zone, Brigadier Marcio de Souza e Melo and with Brigadier Roberto Brandini and Brigadier Paulo Vitor (one of the participants in the Jacareacanga revolt, with the then Col. Burnier and Col. Velloso) as well as with Air Force Colonel Luiz Maciel Filho, Col. Valente and Major Melo. In the Navy, they linked up with Commander Sa²⁴ Bierrenbach.

On top of the civilian activists of IPES, General Golbery surrounded himself with a group of young talented officers, among whom

were Captain Heitor de Aquino Ferreira, Lieut. Col. Gustavo Moraes Rego, Lieut. Col. Rubens Resteel, Lieut. Col. João Baptista Figueiredo (nephew of IPES leader João Baptista Leopoldo Figueiredo and brother of Lieut. Col. Diogo and Lieut. Col. Euclides), Major Leônidas Pires Gonçalves, Major Danilo Venturini, Major Octavio Medeiros, Colonel Ivan Perdiggão and other military officers working in the state administration or retired from active duty, such as Lieut. Col. Octavio Alves Velho and General Agostinho Cortes.²⁵

These young officers, who after 1964 occupied important posts in the military structure and in the public administration were of great significance in the campaign co-ordinated by General Golbery against the government.

From within the groups which surrounded General Golbery, it was Lieut. Col. Baptista Figueiredo who played an instrumental role in the leadership of a wide circle of middle-rank officers. These officers were part of the operational command of the coup campaign and allowed ESG general Jurandir Bizarria Mamede, an 'historical conspirator' and head of the General Staff and Command School of the Army - ECEME, to act as a true staff-chief of operations, by providing him with the necessary hierarchical and operational basis.²⁶

These middle-rank officers were also functional in dismantling the government's dispositivo militar (military backing). They pressed and pushed their peers and senior officers into action against the Executive and infiltrated the political groups of lower echelons engaged in factional and limited anti-government 'conspiracies'.²⁷

Furthermore, these middle-rank officers provided the necessary support for the roving conspirator and trouble-shooter, General Cordeiro de Farias in his tenacious military-political articulation of the various factional conspiracies in the 1st, IIInd and IIIrd Army Regions.

The nucleus of these middle-rank officers was composed of, among others, Col. Edson de Figueiredo, Col. Ariel Pacca da Fonseca, Lieut. Col. Arnizaut de Mattos, Lieut. Col. Antonio Marques, Lieut. Col. Helio Galdino, Lieut. Col. Boaventura Cavalcanti (brother of Colonel Costa Cavalcanti), Lieut. Col. Heitor Caracas Linhares and Major Helio Mendes.²⁸ These men were linked up with ESG colonel Mario Davi Andrezza, a personal friend of Colonel Baptista Figueiredo and with young General Affonso de Albuquerque Lima, brother-in-law of IPES leader José Luiz Moreira de Souza and who was serving in the IIIrd Army.²⁹ They also co-ordinated this action with General Ernesto Geisel and General Antonio Carlos Muricy, who were serving in key troop commands in Paraná and Minas Gerais.

As seen in chapters V and VII, many military officers were already working within the IPES/IBAD structure, some of them on a full-time basis. Furthermore, IPES/IBAD were able to constitute a powerful and widespread network of support within the Armed Forces, the so-called 'Ipesianos' and 'Ibadianos'. Among influential military officers linked up with IPES, as anti-government activists and even as financial contributors were the following:

General Pedro Geraldo de Almeida (former head of Quadros' Military Staff Office), General Agrícola Bethlem³⁰ (brother of the then Colonel Belfort Bethlem and of General Hugo Bethlem), General José de Campos Barros Goes, General Moacyr Gaya, General Arthur Levy, General Ademar de Queiroz, General Moziul Moreira Lima, General Luis A. Medeiros, General Fernando Meirelles Montagna, General João Batista Peixoto, General Jaúl de Castro Pires, General Carlos de Castro Torres, General João Batista Tubino, General João Punaro Bley, General Aristóbulo Codevilla Rocha, General Arthur Napoleão Montagna de Souza,³¹ General Silvio Walter Xavier, General Ernesto Geisel,

General Henrique Geisel,³² General Octavio Gomes de Abreu, General Aduino Esmeraldo,³³ Brigadier Nelson Reynaldo de Carvalho, Brigadier Josino Maia de Assis, Brigadier Henrique Fleiuss,³⁴ Brigadier João Eduardo Magalhaães Motta, Brigadier Paulo Emilio de Câmara Ortegá, Major Brigadier Jerónimo Batista Bastos, Admiral Maurilio Augusto Silva,³⁵ Admiral Milton Pereira Monteiro, Admiral José Claudio Beltrão Frederico, Admiral Amaury Costa Azevedo Osorio, Admiral Leoncio Martins, Commander Aniceto Cruz Santos, Colonel Jorge Augusto Vidal,³⁶ Colonel Luiz Victor D'Arinos Silva, Colonel Walfrido J.A. de Azevedo, Colonel Haroldo Pereira Soares, Lieut. Col. Antonino Machado Doria,³⁷ and Major Mauricio Cibulares (head of Goulart's SUNAB and former assistant of General Juarez Távora).³⁸

As seen from the group of officers mentioned above, military of the three services were working with IPES. Many of them had recently retired from active service. However, they were figures of prestige among the military and their opinion carried weight. Many of these officers were, as expected, graduates of the Superior War College but other influential military who did not undergo training at the ESG were also part of the IPES/IBAD network, which included officers of all ranks, from four star generals to young lieutenants. Many of these officers were well-known opponents of Goulart's regime, being part of the group of colonels and majors who had released the anti-Vargas manifesto in 1954 and who were also members of Cruzada Democrática, the political grouping of centre-right military officers which disputed elections at the Clube Militar. Other officers, however, held key posts during the Goulart administration, and many of them were unsuspected of belonging to IPES/IBAD, or of being involved in active plotting against the government.

It was not only under the cover of IPES that the organic elite

attempted to influence the Armed Forces. Retired military officers were hired and officers in active service were engaged to influence officers in active duty and form a network of IBAD/ADEP military. The 'Ibadianos' were instrumental in establishing important cells throughout the Armed Forces and especially at the headquarters of the IVth Army Region and at the Superior War College.³⁹ Together with the IPES military they formed a formidable network of influence and a powerful group for action. The following high ranking officers were 'vanguard personnel' of the IPES/IBAD/ADEP network:⁴⁰

General Nelson de Mello - former head of the Civilian Staff Office of President Kubitschek and Minister of War under Goulart⁴¹

General João Segadas Vianna - former head of the DPC and Minister of War under Goulart,

General Decio Palmeira Escobar - brother-in-law of General Pery Bevilacqua, who became commander of the IInd Army Region under Goulart,

General João Gentil Barbato - head of the Department of Political Action of ADEP-Guanabara and secretary-general of IBAD for the states of Espírito Santo and Guanabara,

General João Punaro Bley - secretary of IBAD-Minas Gerais, former interventor in Espírito Santo and commander of the AD/1 - Vila Militar garrison in 1962, as well as commander in 1963 of the 4th Infantry Division in Belo Horizonte.

General Victor Moreira Maia - representative of IBAD for the Central Region, wrote for IBAD's monthly Ação Democrática,

General Moziul Moreira Lima - secretary of IBAD-São Paulo, secretary of the regional directorship of the Partido Libertador in São Paulo and secretary of IPES São Paulo,

General Estevão Taurino de Rezende - director of IBAD-Amazonas and

commander of the VIIIth Military Region headquarters in Belém,
state of Pará.

General Moniz de Aragão - secretary-general of ADEP-Guanabara and
subsequently Head of Staff of General Castello Branco at the
Ministry of the Army,

General Mendes de Moraes - secretary of ADEP-Guanabara and also a
federal deputy for the PSD,

General José M. Ferreira Coelho - ADEP-Pará,

General Artur Teixeira Carvalho - IBAD-Maranhão,

General Francisco de Assis Almeida e Souza - secretary of ADEP-Piauí,

General Humberto Ferreira (Ellery or Helene) - treasurer of IBAD-
Ceará and secretary of ADEP-Ceará,

General Epaminondas Moncaro - IBAD-Bahia,

General Ermelindo Ramos Filho - ADEP-Paraná,

General Pedro Paulo Vieira da Rosa - secretary of IBAD and ADEP in
Santa Catarina,

General Plinio Lohman de Figueiredo - IBAD-Rio Grande do Sul,

General Walter M. Pereira de Andrade - Inspector Service of IBAD/ADEP,

General Afonso Emilio - Inspection Service of IBAD/ADEP,

General Antonio Faustino da Costa - Inspection Service of IBAD/ADEP,

General Nemo Canavarro Lucas - IBAD/ADEP,

General Ignacio de Freitas Rolim - one of the co-founders of IBAD,
in charge of its funds, and former commander of the Ist Military
Region, ESG lecturer,

General Emilio Maurell Filho - sub-head of the General Staff of the
Army and commander of the Ist Military Region, was attached to
the Ministry of War in 1962,

General Orlando Geisel - brother of General Henrique and General
Ernesto,

General Moacyr Araújo Lopes - IBAD/ADEP,
 Brigadier Antonio Guedes Muniz - leader of the para-military Anti-Communist Movement - MAC, and ADESG member,
 Brigadier Adil de Oliveira - MAC, involved in the investigations of the famous Galeão Airport incident and commander of the IInd Air Force Region of Recife,
 Brigadier Ismar Brasil - former president of the Clube da Aeronáutica,
 Brigadier Grum Moss - former minister of the Air Force with Janio Quadros,
 Colonel Jurandir Barbado - IBAD/ADEP,
 Colonel Temístocles Trigueiro - director of ADEP-Amazonas,
 Colonel Adalberto Albuquerque Cavalcanti - director of IBAD-Amazonas,
 Colonel Cascais - in charge of IBAD-Amazonas,
 Colonel Arthur Frederico G. Kemp - IBAD-Pará,
 Colonel Sabino Guimarães - ADEP-Ceará,
 Colonel Murilo Borges Moreira - IBAD-Ceará,
 Colonel Carlos Almeida Nascimento - IBAD-Paraná,
 Colonel Jurandir Palma Cabral - administrator IBAD-Guanabara and head of the southern sector of ADEP,
 Colonel Osnelli Martinelli - IBAD-Guanabara, member of the Military College of Guanabara and head of the right-wing conspiratorial military faction LÍDER.
 Colonel Ardovino Barbosa - IBAD-Guanabara and secretary of security of the state of Guanabara,
 Navy Commander Julio de Sá Bierrenbach - IBAD-Guanabara,
 Major Raimundo Cavalcanti da Silva - IBAD-Pará,
 Captain T. Ramos Viana - IBAD-Guanabara,
 Lieut. Heitor de Aquino Ferreira.⁴²

As is obvious from this long list, some of the most influential figures of the Army in particular were within the IBAD/ADEP/IPES network. Many of them had under Goulart key troop commanding positions, but remained actively involved in the movement to oust the president. Again, as in the case of the 'Ipesianos', many of these officers were ESG graduates.

As part of the attempt to co-ordinate the various groupings, a Comando Geral Democrático (General Democratic Command), was formed within the Army, composed of middle-rank officers, ranging from majors to colonels. They monitored the activities of their own peers and those of lieutenants and captains. The General Command was centralized in Rio de Janeiro, co-ordinating the movement, gathering information for the strategic preparation for action. An important operation of General Golbery's group in IPES was to convince a number of younger Army officers, mostly colonels and lieutenant colonels, to retire from active service, so that they could be placed in key positions in industry and communications and therefore penetrate the state administration, thus obtaining 'maximum infiltration into the present institutions of the Republic'. Consequently, the General Command handed down an order for all those involved to 'abstain from public debates or pronouncements... which would make their names known and become targets, thus harming the objectives of the movement'.⁴³

The officers involved in the IPES-guided campaign were constantly cushioned and shielded so as to enable them to reach key positions within the Armed Forces as well. Every effort was made to remind these young officers against possible indisdisciplinary acts which might justify their displacement to geographical or administrative peripheries.

Once a network of 'Ipesianos' and 'Ibadianos' was organized, it served to collect a body of coherent and comprehensive political intelligence, especially regarding loyalties within the military establishment and in government enterprises and the public administration. Furthermore, it served to disseminate throughout the Armed Forces anonymous reports on political development, published by IPES.⁴⁴ The political material and the dissemination of ideological

messages were aimed at middle-rank officers discrediting the government and focusing upon an alleged 'communist takeover' of Brazil.⁴⁵ Moreover, IPES/IBAD intervened in the internal political and cultural life of the military officers, by interfering in the elections of their influential debating institution, in particular the Clube Militar, by funding the campaign of the 'Ibadiano' General Magessi, who stood as candidate for the right-wing slate Cruzada Democrática⁴⁶ which congregated ESG and anti-communist officers. IPES/IBAD also exerted pressure on the officer corps by stimulating, as seen previously, close ideological and political rapport between the military and the entrepreneurs, and through the media, preparing the climate for military intervention. However, the fundamental role IPES/IBAD was to play in the military sector was that of instrumentalizing the Armed Forces and of leading a civilian-military movement that finally brought about the removal of president Goulart.⁴⁷

The Political-Military Movements

What has been regarded by some historians and political scientists as separate political-military factional activities or as parallel actions⁴⁸ which eventually ended up by joining together against a common enemy has to be qualified. Many of these actions were in fact connected movements in which the central figures were civilian and military activists of IPES/IBAD. This is not to say that all the civilian-military factions were created or wholly directed by the IPES/IBAD leadership. In many cases, their medium and short range objectives and their tactics were congruent with those of the organic elite. In other cases, IPES/IBAD activists penetrated constituted groups or stimulated existing ones to continue their action.

What can be said, though, is that the IPES/IBAD activists took part directly in most of the plotting and had a say in the affairs of many military factions.

The several civilian-military movements which were identifiable and active in the early 1960s against the government of Goulart and the popular forces could be grouped, broadly speaking, into three encompassing tendencies which had national ramifications. These movements, centred in Rio and São Paulo concerned the IPES/ESG cluster, to which were linked the 'hard-liners' and the 'historical conspirators', the 'right-wing extremists' and the 'traditionalists'.⁴⁹

The IPES/ESG cluster

As seen earlier, the core of the ESG cluster was integrated in IPES/IBAD and its leading members overlapped with many among the IPES leadership and its activists.⁵⁰ Accounts of the activities, the organization and the ideology of the IPES/ESG cluster, have been produced already by students of Brazilian politics. I have also referred briefly in chapter III to such issues, so I will not pursue the matter beyond the points which have already been made about the IPES/ESG connection.⁵¹ I do however intend to single out some of its leading members.

The ESG group within IPES, led by General Golbery, General Herrera and General Liberato, was linked to the wider movement which encompassed General Jurandir Bizarria Mamede, General Cordeiro de Farias, General Nelson de Mello, General Ademar de Queiroz, General Orlando Geisel, General Ernesto Geisel, General Augusto César de Castro Moniz de Aragão, General José Pinheiro de Ulhoa Cintra, General Idalio Sardenberg, General João Bina Machado, General

Antonio Carlos da Silva Muricy, Colonel Heitor Caracas Linhares, Colonel Ariel Pacca da Fonseca, Colonel Lepiane, Colonel Ernani Ayrosa da Silva, Colonel Mario David Andreazza, Colonel Edson de Figueiredo, Lieut. Col. Walter Pires de Carvalho e Albuquerque of the Permanent Staff (Corpo Permanente) of the Superior War College, Lieut. Col. João Baptista Figueiredo, Lieut. Col. Antonio Carlos de Andrade Serpa, Lieut. Col. Rubens Resteel, and Lieut. Col. Carlos de Meira Mattos.⁵² (Following the patterns of military organizational behaviour, many of these officers, especially those in active service, brought with themselves the allegiance of younger officers serving under their command or having done so in the past, thus effectively widening the military movement.) General Cordeiro de Farias, General Herrera and General Nelson de Mello were key figures in the co-ordination of the ESG cluster with other groups, mainly that of the 'historical conspirators', which included Admiral Heck, Marshal Denys, Admiral Pena Boto, Admiral Augusto Rademaker, Brigadier Grun Moss, Admiral Melo Baptista, Admiral Vampré and Admiral Levi Aaraõ Reis. The IPES/ESG generals were also the key links with other groups.

General Cordeiro de Farias in particular had other important functions within the general strategy of this group of officers. He was largely responsible for the disarticulation of Goulart's dispositivo in the 1st Army and the neutralization of its professional officers who were not inclined to support a coup.⁵³ General Cordeiro also carried out diversionary manoeuvres. By appearing to be intensely involved in the conspiracy, he attracted the attention of Goulart's security system, who then attempted to follow his steps. Surfacing unexpectedly in the most diverse cities, thanks to the large support his group enjoyed, and contacting the most varied

conspiratorial factions, he was able to divert the attention of the government from the IPES/ESG civilian and military movement.

A very crucial step was taken by the core of the IPES/ESG group, when they organized what was called the 'Informal General Staff' of the movement. The Informal General Staff was headed by General Humberto de Alencar Castello Branco, who had become an IPES affiliate.⁵⁴ The staff consisted of General Ernesto Geisel, General Ademar de Queiroz and General Golbery do Couto e Silva. General Ademar de Queiroz had been instrumental in bringing together General Castello Branco and the IPES/ESG group of General Golbery, General Jurandir B. Mamede, General Heitor Herrera and General Ernesto Geisel.⁵⁵ The purpose of this Informal General Staff was the consolidation of a network of military officers throughout Brazil and eventually, the co-ordination of the military move to oust Goulart. The Informal Staff was also to serve as a co-ordinating body which would ensure rapid simultaneous action and avoid partial and isolated actions by factions and groups or individuals which might run the risk of being easily crushed.⁵⁶ General Golbery, seconded by his long time friend General Herrera, exerted the functions of general co-ordination. The general staff of the military operation headed by General Castello Branco was finally enlarged by the integration of General Ernesto Geisel, General Ulhoa Cintra and General Mamede.⁵⁷

It is in the parallel movements of extremists and traditionalists that the IPES/IBAD presence has not been obvious. Nevertheless, IPES/IBAD were decisively involved in the conspiracies and movements of the extremists and the traditionalists.

The Right-Wing Extremists

The right-wing extremists were basically a fringe group with rabid anti-Communist and anti-populist positions, favouring conservative industrial modernization, a point which they had in common with the mainstream of the anti-Goulart civilian and military movement. The figure who can be considered as representative of this trend was Moral Rearmament graduate Brigadier (then Colonel) João Paulo Moreira Burnier, who had headed the ill-fated Aragarças rebellion. His group consisted mainly of Air Force officers, with scattered contacts within the Army such as Colonel Jayme Portela, and to a lesser degree even in the Navy.⁵⁸ They have been portrayed as isolated actors with circumstantial contacts with other groups, but evidence suggests otherwise. These officers were actually linked with some of the more aggressive associates of the São Paulo branch of IPES and with Julio de Mesquita Filho, director of O Estado de São Paulo.⁵⁹ The group of paulista hard liners, who expounded a strong anti-corruption and anti-Communist message was constituted, according to Roberto de Abreu Sodré, who was the UDN leader of São Paulo and president of the state legislative assembly, by Lieut. Col. Resteel, Julio de Mesquita Filho, Ruy Mesquita, Brigadier Brandini, Flavio Galvão, Paulo Quartim Barbosa, Paulo Egydio Martins, Luiz Carlos Mesquita, Sergio Barbosa Ferrez and Herman de Moraes Barros among others.⁶⁰ Other civilians working with the right-wing extremists were Charles Herba, Luis Mendes Moraes Neto, Roberto Sayão, Edmundo Wanderley and Fernando Wanderley.⁶¹ Together with Colonel Haroldo Velloso, Brigadier Burnier played an important role in the articulation of the conspiracy in the Air Force and as the organizer of the 'civilian resistance' of civil-

military groups in Guanabara. He was the organizer of the civil-military defence groups which guarded the Guanabara Palace (seat of the governor Carlos Lacerda), where many of the Guanabara based conspirators and known figures involved in the plotting and anti-government activities took refuge on the day of the coup. Among them were ESG brigadier Eduardo Gomes, the Nabuco family, entrepreneurs Demóstenes Madureira de Pinho (Mesbla S/A, Olivetti S/A) and Mauricio Bebbiano, TV personality Flavio Cavalcanti and journalist Helio Fernandes, director of Lacerda's newspaper Tribuna da Imprensa.⁶²

The Traditionalists

Under this heading are included those officers who did not undergo ESG training and who were not part of a social, political and economic proposal of change for Brazil, as elaborate and wide in scope as that of the IPES/ESG organic elite. They were against Communism, broadly defined, and wanted a halt to the politics of mobilization, rather than opposing populist attitudes themselves, of whose ideological and political fabric they were an integral part. The officers of this segment were no modernizers, but shared the conservatism of the IPES/IBAD and ESG group, hence their 'traditionalism'.⁶³

Two of these 'traditionalist' officers were in direct command of entire armies. Therefore, there was a basic need to engage their support for any military move against the government. There was also a need to keep a close watch over their political manoeuvres, so as to keep them in line with the IPES/IBAD campaign.

One of these officers was General Justino Alves Bastos, commander

of the IVth Army, headquartered in Recife, which was responsible for the Northeastern and Northern regions of the country. The Northeast, as seen elsewhere, was a key region from a political point of view. Firm military support in the region was required by the IPES/ESG cluster to neutralize the Peasant Leagues, the rural trade unions and Governor Miguel Arraes and to contain them once the coup was unleashed.

Therefore, General Bastos was soon drawn into the conspiratorial fold, and co-ordinated his efforts with the IPES/IBAD leadership after succeeding General Castello Branco in the command of the IVth Army. General Bastos, who took pride in calling himself the 'hardest' of the hard-line officers,⁶⁴ took as advisers for his military-political dispositivo some influential IBAD 'hidden activists'. These were ESG General Antonio Carlos da Silva Muricy, commander of the units in the state of Rio Grande do Norte, Colonel Helio Ibiapina and Colonel Antonio Bandeira, who was also General Bastos' head of intelligence,⁶⁵ and who was strongly linked to the reactionary forces in Pernambuco. Aluisio Alves, governor of Rio Grande do Norte and business partner of IPES leader José Luiz Moreira de Souza, and Paulo Guerra, the vice-governor of Pernambuco, were also linked to IPES and lent their support to the military campaign against Goulart. The adhesion of Paulo Guerra, who was vice-governor to Miguel Arraes was especially significant for IPES, as it gave the organic elite a foothold in the gubernatorial palace.⁶⁶

Other important military members of IBAD in Pernambuco were: General Antonio Sarmiento, secretary general of ADEP for the Northeast, Colonel Astrogildo Correia, head of Promotion S.A. and one of the leaders of the pseudo-nationalist Frente Patriótica Civil-Militar, Captain Emanuel Pereira Lima, IBAD executive secretary for Pernambuco,

and Captain Atanasio, administrative manager of IBAD.

The IPES/IBAD officers established an intelligence network which reported on the organization and action of the peasant leagues and trade unions. They were also significant in supporting the activities which IPES/IBAD developed in the northeast among the peasantry, the urban trade unions and the middle classes. But their main task was to immobilize resistance to the coup of March 1964, especially within the Armed Forces themselves, while the basic role of General Bastos' army throughout the campaign was to keep a watchful eye on regional developments and to perform a police function during the outbreak of the coup, neutralizing the peasant leagues, the Communist Party and Miguel Arraes.⁶⁷

The other traditionalist officer in command of a regional army was the former Minister of War, General Amaury Krueel, who was in charge of the powerful IInd Army, responsible for the key state of São Paulo and adjacent areas. General Amaury Krueel was the brother of General Riograndino, who was himself connected, from the very early stages of the movement against Goulart, with General Cordeiro de Farias and General Golbery in their activities in the south of the country. General Riograndino, together with his nephew, Major Vinicius Krueel, were link-men between the Ist and IInd Army and the General Command headquarters in Rio.⁶⁸

General Amaury Krueel has been reported as being a 'reluctant but crucial last minute adherent to the revolution of 1964',⁶⁹ on account of his purported friendship with Goulart. However, according to a CIA report filed in Rio de Janeiro as early as March 1963, General Krueel's position was otherwise. In fact, the report read that, as of March 13, 1963, a group of military leaders who were already plotting, directed by General Nelson de Mello, General Krueel (who

was then the Minister of War under President Goulart), Marshal Denys, Marshal Dutra and Admiral Heck planned to meet in Petrópolis,⁷⁰ to discuss plans for a coup against the government of President Goulart.⁷¹ To this group of conspirators was attached General Olympio Mourão Filho,⁷² whose 'conspiracy' shall be examined in greater detail later in this chapter. These 'conversations' in Petrópolis served to iron out the differences between the various groups and were instrumental in bringing an understanding between ESG activists and hard-liners, right-wing extremists and traditionalists, under the aegis of General Golbery, who was a key figure in their articulation.⁷³

A third outspoken traditionalist officer in command of troops was General Olympio Mourão Filho, who carried out what seemed a personalized campaign against the government of João Goulart and who actually launched the coup of March 1964. General Mourão, a troupiier, who showed contempt for the ESG, was the personification of the most unlikely military element to have been linked up by IPES/IBAD. However, General Mourão was in the mainstream of events and to a large extent, in spite of himself. General Mourão was connected by and integrated (articulado) with IPES/IBAD activists and leaders from the very early stages of his activities against the government. Nevertheless, as it appears from his recent memoirs and those of General Carlos Luis Guedes, his fellow-plotter and co-launcher of the coup of March 1964, General Mourão rather surprisingly seemed to be quite unaware of the extent of this connection with the IPES/IBAD network, which in effect ran through the very fabric of his 'conspiracy', which he dubbed the 'greatest in the Americas'. General Mourão, who came to symbolize the troupiers in action, had been under careful surveillance by IPES/IBAD activists. In fact, it could even be said that his 'movement' had been nursed throughout

its development by the IPES/IBAD leadership. Yet only on a couple of occasions did General Mourão acknowledge formal contacts with IPES/IBAD elements, and was discouraged by the contacts. Little did he seem to know, or at least acknowledge, that the network of civilians and military which he came into contact with in Rio Grande do Sul, São Paulo and Minas Gerais, - states where he held commissions throughout the 1961-1964 period - was composed of IPES/IBAD affiliates and activists.⁷⁴ Moreover, it seems that he did not realize that the contacts he made in these states and also in the frequent trips to Rio de Janeiro, as well as the organized network he encountered in São Paulo and Minas Gerais and of which he became ostensible commander were in fact the structures mounted and coordinated by the Action Groups of IPES/IBAD, and in particular by the Grupo de Levantamento da Conjuntura under the over-all co-ordination of the Informal General Staff. Despite General Mourão's lack of acknowledgement of the presence of IPES/IBAD leaders and activists within the organization and conspiratorial campaign he attempted to direct, it is worth noting that in all his central activities and those of General Guedes (both of which shall be considered in the following pages), the organic elite was a central part of the process.⁷⁵

General Olympio Mourão Filho's 'greatest conspiracy in the Americas'

There are two distinct phases in General Mourão's conspiratorial activities. One encompasses his experience in Rio Grande do Sul, where he was posted in 1961-1962. The other phase begins with his transfer to São Paulo in March 1963 and ends with General Mourão actually launching the coup, in March 1964, out of Minas Gerais, to

where he had been transferred in August 1963. While in Rio Grande do Sul, General Mourão had been used, in very limited terms, by the anti-Goulart plotters. The impression one gets from his memoirs is that General Olympio Mourão while stationed in Rio Grande do Sul did not participate in the key manoeuvres of the IPES/IBAD anti-Goulart campaign. He was initially sounded out about his positions and mistrusted by fellow conspirators, on account of his flamboyant style and Pattonesque attitudes. General Mourão was eventually tolerated as an active conspirator on account of his commission in the IIIrd Army, where he was useful to the plotters and subsequently even encouraged in his activities as an element of disruption against the executive's dispositivo militar in Rio Grande do Sul. His activities were also encouraged in so far as they drew the attention of the government's intelligence network upon himself, thus allowing a certain ease of operation for other individuals in Rio, São Paulo and Belo Horizonte. General Mourão established contacts with other high-ranking officers in the cities of Rio de Janeiro and São Paulo. In these contacts General Mourão was much more the informer of his own activities than the recipient of information about any structured movement against Goulart. The high-ranking officers he met kept their positions and information about their activities pretty much to themselves.

Furthermore, the main efforts of the IPES/IBAD plotters were centred in Rio de Janeiro, São Paulo, Guanabara and Minas Gerais, which were areas of operation of the Ist and IInd Armies. Although the IIIrd Army was the biggest in numbers and fire power because of its frontier location with Argentina, Uruguay and Paraguay, it had less political weight than the Ist or the IInd Army, to which the IPES/IBAD

campaign was chiefly directed. The IIIrd Army was also headquartered in Rio Grande do Sul, the political power base of the Vargas family, Goulart and Brizzola, and this constrained subversive activities against the incumbent PTB government.

Towards the end of 1961 General Mourão was commander of the 3rd Regiment of Infantry, in Santa Maria, Rio Grande do Sul. The commander of the IIIrd Army was then IBAD-linked General Nestor Penha Brasil, who was the brother-in-law of General Justino Alves Bastos.⁷⁶ In December 1961, General Mourão received a cable from General Penha Brasil, asking him to house and provide facilities for about 400 members of FARSUL, the powerful Federation of Rural Associations of Rio Grande do Sul, who were coming to Santa Maria for a political meeting of their organization. (By then IPESUL, the IPES of Rio Grande do Sul, was already acting as the political umbrella of the various entrepreneurial associations of Rio Grande do Sul.) After the convention, which took place at the beginning of January 1962, General Mourão, who had been actively canvassed by the FARSUL members, had his first conspiratorial talks with General Ramão Mena Barreto, his Chief of Staff. General Mena Barreto advised General Mourão to get in touch with the Minister of War, IBAD-linked General João Segadas Viana.⁷⁷

A few days later, General Mourão went to Porto Alegre, headquarters of the IIIrd Army and asked General Penha Brasil to arrange a meeting with Saint Pastoux, president of FARSUL, for mid-January. According to General Mourão, General Penha Brasil was by then 'more aware' than he had been of the problems facing the country, thus the support General Brasil had been giving to FARSUL.⁷⁸

General Mourão discussed with Pastoux and General Penha Brasil the lines of action for a struggle against the government. It was agreed

that they needed to work in phases. The first phase would last up to the legislative elections of 1962 which had to be won, securing the election of as many favourable deputies as possible as well as mobilizing other forces against the government. Commerce and industry had to mobilize the financial resources to support on the one hand the elections and on the other the counter-revolutionary movement and accordingly a financial committee had to be established. The military personnel would be in charge of the articulations in the field of military operations proper. The tactics agreed upon between IBAD General Penha Brasil, General Mourão and Pastoux, not surprisingly, befitted the lines of action of IPES/IBAD.⁷⁹ According to General Mourão Filho, the meeting he had with Pastoux and General Penha Brasil was 'the first civil-military reunion, the beginning of the conspiracy against the Government of João Goulart'.⁸⁰

Little did he know that other forces were at work. In November 1961, a meeting had taken place at the Edifício Avenida Central, headquarters of IPES-Rio, where General Golbery's Army and Intelligence network functioned in 4 out of the 13 offices rented by the organic elite.⁸¹

From São Paulo Herman de Moraes Barros, General Reinaldo Saldanha da Gama and Américo Oswaldo Campiglia came to this meeting.⁸² The meeting was presided over by Admiral Silvio Heck, and as secretary acted Carlos Eduardo D'Alamo Iousada (who subsequently acted as link-man to General Emilio Garrastazú Medici, who by 1964 was the commander of the Military Academy of Agulhas Negras-AMAN). In this meeting the need to topple the government was discussed. However, in order to avoid a similar fiasco as in 1961, there was a unanimous opinion that without unequivocal manifestations of public opinion, the Armed Forces would not feel authorized to

intervene'.³³ This was a central point in General Golbery's argument for military mobilization against the government and regime, ever since the failure of the preventive coup against Goulart's assumption of office, which had cost the former his military career.³⁴ The mobilization of public opinion in every sector of the population was a task left to the co-ordination of IPES, which it did, and quite efficiently in some cases, as described in the previous chapters.

Immediately after this encounter in Rio, the Paulistas' representatives met with Julio de Mesquita Filho, owner of O Estado de São Paulo, and with Antonio Carlos Pacheco e Silva, Octavio Marcondes Ferraz, Teodoro Quartim Barbosa, Luiz Antonio da Gama e Silva, Paulo de Almeida Barbosa, Rafael Noschese and Waldemar Ferreira, those comprising the militant leadership of IPES São Paulo. Furthermore, they also secured the support of Francisco Mesquita, Herbert Levy, Senator João Arruda and many others.³⁵ IPES leaders Teodoro Quartim Barbosa and Gastão Bueno Vidigal were later to be singled out by entrepreneur Paulo Egydio Martins,³⁶ an associate of IPES leader Alberto Byngton, as the civilian leadership of the subversive entrepreneurial-military movement to which he himself was linked.³⁷ Moreover, officers of the Armed Forces, representing the 'historical conspirators' Admiral Heck, Marshal Denys and Brigadier Grun Moss went to São Paulo and met with Julio de Mesquita Filho and presented him with a document in which they expounded their views on the norms that should eventually guide the future government to be installed by the Armed Forces after Goulart had been ousted.³⁸ This group of right-wing officers which comprised also General Cordeiro de Farias, General Nelson de Mello, General José Pinheiro de Ulhoa Cintra, General Punaro Bley and General Orlando Geisel among others, had in mind that 'a discretionary regime' would have to be installed,

at least for five years.³⁹

In this period and throughout these meetings, the IPES/IBAD activists and their fellow 'historical conspirators' and ESG officers had begun the active preparation of the civilian-military movement to oust Goulart.

IPES leader Herman de Moraes Barros and his companions set up a 'revolutionary committee', which was then articulated with the movement which was being co-ordinated among the military by General Cordeiro de Farias in Rio de Janeiro and São Paulo under the general supervision of General Golbery. Herman de Moraes Barros together with Colonel Cid Osorio and Lieut. Col. Rubens Resteel, as a result of a meeting held in the house of IPES leader Paulo Quartim Barbosa, constituted a General Civilian-Military Staff which would take care of the planning for the mobilization of São Paulo. Decision-making was left in the hands of a team composed of Julio de Mesquita Filho, Octavio Marcondes Ferraz, Teodoro Quartim Barbosa and Antonio Carlos Pacheco e Silva. This General Staff had several tasks: to formulate a line of action for the realization of successive operations; to raise financial resources necessary for the conspiratorial campaign; and to co-ordinate the industrial mobilization necessary to its fulfilment.

The General Staff was structured and composed as follows:

Logistics: João Soares do Amaral Neto (IPES São Paulo); Colonel Peçanha (II Army); Vitorio Ferraz (IPES São Paulo); Paulo Egydio Martins (IPES-linked leader of ADCE); and Roscio Castro Prado.

Actions: General Ivanhoé Gonçalves Martins (known by his codename of 'Dr Ivan Teixeira' supposedly a doctor of UNESCO and personal representative of General Cordeiro de Farias, whose codename for these operations was 'Jardim');⁹⁰ General Sousa Carvalho (IPES);

and Silvio Toledo Piza (IPES São Paulo).

Promotion and Propaganda: André de Faria Pereira Filho (linked to IPES São Paulo) and Flavio Galvão (IPES São Paulo).

Information (Intelligence): General Agostinho Cortes (IPES São Paulo), who also co-ordinated the action of civilian organizations.

Executive: Herman de Moraes Barros (IPES São Paulo), Daniel Machado de Campos (IPES São Paulo) and Gustavo Borghoff (IPES São Paulo)⁹¹

On the financial side, IPES leaders and bankers Herman de Moraes Barros, of Banco Itaú, Gastão Eduardo Bueno Vidigal, of Banco Mercantil de São Paulo and Aloysio Ramalho Foz, of the Banco do Estado de São Paulo secured the financial help of the other banks of São Paulo. Significant contributions came from other sources as well, thanks to the work of among others Antonio Cândido Gomes, Marcelo Amaral and José de Souza Queiroz Filho, of IPES São Paulo.⁹²

IPES leader Herman de Moraes Barros also linked Adhemar de Barros, the governor of São Paulo and leader of the PSP, to the IPES-led movement. Moraes Barros had even made the condition of his participation in the formation of a 'revolutionary committee' that this body should be acceptable to Adhemar de Barros, who was also connected through Ruy Mesquita.⁹³ The co-operation of the governor of São Paulo was sensibly seen as essential, fundamentally in the sector of Public Security, for which General Aldevio Barbosa de Lemos was responsible as Security Secretary for São Paulo. After all, Governor de Barros had at his disposal in São Paulo alone a Fôrça Pública (militarized police) of 15,000 men and a Guarda Civil of 10,000 strong, which equalled the number of soldiers in the whole of the IIInd Army. It is interesting to note that it was General Aldevio who organized the bugging of Goulart's phone calls into São Paulo.⁹⁴ Moreover, it was to be in the office of the Security

Secretary that the IPES-sponsored Rede da Democracia, the centre of the network of radio stations co-ordinated by the Public Opinion group of IPES, was installed, under the supervision of General Aldevio Barbosa de Lemos himself, who was by then working in co-ordination with the civilian and military General Staff organized by IPES in São Paulo.⁹⁵

By the time General Mourão began 'his conspiracy', the IPES/IBAD network was fully operational. Nevertheless, little did he seem to know about it, although this was the structure he would encounter in São Paulo and even 'lead'. After this brief and necessary excursus, the story of General Mourão's 'conspiracy' can be taken up again.

By the beginning of 1962, General Mourão was contacted by journalist Tadeu Onar, who himself had connections with the entrepreneurs of Porto Alegre, where IPESUL was headquartered. Onar became an important link-man for General Mourão Filho. It was through him that General Mourão had connections with Coelho de Souza, of the Liberator Party of Rio Grande do Sul. Onar was also General Mourão's contact with IPES leader Edmundo Monteiro, a key figure in staging General Mourão's frequent trips. Monteiro was the one who fixed airline facilities for General Mourão to travel at ease in pursuit of his conspiracy.

By the end of January 1962 General Mourão went to São Paulo. There he was to have a meeting with 'a group of important men of industry', which was organized by IPES leaders Edmundo Monteiro and Othon Barcellos Correia. The meeting took place in a house which he candidly admitted not 'knowing where it was'. A large number of entrepreneurs were present, among whom he recognized IPES leader João Baptista Leopoldo Figueiredo.⁹⁶

From São Paulo, General Mourão went to Rio de Janeiro, where he spoke to the Minister of War, IBAD General João Segadas Viana. General Mourão also had contacts with Admiral Heck, Marshal Denys and General Cordeiro de Farias about his conspiratorial endeavours. Both in the São Paulo and Rio encounters, General Mourão was left with the impression that not much was going on in terms of active plotting against the president. General Mourão was at this stage obviously mistrusted politically and on sheer operational grounds, to the extent of even being considered by some as an agent provocateur of Goulart. In any case, General Mourão was left in the dark with regard to any deep-seated movement organized by the IPES/IBAD leadership. General Mourão's diary still records another passage through São Paulo in March 1962. There he met General Nelson de Mello, who by then was a leading figure of the IPES/IBAD/ESG plotting. General Mourão informed him of his connections in the south. General Nelson de Mello's uncommitted remark, not surprisingly, was that they both were 'in the same boat'.⁹⁷

After the conversations with the entrepreneurs in São Paulo and his contacts with the military leaders in Rio, General Mourão returned to Porto Alegre where he was kept busy attempting to tighten up his network of coup-supporting officers. General Mourão's Revolutionary General Staff during his stay in Rio Grande do Sul was composed of young officers, the then Colonel Ramão Mena Barreto (head of staff), Lieut. Col. Athos Teixeira, Lieut. Col. Paulo Braga (brother of Paraná Governor and conspirator Colonel Nei Braga), Lieut. Col. Xavier, Lieut. Col. Ivan (General Mourão's nephew) and Lieut. Col. Freitas.⁹⁸

Obviously the military figures within the IIIrd Army who carried political weight and personal prestige within the Armed Forces, and

who were in command of key positioned troops, such as General Poppe de Figueiredo, General Hugo Garrastazú, General Ernesto Geisel (who was working closely with Governor Nei Braga), General Álvaro Tavares do Carmo, General Adalberto dos Santos, General Cunha Garcia, General Mendes Pereira, General Jair Acioly Borges, General Franklin Rodrigues de Moraes and many other high-ranking officers were not part of his staff, although General Mourão kept in contact with them.⁹⁹ These officers were linked with colleagues in Rio and São Paulo, being part at that time of the network of plotting cells operating together with the São Paulo and Rio civilian-military staffs described above.

Contacts with IPES leaders were frequent throughout 1962, especially with Edmundo Monteiro and Othon Barcellos Corrêia. In June 1962, General Mourão had a meeting with IPES leader Edmundo Monteiro and with Assis Chateaubriand, the owner of the Diarios Associados media complex, whom he asked for support of the centre-right political forces in the coming October elections. General Mourão also had a conversation with IPES leader Othon Barcellos Correia, who promised financial support for action in the Northeast, an area whose political situation deeply worried the military officer.¹⁰⁰

Helped by Onar, who developed an important work of articulation between military and civilians during two years, General Mourão connected himself with the president of the Federation of Commercial Associations. General Mourão was also connected with PSD politician and entrepreneur Ildo Meneghetti,¹⁰¹ the IPES/IBAD supported candidate to the governorship of Rio Grande do Sul and with Federal Deputy Colonel Peracchi Barcellos, also linked to IBAD.¹⁰²

Back in Santa Maria, site of an important Air Force base and the centre of a network of army units, General Mourão linked up with the prefect of the city, Miguel Sevi Vieira and with the Bishop, Dom

Vítor José Sartori, by whom he was invited to a meeting in his home. This encounter, which took place in September 1962 proved to be significant, for the influential IPES-linked Senator Mem de Sá (PL) and Senator Daniel Krieger (UDN), as well as the Federal Deputy Barcellos (PSD) and entrepreneur and PSD Federal Deputy Tarso Dutra¹⁰³ were present. Also present were Sevi Vieira and lawyer João Dentice, secretary of the electoral campaign of Meneghetti (who by then was involved with IPESUL and FARSUL). This meeting, coming, as it did, one month before the Congressional elections of October 1962 served to bring together and co-ordinate the action of major political figures of the Rio Grande do Sul anti-populist and anti-PTB coalition who had operated as a 'democratic front' for almost 10 years.¹⁰⁴ Following the norm that money should not be put directly in the hands of the candidates by the IPES/IBAD leadership, General Mourão was provided by IPES leader Othon Barcellos with 30 million cruzeiros to be used in the campaign for the Congressional and gubernatorial elections of October 1962.¹⁰⁵

In November 1962, General Mourão went to Rio, re-establishing his contacts with General Nelson de Mello, Marshal Denys, General Cordeiro de Farias and Admiral Heck. When in Rio, he went to Petrópolis, one of the centres for co-ordination of the ESG/IPES hard-line military movement. There, General Mourão met ESG General Affonso de Albuquerque Lima, a hard-liner, who was in the house of IPES leader José Luiz Moreira de Souza, his brother-in-law. General Mourão also had a meeting at the home of General Segadas Viana, where he met General Nelson de Mello and General Penha Brasil.¹⁰⁶ Nothing spectacular came out of these encounters. General Mourão kept these officers informed of his activities, but was not made aware of their own military movement against Goulart. His trips

continued rather unobtrusively on a regular basis until February of the next year.¹⁰⁷

Then suddenly, in March 1963, General Mourão was transferred to São Paulo, appointed to the command of an important army post, the 2nd Military Region of the IInd Army, substituting ESG General Lyra Tavares, and consequently thrust in the centre of the entrepreneurial-military movement. For the IPES/ESG group, the best had to be made from an unexpected situation. General Mourão had acknowledged qualities. He was described as a dynamo, whose energy had to be harnessed and put to good use, as well as taking advantage of his new commission for the cover-up of IPES-centred articulations within the military in São Paulo. On the other hand, his impulsive character and his views, quite out of step with the IPES/ESG complex, had to be neutralized. Furthermore, and as a side effect, the attentions of the government would, from now on be focussed upon the activities of General Mourão in São Paulo, allowing others to operate at ease. It so seems that General Mourão became, somewhat involuntarily, part of a diversionary manoeuvre.¹⁰⁸ In this respect he accomplished, in spite of himself, what others such as General Cordeiro were attempting, namely, to draw attention on himself leaving free fellow activists.¹⁰⁹

General Mourão was to be allowed an active and effective conspiratorial role in so far as he contributed to the general effort of stirring up anti-government feelings among the military and did not damage the main thrust of the entrepreneurial military movement. His activities, therefore, had to be tightly monitored by IPES.

Suggestions for the formation of General Mourão's general staff began to pour in as soon as he was on his way to São Paulo. ESG General Lyra Tavares, a member of the General Staff of General

Peri Bevilacqua who was then commander of the IInd Army, suggested that Mourão appoint Cavalry Colonel Ramiro Tavares, who was to become head of his military conspiratorial staff.¹¹⁰ It was also suggested to General Mourão that he take on Major Figueiredo, the younger brother of Lieut. Col. João Baptista Figueiredo, who belonged to General Golbery's team and who was a nephew of João Baptista Leopoldo Figueiredo, the president of IPES-São Paulo. At the end of March 1963, General Mourão requested that Major Figueiredo become his 'assistant secretary'. The circle around General Mourão was tightened.¹¹¹

This control went even further. Soon after his arrival in São Paulo, General Mourão was invited to the house of Antenor Edmundo Horta, a mineiro public figure of the small town of Diamantina (birth-place of General Mourão and Juscelino Kubitschek), where he was again put in contact with prominent paulista entrepreneurs and military. Among those present were Eldino da Fonseca Brancante, of the American Chambers of Commerce (who according to General Mourão 'lent immense services to the conspiracy of São Paulo'), Brigadier Neto dos Reis, Salvio de Almeida Prado, Jorge Alves Lima, Eugenio dos Santos Neves and Ernani Bessa.¹¹² General Mourão was being 'co-ordinated' with the centre of the IPES/ESG movement.

He was also placed in contact with Reserve General Sebastião Dalisio Menna Barreto, who was linked to the General Staff of the São Paulo IPES entrepreneurs and military, heading a section of the civilian-military movement. General Menna Barreto, an old hand in conspiratorial and political affairs, since his days of the 1932 paulista revolt and a former chief of the Department of Public Security of São Paulo, soon became General Mourão's head of what the latter thought was a newly mounted civilian-military conspiratorial

staff, but which had already been structured by General Menna Barreto as part of the General Staff formed in November 1961 and described earlier on.¹¹³ Although General Mourão became the ostensible head of a civilian-military conspiracy, General Menna Barreto was the effective surrogate of the former on matters related to his sector of the civilian-military movement. The fact that the movement was basically a civilian-military one was highlighted by the structure for action of General Menna Barreto's staff, by the selected fields of operation and by the operations themselves.

The structure for action under General Menna Barreto's direct command, which drew on the material and human resources of the São Paulo based Action and Study Groups of IPES, comprised four action sectors. These action sectors, which encapsulated the pattern of action of IPES, were the Departments of Psychological Preparation of the Masses, Intelligence, Mobilization and Finance. The Department of Psychological Preparation of the Masses comprised the following sub-sections: a) Press, b) Radio, c) Television, d) Propaganda (billboards, production and release of manifestos, leaflets and pamphlets) and e) female organizations. The Department of Intelligence had the following sub-sections: a) intelligence gathering, b) counter-intelligence, c) sabotage. The Department of Mobilization was divided into four sub-sections: a) mobilization proper, b) organization, c) command and d) transport. Operations in the Department of Mobilization were carried out by the Group of Special Agents, responsible for liaison and special transport.¹¹⁴ During the coup itself, social clubs and class associations served as headquarters for communication and mobilization. The centre for special transport was established at the IPES-sponsored School for Democratic Leadership, organized by IPES leader Paulo Quartim and under the

direction of Frederico Abranches Viotti, which as shall be seen, had other functions as well.¹¹⁵

Material and financial support was provided by IPES leaders Fernando Lee and Juan C. Llerena. Furthermore, executives of the Federation of Industries of São Paulo and the Federation of Industries of Minas Gerais, who were integrated in IPES São Paulo and IPES Belo Horizonte, had collected one and a half billion cruzeiros (over a million dollars) for the cause, as well as supplying vast amounts of food, clothing and transportation for the military forces.¹¹⁶

General Menna Barreto co-ordinated his activities with General Reynaldo Saldanha da Gama, who was heading another section of the civilian-military movement and leading an armed group of 80 selected men. (General Reynaldo Saldanha da Gama was one of the three paulista representatives at the November 1961 meeting in Rio with Admiral Heck, described earlier on. General Menna Barreto's civilian-military staff was directly connected to Admiral Heck through Carlos D'Alamo Louzada.) Among the activists involved in the section led by General Saldanha da Gama were Colonel Armando de Figueiredo; Dr. Paulo Murgel; Benedito Lobo Rosa, vice-president of the American Chambers of Commerce of São Paulo, who headed a unit specifically engaged in operations of a mobilizational purpose and in psychological warfare; Nemesio Bailão, the personal medical doctor of Governor Adhemar de Barros' family; Andre Telles de Mattos (who represented the São Paulo based Institute of Engineering); Herman Fickel, a former officer in the Navy Police; Werner Golts; João Ravache and a number of student and Catholic workers' leaders belonging to the groups and organizations described in the previous chapter.¹¹⁷ General Menna Barreto's civilian-military staff was co-ordinated by General Souza Carvalho, who, besides leading a group of civilians and a

contingent of FEB reserve officers, was also one of the co-leaders of the Sector of Actions of the IPES-led General Civilian-Military Staff formed in the wake of the November 1961 meeting in Rio with the IPES leaders.¹¹⁸

Furthermore, the civilian-military staff of General Dalisio Menna Barreto was supported by other action units, which were led by Federal Deputy Juvenal Sayão, Paulo Cardoso de Mello, Eldino Brancante, B. M. Lobo Rosa, Paulo Yazbek and Antonio Vicente de Azevedo (whose home had turned into what Brancante called an anti-câmara conspiratoria (conspiratorial ante-chamber)).

Deputy Juvenal Sayão had been involved, through Alberto Badra, a director of the Monte Líbano social club and a relative of IPES-sponsored Federal Deputy Aniz Badra. In Sayão's action unit participated IPES leaders Ernesto Leme and Luiz Antonio da Gama e Silva. From their group came the 'suggestion' made to General Mourão that General Reynaldo Saldanha da Gama (who participated secretly in Brancante's group) should become the commander of the Civil Guard which would co-ordinate the civilians and provide police protection to the conspirators. Through IPES leader Luiz Antonio da Gama e Silva another request was forwarded to Governor Adhemar de Barros for Juvenal Sayão to become part of the Department of Political and Social Order - DOPS, so as to control the movement of the adversaries and safeguard the plotters.¹¹⁹

Paulo Cardoso de Mello publicized the movement and was in charge of writing up pamphlets and leaflets. He was also a source of finance, together with Antenor Horta, for the purchase of arms. The civilian-military staff also secured the co-operation of Desembargador Persival de Oliveira, who was not a member of the Civilian Staff, and that of his son-in-law Ricardo Capote Valente, who worked closely with

General Dalisio Menna Barreto.¹²⁰

The leadership and operational support for the activities in the sector of Armed Forces and Intelligence came from IPES General Agostinho Cortes, who was connected with officers in active service. General Agostinho Cortes co-ordinated the military side of the action, through his Conjunctural Survey Group. An outstanding activist in this sector was Lieut. Col. Resteel, who in collaboration with General Nelson de Mello and General Agostinho Cortes was organizing the subversive movement within the IInd Army.

General Agostinho Cortes was also involved in the field of 'public opinion', i.e., the organization, co-ordination and stimulus to the parallel action of shock-troops, geared towards bullying tactics against labour-left students, trade union leaders and activists, as well as carrying out operations of a disruptive nature in public meetings, conferences and rallies. These action units were under the leadership, among others, of IPES leaders José Ely Vianna Coutinho, Eduardo Levy and Sergio Barbosa Ferraz, and received the co-operation of Luis Carlos Prado, Arnaldo Vieira de Carvalho, Sergio Broteiro Junqueira, Vicente Mammana Neto, Luis Pinni Neto, Rodolfo de Freitas Filho, Humberto Golfi and Silvio Luciano Campos. The organization of these shock-troops, made up mostly of young middle class males, was under the supervision of IPES leader Paulo Quartim, who also co-ordinated their activities with other groups. Among these groups was the School for Democratic Leadership - ELD, directed by Frederico Abranches Viotti. The ELD was involved in the preparation and indoctrination of hecklers and agents provocateurs to prepare them for participation in public debates, conferences, meetings and 'comícios' (public rallies), as well as in the preparation of activists in trade unions, peasant and students affairs. The shock-troops were

also aimed at the protection of these activists, and the violent disruption of national-reformist activities.¹²¹ A series of actions planned under the direction of Frederico Viotti were aimed at neutralizing the presence of the federal government in São Paulo. According to IPES leader Herman de Moraes Barros, in some cases well-known political figures and 'even ministers of state went through unsuspected scares'. João Pinheiro Neto, director of the Superintendency for Agrarian Reform and Mario Donato, his representative for São Paulo, were some of the political figures who were attacked.¹²²

In these disruptive activities, General Agostinho Cortes received the support of the IPES São Paulo sector of Public Opinion, and especially from Fernando and Roberto Levy, sons of the UDN leader entrepreneur Herbert Levy, as well as that of the São Paulo-based Institute of Engineering¹²³ and that of Adhemar de Barros' police. Members of the police force, sometimes disguised as students, participated in 'stormy receptions' granted to government officials. One such well publicized occasion was when the intended address of Paulo de Tarso, the Minister for Education, at the Mackenzie University of São Paulo was disrupted by some 300 of Adhemar de Barros' 'students'.¹²⁴

One of the most active groups formed in 1962 as a by-product of IPES action was the Grupo de Atuação Patriótica - GAP (Group for Patriotic Action), which operated in Rio de Janeiro, Minas Gerais and São Paulo. Its rank and file was composed of young students between the age of 17 and 26, mostly of the upper-middle and upper classes.¹²⁵

It had as its programme for action the combatting of: reforms proposed by Brizzola and Goulart; legalization of the Communist Party; the system of student representativity and UNE and UBES; the takeover of private refineries; the occupation of key posts in the

administration by elements considered to be communists; the influence of trade union leaders in the affairs of the country; the purported censorship of speeches of political leaders of the opposition (Amaral Netto, Carlos Lacerda and Raimundo Padilha) on Radio and TV; and the governmental blind eye to strikes and agitation of a political and subversive character. The GAP benefited from wide coverage from the press, especially from O Globo and the Diarios Associados.

On one particular day, Aristóteles Drummond, GAP's leader, was interviewed for a radio programme where he expounded the determination of GAP to defend liberty and property, as well as the conviction that such action could only be guaranteed by the military. The 'Voice of America' re-transmitted the interview. Afterwards Drummond received a telephone call from the American Embassy, asking him for a meeting. Two men came to Drummond's apartment, where he was carefully sounded out about his political ideas. A few days later they came back, and offered their help to Drummond, which the GAP leader accepted. A few weeks later, a truck unloaded in Drummond's apartment a cargo of 50,000 books and pamphlets of anti-Communist propaganda. The CIA had made its contact and Drummond would do the rest.¹²⁶

According to Drummond, the GAP aimed at taking the message of the young not engaged with UNE to the student population and to help in the formation of a current of public opinion which would be conscious of the 'communistic and anarchistic paths' along which the government was leading the country. By means of the 'Rallies for Democracy', realized by Deputy Amaral Netto and with the presence of ADP parliamentarians from all over the country, the GAP leader preached in the name of the students the need to react against the government. Drummond also took part in the 'Network of Democracy', the IPES/IBAD sponsored propaganda activity which opposed

itself to the 'Chain of Legality', organized by Leonel Brizzola against the impending coup. Through the 'Network of Democracy', Drummond preached armed mobilization against the peasants of Francisco Juliao and the 'Groups of Eleven' of Leonel Brizzola.

GAP's action was closely linked to that of Admiral Heck's action unit. Drummond and his fellow GAP members served as carriers of weapons and messengers between Sao Paulo, Rio de Janeiro and Belo Horizonte. The GAP base was once busted by the military police, but Drummond and two of his friends managed to escape, although incriminating material was found. As a consequence of this incident, a general clamp down on para-military groups was ordered by the government. The headquarters of the parallel 'Vigilantes Action of Brazil', in Rio de Janeiro, were invaded by Goulart's police and weapons seized. The Vigilantes Action was led by one of Admiral Heck's top men, Paulo Galvão, who was also in charge of the operational part of connected para-military groups linked to Lacerda. Paulo Galvão was also linked to the São Paulo military intelligence group led by General Agostinho Cortes and to Lacerda.¹²⁷ Another of their bases, which was taken by assault was located in Jacarepaguá, in the outskirts of Rio, where arms were also found. Weapons were also found in a farm in Sítio Alegre, where a Major Lopes de Souza operated, in charge of supplies for Admiral Heck. When the police arrived, Paulo Galvão managed to flee with three trucks.¹²⁸ Deposits of weapons, uniforms and other necessary material, as well as military training grounds were scattered all over the country, hidden in rural properties or churches, as well as in specially acquired places, such as the Educandário Nossa Senhora de Fátima, in Niteroi or the Fazenda Arizona, which belonged to the Vigilantes Action of Brazil Group.¹²⁹

After these raids on their bases, Drummond remarked that luckily, the Police Military Inquiry which was ordered by the Minister of War was confided to General Idalio Sardenberg, a member of the military core group which had founded ESG. Drummond went to speak to General Sardenberg, in view of the press exposure of GAP's connection with the affair and with Admiral Heck's activities. General Sardenberg, after listening to Drummond's explanations, told him that he knew 'things were not quite as you say, but I praise your civic attitudes and I ask you to convey to Admiral Heck my tranquil reaction. You will not be bothered.'¹³⁰

Before the Jacarepaguá incident was dampened, five more individuals were involved: Cecil Borer, the former head of the Department of Social and Political Order of Guanabara; his brother, police officer Charles Borer; Colonel Gustavo Borges, secretary of security of the state of Guanabara; and Inspector José Pereira de Vasconcellos. Cecil Borer was supplied by and collaborated with entrepreneur Alberto Pereira da Silva, linked to Lacerda, and with IPES leader Alberto Byngton, who jointly with Colonel Vernon Walters was involved in the supply of weapons.¹³¹ Deputies Sandra Cavalcanti and Nina Ribeiro were also implicated by the investigations carried out by the Federal Service of Information and Counter Information - SFICI.¹³² Furthermore, it was alleged at the time that IPES leader João Baptista Leopoldo Figueiredo's shipping company, Leopoldo Figueiredo Navegação, headquartered in New York, was the carrier of equipment for the plotters. Some of the equipment found in the Rio arms caché had the Alliance for Progress symbol on it. The caché included sub-machine guns, ammunition, tear gas, communications equipment and containers. The weapons were of US American make. The walkie-talkies were identified as coming from a stock which had been

earmarked for the Rio police by late 1963.¹³³

The weapons and equipment were not only for the use of the military. The arms were also intended for the use of entrepreneurs. Following the public exhortation of IPES leader Jorge Behring de Mattos that entrepreneurs in general 'should arm one another, because we are already armed', activists linked to Admiral Heck distributed weapons in the states of Rio de Janeiro, Espirito Santo and Minas Gerais, while units led by Marshal Denys armed the landowners in the south of country.¹³⁴ Some of these weapons were obtained through the mediation of São Paulo Governor Adhemar de Barros, Julio de Mesquita Filho and IPES leader Alberto Byngton.¹³⁵

The civilian-military section headed by General Menna Barreto carried out two other very important operations in the field of psychological preparation of the masses. His section was responsible for engaging the party-political directorates of the state of São Paulo and the directorates of social, cultural and sporting clubs.

At the close of regular meetings in the first half of 1963 of the Brazilian-American Relations Committee of the American Chambers of Commerce, its Vice-President B. M. Lobo Rosa analyzed the political conjuncture. A report from the CIA station in Rio picked up his accounts of the activities of an action unit of entrepreneurs and military officers in which he was involved. According to Lobo Rosa the action unit had been formed to programme and put into effect a plan which involved arms, military forces and funds to support activities for a coup. Lobo Rosa commented that the group which had initially been formed in Rio de Janeiro had now a strong nucleus functioning in São Paulo as well, enjoying the support of governors Carlos Lacerda and Adhemar de Barros. (When asked if General Pery Bevilacqua had given his support to the action group,

Lobo Rosa declined to answer.)¹³⁶ Lobo Rosa explained that the group was divided into many departments, each having responsibility for particular fields of action. Lobo Rosa himself was involved with a unit responsible for what was called the civilian command. Among others, this unit aimed at the formation of 'neighbourhood control units' sub-divided into bloc control units, in the mould of the ones already existing in Rio. Each sub-unit contacted approximately five individuals in each block of his neighbourhood with whom they could count to support general action against the government. In Rio, these groups had already been trained in the use of small firearms and the handling of plastic bombs, and were far ahead of those in São Paulo. They were important as 'relay units' for anti-government propaganda campaigns and provided most of the so-called 'popular' demonstrations against Goulart's executive. Lobo Rosa's action unit was interested in receiving assurance that the leaders of the American business community and the US government officials were informed of what action was planned and for what reasons. He thought it vital for the American government to recognize a provisional government which would follow in the case of successful action against the federal government, although the question of timing of this action was still indefinite at that stage. The head of the civilian movement to which B. M. Lobo Rosa's unit was a part was General Dalisio Menna Barreto.¹³⁷

General Menna Barreto's conspiratorial offices had been established in the premises of a real estate company, SELA, sited in the centrally located Largo de São Bento in São Paulo. In early 1963, a meeting took place in these offices between Antenor Edmundo Horta, Eldino Brancante, Colonel José Canavó Filho, a former commander of the São Paulo Public Police Force, José Freire da Silva

and a number of other entrepreneurs who had been at the meeting previously mentioned where General Mouraõ had met prominent civilian and military paulistas.¹³⁸

In this meeting the entrepreneurs advanced the proposal, which was accepted, that in order to achieve wide and efficient mobilization, and efficient psychological preparation of the masses, the civilian-military staff had to approach not only party directorates¹³⁹ but also any institution already in existence, social and sporting clubs, class associations and private enterprises, where IPES had been developing intense activities since early 1962. The advantages of integrating these organizations in the civilian-military movement, it was argued, was that they had organized files of members, and numerous associates, affiliates and partners. They provided material, financial and human resources for the action of the organic elite, and could become very useful centres for the mobilization of the right-wing forces. Given their widespread location throughout São Paulo, the clubs and associations could also become points for meeting, concentration and depositing material as well as improvised headquarters of their middle and upper class neighbourhoods. The directorates of parties, acting through their neighbourhoods' committees could become useful means of mobilization and rapidly create the necessary climate, even more so since those directorates had good speakers, at ease in political campaigns, who could convince their fellow party members and followers that to counter the imminent 'threat' posed by the Executive and the national-reformist forces a civilian-military movement against the government was necessary. In the same form, the directors of social clubs, cultural and sporting associations had the capacity and authority to expound the problems and regiment personnel for the different tasks required by the

civilian-military staff. Furthermore, these elite clubs and associations, very conveniently, united the paulista dominant and upper-middle classes, who were then easily co-ordinated and mobilized.¹⁴⁰

The civilian-military staff expected that, by acting through the cúpulas (leadership) of the political parties, social clubs and associations, the bases of the middle classes would be easily and surely reached in such a way that their involvement in the campaign against the Executive would be secured in a fast and steady way.

Among those particularly active in the mobilization of the middle classes were Eldino Brancante, Colonel Canavó, Benedito M. Lobo Rosa, Antonio Vicente de Azevedo, Antenor Edmundo Horta and José Freire da Silva, who co-ordinated the involvement of the Freemasons of São Paulo.¹⁴¹

The involvement of the social clubs in the IPES network of political-military action was relatively easy, as many of the IPES leaders were also directors or prominent members of these elite social, cultural and sporting institutions. However, the IPES network also involved those sporting clubs whose membership was strongly middle class, and with a large mass of popular followers, although their leadership was still elitist. Among these sporting institutions were the professional football clubs Portuguesa de Desportos, Palmeiras, São Paulo and the most popular of them all, Esporte Clube Corinthians, whose president, Wadi Helou, had been contacted by João da Silva Azevedo and taken by Carlos Brancante to General Menna Barreto.¹⁴²

Vicente de Azevedo secured the participation in the IPES-led campaign of Paulo Yazbek, director of the Sanatório Avicena de Análises Clínicas and president of the Associação "Atletica de São Paulo and of the Clube de Regatas Ponte Grande.

Yazbek became a key figure in the sector of Radio Communications of the civilian-military movement. Being the founder and permanent councillor of the Brazilian Amateur League of Radio Emission - LABRE, he was able to provide General Dalisio Menna Barreto's staff and other participants of the civilian-military movement with a powerful network of communication, which side-stepped both commercial and the regular means of communication of the Armed Forces. (Colonel Cid Camargo Osorio, on the military side, took the lead in developing a system of coded radio communications with the groups operating in other states.)

Yazbek was also to be a central figure in the campaign of middle class mobilization, because he was the president of the Association of Sporting Clubs of the State of São Paulo - ACLEESP, which united 36 amateur sporting clubs.¹⁴³ Furthermore, it was Yazbek who introduced to the plotters, both Michel Nahas and Alberto Badra, respectively presidents of Clube Atlético Monte Líbano and Clube Sirio.

General Menna Barreto's section also obtained the support of João Batista Silva Azevedo, city councillor of São Paulo and leader of the Liberator Party. He was in charge of articulating the movement within the Clube de Regatas Tieté.

Another contact was at the Banco Sul Americano S.A., where they sought its vice-president, IPES leader Manoel de Carvalho, who was also vice-president of the São Paulo Football Club. The meeting was attended by IPES leader Herman de Moraes Barros, himself a director of the Clube Atlético Paulistano. Afterwards, they established contact with João do Amaral, president of the Clube Paulistano and with another director, Pedro Padilha, both of whom were introduced in person to General Dalisio Menna Barreto.

Pushing the 'red scare' campaign to extremes, the club directors were made to feel that there was a real necessity for the creation of underground shooting galleries in their social clubs, for the training of associates.

Action groups of club directors and selected associates were established to undergo more specialized drills. Brancante's unit would provide the instructor who would secretly train the heads of the various groups in neighbouring São Paulo farms in the use of firearms and guerilla war techniques.¹⁴⁴

Other influential club directors who were linked to the incipient network and taken to the civilian-military staff for instructions were Luiz Nardy (Clube de Golfe São Fernando); Ferreira da Rosa (Clube de Campo); Angelo Deditis and Delfino Facchina (Sociedade Esportiva Palmeiras); Jayme Loureiro Filho and Milton Nascimento (Sociedade Hípica Paulistana). Contact was also kept with Adhemar de Campos, president of the Sociedade Harmonia de Tennis, to which Milton Nascimento also belonged and where IPES administered courses to entrepreneurs, professionals and militants. Many members from many organizations who had gone through the Curso de Preparação (Preparation Course) of the Superior War College were also linked to the unit headed by Brancante and Lobo Rosa, among them entrepreneur Lito Coutinho (who was leader of an action unit) and Francisco de Barros Campos, director of Sociedade Harmonia de Tennis. Furthermore, the following club directors were integrated in the civilian-military movement: Honorino Gasparini, president of Esporte Clube Pinheiros (a club which became an important centre for co-ordination of manoeuvres during the coup itself); Antonio Colussi, president of the Floresta Clube; Douglas Michalany, director of the YPES Clube de Vila Mariana; and the São Paulo Country Clube, through

its president, IPES leader Julio Cruz Lima and Plinio Monteiro Garcia.¹⁴⁵

In the second half of April 1963 the civilian-military staff in São Paulo issued an invitation to significant figures involved in the civilian-military movement against the Executive in the Pacaembú Football Stadium in São Paulo. It was a 'public' role-call. About 400 persons were involved in this show of commitment. The organizers and convenors of this action were General Dalisio Mena Barreto and General Agostinho Cortes. Several bank presidents belonging to IPES and relatives of Herbert Levy were present, and among the crowd stood out well-known entrepreneurs, retired army officers and professionals connected with IPES.¹⁴⁶

After the Pacaembú show, another meeting took place, with a smaller number of people, this time in the apartment of Julio de Mesquita Filho. Present were General Mouraõ, General Ramiro Gorreta and General Ivanhoé Martins¹⁴⁷ with a representative from General Cordeiro de Farias, to co-ordinate the activities of the São Paulo civilian-military group with the military centre in Rio. In that meeting it was decided that Julio de Mesquita Filho would be in charge of the group which would take care of political matters and ideological orientations. As head of an important press complex and with the logistical support of the Public Opinion Group of IPES, Mesquita Filho was to maintain support through the media for the coup activists.¹⁴⁸

Following the Pacaembú meeting in April 1963, the civilian-military general staff held another one in June.¹⁴⁹ As the activities of IPES were largely covert and participants were secretive about their activities, the meeting served to acquaint those present with one another and re-inforce their disposition to act. A collection

of IPES entrepreneurs, social club directors, professionals and other members of the civilian-military staff gathered at the meeting. Among some of the influential figures present at the Pacaembú meeting in June, for the face-to-face encounter of supporters and participants of the civilian-military movement were: IPES leaders Herman de Moraes Barros, Manoel de Carvalho, Paulo Reis Magalhães, Sergio Barbosa Ferraz, Roberto Levy, Salvio de Almeida Prado; IPES activists Eduardo Levy and his brothers, who worked in General Agostinho Cortes' unit; Carlos D'Alamo Lousada and Luiz Alberto Attilio, who were the link-up with Admiral Heck's unit; sporting and social club directors belonging to the sections of 'mobilization and psychological preparation of the masses' of General Menna Barreto's staff, such as Guilherme de Almeida, of Clube Piratininga; Celso Correa Dias, of Sociedade Hípica and of the Instituto Histórico de Guarujá e Bertioga; Milton Nascimento, Paulo Yazbek, Antonio Colussi, Adhemar de Campos and Pedro Padilha. Furthermore, the following influential entrepreneurs were also at the meeting: Christian Heins and Lito Coutinho, of Wyllis; Mario Savelli, of Light and Power S.A. and a member of the Instituto de Engenharia: Pericles Senna, of Material Ferroviário S.A - MAFERSA; financier José Roberto de Oliveira, a relative of Roberto Campos; Herculano de Almeida Pires, of Banco de América; Caio de Paula Machado, and Fabio Fasano, director of the prestigious Restaurant Fasano. Moreover, the following members of the Movimento Civil de Defesa Nacional (Civilian Movement for National Defence), a parallel movement to IPES, operating in the field of public opinion and mass mobilization, were also at the Pacaembu meeting: José de Oliveira Pinho, Darcy d'Alvear, procurator of the Tribunal de Alçada; José Pedro Galvão de Souza, Evaristo Veiga dos Santos, Ruy de Arruda Camargo, Celso Guimarães and Plinio Costa Cesar, as well as Luiz

Felipe de Souza Queiroz and Eduardo Souza Queiroz, state leaders of the UDN. Finally, the following activists and supporters of the civilian-military movement were also at the meeting in Pacaembú: Aureliano Leite, president of the Instituto Histórico Geográfico de São Paulo; federal deputy Juvenal Sayão, Nemesio Bailão, Benedito Lobo Bizarro, Herman Fickel, Carlos Brancante, Paulo Cardoso de Mello, Maria Aparecida Cardoso de Mello, Paulo Cardoso de Mello Filho, Nelson Abdo, Lygia Aguiar Fasano, Sergio Lemos Torres, Rubens and Esther Guagliemetti, Aziz Calfat, Demetrio Calfat, Ruy Buller Souto, Cosmo Guarnieri and a number of student activists and representatives of religious associations.¹⁵⁰

The several 'public gatherings' of these influential members of the São Paulo elite served to encourage military activists of the IIInd Army to go ahead with their preparations for a coup against Goulart; they were reassured and felt strengthened by the commitment of the civilians.

Towards the end of June, a rally was organized by the civilian-military staff, known as the Convenção de Pacaembú, which took place on the 22nd of the month. The convention was ostensibly led by the IPES-sponsored Syndical Democratic Movement and the Student Democratic Movement. It was an attempt by the organic elite to counterpose their own right-wing student-worker bloc against the growing rapport between the national-reformist student organizations and working class trade unions. Representatives from the states of Guanabara, Paraíba, Ceará, Bahia, Amazonas, Rio Grande do Sul, Rio Grande do Norte, Paraná, Pará, Santa Catarina and São Paulo were brought to the Pacaembú stadium, in all 4,000 people. Governors Lacerda, Adhemar de Barros, federal deputies Armando Falcão, Herbert Levy, Julio de Mesquita Filho, IPES leader Miguel Reale, Ivette de

Carvalho, Alexandre Husne, Luiz Carlos Batista; MSD leader Antonio Pereira Magaldi; Christian Workers' leader Frei Celso, and Francisco Ramalho chaired the event.¹⁵¹ The convention was a significant landmark in the campaign of IPES/IBAD against Goulart, the nationalistic and reformist proposals and the labour left. It benefited from the vast network of media relay organized by IPES and had a profound effect on the military, who besides the support received from the elites, saw themselves also as openly supported by a wide worker-student-middle class bloc.

By mid 1963, the same pattern of civilians and military, interacting against the Executive and being organized to overthrow the national government which had developed in the state of São Paulo, was common to the states of Guanabara, Minas Gerais, Paraná, Santa Catarina and Rio Grande do Sul.¹⁵² In each of these states the civilian-military movement was based upon the regional network of IPES/IBAD. Although General Mourão believed that they were largely due to his efforts, as he had attempted to stir up opposition to the regime in the neighbouring states. General Mourão's contacts with the southern states were made partly through UDN state leader Luiz Felipe de Souza Queiroz, and Aurelio Stievani.¹⁵³ In São Paulo, General Mourão was the ostensible organizer of the military sector of the movement,¹⁵⁴ while General Menna Barreto was the chief coordinator of the civilian elements.¹⁵⁵ The movement had the full support of São Paulo Governor Adhemar de Barros. In Paraná, the chief military organizer was General Ernesto Geisel, who had commanded the 5th Division of the IIIrd Army. The civilian aspect of the movement was headed by José Manoel Linhares de Lacerda, coordinating units consisting primarily of big landowners, with the IPES leaders of the Commercial Association of Paraná and Paulo da Rocha

Chueri, who provided an important link with the public police force of the state. Colonel Nei Braga, the governor of Paraná quietly favoured the plan, but preferred not to give open support.¹⁵⁶

In Rio Grande do Sul, two-thirds of the officers of the IIIrd Army could be counted on, as well as the civil police and the Força Pública, (Public Force). Colonel Barcellos was extremely active in the subversion of the police forces of Rio Grande do Sul. Reserve General Armand Cattani was in charge of the organization of the landowners in the rural areas into para-military units which would act as a co-ordinated body at the time of the coup. The plan had the full support of Ildo Menghetti, the governor of Rio Grande do Sul, who was connected with FARSUL and IPESUL. In Santa Catarina the landowners were being organized to assist military elements in favour of the plan for the coup. IBAD/IPES General Pedro Paulo Vieira da Rosa was extremely active in the mobilization of military personnel.

In Guanabara, the Navy completely supported the plan, as did some key elements of the 1st Army.¹⁵⁷ The civilian organization, which had the full weight of the IPES structure supporting it, was, as assessed by the CIA, further advanced than that in São Paulo. The movement had the full support of IPES-backed Carlos Lacerda, the governor of Guanabara state.¹⁵⁸

In Minas Gerais, General Carlos Luis Guedes headed the military sector and General Bragança headed the civilian one, supported by the IPES sponsored Mobilização Democrática Mineira.¹⁵⁹

The entrepreneurs, professionals and military comprising what General Guedes described as the atuante grupo revolucionário (activist revolutionary group), which in his view placed itself at the vanguard of public opinion in Minas Gerais, were leaders and activists of IPES Belo

Horizonte. Through their contacts and connections with military of Minas and other states, the IPES leaders and activists 'propitiated the indispensable psychological and material conditions for the eclosion of the movement of 31st March, judged necessary to justify the military action'. Among the IPES leaders mentioned by General Guedes were: entrepreneur Alusio Aragaõ Villar; Josafa Macedo, a big landowner and banker and president of the Federation of Rural Associations of the state of Minas Gerais - FAREMG, and a medical doctor, member of the influential medical association of Minas Gerais (so vocal in their opposition to the Goulart government); banker and industrialist Ruy de Castro Magalhães; Angelo Scavazza (director of Sul América Cia. de Seguros), General Elcino Lopes Bragança, General Lopes Bragança (commander of the 4th ID), and Gabriel Bernardes Filho (landowner and director of Cia. Fôrça e Luz de Minas Gerais). Other influential and well-known entrepreneurs, military and professionals who belonged to the civilian-military plot were: General Antonio Joaquim Correa da Costa, Augusto de Lima Neto (director of Cia. Telefónica de Minas Gerais (Bond and Share), Braulio Carsalade Villela (director of Cia. Siderúrgica Belgo-Mineira and of its subsidiary, Cia. Imobiliária Santo Elói), Bento Romeiro (lawyer), Celio Andrade (director of Hospital Felicio Roxo), Delzio Bicalho (medical doctor), Denio Moreira (journalist), Colonel Emilio Montenegro Filho, Evaristo Soares de Paulo (landowner and prefect of Curvelo, where he founded the Liga Anti Comunista (Anti-Communist League) which organized the landowners), Francisco Floriano de Paula (lawyer and lecturer of the Faculdade de Direito de Minas Gerais), Geraldo Jacinto Veloso (fiscal agent of the Imposto Aduaneiro of Belo Horizonte), Heitor Picchini (stock-broker of Fundos Públicos), Helio Pentagna Guimarães (director of Magnesita S.A., Cia. Siderúrgica

Belgo-Mineira and Indústria de Calcinação Ltda. - ICAL), lay priest Joao Botelho (director of Movimento para Um Mundo Melhor and one of the organizers of the female middle-class Marcha do Terço), General João Manoel Faria, General João Torres Pereira, João Romeiro (judge of the Military Justice of Minas Gerais), Jesuit priest José Candido de Castro, José Resende de Andrade (lawyer and Police Officer), José Luiz Andrade (stock-broker of Fundo Crescino), Colonel José Meira Junior (Military Police), José Maria Alkmim (PSD deputy), Colonel José Oswaldo Campos do Amaral (Military Police), Luiz Gonzaga Fortini (medical doctor and lecturer at the Faculdade de Medicina of the Federal University of Minas Gerais - UFMG and president of Laminação de Ferro S.A. - LAFERSA), Luiz Pinto Coelho (architect and executive of the Rotary Club), General Maurilio Augusto Fleury Curado Junior, General Nelson Felício dos Santos, General Olavo Amaro da Silveira, Orlando Vaz Filho (student leader of the UDN Estudantil), Paulo de Souza Lima (landowner), Raimundo Silva de Assis (Cia. Fiação e Tecelagem de Pará de Minas), Rubio Ferreira de Souza (lawyer and titular of a Cartorio), Vicente Moura (journalist), and Alberto Deodato Maia Barreto (lawyer, journalist and lecturer of the Faculdade de Direito of the UFMG).¹⁶⁰

Many of the entrepreneurs in the above mentioned list were also linked to IPES leaders in Rio de Janeiro and São Paulo through their common executive posts in the direction of the regional agencies of the same corporation.

Medical doctors, lawyers and architects were important because of their participation in middle class mobilization, in such activities as the release by professional associations of public manifestos against the government, organizing and endorsing public rallies, and appealing for military intervention.¹⁶¹ Many lawyers were

important, beside their professional prestige, for their role as directors of enterprises whose support was necessary for the movement.

By mid 1963, General Mourão was satisfied with the activities of 'his' civilian-military staff which were run in effect by General Menna Barreto. General Menna Barreto's staff (as part of the general staff co-ordinated by General Agostinho Cortes, which drew upon the resources of the IPES network of action groups) had been successful in its operations of disruption in every sector of public opinion and in particular in the mobilization of the middle classes. The growing number of activists present at the Pacaembú 'public' gatherings convened to gauge support bore witness to the success of General Menna Barreto's civilian-military staff. However, this did not deter General Mourão from condemning the rather 'academic' attitude of IPES, some of whose representatives he had met, and who did not seem to him to be involved in any concrete action. The naivety of General Mourão and his superficial grasp of events were remarkable in that he was allegedly unaware that not only the periphery of 'his movement', but even the core of 'his' civilian-military staff was made up of IPES leaders and activists.

Moreover, Mourão did not accomplish much in the purely military sector, i.e., in the co-ordination and preparation of a subversive movement within the Armed Forces. General Mourão himself acknowledged his dissatisfaction with his military staff, which he found inefficient, if not downright incapable. Little did he know that the inefficiency of his staff was the outcome of a deliberate slow-down and braking action on the part of his collaborators. As seen previously, many of the personnel in the military structure he had established were young officers linked to the IPES/IBAD network. The leadership of the organic elite had shown itself not to

be particularly keen on General Mourão going ahead with what seemed to them to be his eccentric political views and traditional socio-economic ideas. The IPES/ESG compound had to close in on Mourão to check his bid for leadership and constrain his activities among the military. The overall leadership of events had to remain with the Informal General Staff in Rio de Janeiro, where General Golbery, head of the group in IPES in charge of strategic preparation, was already operating, and in São Paulo with General Agostinho Cortes, head of the IPES group operating in the sector of Armed Forces and Intelligence.

One of the first moves by the IPES leadership was to withdraw the support General Mourão was receiving from the activists of São Paulo by way of free airline tickets, thus curtailing the effectiveness of his military articulations, which required a great degree of mobility as well as monetary support.¹⁶² The withdrawal of free airline tickets was a great blow if one considers the enormous geographic distances between Porto Alegre, Curitiba, São Paulo, Belo Horizonte and Rio de Janeiro, an area almost comparable in size to western and central Europe.

General Mourão began to feel the crunch. Major Figueiredo and Colonel Ramiro Tavares, two appointees to his 'general staff' recommended by IPES/ESG people, were singled out by General Mourão as the cause for the inefficiency of his general staff. General Mourão felt that 'they were out to destroy him' without really knowing who was blocking his military efforts. By June 1963, General Mourão complained bitterly that even Julio de Mesquita Filho, who had paid so much attention to him in the past, began to cool down their relationship. Only later did he come to know that this was the work of IPES Lieut. Col. Resteel, who as military adviser of Julio

de Mesquita Filho's action unit and as the military articulator for IPES among the middle rank officers in the IIInd Army, was destroying General Mourão's prestige as a military conspirator among his fellow officers and entrepreneurs. Thus, another source of monetary support to General Mourão for his military articulations was hampered, even closed, as the committee which had pumped money into his activities was headed by Mesquita Filho.¹⁶³

The following incident illustrates the form in which IPES sought the control of parallel movements or factional conspiracies and pre-empted General Mourão's own action within the IIInd Army. General Mourão had been attempting to subvert the younger officers, many of them in command of troops, of the IIInd Army. In this endeavour he relied on the work of Major Ner A. Pereira and Major A. Nakashima. The former was General Mourão's man and his link with Colonel José Canavó Filho, who as Major Ner Pereira's neighbour maintained his home as one of the secret headquarters of the civilian staff where police, navy and air force officers met. Major Pereira and Major Nakashima established a wide network of support among the lower rank officers. Meetings were held at Juvenal Sayão's house. The core of the group amounted to approximately 70 officers.¹⁶⁴ Parallel to this action, IPES General Agostinho Cortes, as head of the military staff of General Dalisio Menna Barreto and co-ordinator of the military action of IPES in São Paulo, was also promoting subversion within the younger officers of the IIInd Army. A key element in this action was Lieut. Col. Resteel,¹⁶⁵ who headed an action unit composed of Colonel Cid Osorio, Lieut. Col. Buitrom, Lieut. Col. Ayrton Cartaxo, Major Ismael Armond, Major Geraldo Franco, Major Ruy Machado, Captain Rubens Franco, Captain Herbes Franco, Lieut. Ruy Arruda and Lieut. Queiroz. Lieut. Col. Resteel's unit received

the support of a unit of civilians led by IPES activist Eduardo Levy and IPES entrepreneur José Carlos da Costa Marques (a director of Wyllis and member of the Paulo Quartim action unit).¹⁶⁶

Major Pereira was contacted by Major Geraldo Franco, of Lieut. Col. Resteel's unit. Major Franco suggested to Major Pereira that Lieut. Col. Resteel and his group join the conspiratorial action of General Mourão's men. Lieut. Col. Resteel had already been suggested as link-man to the members of the civilian staff by the IPES leaders Antonio Carlos Pacheco e Silva and Octavio Marcondes Ferraz, on account of his performance as a link-man with IPES leader Roberto Levy's unit and also with Julio de Mesquita Filho and Herbert Levy. With Lieut. Col. Resteel becoming part of the group, the weekly Friday night meetings which were held at Sayão's home soon began to take place at the home of Eldino Brancante instead, where the plotters met together with members of the Public Force of São Paulo. Lieut. Col. Resteel brought into the group new ideas about leadership and forms of action, as well as his own men. He opposed the formation of a Council, Commission or a Junta, ideas which were floated by Major Ner Pereira, and supported by General Mourão, and favoured instead the establishment of a Central Command. Instead of impulsive attitudes, he supported methodical planning and the insertion of their activities, co-ordinated in São Paulo, as part of a general strategic plan co-ordinated in Rio, of which Lieut. Col. Resteel became the link. After patient work by Lieut. Col. Resteel and his unit, their view won over the officers and Major Ner Pereira was ousted from the leadership, withdrawing from the group into isolated conspiracy.¹⁶⁷

By August 1963, General Mourão was left with no effective command in the middle and lower echelons of the officer corps.

The military in the IIInd Army headed by General Kruehl¹⁶³ were involved instead in the movement articulated by Lieut. Col Resteel, General Cordeiro de Farias and General Nelson de Mello. This movement was co-ordinated by General Agostinho Cortes, leader of the IPES São Paulo based action group operating in the sector of Armed Forces and Intelligence, and the head of the information and intelligence section of the paulista civilian-military staff formed after the already mentioned November 1961 meeting in Rio. General Agostinho Cortes' home was a centre of information and intelligence supported by the IPES/IBAD network of military and civilians. Through him were co-ordinated the efforts and activities of IBAD Marshal Ignacio Rolim; Colonel Antonio Carlos de Andrade Serpa and Colonel Cid Augusto Osorio (both link-men with Colonel Jayme Portella), General Aldevio Barbosa de Lemos, General Reynaldo Saldanha da Gama, Lieut. Col. Resteel, General Ivanhoé Gonçalves Martins (who was by then acting as the permanent representative of General Cordeiro de Farias) and that of Colonel Lauro Rocca Diegues, head of the Intelligence Section of the IIInd Army.¹⁶⁹

In spite of all his efforts, General Mourão remained isolated in his military conspiracy, while the civilian-military staff under General Menna Barreto thrived.

At the end of August 1963, General Mourão was unexpectedly displaced to the command of the 4th Military Region and 4th Division of Infantry of the 1st Army, headquartered in Juiz de Fora, state of Minas Gerais.¹⁷⁰ This transfer was a blow for the plotters in São Paulo and other parts of the country, including Minas Gerais, on two accounts. Firstly, General Mourão had long been in the sight of the Executive as a rather conspicuous, though ineffective, conspiratorial candidate. Thus, the attention drawn to his personality

and activities allowed for other figures, such as General Agostinho Cortes and Lieut. Col. Resteel to develop and continue their quiet and effective action in São Paulo, largely unmolested and far away from the counter-intelligence of Goulart. On the other hand, his transfer to an army unit stationed at half the distance from Rio than that of his former São Paulo base and with more troops under his command was of great concern to IPES/IBAD. An impulsive march on the former capital by General Mourão could create serious problems for the attempts by IPES/ESG to control events and carry out a successful coup.¹⁷¹ The consequences of such an impulsive action could prove disastrous, by disrupting the carefully evolved IPES/ESG strategy. Furthermore, in Juiz de Fora, General Mourão was within the sphere of influence not only of the governor of Minas Gerais, José de Magalhães Pinto, who as potential presidential candidate for 1965 was thus suddenly presented with a circumstantial ally and trump card to wield in the regional power game, but also within easy reach of officers who responded to General Costa e Silva, a leading trouper officer,¹⁷² who did not share the IPES/ESG values. Moreover, the move of General Mourão to Minas Gerais could also spoil the carefully elaborated connections that activists of IPES Belo Horizonte had established with other military in Minas Gerais, especially General Bragança, and General Carlos Luis Guedes,¹⁷³ who, besides his direct connections with the leaders of IPES Belo Horizonte, was also linked to the IPES São Paulo staff through the mediation of André Telles de Mattos, a member of General Agostinho Cortes' group, as well as through Nemesio Bailão and Carlos Eduardo D'Alamo Lousada.¹⁷⁴

Arriving in Minas Gerais, and immediately after taking over his new command, General Mourão made contact with General Guedes,

to whom he confided his operations in São Paulo. In September 1963, General Guedes and General Mourão had a meeting with Governor Magalhães Pinto, where the formation of a 'revolutionary General Staff' was discussed. Subsequently, General Mourão and Guedes established operational links with Colonel José Grealdo de Oliveira, commander of the Military Police of Minas Gerais and with Colonel Afonso Barsante dos Santos, head of the General Staff of the Military Police.

Soon after his arrival, General Mourão had a meeting with Colonel Antonio Carlos de Andrade Serpa, recommended to the former by Colonel Portella, who belonged to General Costa e Silva's group. When General Mourão asked his advice on whom to involve in his new staff, Colonel Serpa indicated Lieut. Col. Everaldo José da Silva, also linked to Colonel Portella. Days later, Lieut. Col. Everaldo provided General Mourão with the names of eight officers who became the latter's general staff.¹⁷⁵ General Mourão was suddenly being propped up by General Costa e Silva's group, who attempted to co-opt him. However, in General Mourão's staff was a Major José Ramos de Alencar. Major Alencar was linked with IPES leader Augusto Frederico Schmidt, who took it upon himself to destroy General Mourao's prestige with the young officers.¹⁷⁶ A similar pattern to that of São Paulo was established with IPES/ESG elements attempting to sap away at General Mourao's authority - which in the end proved to no avail - as well as attempting to incorporate him in the plotting of the civilian-military movement of Minas Gerais. As seen previously, the civilian-military movement had been organized by the IPES-Belo Horizonte and connected to General Carlos Luis Guedes. Naively, General Mourão believed he had been responsible for the formation of the civilian-military movement in Minas Gerais.

In January 1964 General Mourão went on holiday, while General Guedes took over the command of the 4th Military Region staying in Juiz de Fora and overseeing the development of the plotting. Towards the end of January General Guedes attended what became a crucial meeting of representatives of the 'conservative classes' (sic) which took place at the Edifício Acaiaca, the most important office complex in the centre of Belo Horizonte and which housed the headquarters of IPES.¹⁷⁷ Among the representatives of the entrepreneurs and professionals present at this meeting was the entire executive leadership of IPES, and a number of activists, part of the 'atuante grupo revolucionário' mentioned earlier on, namely: Jonas Barcellos Corrêa, Josafá Macedo, Rui de Castro Magalhães, Aluisio Aragão Villar, Laercio Garcia Nogueira, and the entire directorship of Cia. Siderúrgica Belgo-Mineira and its subsidiaries, namely: Joseph Hein Francisco Pinto de Souza, Elmo Alves Nogueira, Henrique Guatimozim, Geraldo Parreiras, Antonio Chagas Diniz (also a director of Cia. Fiação Tecidos Santa Rosa, Comercial Santa Rita S/A, Fundação Santa Fé and Máquinas Agrícolas Altivo S/A) and Antonio Mourão Guimarães (who was also director of Banco de Minas Gerais S.A. and Banco Mercantil da Guanabara).¹⁷⁸ Furthermore, the following influential entrepreneurs were also present: José Neto de Oliveira (Banco Comércio e Indústria de Minas Gerais S.A.), Edwin May (Cia. Siderúrgica Mannesman, Cia. Siderúrgica São Caetano, Mannex do Brasil S.A., Mannesmann Mineração S.A.), Caetano Nascimento Mascarenhas (Cedro e Cachoeira Têxteis, Cia. Industrial de Estamparia), Antonio Mascarenhas Barbosa, Alexandre Diniz Mascarenhas (Cia. Industrial de Estamparia), Decio Magalhães Mascarenhas (Cia. Industrial Belo Horizonte), João Renó Moreira (Cooperativa Central dos Produtores Rurais de Minas Gerais Ltda., Metalgráfica Mineira S.A.), Avelino Menezes (Frigorífico SIPA S.A.), Francisco Menezes Filho (Frigorífico SIPA S.A.), Américo R. Giannetti and Murillo Giannetti (Fábrica de Papel Cruzeiro S.A., Imobiliária Mineira S.A., Celulose e Papel Minas Gerais S.A.), Oswaldo Pierrucetti

(Banco de Crédito Real de Minas Gerais S.A. and a close political associate of Governor Magalhães Pinto), Dario Gonçalves de Souza (Cia. Industrial Itaunense), Romualdo Cançado Neto (Casa Comercial Romualdo Cançado S/A, Commercial Association of Minas Gerais), Nansen de Araújo (Cia. Brasileira de Instrumentos Científicos, Commercial Association of Minas Gerais), Paulo Sousa Lima (construction business), Rui Lage (Sociedade Corretora de Títulos), lawyers Bento Romeiro and João Romeiro, Padre José Cândido de Castro, General Elcino Bragança, Gabriel Bernardes Filho (Cia. Força e Luz de Minas Gerais), lawyer Rubio Ferreira de Souza, and José Luiz Andrade (Fundo Crescinco).¹⁷⁹ The meeting was chaired by IPES leader Aluisio Aragão Villar, who, according to General Guedes, stimulated extra-legal action and called for military intervention.

At the Acaiaca meeting (as it came to be known), General Guedes had been insistently canvassed by the entrepreneurs and the professionals of IPES, so that the commanding officer and the military in Minas Gerais would commit themselves firmly and actively to an offensive operation against the government. General Guedes was also shown proof of the firm support of the entrepreneurs by their very presence at the meeting and their outspoken attitudes. General Guedes' answer was that the entrepreneurs should 'take over the streets from Jango'. General Guedes stressed that once public opinion had been mobilized by the entrepreneurs against the government, 'we, the military, as part of the people, though armed, would simply use our weapons for what we were created, the defence of "internal security"' threatened by the left.¹⁸⁰ This was a similar scheme to that elaborated in November 1961 in Rio and equal to the one put into practice in São Paulo. The IPES leadership, through their civilian command and in conjunction with the media in Minas Gerais, in particular the Diários Associados,¹⁸¹ and a number of middle

class organizations of female activists, especially the Liga de Mulheres Democráticas, the Movimento Familiar Cristão, with the entrepreneurial associations FAREM and the Federation of Industries, with the Anti-Communist League, student organizations and para-military groups such as the UDN Estudantil and GAP, carried out similar operations to those developed in Rio and São Paulo and described earlier on. The propaganda campaign which sponsored manifestos in the press by professional associations - especially lawyers and medical doctors - TV and radio programmes, public rallies and marches organized by IPES-Belo Horizonte and its parallel associations culminated in February 1964 in the Prayer of the Terço, organized by Padre Peyton and the lay priest João Botelho and by the various female organizations.¹⁸²

The march, which publicly condemned Leonel Brizzola as an 'anti-Christ', also condemned the Goulart government and appealed for military intervention. The appeal of the Marcha do Terço was reinforced by the launching in March 1964 of the 'March with God, for the Family and for Liberty', in a similar operation to those carried out in São Paulo and Rio de Janeiro. Significantly, among those military heading the march were General José Lopes Bragança,¹⁸³ General Guedes himself, Colonel José Geraldo de Oliveira, Colonel Disocoro Valle and Lieut. Col. Joaquim Clemente.¹⁸⁴ The political climate in Minas Gerais had been made ready for the launching of a military movement against the central government.

It was from Juiz de Fora that General Mourão launched and precipitated the coup of March 31, 1964, by leaving his headquarters on what appeared to be a sudden change of mind supported by General Guedes, in spite of the careful monitoring to which he had been subject.¹⁸⁵ The worst fears of the Informal General Staff of Rio

de Janeiro had been confirmed and thus a neatly and carefully elaborated campaign of the IPES/ESG compound, set to take power in an orderly and complete manner, was hampered as unexpected political actors were cast into central roles in the scramble for power which followed General Mourão's hasty departure from Juiz de Fora.¹⁸⁶ The Informal General Staff in Rio was promptly informed of General Mourão's departure and quickly decided to support the move, in order to avert the military intervention of the central government crushing the incipient insurrection and perhaps making it an excuse to move against the IPES/ESG group as well.¹⁸⁷ Furthermore, the IPES/ESG Informal General Staff had to move quickly to pre-empt undesired consequences of General Mourão's move, namely the projection of politicians and military who, while opposed to Goulart, did not share the values and goals of IPES/ESG. Nevertheless, the damage had been done. The complete dominance of the ESG within the Army hierarchy had been thwarted, and troupiier General Costa e Silva, supported by a host of middle rank officers and right-wing extremists, became Minister of War, a post for which General Jurandir B. Mamede had been groomed.¹⁸⁸ General Costa e Silva's take-over of the Ministry of War became a most important political fact against both IPES and ESG.¹⁸⁹ However, in spite of this setback, the IPES/IBAD organic elite was able to establish itself at the helm of the state and occupy the key posts of the civilian bureaucracy and the technocratic administration, while the ESG was slowly but surely able to out-maneuvre most of its opponents and in the long run to control most of the military commissions in key military posts, as well as gaining an ascendant position in the schooling and indoctrination of the Armed Forces. In any case, as IPES propagandist Wilson Figueiredo, the editor of Jornal do Brasil, wrote: 'the sweets are

not for him who makes them, but for him who eats them',¹⁹⁰ and although General Mouraõ had launched the coup, it was undoubtedly the IPES/IBAD organic elite which reaped the fruits of victory, as the following chapter attempts to indicate.

Conclusion

I have attempted to describe in this chapter the wide-spread network of support which IPES/IBAD had gained within the Armed Forces and also from retired military. Some of the most influential officers were 'Ipesianos' and 'Ibadianos' and they played a significant part in the preparation and implementation of the civilian-military movement which toppled Goulart.

Furthermore, I have attempted to describe the participation of IPES/IBAD civilians and military officers in the civilian-military movement which removed President Goulart from office and marked the end of the populist regime. The articulaçaõ of so many disparate actors and factions, such as the ESG hard-liners, the right-wing extremists and the 'traditionalists' made aware of their common interests by IPES activists, was accomplished, so it seems, without even the different participating groups' full awareness and understanding of the wider national implications and the full political and economic significance which the role of IPES/IBAD impressed upon events.

IPES/IBAD were at the centre of events as link-men and as organizers, of the civilian-military movement, as material supporters and preparing the appropriate climate for military intervention, and here lies the last point I have attempted to emphasize, namely, that what occurred on March 31, 1964 was not a military coup. It was, as

mentioned earlier on, a civilian-military movement. I have argued and attempted to show in the previous chapters as well as in this one what General Cordeiro de Farias himself acknowledged, namely, that the successful movement of 1964 was 'highly political and civilian in formation and execution.'¹⁹¹ The organic elite had throughout Goulart's presidency helped to steer the Brazilian state towards a situation in which a proto-Bonapartist intervention by the Armed Forces could be envisaged by a large number of the military as a suitable resolution of the contradictions of Brazilian society and government. IPES/IBAD and their fellow officers of the ESG organized the take-over of the state apparatus and established a new relation of political forces in power.

Footnotes Chapter VIII

- 1 Of an especially secretive nature were the preparatory manoeuvres for the coup itself, the plotting between the different and numerous officers involved, and above all, their linkages with the IPES/IBAD network. These links were denounced from time to time in the early 1960s by political opponents and have come to light in recent writings. In IPES documents, in most cases military officers were individualized by their initials. Among the recent memoirs by military officers which provide extremely useful information and which will be used extensively in this section are: General Olympio Mourão Filho, Memórias: A Verdade de um Revolucionário, edited by Helio Silva (Porto Alegre, L&PM, 1978); Carlos Luis Guedes, Tinha que Ser Minas (Rio de Janeiro, Editora Nova Fronteira, 1979); and Jayme Portella, A Revolução e o Governo Costa e Silva (Rio de Janeiro, Guavara Editores Ltda., 1979).
- 2 Fragmented information about the plotters and some account of the entrepreneurial-military movements are to be found in: Moniz Bandeira, O Governo João Goulart (Rio de Janeiro, Editora Civilização Brasileira, 1977); Moniz Bandeira, Presença dos Estados Unidos no Brasil (Rio de Janeiro, Editora Civilização Brasileira, 1973); Helio Silva, 1964: Golpe ou Contragolpe? (Rio de Janeiro, Editora Civilização Brasileira, 1975); José Stacchini, Março 64: Mobilização da Audácia (São Paulo, Companhia Editora Nacional, 1965); Hernani D'Aguiar, A Revolução por dentro (Rio de Janeiro, Artenova, 1976); Alfred Stepan, The Military in Politics: Changing Patterns in Brazil (Princeton, Princeton University Press, 1971); Phyllis Parker, 1964: O Papel dos Estados Unidos no Golpe de Estado de 31 de Março (Rio de Janeiro, Editora Civilização Brasileira, 1977); John W. F. Dulles, Unrest in Brazil (Austin, University of Texas Press, 1970); John W. F. Dulles, Castello Branco: The Making of a Brazilian President (Austin, University of Texas Press, 1978); Joaquim Justino Alves Bastos, Encontro com o Tempo (Porto Alegre, Editora Glóbo, 1965); George W. Bemis, From Crisis to Revolution: Monthly Case Studies (Los Angeles, University of Southern California, 1964); Mauro Borges, O Golpe em Goiás (Rio de Janeiro, Editora Civilização Brasileira, 1965); Glaucio Carneiro, Historia das Revoluções Brasileiras Vol II (Rio de Janeiro, Edições O Cruzeiro, 1965); Alberto Dines et al., Os Idos de Março e a Queda em Abril (Rio de Janeiro, José Álvaro Editor, 1964); Carlos Castello Branco, Introdução a Revolução de 1964 Vol I and II (Rio de Janeiro, Editora Artenova S.A., 1975); General Olympio Mourão Filho, Memórias.... op cit.; Araken Távora, Brasil, 1 de Abril (Rio de Janeiro, Bruno Buccini, 1964); Araken Távora, How Brazil Stopped Communism (Rio de Janeiro, Gráfica Vida Doméstica, 1964); Odilio Denys 'Denys Conta Tudo', Separata of interview to Fatos e Fotos, May 2, 1964; Edmundo Moniz, O Golpe de Abril (Rio de Janeiro, Editora Civilização Brasileira, 1965); James W. Rowe, The Revolution and the 'System' - American University Field Staff Reports AII Nos.3,4,5 - July and August 1966; Philip Siekman, 'When Executives Turned Revolutionaries', Fortune, September 1964; Clarence S. Hall, 'The Country that saved itself', Separata of Reader's Digest, USA, 1967, pp.133-153.

I have drawn heavily from these partial accounts, and with the added knowledge accruing from documents in the IPES archives I have attempted to reconstruct connections which have hitherto

cont/....

not been established, and which gain an added significance, once the participants' affiliation to IPES/IBAD is known. Although many of these accounts conflict in the description of events and on some points of understanding of the process leading up to the coup, they have one important thing in common. They all point to the centrality of IPES/IBAD military officers, entrepreneurs and politicians in the campaign that led to the coup. In many cases the focal role of IPES in particular is made explicit, in other cases the Institute is not mentioned as such, although the political actors, both military and entrepreneurs involved in key operations or highlighted as central figures, are IPES/IBAD leaders and activists.

- 3 Articulação is a word widely used by Brazilians, indicating the intimate connections and links established by individuals and groups in order to set common directives for their movements against a particular common adversary. Articulação is an essential factor in the plotting and conspiratorial activities of any faction, group or movement. For the purpose of this chapter, we shall translate articulação as co-ordination and integration.

- 4 The American Embassy also played a part "in making disparate but sympathetic civilian and military groups aware of one another and of the government's treachery". (Riordan Roett, Brazil in the Sixties (Nashville, Vanderbilt University Press, 1972), pp.90-92). In these operations, stood out Colonel Vernon Walters, the Military Attaché of the American Embassy, who co-ordinated intelligence operations in Brazil. A report of SFICI, the counter-intelligence service of the Army, stressed Colonel Walters' involvement. In M. Bandeira, O Governo..., op.cit., p.129 see 14-6 and J. Portella, op.cit., p.175.

- 5 The external connections which the IPES leadership had were highlighted by the visit of a US-American Inter Agency Survey Team to Brazil, in October 1962, headed by Ambassador William H. Draper. The Survey Team included Major General Douglas V. Johnson (Department of Defence); Ludwell L. Montague (CIA); Thomas E. Naughton (AID); C. Edward Wells (USIA); Henry J. Constanzo (Treasury Department) and William B. Connett Jr., (Department of State). They visited Rio, São Paulo and the Northeast, and were supported in their activities by the US envoys in Brazil. This team met in São Paulo, through a series of stag dinners, working lunches and through personal contacts, for the exchange of ideas on the political conjuncture. The following IPES leaders were present: Teodoro Quartim Barbosa, Gastão E. Bueno Vidigal, Paulo R. Magalhaes, Fernando E. Lee, Vicente de Paula Ribeiro, Paulo Ayres Filho and Humberto Monteiro. They also met Qurino Ferreira Neto (director-vice president of Folha de São Paulo and director of Agua Fontalis S/A), Bruce S. Galbraith (assistant general manager of Alba S.A./Borden), Walter H. Gussenhoven (managing director of General Motors do Brasil), Francis L. Herbert (Cia. Swift do Brasil), Joseph H. Jones (director-general manager, Union Carbide do Brasil), John S. Richards (president of RCA Eletrônica Brasileira and president of the American Chamber of Commerce for Brazil-São Paulo), Francisco de Paula Vicente Azevedo (vice president of Banco

Comercial do Estado de São Paulo S.A.). Furthermore they saw Adhemar de Barros, governor elect of São Paulo; General Pery Bevilacqua, commander of the Brazilian Second Army; and General Aurelio de Lyra Tavares, commander of the Brazilian Second Military Region; Maria da Conceição da Costa Neves, São Paulo deputy and who would eventually become an ostensible leader of the 'March of the Family'; Antonio de Barros Ulhoa Cintra, rector of the University of São Paulo; and Ruy Mesquita, son of Julio de Mesquita Filho, the editor and owner of O Estado de São Paulo and himself a director of the newspaper. 'Ambassador' Draper was in reality General William H. Draper (reserve) of the U.S.A. Army, travelling under diplomatic cover. General Draper kept in touch with IPES, visiting its leadership after the coup. Airgram to Department of State, from Daniel M. Braddock, American Consul General in São Paulo - October 19, 1962 - No A-109 - NSF in JFK Archive. See also J. Portella, op.cit., pp.174-131.

- 6 In one of the meetings held by General Draper's team during their fact-finding mission to Brazil, John Richards, president of the São Paulo American Chamber of Commerce expressed his grave concern over the political and economic future of Brazil. Richards said "that he believed Goulart was an extremely dangerous person and suggested that the United States Government should force the economic collapse of Brazil by cutting off all aid to the Goulart Administration and thereby bringing about the downfall of Goulart himself. At this point the military would hopefully step in and 'correct the existing conditions'." Reinforcing his argument, Richards added that "he could see little possibility that the United States would be able to place advisors in key financial institutions in Brazil". - Airgram to Department of State, from Daniel M. Braddock, American Consul General of São Paulo, October 19, 1962 - No A-109 - NSF, in JFK Archives. IPES leaders were in contact with the American government at other levels. Ambassador Lincoln Gordon noted that IPES leader Alberto Byngton (an American-Brazilian of the paulista city of Americana) was sent to Washington, as emissary of the anti-Goulart forces, in March 1964. Before he returned to Brazil, on the 21st of the month, he had asked the US authorities for an emergency and contingency plan to provide logistical support for the movement against Goulart. The contingency plan which the US government prepared became known as 'Operation Brother Sam'. For information on 'Operation Brother Sam', see Marcos Sá Correia, 1964: Visto e Comentado pela Casa Branca (Porto Alegre, L&PM, 1977) which reproduces a series of important documents available at the Lyndon Johnson Library in Austin, Texas; P. Parker, op.cit.; Vernon Walters, Silent Missions (USA, Doubleday, 1978); A. J. Langguth, Hidden Terrors (New York, Pantheon Books, 1978); Jornal do Brasil, December 13-20, 1976 Lincoln Gordon, Interview with Roberto Garcia, in VEJA, March 9, 1977.
- 7 On 5th February 1962, at a meeting of the Comissão Diretora of IPES, Glycon de Paiva and José Rubem Fonseca posed the question of the 'lethal equation IPES-MAC' and commented on the stress their friend A. Nasser, the Minister of Justice, was undergoing once the issue had been made public. Every effort had to be made so that the association IPES-MAC was not envisaged by the public. Antonio Galloti reminded those present that "Each member

of IPES accused of belonging to MAC has to defend himself. But in his defence, neither positively nor negatively should he make the least reference to IPES." The matter was again raised a week later on 12th February 1962 by Nei Peixoto do Vale, who took care of the public image of IPES as Promotion and Propaganda executive. He was worried that General Golbery was publicly considered to be a man of the right, linked to those elements. See also Pênio de Abreu Ramos, Como Agem os Grupos de Pressão (Rio de Janeiro, Editora Civilização Brasileira, 1963), pp.43-44.

- 3 Several other similar groups and organizations came into existence in the early nineteen sixties, such as the Anti-Communist Movement - MAC; the Brazilian Democratic Movement - MDB; the Vigilante Action of Brazil - AVB; the Patrol of Democracy, the Anti-Communist Organization of Paraná - OPAC; the Democratic Mobilization of Minas Gerais - MDM; the Crusade of National Democratic Leadership - CNLD; the Group of Patriotic Action - GAP; and LIDER. The CNLD had as its targets the indoctrination of the 'classes dirigentes capitalistas', while at the same time it aimed to penetrate the working classes. See signed document of CNLD in IPES Archives - Rio de Janeiro. The OPAC/IBAD/IPES/MAC groups held meetings in Curitiba, capital of the state of Paraná, at the Edifício ASA (where Bronislaw Roguski of the CBR had his basis), at the headquarters of SESC/SENAC, at the Círculo de Estudos Bandeirantes, at SESI, at the headquarters of the PRP and at the Commercial Association of Paraná. See Moniz Bandeira, Presença... op.cit., p.453; O Semanário No.375, March 12-13, 1964, p.5; IPES Minutes March 27, 1962; IPES CD 23th August 1962 and IPES CD, 16th October 1962; Política e Negócios, August 19, 1963.
- 9 On the special training received by military and police to deal with civilians, see A. Langguth, op.cit., especially Chapters II-V; Jan Knippers Black, United States Penetration of Brazil (Manchester, Manchester University Press, 1977), Chapter IX; The U.S. Military Apparatus, NACLA handbook, Berkeley, August 1972.
- 10 Permanent contacts between entrepreneurs, friendly journalists and politicians with the Armed Forces were stimulated by the organic elite. Rui Gomes de Almeida, as a leading entrepreneurial figure not publicly associated with IPES nor with its subversive activities, was a key element in these contacts. From one encounter Rui Gomes de Almeida was able to report to the IPES leadership that he spoke with General Osmino Ferreira Alves, commander of the 1st Army and a reputed nationalist. Almeida confided to Osmino that he was a man of the 'dynamic not static' centre 'esquerdisante = leaning towards the left). However, Almeida emphasized that "tomorrow (the military) might have to choose, but in the executive they must" admit only men of the centre. Almeida added that "if I have to choose between communism and dictatorship, I will stay with the right" - IPES CD Rio, 22nd May 1962 and IPES CD 4th September 1962. According to Antonio Carlos do Amaral Osorio, contacts were also kept with other influential military officers, such as General Crisanto and General Jair Dantas Ribeiro. See also Octavio Costa, 'A Revolução que não tem Dono' in O Processo Revolucionário Brasileiro (Rio de Janeiro, AERP, 1969), pp.60-61.

- 11 There were a number of factional conspiracies. A report from the American Embassy in Rio noted that "Anti-regime plotting going on in the Brazilian military includes, but is not limited to, the IIInd Army or Second military region. Current plotting is typically Brazilian in not being unified and in suffering from the presence of too many would-be leaders. All groups, however, of which we know, recognized a need for any such movement to be country wide." Telegramme from Ambassador Lincoln Gordon to Secretary of Department of State - Control 13462, No 2275 - May 22, 1963 - NSF in JFK Archives.
- 12 P. Schmitter, Interests, Conflict and Political Change in Brazil (Stanford, University of California Press, 1971), p.360.
- 13 IPES CD Rio 26th June 1962. Meeting held by General Golbery do Couto e Silva, General Heitor Herrera, Augusto Trajano de Azevedo Antunes, Harold Cecil Polland, Jorge Oscar de Mello Flores, Glycon de Paiva, Miguel Lins, José Rubem Fonseca, Oswaldo Tavares Ferreira, Cândido Guinle de Paula Machado, Antonio Carlos do Amaral Osório and Dario de Almeida Magalhães.
- 14 Most records of the meeting of IPES would avoid mentioning the participation of military officers and the nature of their activities. Furthermore, when activities in which military officers were involved were mentioned, the presence of the military was indicated by initials. Thus, on August 23, 1962, a certain General H.G. is mentioned as being at one of the IPES executive meetings to inform on the situation. See also IPES CD Rio 7th August 1962.
- 15 This was made clear from evidence presented to the Parliamentary Commission of Inquiry of 1963, which investigated IPES/IBAD. Letter from Colonel Astrogildo Corrêia to the CPI, presented on August 23, 1963, in OESP, August 24, 1963.
- 16 IPES CE 20th November 1962 - J.B. Leopoldo Figueiredo.
- 17 According to Glycon de Paiva, General Golbery had been hired to direct a "variety of operations less academic in nature than those usually credited to IPES". See Elmar Bones, 'Golbery, Poder e Silencio' in Coojornal (Porto Alegre, September 1973), p.20. See also James Rowe et al., Brazilian Election Fact Book No.2, September 1965, p.32.
- 18 Marshal Cícilio Denys, in João Camillo de Oliveira Torres, Razão e destino da Revolução (Petrópolis, Editora Vozes, 1964), pp. 225-230.
- 19 E. Bones, op.cit., p.20.
- 20 IPES encouraged rapport between military officers and entrepreneurs through political courses administered in prestigious social and cultural clubs and in other locales, as seen in Chapters V and VI.
The entrepreneurs of IPES/IBAD provided means for the military to travel and provided military officers engaged in the anti-Goulart movement with material support and financial backing, as shall be seen in this chapter.

- 21 The interaction between entrepreneurs and military was so intense that even the influential document 'LEEX - Lealdade ao Exército' (Loyalty to the Army), a text which intended to harmonize the various factions, was mimeographed in the offices of Cruzeiro do Sul, one of the national airlines, under the initiative of its director, IPES leader Bento Ribeiro Dantas. For an appreciation of the contents and the impact of LEEX, see J. Stacchini, op.cit., pp.30-36. It is interesting to note that the author of this document was General Ulhoa Cintra, and that General Cordeiro de Farias went over the draft. General Olympio Mourão Filho, op.cit., pp.411-412. General Castello Branco also went over the basic draft and introduced some changes. Interview of Marshal Cordeiro de Farias with R. A. Dreifuss, Rio de Janeiro, 1976. See also M. Bandeira, O Governo...., op.cit., p.161.
- 22 Octavio Marcondes Ferraz - Testimony given in São Paulo on October 20, 1971. In HACB 362/1 - President Castello Branco papers - CPDOC. Marcondes Ferraz was compensated for his efforts. He became one of the very few members of the organic elite of São Paulo to actually hold a top ranking office in the 1964-1967 administration.
- 23 Colonel Hernani D'Aguiar, an active participant of the plotting against Goulart, as a member of the ECEME and a member of the Permanent Body of the ESG since 1970 singled out the following civilians 'who participated in the different stages of the conspiracy': Osvaldo Pierucetti, Monteiro de Castro, José Luiz de Magalhães Lins, Antonio Neder, Antonio Balbino, Camilo Aschar, José Maria Alkmim, Irmã Ana de Lourdes, Laudo Natel, Lucas Nogueira Garcés, Julio de Mesquita Filho, Armando Falcão, Roberto de Abreu Sodré, Aliomar Baleeiro, Luiz Carlos de Oliveira, Amaral Netto, Paulo Quartim Barbosa, Teodoro Quartim Barbosa, Hugo Levy, Robert Isnard, João de Almeida Prado, Sergio Barbosa Ferraz, Luiz Pinni Neto, Claudio Soares, Flavio Galvão, André de Faria Pereira Filho, Eugenio Gudín, José Prudente de Moraes Neto, José Zoberan Filho, Sandra Cavalcanti, Padre Calazans, Arnaldo Cerdeira, Adauto Cardoso, Dayl de Almeida, Afonso Arinos, José Eduardo Prado Kelly, Milton Campos, Edmundo Falcão, Augusto de Lima Neto, Pedro Aleixo, Assis Chateaubriand, Américo de Souza, Herman de Moraes Barros, Herbert Levy, Rondon Pacheco, Ribeiro de Andrade, Luiz Antonio Gama e Silva, Paulo Ayres Filho, Paulo Egydio Martins, Alfredo Nasser, Emival Caiado, Coelho de Souza, Octavio Marcondes Ferraz, Luiz Carlos Prado, Carlos Eduardo D'Alamo Lousada, Rodolfo de Freitas Filho, Luiz Werneck, Aristóteles Drummond, Frederico Viotti, Daniel Krieger, Eldino Brancante, João Adelino Prado Neto, Humberto Golfi, Silvio Luciano de Campos Arruda Câmara, Murilo de Melo Filho, Roberto Marinho, Ricardo Marinho, Rogerio Marinho, Helio Fernandes, Sergio Lacerda, Sebastião Lacerda, Arnaldo Vieira de Carvalho, Sergio Broteiro Junqueira, Gustavo Borghoff, Adalberto Bueno Neto, João Baptista Leopoldo Figueiredo, Antonio Carlos Pacheco e Silva, Daniel Machado de Campos, Paulo Reis Magalhães, Eduardo Levi Filho, José Ely Coutinho, Vicente Mammana Neto, Marcelo Garcia, Rafael de Almeida Magalhães, David Nasser and João Calmon. In H. D'Aguiar, op.cit., p.107 The presence of the IPES leadership is obvious as well as that of many activists in the sectors of Public Opinion and Syndical and Student matters. Many of these names have already been mentioned in the previous

chapters. Most of them will be mentioned again in this chapter.

- 24 H. Silva, op.cit., p.250.
- 25 Colonel Octavio Velho was appointed to the Serviço Noticioso of the Agencia Nacional (the news service of the National Radio Agency). He had been in the Ministry of Justice, under Janio Quadros, was a member of the Comissão Técnica do Radio and a director of Mesbla S.A., the giant retail house in Rio de Janeiro which financed IPES. Colonel Octavio Velho was also a member of IPES study groups.
General Agostinho Cortes was one of the officers who retired prematurely and went to head the military-civilian operations of IPES São Paulo.
- 26 Colonel Geraldo Cavagnari Lesbat Filho first called my attention to the role of General Mamede and the importance of the ECEME in the events that led to April 1, 1964. Interview at ECEME, October 1976. Under the command of General Mamede and General João Bina Machado at the ECEME were about 400 officers who, with few exceptions, supported the activities against Goulart. Among the activists at the ECEME were Lieut. Col. João Baptista Figueiredo, Lieut. Col. Octavio Medeiros, Lieut. Col. Walter Pires de Carvalho e Albuquerque, Major Helio Mendes, Major Hernani D'Aguiar, Major Venturini, Lieut. Mario Silva O'Reilly Souza who were figures of prestige among army officers. See J. Portella, op.cit., pp.63-34, on the significance of the ECEME, and chapters IV-V on the role of the ECEME during the events that led to April 1, 1964.
- 27 J. W. Rowe, op.cit., p.15.
- 28 Carlos Castello Branco, 'La Conspiração a Revolução', in A. Dines et al., Os Idos....., op.cit., pp.237-306. See also J.W. Rowe, op.cit., p.14.
- 29 Interview with General Albuquerque Lima - Rio de Janeiro, May 1976. See also J. Portella, op.cit., p.3+.
- 30 ESG General Agrícola Bethlem was a director of Codinco - Comp. de Desenvolvimento Industrial e Comercial and of Cia. Atlântica de Investimentos, Cifra S.A., Cota S.A., Consórcio Atlântico de Investimentos. He was also a leading member of ADECIF, the class association of the credit, finance and investment corporations.
- 31 General Montagna was an executive of Willys Overland.
- 32 'Orlando Geisel, Morreu o Condestável do Regime', in ISTO É, No.123, June 6, 1979. IPES Rio telephone bills were invoiced to General Henrique Geisel, who by then was in private business.
- 33 General Esmeraldo was the uncle of Vicente Barreto Esmeraldo, who became a close friend of General Ernesto Geisel rising rapidly through the public administration and becoming a top bureaucrat after 1974.
- 34 Brigadier H. Fleiuss became director of the financial group SAFRA S.A., and of Safron Teijin Ind. Brasileira de Fibras (Teijin Ltd./Marubeni Corp./SAFRA S.A.).

- 35 Both Brigadier Batista Bastos and Admiral Augusto Silva were executives of ESSO Brasileira de Petróleo.
- 36 Colonel Vidal was a director of COMAQ.
- 37 Lieut. Col. Machado Doria was linked to Volta Redonda, Acesita, Companhia Siderúrgica Nacional and Itabira.
- 38 Other officers were Colonel Souza, of Cia. Ieste Mineira and Colonel Valente, of the paratroopers.
- 39 J. Knippers Black, op.cit., pp.75-76.
- 40 On September 9, 1963, Colonel Humberto Freire de Andrade, secretary of Public Security of Pernambuco, denounced 70 military officers in a letter to the then Minister of War, General Jair Dantas Ribeiro. See OESP November 3, 1963. For further information on the IPES/IBAD network among the military, see OESP July 19, 1963; July 20, 1963; July 26, 1963; October 25, 1963; and November 7, 1963. See also Pedro Aleixo, at the CPI on IBAD in OESP October 23, 1963. See also Plinio de Abreu Ramos, op.cit., p.76.

41 After 1964, General Nelson de Mello became a member of the financial group SAFRA S.A. and director of Ericsson do Brasil.

42 Other members of this network were Lieut. Col. Soares de Souza, Lieut. Col. Hudson, Lieut. Col. Varela, Lieut. Col. Cunha, Captain Lamartine (assistant secretary-ADEP-Guanabara), Capt. Joaquim Afonso, Capt. Jaime Antunes Lamir, Capt. Heitor Lopes Caminha, Capt. Sardenberg (nephew of ESG General Idalio Sardenberg, another active conspirator), Lieut. José Carlos Amazonas, Lieut. Clodoaldo and Lieut. Borda. Some of these young lieutenants became hard-liners after 1964.

Other military officers linked to the IBAD/ADEP network were Marshal José Ignacio Veríssimo, Colonel Olympio Feraz (of the Military Police of Pernambuco) and Lieut. Colonel Reinaldo Saldanha da Gama, who was deeply involved in the traffic of weapons for the conspiracy against Goulart. See M. Bandeira, O Governo....., op.cit., p.128 and Justino Alves Bastos, op.cit., pp.333-341.

43 OESP, November 9, 1963.

44 J.W. Rowe, Vol XI, op.cit., pp.11-12 and J.W.F. Dulles, Castello....., op.cit., p.309.

45 See Editorial 'A destruição das Forças Armadas' in Ação Democrática, March 1962, which set the tone for many similar appeals.

46 Some of the outstanding officers of the Cruzada Democrática were General Mamede, General Golbery, General Távora, General José Sinval Monteiro Lundenberg, General Sardenberg, General Sizeno Sarmento, General Ademar de Queiroz, General Castello Branco, General Ernesto Geisel and General Orlando Geisel. For the names of other members of the Cruzada Democrática, see

Werneck Sodré, Memorias de um Soldado (Rio de Janeiro, Editora Civilização Brasileira, 1967), p.336, and J.W.F. Dulles, Unrest...., op.cit., pp.3-4, 31.

- 47 As early as March 1962, Ruy Gomes de Almeida assessed the results of the work of IPES in the military sector, drawing a comparison between IPES/Military and the Church. Almeida stated that for IPES to carry out a counter-reform to Communism, it needed the participation of the Army, which would play a role analogous to the 'Company of Jesus', which had two faces, one seeking proselytes and the other actually carrying out the 'inquisition'. IPES, because of its nature, could only proselitize, but the show of the force ('the bonfire') could come only from the military. He observed that the military working with IPES were 'more or less the same ones as in the beginning', a situation which would rapidly change as the work of IPES/IBAD among the military began to bear fruits. IPES DC Rio 27th March 1962. The need for making sure of increased support among the military was made even more urgent as Goulart was perceived to be 'consolidating daily his position within the Armed Forces and the trade unions', while public support for Leonel Brizzola was growing. IPES CD 4th September 1962, Augusto Trajano de Azevedo Antunes. In August 1962, the military aspect of the campaign of IPES was analyzed. Cândido Guinle de Paula Machado referred to 'a new fact such as the dispositivo militar'. IPES CD 7th August 1962. It is interesting to note that General Golbery, who was not present at this meeting, justified his absence because he was 'busy with the preparations for the crisis of August 3, 1962', when the candidacy of Santiago Dantas to the premiership would be rejected by the ADP bloc in Congress. Not long after, Augusto Trajano de Azevedo Antunes referred himself to the 'Attitude of the Armed Forces', and to 'the prepared political manoeuvres' (jogadas). In IPES Minutes 2nd October 1962. In this session, General Golbery extended his observations on the preparations of IPES for the elections of October 7, 1962, as well as on the coming referendum of January 1963.
- 48 T. Skidmore, op.cit., pp.223-226, 264-265, advances the idea of a 'network of military conspiracies'. See also R. Schneider, op.cit., pp.39-107, J. Stacchini, op.cit., chapters 3 and 4 and especially 13, and H. Silva, op.cit., part III.
- 49 Hernani D'Aguiar provides a list of over 330 Army officers, from majors to four star generals, who were active members in the plotting against Goulart belonging to these three major tendencies. He also provides lists of Navy and Air Force officers who actively participated in the coup. Hernani D'Aguiar, op.cit., pp.103-106. The Army list in particular resembles a 'who's who' of the military officers who occupied the key posts in the Army structure after 1964 and to the present.
- 50 Former presidents of ADESG have been IPES leaders, such as G.J. Borghoff, J. Behring de Mattos, Eudes de Souza Leão, João Nicolau Mader Gonçalves and Glycon de Paiva.

- 51 Partial accounts of the role of the ESG and ESG activists in the plot against Goulart can be found in J. Stacchini, op.cit., Chapter 13, H. Silva, op.cit., Parts III, IV and V. A. Stepan, op.cit., especially Chapter 3, who is largely responsible for the extraordinary attention paid by political scientists to the ESG, Eliezer Rizzo de Oliveira, As Forças Armadas: Política e Ideologia no Brasil (1964-1969) (Petrópolis, Editora Vózes, 1976), Chapter I, and J.W.F. Dulles, Unrest...., op.cit., pp. 303-330 and J.W.F. Dulles, Castello...., op.cit., pp.263-334. In the case of J.W.F. Dulles, his accounts are strongly sympathetic to the individuals and groups which were a part of IPES/ESG who made up most of his interviewees. Nevertheless, his writings provide much of the material necessary for a less passionate consideration of the issues and problems involved, as he has drawn heavily on a series of interviews with leading political actors in Brazil, mostly involved in the IPES/IBAD network. However, a detailed account of the true role of the ESG in the coup of 1964 is still wanting.
- 52 Most of these young officers were also at the ECEME, as seen earlier. Col. Lepiane, Col. Ayrosa, Col. Andreazza, Lieut. Col. Walter Pires and Lieut. Col. Caracas Linhares, in particular, were linked with General Muricy. General Muricy was also linked up with General Cordeiro, General Nelson de Mello and General Ulhoa Cintra. According to Gal. Muricy, the central nucleus of the conspiracy comprised General Castello Branco, who was head of the General Staff of the Army, General Costa e Silva, who was at the Department of Production and Works, General Cordeiro de Farias and General Ademar de Queiroz, both in 'Pajama', General Orlando Geisel, who was in the directorship of the Department of Engineering Material, and furthermore Gal. Ernesto Geisel, Gal. Augusto César de Castro Moniz de Aragão, Gal. Mamede and Gal. Alfredo Souto Malan. This group was connected, according to Gal. Muricy, with 'General Golbery and his group, who at IPES was carrying out, linked up with us, intense work among the entrepreneurs of Rio and São Paulo'. With the exception of General Costa e Silva, these officers were linked to the Informal General Staff headed by Gal. Castello Branco. General Antonio Carlos da Silva Muricy, 'O Destacamento Tiradentes e o 31 de Março de 1964', in O Globo, March 25, 1979, pp.6-7.
- 53 "All I did was to ask them to refrain from supporting the government. They did not have to join us." Marshal Cordeiro de Farias, Interview to R.A. Dreifuss, Rio de Janeiro, 1976.
- 54 An account of how General Castello Branco was drawn into the 'conspiracy' and of the activities of the Informal General Staff, is to be found in J.W.F. Dulles, Castello...., op.cit., pp.297-361. The assertion that General Castello was an IPES affiliate was made by IPES leader Helio Gomide in a letter to General Fontoura, head of the SNI, on October 23, 1969. In IPES archives, Rio. See Appendix S.
55. J.W.F. Dulles, Castello...., op.cit., p.329. The IPES/ESG/IBAD group needed a leader above factional and partisan rivalries, respected within the Army hierarchy, sufficiently moderate and

- Legalist to calm civilian anxiety over Army continuity in power, and who could stand, because of his prestige, against the right wing and the traditionalists among the military.
- 56 J.W.F. Dulles, Castello...., op.cit., p.330. It should be noted that the centre of concentration and the first General Headquarters of this group on April 1, 1964, was reported to have been in the Rio de Janeiro apartment of IPES activists Edmundo Falcao. H. Silva, op.cit., p.377.
- 57 Other officers who joined the General Staff were General Moniz de Aragaõ, General Lundenberg, Colonel Murilo Ferreira and Lieut. Col. Ivan Mendes.
- 58 Among the members of this group were Air Force Colonels Haroldo Velloso, Teixeira Pinto, Lebré, Leuzinger, Major Lameiraõ and Paulo Víctor and Army Majors Luiz Mendes and Tarcisio Ferreira. H. D'Aguiar, op.cit., p.103. For a detailed account of the activities of the right-wing extremists since 1954 onwards, see J. Portella, op.cit., pp.9-174.
- 59 J.W.F. Dulles, Unrest...., op.cit., p.223. See also E. Brancante in General Mouraõ...., op.cit., p.200.
- 60 Roberto de Abreu Sodré, Testimony to Luiz Viana Filho, São Paulo, August 23, 1971, in HACB 679/1 - p.19, in CPDOC Archives, Rio de Janeiro.
- 61 H. D'Aguiar, op.cit., p.103.
- 62 H. Silva, op.cit., pp.414-415. The newspaper itself had been founded, according to the police records of Guanabara state, with the support of American and Foreign Power (Bond and Share Group), where IBAD intellectual Eugenio Gudín was a director, and Listas Telefônicas Brasileiras, of IPES leader Gilberto Huber. See R. Rojas, Estados Unidos en Brasil (Chile, Prensa Latino Americana, 1965), p.120.
- 63 For an account of the activities of the 'troupiers', see J. Portella, op.cit., pp.53-173. General Portella assimilates the 'troupiers' to the right-wing extremists and gives an account of their 'understanding' with the ESG. See also J. Stacchini, op.cit., H. D'Aguiar, op.cit., Gal. J. A. Bastos, op.cit., Gal. C. L. Guedes, op.cit., and General Mourao, op.cit.
- 64 A. Stepan, op.cit., p.227. Interview with Paulo Guerra to R.A.Dreifuss, Brasilia, July 1976. For an account of General Bastos' role, see General Justino Alves Bastos, op.cit. See also J. Page, The Revolution that never was (New York, Grossman Publishers, 1972), pp.190-197.
- 65 H. Silva, op.cit., pp.293, 409.
- 66 Interview with Paulo Guerra to R.A.Dreifuss, Brasilia, July 1976.
- 67 See General J. A. Bastos, op.cit., pp.335-341.
- 68 Murilo Duarte '32 mais 32, igual a 64', in A. Dines, Os Idos...., op.cit., p.148. See also H. D'Aguiar, op.cit., p.147.

- 69 A. Stepan, op.cit., p.227. See also J. Portella, op.cit., p.129.
- 70 It is interesting to note that Petrópolis was one of the key centres for the articulação of the military side of the campaign. A large number of high ranking officers had summer houses in that mountainous resort, one hour's journey from Rio, which made it a perfect spot for encounters. A central place for these encounters was the house of Judge Antonio Neder, where General Nelson de Mello, General Cordeiro de Farias, Admiral Heck, Marshal Denys, Admiral Rademacker, Admiral Vampré, Admiral Mello Baptista, Admiral Levy Aarão Reis, Brigadier Marcio de Souza e Mello, General Mourão Filho and many others co-ordinated their efforts. In the building where Judge Neder had his apartment, the Edifício Centenario, were living Marshal Denys, Brigadier Eduardo Gomes and the jurist Francisco Campos, who was an active conspirator. In the same neighbourhood lived Admiral Heck and Brigadier Grun Moss.
See Stacchini, op.cit., p.191.
- 71 Telegramme CIA - Ref. No.36659 - Sanitized copy - Report No.TDCS 3/542,606 - 'Plans of Military groups directed by General Amauri Kruehl, Minister of War, Marshal Odilio Denys, General Nelson de Mello and others to discuss plans for an anti-government coup' - March 15, 1963 - NSF in JFK Archives. Also in this group were one admiral and two generals of the Brazilian Air Force who were not named in the report.
- 72 CIA telegramme - TDCS 3/545,753 - April 30, 1963 - Ref. 23363 - NSF in JFK Archives. Mourão Filho asked Admiral Heck to join forces, to which the latter agreed. Heck and Admiral Mario Cavalcanti sought a group of captains to join Mourão. Another telegramme notes that 'This is one of several anti-Goulart conspiracies which appear to be under way' - telegramme to Department of State from Ambassador Gordon - Control 13462 - May 23, 1963-- No.2275 - NSF in JFK Archives.
- 73 Marshal O. Denys, in J. C. de Oliveira Torres, op.cit., pp.225-230.
- 74 General Mourão's campaign can be reconstructed and the significance of his activities assessed by assembling the information provided in General Mourão, op.cit., J. Portella, op.cit., J. Stacchini, op.cit., H. Silva, op.cit., Gal. C. Guedes, op.cit. and J.W.F. Dulles, Unrest...., op.cit., pp.301-337.
- 75 I have focused on General Mourão's activities for a number of reasons. His campaign has been widely discussed and documented, a very important factor in a most difficult area of research. General Mourão's campaign, pieced together from a series of separate accounts, provides a most valuable insight into the oblique way in which IPES/IBAD operated among the military. Furthermore, General Mourão's campaign provides a cross-section of the interaction of civilians and military and, moreover, of the leading role played by the IPES/IBAD leadership and activists.
- 76 H. Silva, op.cit., pp.205-206. See also General Mourão, op.cit. pp.30-31. General Penha Brasil had been a member of the Comissão Mixta Brasil - USA.

- 77 General Mourão, op.cit., p.116.
- 78 General Mourão, op.cit., pp.30-31.
- 79 General Mourão, op.cit., pp.111, 335.
- 80 General Mourão, op.cit., p.47.
- 81 E. Bones, op.cit., p.20.
- 82 Américo Oswaldo Campiglia was a director of Cia. Sul Americana de Investimentos, Créditos e Financiamentos (Marcos Gasparian); Cia. Nacional de Equipamentos Elétricos-EQUIEL; Perfumaria Sander S.A.; Fiação Brasileira de Rayon S.A. (Francisco Matarazzo/Snia Viscosa-Italy/Len & Co's Bank - Switzerland); Indústria de Bebidas Cinzano S.A.; Cimento Santa Rita S.A. (Prince Alvaro Orleans Bourbon e Coburgo/Dolphin Shipping Co. - Panamá); and Banco Francés e Brasileiro S.A. He was also a public figure of the UDN.
- 83 H. Silva, op.cit., p.243.
- 84 A. Stepan, op.cit., p.97.
See also IPES CE 3th June 1962: 'In the hour of crisis what is generally missing is the support to the men and the good ideas' - Harold Pollard and Glycon de Paiva.
- 85 H. Silva, op.cit., p.249.
- 86 Paulo Egydio Martins was a director of Cia. Geral de Minas (Byngton Family-Alberto Torres Fo); Union Carbide; Cia. de Desenvolvimento de Indústrias Minerais-CODIM (Union Carbide); Fios e Cabos Plásticos do Brasil (Anaconda Mining/ALCOA); Produtos Elétricos Brasileiros S.A. (Byngton Family/Naguib Miziara-Joao McDowell Leite de Castro); Alcominas - Cia. Mineira de Alumínio (Aluminium Co.); Tieté S/A de Crédito Imobiliário, Cia. Federal do Comércio, Indústria e Engenharia, Cia. Comercial Administradora Ponta da Praia, Cia. Comércio e Participações COPAR, Cia. Comercial e Administradora Macuco, INDUSEG (L. D. Villares).
- 87 Jornal do Brasil, December 22, 1976, p.4.
- 88 It was in late 1961 or early 1962 that Admiral Heck also met Ambassador Gordon, a meeting arranged at the Admiral's request. Admiral Heck told Ambassador Gordon that 'large numbers of civilians and military were organizing a golpe against Goulart'. Admiral Heck told Ambassador Gordon that he was not requesting American help but that he had wanted the Ambassador to be informed. He added 'One of these days we will act, and I hope when that happens, the United States will not be unsympathetic.' In P. Parker, op.cit., pp.26-27. See also J.W.F. Dulles, Unrest....., op.cit., p.324.
- 89 J. Stacchini, op.cit., p.15. Mesquita Filho's reply can be found in Stacchini, op.cit., pp.16-18. It is interesting to note that among the points made by Mesquita Filho, he suggested that Lucas Lopes, Senator Mem de Sá, Milton Campos, Dario de Almeida Magalhães, Marcondes Ferraz, General Macedo Soares, Roberto Campos and

Prado Kelly should be considered for the future government. With the exception of Lucas Lopes, director of Hanna Mining, and Prado Kelly, all these IPES/IBAD linked entrepreneurs and techno-entrepreneurs became members of the post-1964 administration. Mesquita Filho also prepared with Vicente Rao, the lawyer linked to the Hanna Mining Co., the draft of an Institutional Act.

The officers behind those who went to São Paulo had prepared a document called 'Reflection or Contribution to orient the strategic conception of an efficient repression of the subversive movement which the left are preparing in Brazil'. In this document, General Ulhoa Cintra, General Cordeiro, Marshal Denys and others outlined in detail the characteristics of a probable subversive movement in 1962 and recommended a general strategy to counteract it. Among the measures were: the appointment of an 'energetic chief' to command the key 5th Military Region based in Paraná. Very conveniently, General Ernesto Geisel was appointed to the post. See also J. Stacchini, op.cit., pp.43-50 and T. Skidmore, op.cit., pp.224-225.

- 90 A. Távora, 1º de Abril...., op.cit., p.95.
- 91 H. Silva, op.cit., p.251.
- 92 H. Silva, op.cit., p.252.
- 93 General Mourão, op.cit., p.133.
- 94 H. Silva, op.cit., p.250, 267. See also E. Duarte, op.cit., p.140.
- 95 E. Duarte, op.cit., p.149
- 96 H. Silva, op.cit., pp.217-218; J. Stacchini, op.cit., p.29.
- 97 H. Silva, op.cit., pp.220-221. See also J. Portella, op.cit., p.47 and General C. L. Guedes, op.cit., p.110.
- 98 General Mourão, op.cit., p.126.
- 99 General Mourão, op.cit., pp.130, 164.
- 100 General Mourão, op.cit., p.125.
- 101 Ildo Meneghetti owned the Fábrica de Celulose e Papel S.A.
- 102 J.W.F. Dulles, Castello...., op.cit., p.333. Colonel Barcellos would eventually co-ordinate the subversive movement within the Police Brigade of Ildo Meneghetti, who became governor of Rio Grande do Sul in 1962. See General Mourão, op.cit., p.164.
- 103 Dutra headed the Expansul-Cia. de Financiamento e Crédito a Produção, a powerful investment and credit company in Rio Grande do Sul.
- 104 D. Krieger, Desde as Missões...Saudades, Lutas, Esperanças (Rio de Janeiro, J. Olympio, 1976), p.164. See also General Mourão, op.cit., p.32 and H. Silva, op.cit., p.207.

- 105 General Mourão, op.cit., pp.111, 335.
- 106 General Mourão, op.cit., pp.151-152.
- 107 General Mourão, op.cit., p.140
- 108 What resulted in another diversionist manoeuvre was the projection of the Civilian Military Patriotic Front, led by Admiral Heck himself. The Front attempted to involve in the subversive movement, or at least neutralize, the nationalist elements of the Armed Forces. These nationalists were mainly younger officers whose views did not coincide with the socio-economic doctrine of the ESG, nor did they approve of the 'politicizing' of certain officers. The young officers mistrusted the older military who had become 'too civilianized', the so-called 'hybrids' or 'amphibious', with their duality of roles as military and as politicians or entrepreneurs. It is highly significant that IPES leader Octavio Marcondes Ferraz joined Admiral Heck and his lieutenant, IBAD Colonel Astrogildo Corrêia, head of Promotion S.A., at the Airport of Congonhas in São Paulo, on August 7, 1963, for the launching of the Front. With Admiral Heck came also Admiral Edir Dias de Carvalho Rocha, Colonel José Anchieta Paz, a former integralista, and Capt. Carvalho Costa and Lieut. Pedro Leamar. OESP, August 3, 1963. See Oliveiros S. Ferreira, As Forças Armadas e o Desafio da Revolução (Rio de Janeiro, GRD, 1964). Ferreira, a politics professor at the University of Sao Paulo and a most prominent columnist of the O Estado de São Paulo, was an active member of the Patriotic Front. See also J. Stacchini, op.cit., pp.20-22 for what the Patriotic Front called the 'Ten Commandments', the core of their programme.
- 109 G. Carneiro, op.cit., p.562.
- 110 General Mourão, op.cit., pp.177-178.
- 111 Luiz Claudio Cunha, 'O Diário de Mourão Filho' in Cojornal (Porto Alegre, April 1973). General Mourão, op.cit., pp.131-132.
- 112 General Mourão, op.cit., p.199.
- 113 General Mourão, op.cit., p.172.
- 114 H. Silva, op.cit., p.223.
- 115 H. Silva, op.cit., pp.252, 373.
- 116 P. Schmitter, Interest, Conflict and Political Change in Brazil (Stanford, Stanford University Press, 1971), p.360.
- 117 E. Brancante, 'Relatório do Estado Maior Civil de São Paulo', in General Mourão, op.cit., p.200. For a description of the action of the student leaders and Catholic Workers' leaders, see Chapters VI and VII. Colonel Armando de Oliveira was appointed head of security of São Paulo by the command in charge of the preparations of the coup. See Quem e Quem no Brasil (Sociedade Brasileira de Expansão Comercial Ltda, São Paulo, 1967), Vol.IX, p.20

- 118 In the area of São Paulo, General Barreto had the support of Colonel Sebastião Amaral, Colonel José Silva Prado, Colonel Octavio, Colonel Arlindo and several other Public Police officers who had been commandeered by him. General Menna Barreto also secured the support of São Paulo State Police director, General João Franco Pontes. E. Brancante, op.cit., pp.200-201. See also CIA report, Plans of General Olympio Mourão Filho to overthrow the Administration of President Goulart - April 29, 1963 TDCS 3/546,074 - Sanitized Document - NSF in JFK Archives.
- 119 E. Brancante, op.cit., pp.205-206.
- 120 E. Brancante, op.cit., p.202. It is interesting to note that Persival de Oliveira and Ricardo Valente were involved because of 'their specialized knowledge on Communist techniques'.
- 121 H. Silva, op.cit., p.252. Vicente Mamanna No was director of CIMA - Cia. Industrial de Material Automobilístico. Sergio Barbosa Ferraz was director of INDUSVAL S.A. Corretora de Títulos e Valores. Eduardo Levy was a director of Editôra Gazeta Mercantil S.A. and Praias Paulistas S.A. José Ely Viana Coutinho was a director of Orbitagem de Pneus Monicap S.A.
- 122 E. Duarte, op.cit., p.129.
- 123 E. Brancante, op.cit., p.215. The São Paulo based Institute of Engineering, represented by André Telles de Mattos, had another function in General Agostinho Cortes' strategy. The engineers had the task of manning the public services of São Paulo (water supply, electricity and gas), taking over from the Goulart administration once the coup had been unleashed.
- 124 J.W.F. Dulles, Unrest..., p.258.
- 125 'O Know-How de 64 usado no Chile em 73', in ISTO É, No.123, May 2, 1979.
- 126 Among the paperbacks which Drummond received from the CIA were China: Communists in Perspective, by A. Doak Barnett, The Political War: The Arm of International Communism, by Suzanne Labin, UNE: Instrumento de Subversão, all books which IPES distributed, as seen in Appendix L. A.J. Langguth, op.cit., pp.89-90.
- 127 H. Silva, op.cit., p.229.
- 128 Before the troops reached Sitio Alegre, three trucks full of arms escaped under the command of Paulo Galvão. In Jornal do Brasil, Caderno Especial, November 6, 1977. The chase after arms deposits, and arms smuggling and training grounds for civilians in the use of firearms also served to divert the attention of the intelligence services and the military dispositivo of Goulart, while the real threat was coming from within the Armed Forces themselves.
- 129 M. Bandeira, Presença..., op.cit., pp.126-128
- 130 H. Silva, op.cit., pp.257-258.

- 131 Jean Marc Von der Weid, who later became president of the National Union of Students, recalled that in 1964, as a teenager, he had been recruited to serve with one of a number of armed groups organized by the management of Light S.A., where his uncle was one of the directors, to support Lacerda. Jean Marc was stationed at Lacerda's palace on the night the coup got under way. His group had sub-machine guns, but they were without ammunition until a long black limousine arrived. The back seat had been removed and in its place were containers that looked like caskets, full of ammunition. The man who got out and began distributing the ammunition was speaking English. Interview with J. M. Von der Weid by R.A. Dreifuss in Paris, September 1973. J. Knippers Black, op.cit., pp.63-69.
- 132 M. Bandeira, O Governo...., op.cit., pp.123-129. See also OESP November 7, 1963. Alberto Pereira da Silva was vice-president of Cia. de Cimento Portland Barroso, Cia. de Cimento Portland Mossoró, Cia. de Cimento Portland Paraíso and was linked to Cia. Nacional de Estamparia and Empresa Granja Paraíso. IPES leader Paulo Mario Freire was a director of these enterprises.
- 133 Telegramme to Department of State from Ambassador Lincoln Gordon - No AID 588 - NDS, October 12, 1963. See also telegramme to Department of State from Gordon Mein - Sanitized version - September 19, 1963 - NSF, in JFK Archives. Gordon Mein was years later killed by guerrillas in Guatemala.
- 134 M. Bandeira, Presença...., op.cit., p.161.
- 135 M. Bandeira, Presença...., op.cit., pp.124-125. See also J. Knippers Black, op.cit., p.35; J. Page, op.cit., pp.190-197. In other parts of the country, particularly in the Northeast, entrepreneurs and landowners mobilized private armies. In Alagoas, under the supervision of the Secretary of Security, Colonel João Mendonça, an army of 10,000 men was raised, trained for sabotage and guerrilla warfare. Similar organizations sprung up in the rest of the Northeast and in the centre south state of Goiás. In Pernambuco, plotters were led by the Federation of Industries, where IPES had established its stronghold, and where Cid Sampaio was particularly active. Interview with Paulo Guerra, Brasília, July 1976.
- 136 According to Paulo Schilling, General Pery Bevilacqua was 'conquered for the democratic cause' by IBAD and IPES. Paulo Schilling, Como se Coloca a Direita no Poder (São Paulo, Global Editora, 1979), p.233.
- 137 CIA Report, Plans of São Paulo Civilian Sector of Movement to Overthrow Goulart Administration - Sanitized copy - TDCS 3/5+3,654 - May 24, 1963 - NSF in JFK Archives. See also Jornal do Brasil, Caderno Especial, November 6, 1977.
- 138 E. Brancante, op.cit., p.199. Colonel José Canavó Filho, former commander of the Força Pública, the state militia of São Paulo, stated that through the clandestine financing by private industry, the state militia received money and technical assistance to make its own anti-tank weapons, hand-grenades, explosives and some small rockets. In Stepan, The Military...., op.cit., p.200.

- 139 São Paulo's governor, Adhemar de Barros, also the leader of the PSP, was, as mentioned earlier on, heavily involved in the plot. The support of UDN leader, Roberto de Abreu Sodré, had also been secured. He was a close political associate of both UDN leaders Carlos Lacerda and Julio de Mesquita Filho, and president of the São Paulo state legislature. Through Abreu Sodré's support and that of IPES leader Rafael Noschese, Herbert Levy and other UDN leaders, the metropolitan and district directorates of the UDN were co-ordinated with the civilian-military movement. In the particular case of Abreu Sodré, he had been involved since December 1962 in plotting against Goulart. At the end of that year, Abreu Sodré had a secret meeting with Lacerda, in which they began planning the build-up of a movement which would lead to a military coup against the government. According to Abreu Sodré, Marshal Dutra was projected as a key figure in carrying out the coup, which counted with the support of Marshal Teixeira Lott, the former PSD presidential candidate. CIA telegramme 'Possible intent of conservatives to promote military coup against President Goulart' - Sanitized copy - TDCS 3/531,654, in JFK Archives - December 8, 1962.
- 140 The phenomenon of individuals having ties in elite social clubs, and upper class interest and consensus groups, as part of the fabric of class hegemony, has been studied by John Sonquist and Tom Koenig - 'Examining Corporate Interconnections through Interlocking Directorates' in Power and Control: Social Structures and Their Transformation, edited by Tom R. Burns and Walter Buckley (Sage Studies in International Sociology No.6, 1976, pp.53-33.
- 141 E. Brancante, op.cit., p.202.
J.W.F. Dulles, Unrest...., op.cit., p.2+3 - Interview with IPES leaders Luiz Verneck and Flavio Galvão, both columnists of O Estado de São Paulo.
- 142 Wadi Helou, like many of the club directors of Rio, São Paulo and Belo Horizonte, was an entrepreneur himself. He was director of Chocolates Dizioli S.A.
- 143 E. Brancante, op.cit., p.206.
- 144 E. Brancante, op.cit., p.203.
- 145 E. Brancante, op.cit., pp.204-205.
Luiz Nardi was a director of Meyer Chemical Co. do Brasil Ind. Farmacéutica. Jayme Loureiro F^o was director of Casa Martins Costa S/A Tecidos, Banco Comercial do Estado de São Paulo and Cia. Agrícola e Mercantil Jayme Loureiro F^o.
- 146 J.W.F. Dulles, Unrest...., op.cit., p.22-. See also H. Silva, op.cit., p.249.
- 147 General Ivanhoé Martins was responsible for recruiting other officers in the area of São Paulo, together with General Ramiro Gorreta Jr., commander of the 2nd Artillery Division of São Paulo. See M. Bandeira, O Governo...., p.123.
- 148 H. Silva, op.cit., p.250. With Julio de Mesquita Filho were operating a number of O Estado de São Paulo columnists, among

- them Flavio Galvão, Luiz Werneck, João Adelino Prado Neto, Gastão Mesquita and Oliveiros S. Ferreira, of the Patriotic Front. See P. Siekman, op.cit., and J. Stacchini, op.cit., p.12.
- 149 General Mourão, op.cit., p.86. H. Silva, op.cit., pp.235-236.
- 150 Nelson Abdo was a director of Darca Artigos para Cabeleireiros S/A. Aziz Calfat was director of Textil Gabriel Calfat S/A. Demetrio Calfat was director of CODECA-Cotonoficio Demetrio Calfat S/A.
- 151 E. Brancante, op.cit., pp.207-208.
- 152 CIA report 'Plans of conservative military and civilian elements to overthrow the Goulart Administration if Congress is forced to close' - TDCS 3/548,655 - May 24, 1963 - JFK Archives. In CIA report TDCS 3/546,074, of April 29, 1963, Sanitized copy, JFK Archives, General Mourão was reported as saying that the coup was inevitable because there was no indication that the political situation would improve, and even if there was no move by Goulart to close down Congress, the planning of the coup would continue without any definite timing.
- 153 E. Brancante, op.cit., p.200. General Mourão, op.cit., p.190. General Mourão was also linking up with the Bahia conspirators through Colonel Anchieta Paz, of the Patriotic Front and through João Ravache. As early as April 1963 General Mourão's connections in Paraná state brought him into contact with General Ernesto Geisel and in frequent trips to Rio with General Cordeiro, General Nelson de Mello, Admiral Heck and Marshal Denys. His links with the Rio activists were also maintained through Carlos Eduardo D'Alamo Lousada, who worked as secretary of Admiral Heck's group.
- 154 Military units in the following cities in São Paulo state supported the coup to the degree indicated: total support from artillery units in Jundiai; total officer support except for the commander from light tank units in Campinas; total support of artillery and anti-aircraft units in Quitauna; total support from mechanized cavalry units in Pirassununga; support of the one battallion at Iins; support of airforce officers at Cumbica airforce base; and support of shore batteries at Santos. The Second Army commander, Pery Bevilacqua, had not been asked to support the plan. CIA report TDCS 3/548,655 - May 27, 1963 - JFK Archives.
- 155 In the civilian sector, the following groups, institutions and organizations were active: Sports clubs; Law and Engineering students; contacts in newspapers O Estado de São Paulo, Folha de São Paulo and Diario de São Paulo; democratic labour groups such as the Círculos Operarios Católicos, the Federação das Indústrias of São Paulo, the Associação Comercial of São Paulo, the rural association FARESP and the Federação das Associações do Estado de São Paulo. Moreover, a ham radio network was being organized as well as para-military civilian units in rural areas. Furthermore, counter-subotage measures were being taken, to occupy and protect public and private utilities in the event of a coup movement being started. At the same time, within São Paulo city, neighbourhood recruitments were under way, in an effort to organize city neighbourhood strength. The infrastructure of IPES São Paulo was involved in full.

- 156 Letter from Manoel Linhares de Lacerda, Brasilia 30th April 1964, asking audience with President Castello Branco - Box 42 P - 1, List No.6, Item 2165, in Luiz Viana Filho Archive, Rio de Janeiro.
- 157 CIA report TDCS 3/543,655, of May 24, 1963, in JFK Archives noted that the complete details of the situation in the 1st Army were lacking, since the organizers in Guanabara were not under São Paulo's jurisdiction, as were the other states mentioned above.
- 158 Lacerda had been involved in the IPES-led strategy since the early days of electoral campaigning in 1962 and furthermore, through his political associates, the IPES/IBAD activists and leaders Guilherme Borghoff, Dario de Almeida Magalhães, Sandra Cavalcanti, Armando Falção and Julio de Mesquita Filho. Lacerda was also a political associate of José Candido Moreira de Souza, his former secretary of Agriculture and an old Clube da Lanterna fellow conspirator. Moreira de Souza was, moreover, the brother of IPES leader José Luiz Moreira de Souza, whose brother-in-law, General Affonso de Albuquerque Lima was also connected with Lacerda, since the conspiracy days of the Clube da Lanterna. The PSD leader, Armando Falção, also an IPES activists, served as a link for the right wing of his party with Lacerda, who was a national figure of prominence with the UDN. Lacerda also linked himself with Juscelino Kubitschek and the centre left of the PSD through Mario Carneiro. Kubitschek himself had as his link-men in IPES the entrepreneur and poet Augusto Frederico Schmidt and Oswaldo Maia Penido, his former head of the Civilian Staff Office, as well as General Nelson de Mello, who had been his former head of the Military Staff Office, and General Cordeiro de Farias, who was close to the PSD himself. See also Claudio Mello e Souza, 'O Vizinho do Presidente', in A. Dines, Os Idos...., op.cit., p.169.
- 159 General Mourão, op.cit., pp.217, 233.
- 160 General C. I. Guedes, op.cit., pp.152-153. See also IPES CE Rio 12th June 1962 and IPES CE Rio 2nd October 1962.
- 161 Gal. C. I. Guedes, op.cit., pp.147-152.
162. General Mourão, op.cit., p.136.
- 163 General Mourão, op.cit., pp.190-191.
- 164 E. Brancante, op.cit., pp.222-223.
- 165 Lieut. Col. Resteel also linked up with Abreu Sodré and Herbert Levy. Claudio Mello e Souza, op.cit., p.169, and Herbert Levy in O Globo, January 17, 1977. After the removal of General Pery Bevilacqua from the command of the IIInd Army and his replacement by General Amaury Krueel, Lieut. Col. Resteel was transferred to Rio de Janeiro, to the cabinet of the General Staff of the Armed Forces. He then became the link-man between the military articulations in Rio and São Paulo organized by IPES/ESG.
- 166 E. Brancante, op.cit., pp.223-226.

- 167 Lieut. Col. Resteel's units, among other tasks, had to provide detailed information to the general military staff on terrain and preparations of the ground for offensive and defensive action. They were on the look-out for hide-out places and locations suitable for the establishment for secret deposits for ammunition, uniforms and food. One of these places was the Noschese farm of IPES São Paulo leader Rafael Noschese. See also J. Portella, op.cit., p.72.
- 168 When the eruption of the coup was finally announced and publicly supported by Governor de Barros of São Paulo, he had beside him both General Cordeiro and General Nelson de Mello, who were monitoring events closely. On General Krueel's involvement, see also J. Portella, op.cit., pp.127-129.
- 169 H. Silva, op.cit., pp.373-381.
- 170 CIA telegramme 'Further Developments in General Mourão Filho's Coup Planning' - TDCB 3/555,734 - Ref. 95336 - August 8, 1963 - NSF in JFK Archives.
- 171 J. Portella, op.cit., p.129.
- 172 UDN leader José de Magalhães Pinto had been connected with the conspiracy since the early stages, and although he was the owner of Banco Nacional de Minas Gerais, he did not belong to the industrial-financial core which led IPES. Magalhães Pinto had personal political ambitions which made him distasteful to many IPES leaders. However, he was such an influential political figure, as governor of a strategic state with an 13,000 strong state militia, that he had to be brought into the fold of the organic elite. IPES leader Jonas Barcelos Correia, himself a banker, had been in 1962 the intermediary for Magalhães Pinto in his contacts with General Pery Bevilacqua, while José Monteiro de Castro, a former head of the Civilian Staff Office of President Café Filho, was the intermediary for Magalhães Pinto with General Cordeiro de Farias and General Nelson de Mello. José Monteiro de Castro was well connected. Under President Café Filho he paired with General J. Távora, as head of the Military Staff Office, who had as his second in command Colonel Ernesto Geisel. Magalhães Pinto kept, besides these mediated contacts, direct links with Marshal Denys and Brigadier Clovis Travassos, one of the geo-political thinkers of the ESG. Pedro Gomes 'Do Diálogo ao Front', in A. Dines, Os Idos...., op.cit., pp.67-99, 106-117.
- However, the direct representative of Magalhães Pinto at the centre of political affairs was IPES executive José Luiz de Magalhães Lins, his nephew and right-hand man, who was also the son-in-law of industrialist José Thomaz Nabuco, director of some corporate contributors of IPES. Theófilo Azeredo Santos, another nephew of Magalhães Pinto and an ADESG members, was also influential in the civilian-military movement.
- José Luiz de Magalhães Lins played a significant role as intermediary with leading figures of the campaign, such as General Castello Branco, Marshal Dutra and General José Pinheiro de Uchoa Cintra, Marshal Denys, General Cordeiro and Judge Antonio Neder.

- 173 On the attempts to establish General Costa e Silva as the leader of a 'conspiracy', see J. Portella, Chapters II, IV and V.
- 174 General Guedes' mediator and convenor for these encounters as well as the person in charge of providing material support for the operations was IPES-Belo Horizonte activist, Luis Aragão Villar. The information about the role of Aragão Villar was confirmed in conversation with Octavio Dulci, November 25, 1977. See also the review of General Guedes' memoirs in OESP, July 29, 1979.
- 175 E. Brancante, op.cit., p.217, Gal. C. L. Guedes, op.cit., p.185.
- 176 Gal. C. L. Guedes, op.cit., pp.113-114, also J. Portella, op.cit., p.69. General Mourão, op.cit., pp.232, 287.
- 177 Gal. C. L. Guedes, op.cit., pp.126-131.
- 178 The Cia. Siderúrgica Belgo Mineira still belongs to the European Consortium ARBED, whose director in Rio de Janeiro had been Octavio Gouveia de Bulhões. Antonio Chagas Diniz was director of Refratarios Isolantes S.A., Magnesita S.A. and Indústria de Calcinação ICAL. Joseph Hein was director of Cia. Industrial e Mercantil de Artefatos de Ferro CIMAF, Artefatos de Aço S.A. AASA, Cia. Ferro Brasileiro S.A., S.A. Mineracao da Trindade (Brazil Warrant), Cia. Siderúrgica Belgo Mineira, Central de Administrações e Participações, Cia. Agro-Pastoril Rio Doce S.A., and Serraria Santa Helena S.A. Francisco Pinto de Souza was a director of Magnesita S.A., S.A. Mineração da Trindade. Elmo Alves Nogueira was director of S.A. Mineração da Trindade. Henrique Guatimozim was director of S.A. Mineração da Trindade. Antonio Mourão Guimarães was director of Magnestia S.A., and Ind. de Calcinação ICAL. Geraldo Parreiras was director of Cia. Imobiliária Santo Eloi, Siderúrgica Itatiaia and Cia. Siderúrgica Belgo Mineira.
- 179 Moreover, the following were present at the meeting: Waldir Soeiro Emerich (Cia. Siderúrgica Mannesmann, Cia. Siderúrgica São Caetano), Paulo Gois, Antonio Padua Clementino (Mascarenhas Barbosa-Roscoe S/A Engenharia e Comércio), Caetano Nascimento, Luiz Antonio Gonzaga (Paraopeba Industrial S/A), Cesar Rodrigues (Metalúrgica Triangulo S/A), Raimundo Fontenelle de Araújo, Lucas Gonzaga (Ind. e Com. São Lucas), Exaltino Marques de Andrade (Tecidos Euclides Andrade S/A), Aristides M.R. Ferreira, (Banco Comércio e Indústria de Minas Gerais), Christiano F.T. Guimarães (Cia. Textil Cachoeira de Macacos), Américo de Souza, A. G. de Souza (Cia. Mercantil de Administração), Celio Karez, Fabio Coutinho Brandão, Anselmo Vasconcellos Filho, Carlos Patricio de A. Cardoso, Ildeu de Castro, Jacy Vieira do Prado (EBC-Empreendimentos Brasileiros de Cimento S/A), Licínio Martins, Fernando Pessoa Junior, Angelo Scavazza, Paulo Rotzen de Mello, José Augusto de F. Branco, José Mendo, Misael de Sousa, Joaquim Silveira, Clovis Gonçalves de Sousa, Celio Andrade (Cia. Telefônica de Passos, Sociedade de Veículos, Máquinas e Representações Somevar), Roberto de Conti, Luis Pinto Coelho and Nise Palma Tenuta.
General C. L. Guedes, op.cit., pp.126-127.
- 180 Gal. C. L. Guedes, op.cit., pp.127-131.

- 131 This was relatively simple, considering that the most powerful media in Minas Gerais belonged to the Assis Chateaubriand complex of radio, TV and newspapers, which in São Paulo was headed by IPES leader Edmundo Monteiro. José Luiz de Magalhaes Lins was involved in the IPES-led Public Opinion action, stimulating the directors of Minas Gerais newspapers and suggesting the treatment of themes tuned to the guidelines of the civilian-military campaign.
P. Gomes. op.cit., pp.93-99.
- 132 Gal. C. L. Guedes, op.cit., pp.132-151.
- 133 General Bragança, in his testimony to the Estado de Minas reproduced in Jornal do Brasil of 9th January 1977 stressed that if Goulart had not been deposed he would have been the victim of an attempt on his life in the month of April, during his planned visit to Minas Gerais. (General Bragança had been posted at the Centre of Information of the Army - CIBX.) In Raul Ryff, O Fazendeiro Jango na Presidencia (Rio, Avenir editora, 1979), p.29.
- 134 Gal. C. L. Guedes, op.cit., pp.177-214.
- 135 The coup had been set for April 2 by the Informal General Staff, and not for April 1st, which was deemed unsuitable, as it was April Fools' Day in Brazil. Gal. Guedes, being a superstitious individual, supported Gal. Mourão's impulsive decision because he thought the 'stars were auspicious during the 31st'. Gal. C.L. Guedes, op.cit., pp.202, 213, 233. See also Gal. J. Portella, op.cit., p.107.
The officer who had been expected to take over the Minas Gerais operation, according to the Informal General Command, was ESG General Muricy.
- 136 It is hard to know at this stage whether General Mourão was finally pushed into action by Governor Magalhães Pinto in an unorthodox bid for the presidency, or if he was needled into action by other groups, or whether it was his own and personal decision. This is a matter for further research.
- 137 Once General Mourão precipitated events there was no other option for the Informal General Staff of General Golbery, General Castello Branco, General Ernesto Geisel and General Ademar de Queiroz but to support him, or face a reaction from the government. See J.W.F. Dulles, Castello..., op.cit., Chapter XI.
- 138 There was an unsuccessful attempt, by General Ernesto Geisel, to make General Humberto Castello Branco the Minister of War. See Gal. J. Portella, op.cit., pp.143-144.
- 139 On General Costa e Silva's successful attempt to take command of the Ministry of War, see J. Portella, op.cit., especially pp.123-125.
- 140 'O bom bocado não é para quem o faz e sim para quem o come' - Wilson Figueiredo, 'A margem esquerda' in A. Dines, Os Idos...., op.cit., p.193.
- 141 A. Stepan, op.cit., p.92

Chapter IX: IPES/IBAD in the State:

The occupation of key agencies of policy-formation and
decision-making by the organic elite

Introduction

This chapter attempts to qualify accepted and unquestioned assumptions about the shape of the post-1964 regime, assumptions which overestimate the military aspect of the regime, while under-emphasizing the political role of industrialists and bankers. In spite of the post-1964 administration being labelled as 'military' by many students of Brazilian politics, the continuous predominance of civilians, the so-called técnicos, in what traditionally have been non-military ministries and administrative agencies is quite notable.¹ However, an immediate point to be made is that to ascribe the label of technocrats to those new occupants of the leci of power is a misnomer, as this chapter attempts to show. A closer examination of these civilians indicates that the overwhelming majority of the leading técnicos in bureaucratic positions should (because of their strong industrial and banking connections) more accurately be called entrepreneurs, or at most techno-entrepreneurs.²

Moreover, this chapter aims to provide evidence that the entrepreneurs and techno-entrepreneurs who had taken over the key agencies in the state administration and the cabinet ministries were either IPES/IBAD activists or were industrialists and bankers who had shared the goals of the former and who had contributed to the IPES-led efforts to oust Goulart. In many cases business associates and employees of IPES leaders were appointed to administrative agencies and cabinet ministries.

This chapter is also concerned with highlighting the congruence of the post-1964 administrative, economic and political reforms with the reform proposals advanced by the Study and Doctrine groups of IPES. The latter provided the policies and the guidance for the

structural reforms and organizational changes of the post-1964 administration, and many of these policies had been developed by the entrepreneurial organic elite during their successful campaign from 1961 to 1964.³ The techno-entrepreneurs and entrepreneurs were able to ensure through their public offices the charting of the Brazilian state along a capitalistic path, serving the general interests of multinational and associated industrialists and bankers.

Finally, the chapter also attempts to describe some of the new roles assumed by IPES after the ousting of Goulart, in view of the key positions in cabinet and administration occupied by so many of its members.

The traditional analysis and interpretations of the 1964 coup emphasize the presence of the Armed Forces in the state administration and government, and emphasize the influence of the Superior War College in the economic policies implemented by the post-1964 military government. Some authors even speak of a 'changing pattern' of military political and ideological behaviour which favoured military intervention in 1964 and which equipped the military for government.⁴ Others who have examined the military administration since 1964, in looking at the type of personnel recruited for the administration assume that the principal groups contributing to the Brazilian political elite since 1964 were 1) the officers corps from the three Armed Forces; 2) the technocrats; and 3) the civilian politicians.⁵ Such analyses even conclude that 'there is little question that high level officers of the Army, Navy and Air Force (in terms of relative power, probable in that rough order) have commanded the lion's share of power in the Brazilian political system since 1964'.⁶

Despite such a widespread belief, evidence seems to suggest otherwise in the period we are about to discuss. The notion of the Armed Forces acting as a Poder Moderador has been over-emphasized, while the role played by entrepreneurs and techno-entrepreneurs has been strongly underplayed. A close look at the occupants of the loci of power makes it apparent that the entrepreneurs and techno-entrepreneurs of IPES were the ones who controlled the levers of policy-formation and decision-making both within the cabinet and in the state administration.

It is not our intention to deny the influence of ESG affiliates, even more so since many of their members were incorporated in IPES/IBAD. Moreover, after 1964, the ESG managed to indoctrinate increasing numbers of middle and top ranking officers of the Army, and the ideology of National Security permeated both the Armed Forces and government,⁷ shaping their attitudes towards the working classes. However, it would be useful to place in perspective the presence in government of the ESG officers in particular and of the military in general. Considering the civilian and military personnel who were recruited to the key civilian posts of the government and of the administration, it becomes clear that while policy formation and decision-making were in the hands of IPES/IBAD civilians - mostly big entrepreneurs -, the steering of national policies was partly in the hands of the politically-minded ESG military graduates. These officers, together with politicians belonging to the ADP, were supported by a second administrative echelon, increasingly influenced by the Ex Alumni Associations of IPES and ESG, respectively called ADIPES and ADESG.³ The techno-entrepreneurs and entrepreneurs of IPES saw in the military the source of political support and authority which the former could not possibly gain through

political appeal to the population at large, in view of their decidedly unpopular modernizing-conservative programme of government.

Moreover, the attempt to enhance the prestige of the ESG propping up its image as the cradle of the movement that ousted Goulart and as the source of policies implemented by the government served other purposes as well. For one it served to counter military factions, rival to the ESG, who by 1964 had secured important positions within the hierarchy of the Armed Forces, mainly by recruiting troupiers and right-wing extremists. It also served to neutralize competing entrepreneurial interests who were reduced to a subaltern position vis-a-vis those represented in IPES/IBAD, for the latter were the only entrepreneurial group to have organic connections with a sizeable and influential military dispositivo.⁹ Furthermore, the projection of ESG/ADESG elements served to legitimate the 'neutrality' of the regime, serving to emphasize its 'technocratic' character by the 'natural' interaction of the so-called técnicos and the military, and reinforcing the feeling that the approach to Brazil's problems and the nature of the policies implemented by the government were 'scientific' and 'national' as opposed to being political. A side-effect of such a scheme was to keep at bay nationalist demands arising from middle rank officers, overruled by Army hierarchy and swamped by the ideology emanating from the ESG. Indeed, the ESG was to serve as an ideological and political filter for advancement in the Army hierarchy and administrative posts within the state, as well as an instrument of co-option and indoctrination of new civilian and military recruits who were already occupying positions within the state apparatus.

After April 1964, the loci of power were occupied by a large number of IPES/IBAD affiliates, and supporters who had linked their political fortunes to the organic elite during the period of 1961-1964, and who had participated in the campaign led by IPES/IBAD to oust Goulart and to contain the labour left. The organic elite of the multinational and associated industrial and banking interests were able to secure economic and administrative power, objectively making the state apparatus a component part of the monopolistic interests in control of the economy.¹⁰ The multinational and associated interests were able to control the political life of the state and to shape its machinery according to the needs of monopoly capital, by occupying the central positions of power and by determining its goals, procedures and means. The class power of the multinational and associated interests was expressed after April 1964 in the hegemony they established within the state apparatus, in the direct control of the policy formation and decision-making agencies, and in the personal presence of representatives of these economic interests in the administration at large.¹¹

Direct control of the state apparatus and, through it of the other sectors of the dominant classes of the subordinate classes of society, was, if not the most complete form of advancing the interests of big capital, at least the most efficient and secure which was available to the multinational and associated industrial and banking interests.¹² In brief, in post-1964, direct state power became the highest expression of the economic power of the financial and industrial multinational and associated bourgeoisie. As IPES leader Antonio Carlos do Amaral Osorio pointed out, 'one of the big achievements of the revolution of 1964 was, without doubt, that of strengthening a new conception of the relations

between the State and the entrepreneurial classes'.¹³

The Take-over of the State - The political dominance of multinational and associated industrial and banking interests.

On April 2 1964, the bourgeoisie celebrated the removal from office of President Goulart with a gigantic 'March of the Family with God for Liberty', through the streets of Rio de Janeiro, an event which the organizers had been looking forward to for more than a week. By the time the Marcha da Familia, com Deus, pela Liberdade was scheduled to begin, the centrally located Avenida Rio Branco contained a sea of anti-Communist placards carried by an estimated crowd of over eight hundred thousand. While the throngs were walking in Avenida Rio Branco, the presidential succession was being extensively discussed. Entrepreneurs in the office of IPES, in Rio, which overlooked the March, 'pleased with the cheers in the streets below and highly satisfied with the result of their anti-Communist work' spoke with General Heitor Herrera, one of their key link-men with the ESG officers, 'about the qualifications that they wanted to see in the next president of Brazil'.¹⁴ The IPES entrepreneurs decided that he should be a man not associated with any of the three leading (civilian) governors (Lacerda, Magalhães Pinto and Adhemar de Barros) and they objected to Marshal Dutra's connections. The IPES entrepreneurs favoured General Castello Branco, head of the Informal General Staff, and actively sponsored his candidature.¹⁵ The intensive media campaign and middle class mobilization which, following this meeting, was unleashed throughout the length and breadth of the country to stimulate the candidature of General Castello, had the unmistakable mark of IPES public opinion action.¹⁶

The next day, a joint meeting of the Rio-São Paulo leadership of IPES took place with the participation of Harold C. Polland, João Baptista Leopoldo Figueiredo, José Rubem Fonseca, Paulo Ayres Filho, Paulo Reis Magalhães, José Roberto Whitaker Penteado, Gilbert Huber Jr., General Heitor Herrera, José Duvivier Goulart, General Golbery do Couto e Silva, Glycon de Paiva, General João José Batista Tubino, Joviano Jardim, General Liberato da Cunha Friedrich, Helio Gomide, Oswaldo Tavares, Augusto Trajano de Azevedo Antunes, Denio Nogueira and José Garrido Torres. The president of the session, Polland, congratulated 'the military of IPES for the victory' and warned about the problems which lay ahead, by drawing a parallel with the unstable period in Argentina, following the ousting of Peron. Polland urged the IPES leadership to reappraise its role and adjust itself to the new situation, keeping the organization in functioning order. Polland stressed that 'Our work has to be always that of a General Staff'.¹⁷ Leopoldo Figueiredo, who had come to the meeting with the three IPES leaders from São Paulo who had participated in the movement from the very beginning in co-ordination with IPES in Rio, congratulated those present for the successful outcome of the campaign. However, Leopoldo Figueiredo and also Paulo Ayres F^o warned that IPES was 'still far away from victory' and that the 'road ahead could still present them with difficulties'. This was becoming apparent in view of the stances being taken by certain economic groups, basically in São Paulo, who, although opposed to Goulart and his government and having supported his removal from office, did not share the goals of IPES. Furthermore, military who did not share the goals of ESG had attained

positions of influence in the scramble for power which ensued after General Mourão's hasty departure from Minas. Leopoldo Figueiredo added that everything demanded the continuous dedication and contribution of IPES, because now, perhaps, was to come 'the most important and difficult part', namely, the take-over of the administration and the containment of dissident and recalcitrant economic groups and military and political factions. Paulo Ayres F^o also observed that 'without measures of security and immediate coverage (cobertura), the Armed Forces would rapidly lose grip of the situation', casting more than a shade of doubt on the ability and the readiness of the military to control the polity and to run the administration. This situation was especially critical since those military most akin to IPES entrepreneurs, the ESG officers, were still far from having an effective hold on the Armed Forces, while the troupiers and right-wing extremists found an appropriate channel of expression through the Minister of War, General Costa e Silva, and through the Navy Minister, Admiral Rademaker, both prominent members of the Military Junta in command of events after the coup. Harold Pollard remarked that after their central meeting on April 2nd, 1964, at their headquarters in Rio, some IPES activists had already started to work on the economic-financial and political situation. A commission was formed, which comprised Glycon de Paiva, João Baptista Leopoldo Figueiredo, General Golbery, José Garrido Torres and Whitaker Penteado, in order to prepare a 'plan of action for the next 30 days' which was to be decisive in shaping the regime and staffing the new government. The final decision was for IPES to remain in its traditional rôle as a General Staff.¹³

IPES leaders perceived their organization as 'the appropriate body for the entrepreneurs... taking well guided and opportune

decisions of a political character'. Furthermore, the IPES leaders perceived themselves as being the 'private government' (sic)¹⁹ who should support the 'public government', which they themselves would staff and inspire.²⁰ Moreover, the type of political activities which the entrepreneurs were required to carry out demanded that they should keep a low profile and IPES remained a convenient cover and channel to express their demands and exert their action. Leaders of IPES took upon themselves the formulation of the basic guidelines of the new government, as well as the consideration about which individuals should occupy the key posts in the new administration. General Golbery, General Ademar de Queiroz and General Ernesto Geisel were at General Castello Branco's residence every day, preserving de facto the functioning of the leadership of the Informal General Staff,²¹ and keeping the future president under close supervision. General Golbery and General Geisel, who was also a personal friend of another IPES military leader, General Herrera, also served as channels for the selection of IPES leaders, affiliates and collaborators to the key governmental posts.²² General Castello, who had been appointed president by Congress on April 11, was seeking a competent team to form his government and administration. Being a professional soldier, he was not familiar with the entrepreneurial and techno-entrepreneurial world, and very much in need of advice on whom to choose and appoint. Very conveniently, he was introduced to and got to know potential candidates approved by IPES/ESG activists who surrounded him.²³

The organic elite in the State

What could be regarded as a key innovation introduced by the

post-1964 administration was the creation of the Serviço Nacional de Informações. The SNI combined both the functions of a central intelligence agency with those of an advisory council for national policy-making.²⁴ The founder and first national head of the SNI was none other than IPES General Golbery do Couto e Silva, who for a while remained in the active service of both organizations, as well as in private business in his native state of Rio Grande do Sul.²⁵ General Golbery formally discharged himself from his commission in IPES in July 1964, without severing his ties with the organization, where he remained as a member of the Conselho Orientador. It is highly significant that General Golbery, when thanked for his past work and congratulated by Glycon de Paiva, in the name of IPES, for his new commission as head of the SNI, remarked that in his new job he would continue to carry out the same type of activities he had developed until then in IPES, although now greatly 'expanded in resources and means'.²⁶

The complete intelligence archives of IPES, assembled by the Grupo de Levantamento da Conjuntura which General Golbery had headed, and where information about 400,000 Brazilians had been compiled, were taken by General Golbery to Brasilia as the basis for the SNI network.²⁷ General Golbery took with him to the SNI not only the archives of IPES, but also his close associates and collaborators in the military and intelligence network, which IPES had set up from 1961 to 1964 under the name of Grupo de Levantamento da Conjuntura, and who became part of the new intelligence structure.

Among the cluster of officers who were engaged with General Golbery in the creation of the SNI were General Ernesto Geisel, Lieut. Col. Danilo Venturini, Colonel João Baptista Figueiredo, Lieut. Col. Octavio de Aguiar Medeiros, Colonel Ivan Vieira Perdigão and Captain

Heitor de Aquino Ferreira.²⁸ Other officers recruited by the incipient SNI were General Emilio Garrastazú Medici and General Carlos Alberto da Fontoura.

Lieut. Col. João Baptista Figueiredo became the head of the Rio de Janeiro SNI centre, second in importance to that of Brasilia, and whose headquarters were located at the Ministry of Finance. Lieut. Col. Figueiredo also became the secretary-general of the National Security Council, a post General Golbery himself had occupied under Quadros.²⁹ Captain Heitor de Aquino Ferreira became General Golbery's personal secretary in the SNI.³⁰ General Riograndino Krueel, brother of General Amaury, became the chief of the Federal Department of Public Security, co-operating closely with the new intelligence service headed by General Golbery.³¹

The SNI set out to become - and became - a most influential centre in forming policy in every area of Brazilian social, political and military life. It established a network of intelligence within the ministries, autarchies and administrative agencies of the government, as well as in the military, the working class movement, the student movement and other selected segments of the population, transforming itself into a 'super-ministry' untouched and untouchable by the legislative and the judiciary and not answerable to the Armed Forces. In immediate terms, the creation of the SNI served to pre-empt some of the functions of the Federal Service of Information which had functioned until then as a surrogate for a central intelligence agency. The need for an institution able to side-step the Federal Service was made acute not only because the latter was a product of the previous regime, but more so because troupiér General Costa e Silva, as the new Minister of War, had appointed one of his own men, Colonel Portella, to the secretariat of the

National Security Council overseeing the Federal Service, in an attempt to make it his stronghold. In the medium and long term, a central intelligence agency was called for by the military as it would have to play a key role in the implementation of the doctrine of National Security disseminated by the ESG. Moreover, the community of intelligence could provide the regime with some political attributes which the Armed Forces, with their natural rigidity did not possess. Institutional behaviour, hierarchy and corporate norms did not bequeath the Armed Forces with the required level of flexibility to involve itself in politics. Furthermore, direct involvement of the Armed Forces in the political life of the nation, when attempted, reinforced the positions of hard-line right-wing extremists, because efficient action by the Armed Forces in non-military affairs required the maintenance or further transformation of the war-like aspects of the polity. The intelligence system could overcome the rigidity of the Armed Forces, without resorting to extreme action, without strengthening right-wing extremism and, perhaps, even more important in the long run, without allowing dissident nationalistic factions among the Armed Forces to establish a foothold in running the polity and the economy.

Finally, the SNI could function even after the Armed Forces were returned to the barracks, and parallel to regular party-political life, even keep politics going in the absence of parties. The SNI, in fact, could perform as a political party, perhaps the only military agency capable of doing so, functioning as a focus of support and information of the regime, as well as an agent to manipulate the polity.

The links of IPES with the SNI remained so close and strong that Colonel Ivan Perdigão, who was General Golbery's successor as

head of the Grupo de Levantamento da Conjuntura, felt the need to reconsider the ways in which certain action groups in IPES would function, once the SNI had been established. In the field of intelligence, IPES remained as a source of independent information for the SNI, and its immediate link with the entrepreneurial community. IPES, in turn, was fed back information for action by the SNI.³²

IPES activists involved themselves in a variety of intelligence operations, functioning as a clearing centre of anti-communist information and propaganda.

IPES São Paulo, in conjunction with the SNI, was responsible for the initiative to create the Instituto de Estudos Científicos sobre Comunismo (Institute for the Scientific Study of Communism),³³ which was to be headed by Estanislau Fischlowitz, of the Study and Doctrine Group of IPES Rio.

Eventually, in view of the political fragility of the parties created by presidential decree after 1964 to replace those born during the populist regime,³⁴ IPES was responsible for the attempts to create a Poder Político based on the entrepreneurs themselves and not on party-politicians.³⁵ This 'Political Power' was expected to become the 'basic structure of the Nation', in association with the 'Poder Militar' based on the intelligence structure. To attain such a goal, Helio Gomide recommended to General Fontoura the 'approximation of the Poder Militar, representing the Political Leadership and Public Administration of the country with certain entrepreneurial groups', of which IPES was considered to be the most appropriate because of its past experience, the quality of its organization and the individuals it comprised.

Having acted as a clearing house of anti-communist information for other groups, the Armed Forces and entrepreneurs, IPES was in a position to channel information into the Inquéritos Policiais Militares (Police-Military Investigations - IPM) installed after the coup in order to investigate alleged subversive activities within the new political-military framework of 'national security'. Lieut. Col. L. G. Andrade Serpa, in charge of the IPM on the National Confederation of Industrial Workers, was sent material by Harold Polland, in the hope that it would serve as a 'contribution to the work which the Army is involved with in order to investigate, with justice, those truly responsible for the calamitous state of affairs which occurred in the past regime'.³⁶

Another IPES activist, Colonel Rubens Resteel, was appointed head of the Police-Military Investigations in the area of the IInd Army, which included the industrial belt of São Paulo, and was given the responsibility of investigating the activities of left-wing individuals and groups,³⁷ while General Dalisio Mena Barreto was in charge of the IPM on corruption in São Paulo, which hit hard at politicians and the bureaucracy.

IPES remained in operation, among others, as an intelligence gathering unit (which had been one of its previous functions anyhow), preparing regular reports on the 'communist pressure' for entrepreneurial, military and technocratic circles. These reports justified the hard-line attitude which IPES leaders claimed, had to be adopted by entrepreneurs and military against the 'subversion' of the country. As a by-product, these reports also justified the continual fundraising for IPES.³⁸

Eventually, some IPES leaders also involved themselves in the seamier side of intelligence operations. IPES leader and entrepreneur

Henning Boillessen was among those responsible for the consolidation of a scheme of financial support for the repressive apparatus of the police and the Armed Forces. Boillessen was responsible for gathering a group of entrepreneurs who contributed financially and provided equipment for the security organizations.³⁹ This support provided another dimension of co-ordination between entrepreneurs and military.

Furthermore, IPES leaders eventually exported the expertise they had acquired in the campaign to overthrow Goulart, to neighbouring countries, and they were involved in international operations of de-stabilization of their regimes. The coup that brought the IPES leadership to power in Brazil appears to have been used as a model for the Chilean military coup. In 1970, Senator Salvador Allende was elected to the Chilean presidency, heading a socialist oriented front of popular unity. Members of Brazil's IPES worked closely with Chilean entrepreneurial and professional associations and provided them with financial support and advice on middle class mobilization and action on different sectors of public opinion. Among the IPES leaders involved in these activities and in advising Chilean businessmen on how to prepare the ground for the military intervention and overthrow of President Allende were Gilbert Huber and Glycon de Paiva. As Glycon de Paiva remarked after the successful coup took place, 'The recipe exists, and you can bake the cake any time. We saw how it worked in Brazil, and now again in Chile.'⁴⁰ In addition, Brazil's right-wing para-military group, the Anti-Communist Movement - MAC, provided weapons and money for similar groups in Chile. Faustino Porto, a militant of MAC, and Aristóteles Drummond, head of the Grupo de Ação Patriótica - GAP, one of the off-shoots of IPES, and an activists of MAC himself, served as

couriers from Brazil to Chile, taking money for political actions. Arms were delivered to the right-wing extremist organization Patria y Libertad (Fatherland and Freedom) and to PROTECO, the right-wing neighbourhood committees. The Chileans who received support from IPES and MAC were critical to the success of the de-stabilization tactics that brought down the socialist government of Allende.⁴¹

IPES leaders were also active in the preparation of the campaign which toppled President Juan Torres of Bolivia, in 1971. When General Juan Torres became president in 1970, a group of Brazilian and Bolivian entrepreneurs and military created in São Paulo a 'Centre of Latin American Studies', following the familiar pattern established by IPES. Among the participants of the Centre, located in the neighbourhood of Pacaembú, were Oscar Barrientos, a lawyer and cousin of the former Bolivian president, General René Barrientos Ortuño; IPES leader Henning Boillessen; Mario Busch, a former officer of the Wehrmacht and ex-agent of the Bolivian Servicio de Control Político; General Hugo Bethlem, a former military attaché in Bolivia and eventually ambassador to La Paz; and a series of Bolivian military officers and big entrepreneurs. Boillessen, together with Bolivian entrepreneur Uguarte, were the financiers of the Centre, while Barrientos was in charge of keeping contacts with the IInd Army of Brazil (which, headquartered in São Paulo, was in charge of territories on the frontier with Bolivia) and with the SNI. In August 1971, General Hugo Banzer took over, and many of the Bolivians involved in the Centre became members of the new government.⁴²

The SNI had a close connection with another 'super-ministry' created by the new government, the Ministry of Planning and Economic Co-ordination. The quest for governmental planning, nurtured for so long by the organic elite, had finally been realized.

On March 31st 1964, the very day when the coup was launched, a group of directors of large banks and industries created in São Paulo the National Association for Economic and Social Planning - ANPES, as part of a scheme to make IPES affiliate and techno-entrepreneur, Roberto de Oliveira Campos, the Minister of Planning of the new government. Roberto Campos, a central figure of CONSULTEC, lecturer at the Superior War College and former ambassador to the USA, was made secretary general of ANPES.⁴³ Banker Teodoro Quartim Barbosa was the president of ANPES, and one of its most active members was IPES leader Lelio Toledo Piza, also a banker. Another central figure in ANPES was Antonio Delfim Netto, of the Doctrine and Study group of IPES-São Paulo, who became secretary-general after Campos became Minister of Planning.⁴⁴

The Ministry of Planning became the key civilian ministry of the first administration after the coup of 1964, with a say in the affairs of all the other ministries, except the SNI, with whom it co-ordinated efforts. Campos, the Minister for Planning, was the prominent civilian figure of the cabinet, and as the most favoured minister of the president, a central figure in the formation of the 'economic' thought of the Castello Branco administration.⁴⁵

The Minister of Planning gathered around himself an advisory team, almost completely from IPES, which reflected the hegemony gained by the organic elite. Campos' team also expressed the great weight that CONSULTEC/APEC members had in the Study and Doctrine Group of IPES-Rio de Janeiro, as most of his collaborators belonged to both organizations.

It was the IPES/CONSULTEC team of Roberto Campos who devised the Plan for Economic Action of the Government - PAEG, a programme of co-ordinated government activity in the economic sphere, which became

the master-plan for the economic and social reforms implemented from 1964 to 1967. It should be noted that despite its name, the PAEG had more to do with diagnosis and statements of general policy than with the actual detailed realization of a plan of action.

However, the implementation of PAEG had one particularly important effect. It allowed multinational corporations making use of their subsidiaries in Brazil to buy at rock-bottom prices Brazilian businesses strangled by the credit restrictions which it imposed, leading to the phenomenon known as denationalization.⁴⁶

Campos' team included the following core of IPES/CONSULTEC/APEC affiliates: techno-entrepreneurs and entrepreneurs Eudes de Souza Leão, Paulo de Assis Ribeiro, Carlos de Assis Ribeiro, Frederico Maragliano Cardoso, Edgard Teixeira Leite, Denio Nogueira, José Garrido Torres, Wanderbilt Duarte de Barros, Eduardo da Silveira Gomes, José Piquet Carneiro, Alexandre Kafka, Og Leme, Estanislau Fischlowitz, Mario Henrique Simonsen, Luiz Bulhões Pedreira, Oswaldo Trigueiro, Antonio Casimiro Ribeiro, Walter Lorch, Harold Cecil Polland, Claudio Cecil Polland, Carlos Moacyr Gomes de Almeida, Glycon de Paiva, Luiz Gonzaga Nascimento Silva (who became the juridical advisor of the Ministry) and Gilberto Ulhoa Canto.

Sebastiao Sant'Anna e Silva, a director of USIMINAS, the giant joint Japanese-Brazilian steel consortium, and a person who enjoyed the personal trust of Campos, was appointed secretary-general of the Ministry. Edmar de Souza, of the Study and Doctrine group of IPES and a team-mate of Campos at CONSULTEC, became administrative director of the Ministry.

A Consultive Council for Planning - CONSPLAN, was established in 1965, with Roberto Campos as executive secretary, which became a major centre for policy formation and a forum designed to 'gather

suggestions, listen to criticisms and produce contributions from those in national economic life'.⁴⁷ Again, this central body, designed to ensure private participation in the planning process, was composed mostly of IPES affiliates and collaborators.

Strictly speaking, the CONSPLAN was not a representative body. All its members were appointed by the president either on his own initiative or from lists submitted by sectors concerned.

From the entrepreneurial and techno-entrepreneurial sectors the following were involved in CONSPLAN: industrialist and banker General Edmundo Macedo Soares, Saturnino de Brito Filho, João de Pietro (Banco do Estado de São Paulo), Padre Fernando Bastos D'Ávila (ADCE), Lindolfo Martins Ferreira (ADESG), Antonio Delfim Netto, Antonio Dias Leite (a militant Catholic who turned out to be a discordant voice in CONSPLAN favouring different entrepreneurial policies), Mauro Ramos, Frederico Heller (CONSULTEC, who was in charge of the Sector of Promotion), Glycon de Paiva, and his stand-in Harold Cecil Polland. From the Regional Agencies were appointed Vitor Gradín (SUDENE), Paulo Camillo de Oliveira Penna (Banco de Desenvolvimento de Minas Gerais) and Karlos Rieschbieter, from CODEPAR, the Companhia de Desenvolvimento do Paraná, a nominee of Nei Braga and of banker Leónidas Borio. From the 'pelego' structure of the trade unions were chosen Ary Campista, José Rotta, Paulo Cabral and Odilo Nascimento Gama. IPES activist Mario Leão Ludolf represented the entrepreneurial class associations.

A Special Commission of CONSPLAN was created, which functioned as an agency for assessing government projects. Its members were Lindolfo Martins Ferreira (president), José Rotta, Nylton Velloso (an entrepreneur and executive of the Commercial Associations of Minas Gerais), Padre Fernando Bastos D'Ávila, Armando de Oliveira

Assis, João Paulo dos Reis Velloso, Oswaldo Iorio, Paulo de Assis Ribeiro and Eudes de Souza Leão.⁴⁸

Helio Beltrão, another leading techno-entrepreneur and IPES affiliate, was responsible, with the support of Roberto Campos and in conjunction with an IPES/CONSULTEC team, for the drafting of the Law No.200, which encapsulated the wide and far-reaching Federal Administrative Reform carried out during General Castello Branco's presidency.⁴⁹ Directly linked to the Minister of Planning was José Nazaré Teixeira Dias, who was the executive secretary of the Special Commission for the Study of Administrative Reform.⁵⁰

Planning was made an absolute rule of the administration and all activity thenceforth had to fit into a programme extending over several years, which covered the national, regional and sector plans. A General Inspectorate of Finances was set up to monitor expenditure and Brigadier Roberto Brandini, an active militant in the civilian-military staff of São Paulo, was appointed director.

As co-ordinators of the Sectoral Groups of the Ministry of Planning, Campos appointed fellow IPES/CONSULTEC affiliates and collaborators, namely techno-entrepreneurs and entrepreneurs Henrique Capper Alves de Souza, Jesus Bello Galvão, João Batista de Carvalho Athayde, Milcíades Mario Sá Freire de Souza, Walter Lorch and Harry James Cole. As co-ordinator of the influential Committee for Co-ordination of the Alliance for Progress - COCAP, which was attached to the Ministry of Planning, Campos appointed Francisco de Assis Grieco.⁵¹

EPEA, the state Agency for Economic and Social Planning, where Víctor da Silva Alves Filho was appointed secretary-general and where IPES/CONSULTEC activists Mircea Buescu and Colonel Luiz Víctor D'Arinos Silva worked, was transformed, under the supervision of

Mario Henrique Simonsen into the Applied Economic and Social Planning Institute - IPEA, and IPES collaborator Mauricio Villela was assigned to it.

IPEA was established to put in hand studies, research and analysis in the economic and social spheres, required by the Ministry of Planning.

DATAMEC, a state agency for the processing of data was created, to which was assigned IPES-linked General Aduino Esmeraldo.

IPES affiliates and activists became in effect the core of the Ministry of Planning. Besides their affiliation to IPES, the members of Roberto Campos' team also showed an extraordinary overlapping with their CONSULTEC/APEC membership in particular and with techno-entrepreneurial agencies in general, thus reflecting the former composition of the Study and Doctrine Groups of IPES-Rio and IPES-São Paulo.

But above all, what should be emphasized is that against established belief, most of the members of the Ministry of Planning were not técnicos, but techno-entrepreneurs, if not outright industrialists and bankers.

The Ministry of Planning had effective support from two key agencies which operated in direct connection with the presidency and which performed for General Castello Branco the functions of filtering political information from both the civilian and military areas, as well as serving as foci of communication.

These agencies were the Civilian and Military Staff Offices.

The Staff Offices were eminently political bodies, rather than administrative ones. They took care of procedural aspects of executive decision-making, examining and advising on the pertinence

and adequacy of decisions taken or about to be taken by the president and the various ministries. The Staff Offices also examined the range of implications which decisions taken or about to be taken by the different ministers had on other individual ministries and administrative agencies and on the cabinet as a whole. In this respect, the Staff Offices controlled policies and provided valuable information to the Ministry of Planning and to the president affecting national policies. The functions of the Staff Offices have varied throughout the different administrations, each president attempting to shape them to his needs and those of his government.⁵²

As head of the very sensitive Civilian Staff Office was appointed IPES affiliate Luiz Viana Filho, a writer and politician of the Liberator Party, of Bahia and a member of the ADP, and as head of the powerful Military Staff Office was appointed General Ernesto Geisel.

Under General Castello Branco, the Civilian Staff Office functioned largely as a political ante-chamber of the president, absorbing partisan political pressures as well as from other quarters. Most of the attempts by the executive to manipulate party politics were carried out through the Civilian Staff Office, which was crucial in the protracted negotiations and longdrawn manoeuvres of the government aimed at carrying out the sweeping reform of party-political life engineered by the executive. Through the party-political reform, the government attempted a recomposition of political life, aimed at neutralizing regional and clientelistic pressures which obstructed efficient planning, by means of the creation of an official government party, ARENA, which was based on the alignment of force which had been operating under the aegis

of the Democratic Parliamentary Action - ADP. By taking an active part in party reform, the Civilian Staff Office shielded the public image of the president, allowing him to intervene decisively in selected and critical moments, backed by the authority of his office and the power of the military.

The Civilian Staff Office also served as a channel of communication of the president with public opinion in general and with the academic media and cultural environment in particular, for it was in charge of the preservation of the public image of the government as well as having a say in the preparation of the daily agenda of the president.

Moreover, the Civilian Staff Office took care of a wide array of individual demands, performing as an informal lobbying centre for economic groups and absorbing business pressures raised against the government which did not have proper channels of communication to the key administrative agencies or efficient representation before the ministries, thus being excluded from interest articulation at the top.⁵³

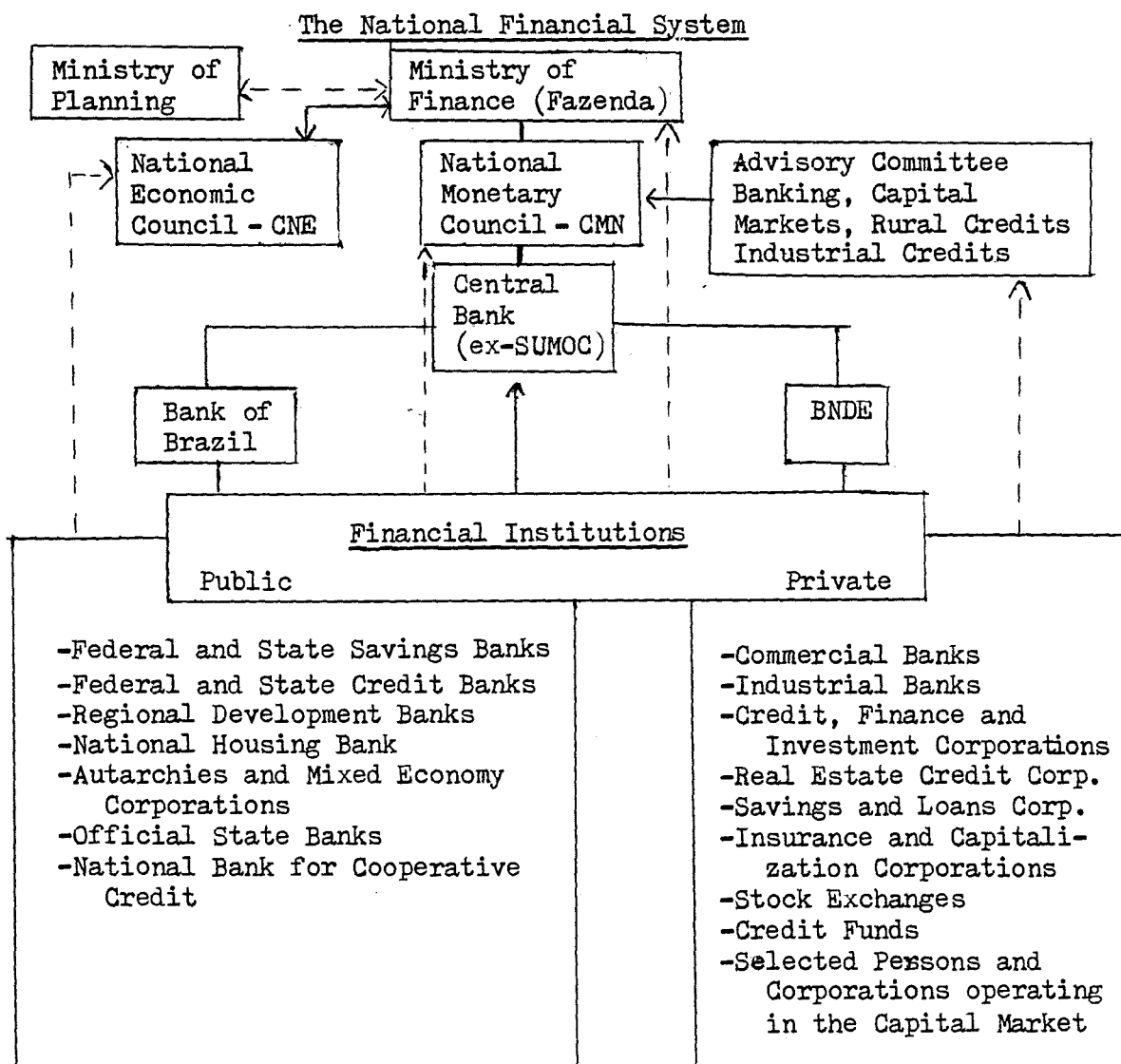
During the government of Castello Branco, the Military Staff Office was strongly supported by the IPES/ESG group and designed to become a counter-force to the Ministry of War, where Costa e Silva held control. Through the Military Staff Office, the IPES/ESG communicated with the military area, attempting to absorb the pressures arising from the various sectors of opinion within the Armed Forces and defusing military-political crises directed against the government. There was also an attempt to build up the image of the Military Staff Office as being the 'Ministry for the Military', a sort of lobbying agency to which the military could appeal for the resolution of their institutional problems in the wider context

of national politics, an exercise aimed at creating much needed support for the government among the Armed Forces. In this way, and under the aegis of IPES/ESG activists, it was expected to preempt or at least diminish the chances of the Ministry of War from acting as a power-broker.

The Military Staff Office did not succeed in one of its tasks, which proved to be critical, namely, in defusing the build-up of the candidature of General Costa e Silva supported by an alignment of forces which comprised the troupiers, the right-wing extremists and a number of dissidents from within the ESG cluster. This alignment finally carried him to the presidency, very much to the despair of IPES/ESG activists.

Although informed by the strategic thinking of the executive, both the Civilian and the Military Staff Offices were ruled by expediency and by the constraints imposed by immediate requirements and contingent pressures. In a way, the heads of the Staff Offices performed as trouble-shooters of the president. In subsequent administration, though, the role of the Staff Offices varied enormously. They increasingly acquired a strategic quality and developed the function of executive policy-control mechanisms, under the presidencies of General Médici and of General Ernesto Geisel, and in particular under the current president, General João Baptista Figueiredo, whose present heads of the Civilian and Military Staff Offices are respectively General Golbery himself and General Danilo Venturini.⁵⁴ The IPES/ESG group, and especially the SNI had gone full circle.

By far the most important development in economic matters was that IPES affiliates and collaborators established their hegemony within the financial network of the state, thus controlling the allocation of the vast resources at their disposal. Moreover, the IPES activists controlled the key agencies for financial policy-making and all the levers of decision-making, thus in effect shaping the economy. Law 4595 of 1964 restructured the financial system, which by 1966 comprised the following bodies



The key positions in this structure were occupied by former members and activists of the Study and Doctrine groups of IPES. They

were mostly entrepreneurs and techno-entrepreneurs and many of them had dealt, at IPES, with position papers, reform proposals and programmes for government related to their subsequent functions and positions in the administration of Castello Branco.

As Minister of Finance was retained IPES affiliate Octavio Gouveia de Bulhões who had been appointed, immediately after April 1st 1964, by the commanding junta of the self-appointed ministers of the Armed Forces. Gouveia de Bulhões became, together with Roberto Campos, the shapers of the new Brazilian economy.⁵⁵

Alvaro Carvalho Cesario Alvim was made Procurator of the Ministry, and Mader Gonçalves was appointed advisor to the administration. Ernane Gálveas, an IPES collaborator and a friend of Delfim Netto, was appointed assistant to Gouveia de Bulhões.

The Superintendency of Currency and Credit - SUMOC, comprised, by 1965, the following entrepreneurs and techno-entrepreneurs, all affiliates and collaborators of IPES: Octavio Gouveia de Bulhões (president), Luiz de Moraes Barros (vice-president), and a council composed of Denio Nogueira, Luiz Biolchini (Carteira de Cambio), Aldo Franco (CACEX), Casimiro Antonio Ribeiro (Carteira de Redescontos do Banco do Brasil), Daniel Faraco (Ministry of Industry and Commerce), Roberto de Oliveira Campos (Ministry of Planning), João Gonçalves de Souza (SUDENE) and José Garrido Torres (BNDE). The director of Foreign Affairs of SUMOC was also its general director, IPES leader Denio Nogueira. Fabio Antonio da Silva Reis was appointed head of the Division for International Affairs. The secretary general of SUMOC and head of the Inspetoria Geral de Bancos was entrepreneur Helio Marques Vianna, a member of the think-tank of the Federation of Industries of Guanabara and a collaborator of IPES as well as a relative of General Castello Branco.

The Economic Department of the SUMOC was headed by Eduardo da Silveira Gomes Jr. and the Division of Financial and Monetary Appraisals (Estudos) was headed by Basilio Martins. As advisors to Silveira Gomes Jr. were appointed José Luiz Silveira Miranda and Ernane Gálveas.

SUMOC was eventually superseded by the establishment of the IPES-recommended Central Bank - a bank for the government, a bank for the banks and a bank of emission - and by a newly created National Monetary Council which was in charge of economic-monetary policy-making. A long standing proposal of IPES, that of the creation of a Central Bank, as an agency responsible for the administration of banking and credit policies and in charge of the control of foreign capital, was finally implemented. Its first president and founder was Denio Nogueira, who had been responsible for the IPES-sponsored project at the Study and Doctrine Group in Rio. As directors of the Central Bank were appointed techno-entrepreneurs Casimiro Antonio Ribeiro, Luiz Biolchini and Aldo Franco.⁵⁶ José Luiz Bulhões Pedreira was appointed consultant to the Bank, while as head of the Economic Department was appointed Eduardo da Silveira Gomes Jr. Denio Nogueira was succeeded as president of the Central Bank by techno-entrepreneur Ruy Aguiar da Silva Leme, the Doctrine and Study Group leader of IPES-São Paulo.

The National Bank for Economic Development - BNDE, with its enormous resources, which in 1966 allocated 200 billion cruzeiros to industry and its function of long-term financing of fixed capital in basic sectors, became another IPES preserve. IPES leader and techno-entrepreneur José Garrido Torres was appointed president.⁵⁷ Techno-entrepreneur and IPES collaborator Jayme Magrassi de Sá was appointed director.⁵⁸ Other influential figures in the BNDE structure

were the economists and IPES affiliates and collaborators Jorge Duprat de Brito Pereira, Jessé Montello, Raul Fontes Cotia, João Batista Pinheiro, Álvaro Americano and Alberto Lelio Moreira, who occupied administrative posts. As director of the Administrative Council of the BNDE was appointed IPES affiliate Edmundo Falção da Silva, who also became the Bank's representative in the administrative council of the Fund for Financing and Acquisition of Machinery and Industrial Equipment - FINAME, a new and key state agency in the process of industrializations. FINAME used resources of the Alliance for Progress, the Interamerican Bank for Development - BID, and the German Fund for Development.

The overlap and interchange of personnel was so intense that Garrido Torres, in view of the heavy load imposed on IPES, even suggested that BNDE economists should help the IPES Study and Doctrine Group⁵⁹ which continued to prepare recommendations for economic modernization after April 1964 and remained a body which assessed the government's performance on financial and industrial policy.

The Banco do Brasil lost many of its attributions to the newly created Banco Central, but still remained the financial agent of the treasury, in charge of collecting federal revenues. The Banco do Brasil combined the operations of a commercial bank with those of an agricultural bank, entering even into some lines of investment banking. Its control gave the IPES entrepreneurs a strong card in the allocation of resources to agriculture. IPES leader and banker Luiz de Moraes Barros was appointed president of the Banco do Brasil,⁶⁰ substituting entrepreneur Arnaldo Blank, who had been appointed by the Military Junta. Luiz Biolchini was appointed head of the Bank's Foreign Exchange Department. The Foreign Trade Department - CACEX (formerly CEXIM) was headed by

techno-entrepreneur Aldo Franco, and Ernane Gálveas was appointed director in 1966. The Carteira de Redescontos was headed by techno-entrepreneur Casimiro Antonio Ribeiro. The head of the Carteira Agrícola was ADCE executive Severo Gomes, himself an industrialist and landowner. Herculano Borges da Fonseca was the lawyer of both the Banco do Brasil and of CACEX.

Affiliates and collaborators of IPES soon controlled the National Economic Council, which for a while remained an assorted composition of entrepreneurial interests. By 1965, the CNE had as counsellors the entrepreneurs and techno-entrepreneurs Harold Polland, Paulo de Assis Ribeiro, Glycon de Paiva and Humberto Bastos. They joined nationalistic entrepreneur Fernando Gasparian, and José Augusto Bezerra de Medeiros, Pereira Diniz, and Paulo Fender, a former senator for Santa Catarina, all of whom were members of the CNE in the previous government. The president of the CNE was Antonio Horacio Pereira and vice-president was Gasparian.⁶¹

By March 1966, the IPES leadership had succeeded in removing the thorn represented by the nationalistic aspirations of Gasparian and reconstituted the CNE. The president of the CNE was Harold Cecil Polland. As councillors were listed Glycon de Paiva, Antonio Delfim Netto, Obregón de Carvalho, José Bonifacio Coutinho Nogueira, Humberto Bastos, Paulo Fender, Antonio Horacio Pereira, Antonio Carlos Carneiro Leão (secretary). IPES affiliates Ruy Aguiar da Silva Leme, of the Doctrine and Study Group of São Paulo, joined the Council, as did Helio Beltrão, who went to the Planning Commission. As head of the Section of Exchange and Divulcation of the CNE was appointed IPES affiliate Maragliano Cardoso.

In late 1965 a National Monetary Council - CMN was created, in charge of formulating financial policy, thus crowning the newly

trimmed Financial System with an IPES team of entrepreneurs and techno-entrepreneurs. The CMN comprised the Minister of Finance, Gouveia de Bulhões (president), Roberto Campos (Planning), Denio Nogueira (Central Bank), Luiz de Moraes Barros (Banco do Brasil), Garrido Torres (BNDE), Casimiro Antonio Ribeiro (director of the Central Bank), Luiz Biolchini (director of the Central Bank), Aldo Franco (director of the Central Bank), and Daniel Faraco (Minister of Industry and Commerce). IPES leaders and bankers Gastão Eduardo de Bueno Vidigal and Rui de Castro Magalhães were included as representatives of the private banking institutions, thus giving them direct access to policy-making. IPES affiliate and entrepreneur José Maria de Araújo Costa was made director of the influential Consultive Commission for Industrial Credit of the CMN, which had control of the allocation of resources for industry.⁶²

IPES affiliate José Luiz Bulhões Pedreira, a leading entrepreneur himself, during his passage through the Ministry of Finance and that of Planning was responsible together with an IPES/CONSULTEC team for the major part of the financial legislation of the period, and in particular, for the Capital Markets Law. This law, promulgated as No. 4728 in 1965 regulated the financial market, laying the groundwork for protecting security-buying public and minority stockholders, and attempting to provide adequate disclosure of corporate financial structure and other information necessary to the potential investor. The law also established principles for the reformulation of the stock exchanges, which were led by IPES related financial figures, and established new bases for mutual funds and investment banks. Several sections of the Law were aimed at the 'Democratization of Capital', i.e., increasing participation in the ownership of the sociedades anónimas, an important battle-horse of IPES previous to

1964. Finally, the law gave to the Monetary Council and to the Banco Central functions comparable to the Securities Exchange Commission in the United States.⁶³

It has already been shown that IPES affiliates and collaborators, in the majority bankers and industrialists - not técnicos - held the key posts of the CNE, the CMN, the Banco do Brasil, the Central Bank, the Ministries of Planning and Finance and of the BNDE. However, the law that reformed the financial system also involved a most important decision, i.e. the inclusion of the private banks and financial institutions, as formal components of the National Financial System. It is interesting to note that IPES affiliates and collaborators were strongly represented in the private and public banks and in financial institutions,⁶⁴ which were part of the National Financial System (as can be seen from Appendix W).

IPES affiliates and collaborators, themselves industrialists and bankers, were also prominent in the administration of the biggest public state banks, which controlled enormous resources available for regional projects to private entrepreneurs. Among them it is worth mentioning: Banco do Estado do Paraná (Andre Arantes), Banco do Estado da Guanabara (João Augusto Maia Penido, Dario de Almeida Magalhães), Banco do Estado de Santa Catarina (Irineu Bornhausen), Banco do Estado de São Paulo (Lelio Toledo Piza Almeida Filho, Paulo Almeida Barbosa, Henrique Bastos Thompson, G. E. Bueno Vidigal, Ruy Aguiar da Silva Leme (director of the Carteira de Expansão Económica), Teodoro Quartim Barbosa, Paulo Reis Magalhães), Banco do Estado do Rio (Milcíades Mario Sá Freire de Souza, César Guinle, Francisco de Assis Monerat, Carlos Alberto Melloni), Banco do Amazonas (Nelson Ribeiro), Banco do Estado de Minas Gerais (José Alcino Bicalho, Geraldo Ildefonso Mascarenhas, Celso Lage, José Pereira de Faria),

Banco do Estado da Bahia (Edmar de Souza).

Furthermore, IPES affiliates and collaborators were placed in key positions in the class associations and the private agencies related to the financial sector.

José Luiz Moreira de Souza became president of ADECIF, the Association of Credit, Investment and Finance Enterprises. A. Oswaldo Campiglia became president of ACREFI, the Association of Investment, Credit and Finance Enterprises.

Luiz Cabral de Menezes was made president of the Stock Market of Rio de Janeiro (Bolsa de Valores do Rio de Janeiro). Ernesto Barbosa Tomanik was appointed president of the Stock Market of São Paulo. Tomanik was also responsible for the modernization of the Stock Market, for which project he had been responsible at the time of the IPES-sponsored Congress on Basic Reforms. The 'democratization of capital', one of the ideological tenets of IPES involving the development of the National Stock Market while securing the investment of middle-class and white-collar working-class savings, and the expansion of the number of 'Blue-Chip' corporations, i.e. enterprises which placed their shares in the market, was being implemented under the supervision of IPES activists.⁶⁵

Finally, IPES activists took over key positions in the lending banks of the state. The former IPES treasurer and banker, Joviano Rodrigues Moraes Jardim, was appointed president of the Caixa Económica Federal - CEF, in Rio de Janeiro, a government low-lending bank which operated with considerable resources. Moreover, Antonio Viana de Souza was also appointed to the CEF-Rio. Arnaldo Blank became president of CEF-Guanabara. To the directorship of the Carteira de Consignações of the CEF was appointed Humberto Esmeraldo Barreto, nephew of General Aduino Esmeraldo.⁶⁶ To the Superior

Council of the Caixas Econômicas Federais went Minas Gerais banker Oswaldo Pierrucetti, as president, and IBAD Marshal A. Magessi Pereira as director. José Carlos de Assis Ribeiro became juridical consultant of the CEF of Rio de Janeiro. Arnaldo Blank became president of the Caixa Econômica of Guanabara. Paulo Salim Maluf, an associate of IPES leader Fuad Lutfalla's economic group and director of Eucatex S/A, became the head of the CEF in São Paulo in 1967.

The accumulation of key posts within the financial system by the IPES affiliates and collaborators was truly remarkable, emphasizing, against accepted beliefs, the extraordinarily high degree of direct participation in politics of bank owners and directors of private banks. Another important observation to be made is the relatively small number of IPES activists holding so many key positions, due to their extraordinary overlap of functions. Moreover, what is particularly important to stress is that these IPES affiliates were not only owners and directors of financial institutions, but were shareholders and directors of a very large concentration of industrial corporations, both local and multi-national. Many of the banks were themselves connected by shareholding or joint venture association with large industrial corporations, expressing the advanced stage of integration and concentration of banking and industrial interests. These connections can be seen in Appendices B, E and I.

Besides the reform of the financial system and the occupation of its key positions, which IPES considered necessary and which was implemented under the supervision of its leaders and affiliates,⁶⁷ there was another politically and ideologically important issue which had a serious effect on the Brazilian economy and polity.

This issue was the emotionally charged Law of Agrarian Reform. Agrarian Reform, as seen earlier, had been a subject of detailed study at IPES/IBAD. The guidelines for the basic Law of Agrarian Reform, which became known as the Estatuto da Terra, were based on the recommendations made by IPES. These proposals on reform, relying on complex progressive taxation to force large landowners to adopt modernization techniques or sell their land, were made public in a book released in 1964 by IPES and called The Agrarian Reform: Problems, Bases, Solutions. The study had been coordinated by Paulo de Assis Ribeiro, under the supervision of IPES leaders Glycon de Paiva, General Golbery, General Heitor Herrera and Harold Polland. The IPES/IBAD team which worked on the study included José Garrido Torres, José Arthur Rios, Denio Nogueira, Carlos José de Assis Ribeiro, Edgard Teixeira Leite, Julian Chacel, Luis Carlos Mancini, J. Irineu Cabral, Wanderbilt D. de Barros and Nilo Bernardes. (Others who participated in the original study have been listed in Chapter VI.) Basically the same entrepreneurs and techno-entrepreneurs participated in the formulation and implementation of the Estatuto da Terra which was finally implemented.⁶⁸

Paulo de Assis Ribeiro's team received the help of the Ministry of Planning through a team made up basically of IPES affiliates and collaborators.⁶⁹

The hegemony of IPES was also visible in the composition of the various task-teams which had a say in the technical preparation of the Estatuto da Terra. The individuals who headed the various task-teams of professionals and bureaucrats from SUPRA and DATE-São Paulo (a technical and consultancy agency) were:⁷⁰ Denio Nogueira (SUMOC), Mario Henrique Simonsen (Ministry of Planning), Julian M. Chacel (FGV)

and, rather surprisingly, Maria da Conceição Tavares (SUPRA), all of whom dealt with Economic Problems; Wanderbilt Duarte de Barros, of the Ministry of Planning (Agronomic Problems); André Martins Andrade (Fiscal Problems); José Arthur Rios and Luis Carlos Mancini (Sociological Problems); Nilo Bernardes (Geographical Problems); José Tocantins (Banco Nacional de Crédito Cooperativo) and José Pires de Almeida (Banco Nacional de Crédito Cooperativo) (Cooperativist Problems); and General Golbery (SNI), Cândido Guinle de Paula Machado, Harold Cecil Pollard (CNE), José Rotta (Federation of Rural Workers of the State of Sao Paulo), and Glycon de Paiva (CNE), with no specified assignments, dealing with Diverse Problems.

From the Brazilian Rural Confederation - CBR, the following rural entrepreneurs had access to the bill of law on agrarian reform and were able to propose amendments to the core group which dealt with the Estatuto da Terra: Iris Meinberg, Edgard Teixeira Leite, José Rezende Peres, Durval Garcia Menezes, Lingard Miller Paiva, Al Neto, Batista Luzardo and Josafá Macedo.

From the Banco do Brasil were consulted entrepreneurs Severo Gomes and Claudio Pacheco. The absence of representatives of the traditional agrarian interests was noticeable, although party political figures were consulted on their opinions about the bill of law (only after it had been drafted). It was clear that the weight behind the formulation of the bill lay with those mentioned above, all affiliates and collaborators of IPES/IBAD.

Techno-entrepreneur José Gomes da Silva was appointed superintendent of SUPRA, the Superintendency for Agrarian Reform. José Gomes da Silva was also a member of IBRA, the Institute for Agrarian Reform, which eventually superseded SUPRA.

For the implementation of the Estatuto da Terra, or Statute of

the Land and the reform of landholdings, IBRA, the Institute for Agrarian Reform, was established. IBRA, which had been accorded status of a Super-ministry, enjoying priority among cabinet departments, served to side-step in terms of policy-making the Ministry of Agriculture where the traditional agrarian interests still had a foothold. IBRA was functional in pre-empting the control the oligarchy and the coffee bourgeoisie had over agrarian policies, by shifting the locus of policy-making in this vital area to another agency, staffed by techno-entrepreneurs and entrepreneurs who pushed forward policies which attempted to integrate the agrarian sector within the wider plans of development of big industrial modernization.⁷¹

The nub of the analysis of the Statute of the Land was the inefficiency that was found in the man/land relationship both in the traditional latifundia and in the large quantity of minifundia. Existing bottlenecks in agriculture had to be overcome by a better distribution of the factors of production, modifying archaic patterns of land ownership. Emphasis was placed on increasing agricultural resources, mechanization, and on developing distribution networks suitable for the products involved, which as a side-effect involved the Ministry of Transport in a policy of road-building, and the big industrial concerns into mechanizing farming and providing transport facilities to the rural markets.

Again, IBRA was mostly staffed by IPES/IBAD activists. The president of IBRA, the agency charged with the administration of the Agrarian Reform and the government's effective policies in the rural sector was Paulo de Assis Ribeiro. The directors of IBRA were Wanderbilt D. de Barros, César Cantanhede (Assis Ribeiro's teammate at CBP), Helio de Almeida Brum (ADESG) and IPES General Jaúl Pires de Castro.⁷²

The Technical Council of IBRA comprised Claudio Cecil Polland, Julián Magalhães Chacel, Edgard Teixeira Leite, José Agostinho Trigo Drummond Gonçalves, João Quintiliano de Avelar Marques (representative of Rural Machinery Industry of Minas Gerais), Glauco Olinger (representative of ABCAR-Santa Catarina, the Brazilian Rural Credit and Technical Assistance Association), entrepreneur Flavio da Costa Britto (representing the cooperativista movement) and Edvaldo de Oliveira Flores.⁷³

The head of the work-team on the Specific Programme of Sugar Co-operatives of the Ministry of Planning and co-ordinated by IBRA, was José Garrido Torres.

Together with IBRA was created another agency, INDA, the National Institute for Agrarian Development, which was to deal with 'colonization' and agricultural development in the country. As president of INDA was appointed IPES activist and rural entrepreneur Eudes de Souza Leão. He was also advisor to the Ministry of Planning on Agrarian Matters. In this capacity, Eudes de Souza Leão became the co-ordinator for the Planning of National Agriculture, for which, very conveniently, INDA was responsible.

Paulo de Assis Ribeiro was also to become subsequently the co-ordinator for the bill of law of the General Plan of Statistics of INCRA, the National Institute for Colonization and Agrarian Reform which superseded IBRA and INDA. As consultants to INCRA were appointed Wanderbilt Duarte de Barros, Julian Chacel and José Arthur Rios, all IPES affiliates and activists.

As mentioned earlier, the Ministry of Agriculture remained at a secondary level of importance throughout the administration, overshadowed by IBRA. This was reflected not only in the appointments made to the Ministry but in its diminished functions.⁷⁴

Initially, the Minister of Agriculture was a representative of the traditional agrarian interests and the Ministry served to absorb pressures coming from such quarters. The new Minister was Oscar Thompson Filho, who had been Secretary of Agriculture of the State of São Paulo under Adhemar de Barros and had been a participant in the political mobilization of middle-class women organized by IPES. Soon Oscar Thompson resigned, on account of his incompatibility with the new policies being implemented by the Castello administration through IBRA and the ineffectiveness of his efforts. His place was taken by Hugo Leme, also of São Paulo. Besides being an agronomist and professor at the Escola Superior de Agricultura of Piracicaba, Hugo Leme was also the business associate of IPES leader and entrepreneur Nivaldo Coimbra de Ulhoa Cintra, who became top advisor of the Ministry of Agriculture, together with Edgar Teixeira Leite.

Hugo Leme was succeeded by Nei Braga, a former governor of Paraná, who was close to General Geisel and President Castello Branco. Braga was also a Klabin place man, for the Klabin group had extensive interests in Paraná.⁷⁵ Nei Braga had succeeded in securing the appointment of his political associate, banker Leónidas Borio, a former director of CODEPAR, to the presidency of the Brazilian Coffee Institute - IBC, the agency in charge of government policies in the coffee sector. Borio took with him Karlos Rischbieter from CODEPAR.

When Nei Braga resigned his post, his place was taken over by Severo Gomes as a stop-gap Minister.

The Ministry of Agriculture played a subdued role after 1964, doing nothing dramatic. Even credits to agriculture were outside its sphere of influence, for they were handled and allocated by the

Banco do Brasil, under the supervision of its president, IPES leader Luiz de Moraes Barros, and through the services of rural entrepreneur Severo Gomes, as head of the Carteira Agrícola e Industrial.

Besides the key ministries directly involved in economic policy-making mentioned above, IPES affiliates occupied the central posts of a host of other ministries and administrative agencies of the post-1964 government. In many cases these ministries and administrative agencies remained with their pre-1964 functions, only they were taken over by the IPES/IBAD activists who thus secured homogeneity in policy-making. For these ministries and agencies were implementing policies which to a large extent had already been developed as a programme for government by the Study and Doctrine Groups of IPES and co-ordinated by the Ministry of Planning. Most of the reforms implemented by IPES ministers and administrators had already been introduced to parliament, unsuccessfully though in many cases, as bills of law still under Goulart. Other policy proposals had been presented to the public at large, by these very same current ministers and administrators and by some of the individuals who were part of the new government, as reform proposals at the IPES-sponsored Congress on Basic Reforms, in 1963.⁷⁶

The Ministry of Industry and Commerce remained with its pre-1964 functions, and it was occupied by a number of IPES affiliates and collaborators. Daniel Faraco, the ADP deputy, who had played an important role in the strategy of the Parliamentary Action Group of IPES in the Chamber of Deputies, was appointed Minister for Industry and Commerce. He was eventually substituted by industrialist and banker Paulo Egydio Martins, who had been a participant of the São Paulo based civilian-military staff led by IPES. Industrialist and banker Helio Beltrão was appointed director of the

influential Advisory Committee on Industrial and Commercial Policy of the Ministry. Other IPES collaborators and entrepreneurs were appointed to agencies which functioned under the aegis of the Ministry for Industry and Commerce. Among them were Sylvio Froes Abreu (National Institute of Technology), Paulo Accioly de Sá (National Institute for Weights and Measures), and Joaquim Xavier da Silveira, who went to EMBRATUR, a newly created agency which was to co-ordinate government policy in the area of tourism.⁷⁷

To the National Superintendency of Supplies - SUNAB, established by the previous regime to control the prices and the supply of basic commodities, was appointed IPES leader Guilherme Borghoff, and Colonel Mauricio Cibulares, who had previously been with COFAP, the predecessor of SUNAB. The National Supply Agency was subsequently replaced by a new agency, the Brazilian Company of Food - COBAL, to which was appointed IPES General Carlos de Castro Torres. COBAL's emphasis was more on orderly supply of goods to the market rather than on fiscalization of prices and supply of non lucrative basic commodities and services.

Another ministry which did not undergo drastic changes in its structure, but which expanded its role was that of Justice. This Ministry was, and is, within the Brazilian political system, a key political ministry and not just the administrative structure of the judicial power. It is a ministry whose head is generally present in the most important political decisions taken by the government, absorbing together with the Civilian Staff Office pressures coming from the party-political area, the media and academic quarters, as well as dealing with political and intellectual opposition to the incumbent government. The Ministry of Justice has also served as a channel for the expression of hard-line pressures

coming from the military in their opposition to civilian corruption and to the left.

Initially IPES leader Luiz Antonio Gama e Silva was appointed Minister of Justice, immediately after April 1st 1964, by the commanding Junta of the self-appointed Ministers of the Armed Forces. With General Castello Branco's accession to power, Gama e Silva stepped down and another jurist, UDN politician Milton Campos, the unsuccessful former slate companion of Janio Quadros in the elections of 1960, succeeded him. Campos, who belonged to the 'more legalist' trend within the UDN, and was in this, akin to General Castello Branco was soon replaced by ADP/ESG General Juracy Magalhães for an interim period until IPES/ADP Senator Mem de Sá, of the Liberator Party, who had played such a significant role in the strategy of IPES/IBAD in Congress, took over.⁷⁸

Although it kept its previous functions, the Ministry of Justice played a very active role because of the authoritarian nature of the regime imposed after 1964, performing a supportive role in the executive in the latter's legislative flurry which preempted Congress. The Ministry of Justice did not only rubber stamp political decisions against opponents of the opposition with 'juridical authority', but it also exerted judicial intervention with a clear political character, of which many of the over 6,000 decrees, 700 laws, 312 law-decrees, 2 Institutional Acts and 17 Complementary Acts promulgated and enacted by the Castello Branco administration bore witness.

The extraordinarily great amount of legislation by the executive was eventually encapsulated into a new Constitution. The commission of prominent jurists in charge of the project for the Reform of the Constitution which they drafted and which was implemented in 1967

comprised four IPES affiliates and collaborators, namely Themístocles Cavalcanti, Seabra Fagundes, Orozimbo Nonato and Levi Carneiro. Besides the direction of the Ministry of Justice and the responsibility for the reform of the Constitution (for which Carlos de Assis Ribeiro had before 1964 prepared a basic draft plan and line of argument), the IPES activists also secured a host of key positions within the judicial structure.⁷⁹

A ministry which clearly changed its role was that of Labour. Through the Ministry of Labour, the past administrations had secured the limited mobilization of the urban working classes and attempted to manipulate the trade unions. Under the new government, popular mobilization was halted, although the Ministry of Labour remained with its function of labour control.

IPES political actors were influential in the Ministry of Labour. Immediately after the coup the Junta appointed Arnaldo Lopes Sussekind, who retained his function with President Castello Branco. Sussekind had helped to draft the long-standing direct and indirect corporatist controls established in the Consolidation of Labour Laws - CLT, which were the cornerstone of the Estado Novo's labour policies. Sussekind was substituted by Walter Peracci Barcellos, the ADP deputy of Rio Grande do Sul. Barcellos was substituted in mid 1966 by lawyer and entrepreneur Luiz Gonzaga do Nascimento Silva, a lecturer at IPES, when the former decided to become a candidate for the gubernatorial seat of Rio Grande do Sul, which he eventually won.⁸⁰ As lawyer to the Ministry of Labour was appointed Juarez do Nascimento Fernandes Távora, son of ESG co-founder Marshal Juarez Távora and Minister of Transport of the new government. As member of the Superior Labour Tribunal was appointed arch-pelego and AIFLD/ORIT-linked Ary Campista, while Romulo Marinho, a ICT/AIFLD graduate, became director of the

Departamento Nacional do Trabalho under President Medici's term.

The Study and Doctrine Groups of IPES, in co-operation with members who had been active in the Syndical Sector of Action of IPES, had prepared a series of reforms intended to contain the working-class movement, as well as to break the populist hold which traditionally had been established through the Ministry of Labour. These reforms were incorporated into the Ministry of Labour, thus shaping the form of events for years to come, refining and supplementing the techniques of the Estado Novo. The government's new labour legislation served three main purposes. It tightened direct control of the trade unions, preventing them from providing an organizational base for working-class attacks on specific government policies, on the new political system and against the social conditions the system came to preserve.

The new labour legislation also sought to strengthen the corporative aspects of the syndicalist structure for their role in nation building and social cohesion. Finally, under the guise of inflation control, it attempted to transfer resources to industry by subjecting the working class to several types of forced saving programmes.⁸¹

Government intervened in 67 per cent of the confederations of trade unions and in 42 per cent of the federations, seeking to purge them ideologically and politically. Bank and transport workers' organizations figured prominently in the political strikes between 1960 and 1964 and they were hit hardest in proportion to other sectors. General Liberato was appointed delegate to the Instituto de Aposentadoria e Previdência dos Bancários (Social Security Institute for Banking Employees - IAPB) of Guanabara, thus providing the system with a powerful instrument of pressure on banking employees. General Moacyr Gaya became Delegado Regional do Trabalho in the

troublesome area of São Paulo and was also appointed to the commission in charge of the reform of the Labour Ministry in the same area.

Large unions suffered more than the small ones. The Ministry intervened in 70 per cent of those trade unions with 5000 or more members, in 38 per cent of those with 1000 to 5000 members and in only 19 per cent of those with fewer than 1000 members. They simply destroyed the radical labour movement.

Government legislation expressly prohibited political and solidarity strikes and made even economic strikes extremely difficult. The government also fundamentally restructured the social security system in order to prevent labour activists from using its immense resources against the establishment. In 1966, a new law combined nearly all the Institutos de Aposentadoria e Previdência into one single National Social Welfare Institute - INPS, which was eventually placed under the responsibility of a Ministry spawned by the Ministry of Labour, the newly created Ministry of Social Welfare, thus ensuring 'apolitical' control over social security activities. Luiz Gonzaga do Nascimento e Silva was appointed Minister and IPES activist Estanislau Fischlowitz was appointed advisor to the Ministry.

IPES affiliates were also instrumental in the establishment of the Fundo de Garantia de Trabalho Social - FGTS. One of the most highly prized benefits for Brazilian labour prior to the overthrow of Goulart had been job stability or tenure, i.e., protection against being fired once a worker had reached ten years of service with an employer, except in duly proven cases of serious misbehaviour. Foreign investors strongly objected to the stability law,⁸² and the new administration heeded these objections. In 1966 a bill was submitted by the president which abolished the previous form of job stability and replaced it with a severance pay fund, the FGTS. The

law establishing the FGTS required that employers establish a bank account in the name of each of their employees and that they deposit therein each month the equivalent of 8 per cent of the employee's wages - the Crédito por Tempo de Serviço. Employees may withdraw this money only in the event of their dismissal, retirement or under other specified extraordinary circumstances. The bill of law instituting the Crédito por Tempo de Serviço was prepared by an all out IPES team which comprised entrepreneurs João Baylongue, José Duvivier Goulart and José Marques, General Heitor Herrera and Frederico César Cardoso Maragliano.⁸³ The legislation establishing the FGTS also terminated several employer-funded programmes designed to assist workers and it eliminated employers' statutory contribution to others, thus reducing services previously available to the working class and further lowering the workers' standard of living. The FGTS had a marked impact on the workers' lives, by heightening their personal economic insecurity, stimulating a high turnover rate of the labour force in the industrial areas of Brazil (by 1970, 35.5 per cent of the work force in São Paulo had put in less than one year in the job, 55.6 per cent had not yet reached two years, and 74.2 per cent had not reached three years). The lack of stability offered them also made workers hesitant to complain against their employers in the labour court-system, while the high turnover of workers employed by any one enterprise favoured lower wages compared to those employees who stayed with the same company over a long run, as the workers were always hired anew at the minimum wage.

The FGTS was established by a task-force of techno-entrepreneurs led by Roberto Campos, Luiz Gonzaga do Nascimento Silva and Mario Trindade, a friend of the Minister of Planning. The task-force

involved in the project comprised Mario Henrique Simonsen, José Américo León de Sá (a statistician of the Bozzano-Simonsen Bank, pertaining to Mario H. Simonsen), IPES affiliate and entrepreneur Moacyr Gomes de Almeida, Jayme da Silva Menezes (a bureaucrat of the Instituto de Resseguros do Brasil), lawyer Sergio Coelho and João José de Souza Mendes, the actuary.

Finally, the Brazilian administration would resort to an important mechanism for financing economic growth in post-1964: the absolute reduction of wages. As the new Minister of Planning, Roberto Campos would acknowledge, 'The wage discipline of Brazil seemed socially cruel, but it was the price to pay in order to restore the capacity for investments, both in the public and entrepreneurial sectors'.⁸⁴

As seen in previous chapters, IPES activists had played a significant part in the disruption of the political organization of rural labour. They now intervened in the legislation which aimed to prescribe the political status of the rural workers and to preempt their mobilization. The committee set up by the Ministry of Planning and appointed to study the project for a Statute for Rural Workers (Estatuto do Trabalhador Rural), a sort of code of political and labour behaviour, was comprised of Paulo de Assis Ribeiro (president), Eudes de Souza Leão, Armando de Oliveira Assis, General Adyr Maia and Carlos Ferreira de Souza. The choice of these individuals was not difficult, since the special commission of CONSPLAN which selected these members was composed of a number of IPES activists and collaborators, namely: Lindolfo Martins Ferreira, José Rotta, Nylton Velloso, Padre Fernando Bastos D'Ávila, Armando de Oliveira Assis, João Paulo dos Reis Velloso, Oswaldo Iorio, Paulo de Assis Ribeiro, Eudes de Souza Leão, General Adyr Maia and Carlos Alberto

Ferreira de Souza.⁸⁵

Among the peasantry, Padre Melo, the IPES/IBAD activist of the Northeast, became after the coup an 'unofficial dictator, directing the Army and the police to intervene in virtually all the rural syndicates and naming new directors to replace the leaders he had removed'.⁸⁶ Four AIFLD graduates were appointed to intervene within the trade unions in order to purge them of labour-left influence,⁸⁷ while as president of the Confederation of Agricultural Workers was elected IPES-sponsored José Rotta.

Itamaraty, the Foreign Ministry, was purged. IPES leaders General Liberato and Themístocles Cavalcanti, together with Ambassador Camilo de Oliveira, composed the Comissão de Investigações de Alto Nível (High Level Commission for Investigations) responsible for implementing Institutional Act No.1 within the Itamaraty. They were, thus, effectively in command of the purge of the foreign service.

Retained as Foreign Minister was ESG graduate and IPES-linked Vasco Leitão da Cunha, who had been appointed by the military Junta, and whose wife had been involved in the IPES-led campaign of middle-class mobilization. He soon retired, going into private business and was substituted by ESG graduate and ADP deputy Juracy Magalhaes, also a successful entrepreneur who had been the post-1964 ambassador to the United States. Magalhaes was followed as ambassador to the United States by João Batista Pinheiro, of the CONSULTEC team.⁸⁸ The Foreign Ministry underwent drastic changes in its orientation, abandoning its neutralist and Third World policies for one of automatic alignment with the United States. The change in foreign policy was expressed by Foreign Minister Leitão da Cunha's statement on 're-situating Brazil in the framework of priority relations

with the Western World', and on Brazil's readiness to defend 'the security of the continent against subversion and oppression from without or within' and on the 'consolidation of ties of all sorts with the United States of America'.⁸⁹

The change in foreign policy was also emphasized by Foreign Minister Juracy Magalhaes' assertion that 'what is good for the United States is good for Brazil', paraphrasing the dictum about General Motors and the USA.

The principle of national sovereignty shared the fate of the industrial and mercantile interests not involved in the internationalization of the market. As President Castello Branco stated in a speech given in Itamaraty as early as August 1964, '... the political expression of independence has been disfigured and has lost its descriptive utility.... The concept of independence is operational only under certain practical conditions.... In the economic sphere, the recognition of interdependence is inevitable, not just in trade, but especially in matters of investment.... Brazilian foreign policy has frequently reflected irresolution as the result of the doubtful nature of certain dilemmas: nationalism vs. interdependence; unilateral vs. multilateral negotiations; socialism vs. free enterprise.... More recently, nationalism was distorted so as to appear favourable to socialist systems, whose possibilities for trade with us and capacity for investment in Latin America were overestimated.... Brazil seeks to follow a policy of free enterprise and of orderly receipt of foreign capital.'⁹⁰ A year later, the Foreign Minister summarized these same ideas as follows: 'From the operational standpoint of foreign policy, independence and nationalism must give way to international interdependence, be it in the military, the political, the economic or the cultural spheres.'⁹¹

The change in policy was epitomized by a heavily criticized agreement, signed in early 1965 and conceding special guarantees to North American investment in Brazil, while any restrictions imposed by previous governments on the remittance of capital and regular and extraordinary profits were lifted.

From the moment the premises of dependent development in the economic sphere and of unquestioned US hegemony in the political sphere were accepted by Itamaraty and the government, it became possible to implement a foreign policy which some authors have characterized as sub-imperialism.⁹²

This foreign policy which aimed to secure the collective security of the Americas from without and from within, involved a division of functions (economic, political, ideological and military) between the United States and Brazil as favoured ally in the context of the inter-American system. But in order to implement the new international division of functions, which the official ideology presented as if it were a plan rooted in some supranational vision, it required, if not the wholesale sacrifice of the classic principles of self-determination and non-intervention, at least their being tactically put aside in certain circumstances. It was 'in the name of collective security' that Brazil intervened militarily in the Dominican Republic in 1965, siding with the United States in the guise of an Inter-american Peace Force.⁹³

An area in which IPES took a special interest and in which its affiliates and collaborators also occupied key posts was that of Education and Culture.⁹⁴ The new administration reformed the educational system and established new goals.⁹⁵ Educational planning became an integral part of 'global' (economic) planning, and appropriately, the reform was co-ordinated by the Ministry of Planning,

within the framework of PAEG. The team which studied these reforms was headed by Luiz Vítor D'Arinos Silva and Paulo de Assis Ribeiro, both members of the Study and Doctrine Group of IPES-Rio.⁹⁶

The new educational policy became the expression of the 're-ordering of the forms of social and political control', functional to the requirements of the economic interests which made necessary the reformulation of the polity and the economy in the first place. Higher education was relatively favoured against popular education, revealing the preoccupation with the qualification of the labour force for the higher echelons of the administration and of industry. Private schooling was strengthened by the Constitution of 1967 against government-owned, and free, universities.

IPES affiliate, Vítor D'Arinos, headed the Commission of the Plan for the Improvement and Expansion of Higher Teaching (Comissão do Plano para Melhoramento e Expansão do Ensino Superior). General Heitor Herrera, one of the leaders of IPES, was appointed to the Ministry of Education and made director of the programme responsible for the Co-ordination and Improvement of Higher Level Personnel - CAPES, and which was presided over by Suzana Gonçalves. The agency was responsible for funding students who wished to continue higher studies.

The tendency of educational planning to relatively favour higher learning against other levels, has to be seen in the context of the specificity of the Brazilian economy. The latter is endowed with a small and highly productive nucleus which functions on the base of imported sophisticated technology and produces durable consumption goods for a minority of the population. This sector of the economy requires specialized and qualified human resources, but in small quantities. The universities became the factories of this

refined product, while educational planning was the mechanism through which the output of the educational system was adjusted to the input of the necessities of the labour market, regulated by the law of supply and demand.⁹⁷

Higher education was seen as an economic input for industrial growth, and as such was conceptualized in the Ten Year Plan prepared by the Ministry of Planning in 1967. Brazilian education had 'to consolidate human capital in the country, so as to accelerate the process of economic development'. Even the jargon in the preliminary diagnosis and in the Ten Year Plan itself was 'economic' in nature. Both the diagnosis and the plan speak of techniques of production, factors of production, costs of production, regional and international comparative studies of production, and they all refer to the 'production' of lecturers and students and the structure of production of the educational system.

Subsequent plans even speak of 'teaching productivity', expansion or contraction of supply and demand of higher learning, and of turning the population into a 'factor of production through the effects of schooling on the production of resources'.

The concept of education changes substantially. It becomes human capital, which duly invested can produce social and individual profit. However, education is investment only when it prepares individuals for labour. Education is not any more a process of transmission of general culture of humanity, of universal knowledge. Education is instrumentalized for work, so that the individual becomes more productive in the enterprise which hires him.⁹⁸

The Ten Year Plan prescribed for the educational system the amount of professionals it would have to produce in each year, envisaging current and projected production. Moreover, prognosis of human

resources needed until 1976 led to the formulation of four specific sectoral plans, namely, for the formation of industrial labour force, the formation of rural labour force, the formation of professionals in medical sciences, and the formation and training of primary school teachers. These sectoral plans were important in that they showed the preoccupation with basic and primary education and health, in order to prepare a literate and semi-skilled and skilled labour force.

For private enterprises to expand or shrink their production on the basis of the law of supply and demand and the maximization of profit, they needed to have a reservoir from which to draw and to which could be returned the superfluous labour force. The state, already the mediator of private enterprise in the process of internationalization of the economy, took on the onus of the cost of the formation of such a reservoir of labour force and thus contributed directly to the formation of an industrial reserve army, both of qualified executive and professional personnel and skilled factory labour, through the institutions of higher learning and through MOBRAL, the Brazilian Movement for Literacy.

Paulo Freire's creative experiment and the Movement for Basic Education were terminated. Instead, for a while, the Cruzada ABC, directed by a North American protestant minister and carefully planned to check expectations and to restrict the formation of a critical perspective, was implemented, mainly in the Northeast.⁹⁹ In the meantime, a different type of literacy campaign was designed, made public as a government project towards the end of Castello Branco's administration and subsequently implemented by the name of MOBRAL - Movimento Brasileiro de Alfabetização. MOBRAL was established under the aegis of Mario H. Simonsen and Arlindo Lopes Corrêa,

who had devised one of the plans for middle-class mobilization employed by IPES in order to create the propitious political and emotional atmosphere for the coup of April 1964 became its head. MOBRAL was intended to co-opt and contain the urban worker, aiming at the 15-35 age group. Through MOBRAL civil and moral attitudes were inculcated at the political level as education and common sense. The government imposed a literacy campaign of explicitly ideological character, designed to instil in the urban working classes the values of authoritarian capitalism. What is interesting to note is that MOBRAL used the techniques of alphabetization of Paulo Freire, although extracting them from their philosophical and political context.¹⁰⁰

Furthermore, civic indoctrination through the school system was an endeavour where the IPES-sponsored League of National Defence and the Campaign for Civic Education and the Superior War College were collaborating in the planning of the new programme.¹⁰¹

Finally, the National Union of Students, which had its headquarters taken over by the police and the military, was thereafter severely restricted in its activities by law 4,464, known as 'Lei Suplicy de Lacerda', the name of the Education Minister. The UNE was finally banned outright under Costa e Silva's presidency.¹⁰²

Turning to a lesser ministry, that of Public Health, the pattern of IPES collaborators occupying key positions and of IPES policies being implemented was the same.¹⁰³

Plans for the nationalization of the pharmaceutical corporations, so many of which were IPES contributors, and the socialization of medicine were halted and investigations into their techno-scientific and economic practices and the quality of their products was discontinued. Government budgets were allocated minimal resources

for public health.¹⁰⁴

The working group which prepared the programme of government in the area of Public Health in the framework of PAEG was headed by Paulo de Assis Ribeiro.

Changes were also carried out in the Ministry of Transportation and Public Works, which was placed under the responsibility of ESG General Juarez Távora, the former IBAD-supported politician of the the PDC and one-time presidential candidate.

Over the eight years from 1955 to 1963, there had been a noticeable increase in the use of motor vehicles. Of the 93 billion of tons/kilometer transported in 1963, highway transportation increased its share to 66% of the total (from 53% in 1955) while maritime transport decreased to 17% (from 26% in 1955). A projection of the growth of demand in each means of transportation carried out by the Ministry in order to decide on a policy of investment for the national system of transportation estimated that by 1970, motor vehicle transportation of goods (and passengers) would represent 78.1% of the total, while maritime transport would decrease to 12.7% and railway transport would carry a mere 8.7%.¹⁰⁵

The strategy of development of the Brazilian model after 1964 with the extraordinary expansion of the multinational automobile and truck industry reinforced the trend towards motor transportation. Nothing was done to counteract the prognosis of the decline of railway and maritime transportation, while almost 3% of the Gross National Product was applied in 1965 in an ambitious programme to expand the motorway network. Furthermore, having a large population unable to acquire individual means of transport, the scant attention paid to the development of the railway system, which was the cheapest means of public transportation, said much about the social priorities of the new regime.

Measures of austerity were imposed on the railway system. The emphasis was placed on running as efficiently as possible existing services, many of which were vital for the transport of ore from private mining enterprises and joint ventures, keeping up the supply of spare parts and weeding out dysfunctional lines rather than on the development of the railway system, which required in-depth measures comparable to those with which the automobile industry had been favoured along the years. Even so, IPES affiliates and collaborators occupied key positions in the railway system.¹⁰⁶

Under the aegis of the Ministry of Transportation a wide-ranging programme of de-nationalization of the merchant shipping fleet was carried out. To the Merchant Navy Commission, an influential part in the decision-making which led the process of de-nationalization, were appointed a series of IPES affiliates and directors of multinational shipping corporations.¹⁰⁷ IPES affiliates and collaborators also took over other influential positions in the public management of the navigable waterways and services.¹⁰⁸

When EMBRAER, the government enterprise in charge of developing a national technology for the construction of aeroplanes for civilian and military use, was finally launched in 1969, a number of IPES entrepreneurs and techno-entrepreneurs took control. IPES affiliates and collaborators also maintained influential positions in other air transport companies.¹⁰⁹

A new Ministry for Regional Co-ordination, MECOR, was created to which ESG General Cordeiro de Farias was appointed. The new ministry had the function of co-ordinating regional development agencies. MECOR paid special attention to SUDENE, the Superintendency for Development of the Northeast and to SUDAM, the Superintendency for Development of Amazonia. MECOR provided the central

government with an effective instrument to by-pass the state governors and implement its policies, as well as to side-step local pressures. It also became an effective channel for entrepreneurial interests based in São Paulo and Rio de Janeiro to invest in the north and northeast of Brazil and to benefit from resources earmarked for development which were allocated to the regional state banks or to the regional agencies of development.

SUDENE, the agency in charge of the development of the Northeastern region, was headed by João Gonçalves de Souza, an agronomist and rural sociologist. Gonçalves de Souza was also one of the organizers of the Brazilian Association of Credit and Rural Assistance - ABCAR, set up by Rockefeller interests in agriculture and which was headed by IPES affiliate J. Irineu Cabral, a main force behind the IPES/IBAD project of agrarian reform.

Entrepreneur Arthur Amorim was given the job of reorganizing the Superintendency of the Amazonia SUDAM and the Bank of the Amazonia, headed by entrepreneur Nelson Ribeiro. Amorim became the head of the Executive Group for the development of the Amazonia, which included entrepreneurs Harry James Cole and Nelson Ribeiro, Commander Geraldo Maia and Luis Carlos Andrade. The Executive Group designed a policy which aimed at attracting multinational investment in agriculture, mining and industries. Amorim was also a key figure in the establishment of the Free Trading Zone of Manaus, on the Amazon River, functional to the import of parts for assembly lines of multinational industries and the cheap import of machinery and equipment. In its operations, Amorim's team had the full endorsement of the executive, through Colonel Gustavo Moraes Rego, of the Military Staff Office of the presidency and through General Mamede, commander of the Military Region of the Amazonia, both former members

of the Informal General Staff.

General Cordeiro de Farias resigned his post once the candidacy of General Costa e Silva, which he bitterly opposed, was consolidated among important segments of the rank and file of the Armed Forces.

After his resignation, the Ministry for Regional Co-ordination was taken over, as a stop-gap measure, by João Gonçalves de Souza, who shared this new function with his directorship of SUDENE.

The Ministry for Regional Co-ordination was replaced under Marshal Costa e Silva's term as president by the newly created Ministry of the Interior, which was to be occupied by ESG General Albuquerque Lima, the brother-in-law of IPES leader José Luiz Moreira de Souza.

The post-1964 administration did not substantially modify the structure or function of the Ministry of Mines and Energy, but it reversed the nationalistic orientation of its policies which went back as far as Vargas. At the end of 1964, the government issued a call to the private sector, basically multinational, inviting it to take an interest in the intensive exploitation of Brazil's subterranean riches. The Ministry also gave foreigners the right to acquire shares in Brazilian companies operating in this sector.

Initially, General Costa e Silva, as a member of the military Junta which took over on April 1st, 1964, appointed himself to the Ministry of Mines and Energy. He was replaced by Mario Thibau, who was linked to the CONSULTEC team.¹¹⁰ It was Thibau, with the collaboration of Roberto Campos and Octavio Gouveia de Bulhões, who was to lead the attack on the public monopoly for the exploitation of petro-chemicals, thus opening the doors for private, and mainly multinational, participation in this vital sector of the economy.

A commission of the National Oil Council was established to study the particular case of the petro-chemical industry, which decided

in favour of private enterprise participation side by side with public enterprises in the development of the petro-chemical industry. The commission was formed by entrepreneurs Paulo Figueiredo, Kurt Politzer and Ivo de Souza Ribeiro, José Batista Pereira and Paulo Ribeiro.¹¹¹ Marshal Juarez Távora, the Minister of Transportation, led the vote of the Security Council against the nationalization of oil refineries, reversing the process initiated but not concluded by Goulart.

An inter-ministerial commission, formed by ministers Mario Thibau, Gouveia de Bulhões (Finance), Roberto Campos (Planning), Daniel Faraco (Industry and Commerce), Marshal Juarez Távora (Transport), and Ernesto Geisel (Military Staff Office), pushed for legislation which held as a tenet that mineral reserves were valuable only if exploited. They led to the effective revision of the 'Código de Minas', limiting the state to a supplementary role and opening the gates to multinational and associated private exploitation of the natural resources. Under the second military presidency, that of General Costa e Silva, the controversial decree of Gabriel Passos, which had suspended the concessions to Hanna Mining Co., was annulled.¹¹²

As described above, IPES affiliates and collaborators, mostly entrepreneurs, were placed in key positions in the cabinet ministries. However, IPES/IBAD did not limit itself to holding key positions in the cabinet. To ensure the continuity of the organic elite, a plan was drawn up at IPES to place its members and collaborators on a permanent basis in certain public enterprises.¹¹³

IPES affiliates and collaborators took over positions of command also within the autarchies and administrative agencies, some of which were even created on the basis of IPES inspired or prepared proposals.

One of the most important state agencies created in the wake of IPES inspired policies was the National Housing Bank - BNH, a 'building bank' which was to play an essential part in the building industry. The BNH was in charge of implementing government policies on housing and regulating and refinancing housing credit.

The BNH was important because of the enormous financial resources at its disposal, a great part of which came from the Fundo de Garantia de Tempo de Serviço. Being a source of savings and determinant of investment, the Bank in its early stages was central for its contribution to financing the federal cash deficit by purchase of government bonds. The BNH's importance also lay in the social implications of its policies, for although it had been created with the purported aim of providing housing facilities and credit for the large homeless and poorly housed population, it ended up as an instrument for financing middle-class residential construction which responded handsomely to the resources offered. The BNH also played a significant role in fostering the construction industry, where so many IPES affiliates and contributors had a stake. Finally, the BNH also became an influential source of political patronage.

Together with the BNH were instituted the Federal Service of Housing and Urbanization - SERFHAU, and the National Housing Plan, all of which were based on previously elaborated IPES projects.¹¹⁴

Very fittingly, IPES lecturer Sandra Cavalcanti, who had been attached to the IPES study unit on Housing Reform ('Economic and Legal Study on Popular Housing') and having first-hand knowledge of the matter as she herself was in the construction business, became the first head of the BNH.

Entrepreneur Harry J. Cole went to SERFHAU, and in charge of the Housing Cooperative Scheme of Guanabara state, a pilot project

developed by the BNH to tackle the housing shortage by giving an active role to private enterprise in the building of dwellings, instead of the government, was placed IPES affiliate Carlos Moacyr Gomes de Almeida, himself the head of a giant construction enterprise.¹¹⁵

After a short period, Sandra Cavalcanti left the BNH, at a time when her close political associate Carlos Lacerda fell out with the government. Although Harold Polland and Glycon de Paiva were considered as candidates for the post, the job eventually went to IPES collaborator Mario Trindade, and he was subsequently succeeded by Luiz Gonzaga do Nascimento e Silva. The latter, who was working at the Ministry of Planning, had played, together with IPES leader Mario Leão Ludolf, a significant part in the discussion and subsequent measures which the government took in relation to the Rent Acts and related legislation which regulated the rights of tenants and owners and which indexed rents, while at the same time laying down differential correction criteria so as to enable the lag in prices of old rental agreements to be gradually made up.¹¹⁶

As members of the Administrative Council of the BNH were appointed entrepreneurs Mario Henrique Simonsen, Fernando Machado Portela and Helio Beltrão. As superintendent of the BNH was appointed entrepreneur Arnaldo Walter Blank, while General Liberato da Cunha Friedrich, by then an executive in the construction business, became its director.

IPES activists and collaborators, mostly industrialists, but also bankers - and not técnicos - took command of the entire steel-mining¹¹⁷ and petro-chemical¹¹⁸ industrial structure of the state. They also secured key posts in the public companies providing hydro-electric energy for the big private electricity utility corporations - belonging to IPES leaders - and which supplied electricity for

domestic and industrial consumption.¹¹⁹

The IPES industrialists and entrepreneurs were thereafter in the most favourable positions to implement policies set out by the Ministries of Planning, Finance, Mines and Energy, and Industry and Commerce, to which the big entrepreneurs and bankers had privileged access. The overlap of their private interests with the particular role played by the entrepreneurs in the public administration was most remarkable.

It was against this background that the announcement that the government was going to buy back the largest public utility company under multinational ownership, AMFORP (American and Foreign Power Utility Company) set up a heated political controversy. The administration was attacked, even from the right under the banner of Carlos Lacerda, for its purchase of AMFORP by what was considered an exorbitant price for outdated equipment. Such opposition had aroused undisguised irritation in the United States, and AMFORP had been one of the main bones of contention between the United States and Brazil. The Brazilian government, anxious not to disturb the feelings of prospective investors, went ahead with the purchase at the stipulated price, and AMFORP became the nucleus of a new nationalized company, ELETROBRAS, a state agency which, although founded in 1962, only now came into being.¹²⁰

However, not everything seemed to go the way the IPES entrepreneurs wanted. In the first days of April 1964, the issue of the telephones in the area of CTB - Brazilian Telephone Company operations, i.e. Minas Gerais, Guanabara, São Paulo, Rio de Janeiro and Espírito Santo - was debated by a group of entrepreneurs and federal authorities. The entrepreneurs argued that private business had to take over the CTB which was owned by IPES leader Antonio Gallotti's Brazilian

Traction, the Canadian group interested in selling the company. The entrepreneurs wanted the support of the state to raise the funds for the transaction which was estimated at a basic 100 million dollars. The group of entrepreneurs comprised IPES leaders Augusto Azevedo Trajano Antunes, Gilberto Huber, Harold C. Polland, Eurico Castanheira, Ernesto Pereira Carneiro and Mauricio Libanio Villela, who had obtained the support of the National Confederation of Commerce, the National Confederation of Industries and the Brazilian Rural Confederation. A meeting was held to discuss the matter in June 1965, with the Ministers Octavio Gouveia de Bulhões and Roberto Campos. By then the group of entrepreneurs also comprised O. Marcondes Ferraz, Leopoldo Figueiredo, Mello Flores and Paulo Ayres Filho.¹²¹

In spite of the pressure by the IPES leaders, the CTB was taken over by the state, under the aegis of EMBRATEL, a state agency in charge of telecommunications. The entrepreneurs were opposed in their demands by pressures stemming from within the Armed Forces, a conflict of views which was not to be the last the IPES-led organic elite would have with the military.¹²²

Although the IPES leaders were not able to clinch the CTB business deal, one of their number, Octavio Marcondes Ferraz, became the head of ELETROBRAS, which was constituted as a holding enterprise, functioning as the executive body in charge of guiding and implementing the energy policy of the government. ELETROBRAS was both the effective co-ordinating agency of the Electric Enterprises owned by the federal government and which were staffed by IPES directors, and the financial source for those enterprises owned by the federal states and district authorities.

IPES leaders Antonio Gallotti and Lucas Nogueira Garcez, both directors

of enterprises involved in energy supply, were appointed as directors to ELETROBRAS.

Finally, IPES activist Admiral José Claudio Beltrão Frederico was made president of CONTEL, the state agency for telephone communications and was succeeded by Commander Euclides Quandt de Oliveira.¹²³

As seen in the previous pages, affiliates and collaborators of IPES not only took over key positions in the cabinet but in the administration as well. Meanwhile, IPES affiliates and collaborators who took over the organization from those who went into public office developed after 1964 a range of new functions for IPES. These functions involved the development of a series of channels and ways of securing easy communication between the entrepreneurs at large represented by IPES, those entrepreneurs in IPES, and the public administration. Of course the IPES entrepreneurs took advantage of the informal and very close relationship they had with the occupants of public positions. But IPES also developed an intricate network of interpenetration between the state and the dominant sectors of civil society, but whose locus was outside the state and within IPES, thus developing an exclusive neo-corporatist structure of interest articulation. This was another level in which the objective interpenetration of the state and the oligopolistic structure of modern industrial and banking capitalism took place, mutually guaranteeing the predictability of their future behaviour.¹²⁴

The consolidation of these linkages outside the state, not institutionalized, and thus less visible, did not provide the only mechanisms of entrepreneurial control over the state. The most significant mechanisms were obviously ingrained within the state because of the IPES presence in the apparatus of the state.

After April 1964, IPES was shaped into an effective 'intermediary body' for policy-making. IPES operated as a mediator between the state, where it had its place-men in key positions, and the big private interests. IPES performed as a forum for the discussions of entrepreneurs, ministers and top bureaucrats, with the explicit function of 'promoting intimate contact' between them.¹²⁵ Furthermore, IPES acted as a forum for the lobbying of class associations and representatives of varied industrial sectors. Entrepreneurs of IPES, as well as outsiders, were stimulated to list their problems and demands which were then brought to committees of IPES who, acting as a clearing house, would translate them into feasibility and operational studies and into recommendations which were to be forwarded to IPES-linked decision-makers in the state administration.¹²⁶ Cabinet ministers and heads of governmental agencies and autarchies were also invited to arranged meetings of selected entrepreneurs. The meetings took place at IPES headquarters generally, and in some cases, at the headquarters of entrepreneurial class associations. To these meetings, a number of entrepreneurs, whose activities were related to the Minister's area of concern, were invited. The selected group of entrepreneurs always included a majority of IPES affiliates and collaborators, thus underlining and shaping the exclusive character of interest articulation. The Minister would explain his viewpoint on a previously determined issue or policy. The entrepreneurs then raised their doubts, queries and demands, which had been prepared beforehand and studied by the advisors of the Ministers in question, as well as by the Study and Doctrine Group of IPES. After these questions had been dealt with, a period of free debate ensued.

Among the participants in these debates which provided firsthand knowledge to selected entrepreneurs, were cabinet ministers

such as Octavio Gouveia de Bulhões, Paulo Egydio Martins, Roberto Campos, Daniel Faraco, Luiz Gonzaga do Nascimento e Silva, Marshal Juarez Távora, Mario Thibau, and many top administrators and heads of autarchies or government commissions, such as José Garrido Torres, Denio Nogueira, Commander Saldanha da Gama, John Cotrim, Sergio Paulo Rouanet (of the Foreign Ministry), Arthur Cezar Ferreira Reis (in charge of development policies for the Amazonia), General Edmundo Macedo Soares, Helio Beltrão and Mario Henrique Simonsen.

The structure of the debates was designed by General Golbery. By 1967, all those ministers and top bureaucrats in key policy and decision-making agencies of the post-1964 administration had participated in these encounters.¹²⁷

Moreover, IPES organized seminars and courses for the ideological preparation not only of entrepreneurs and top bureaucrats but also of military opinion-shapers and decision-makers. These courses were organized through its Institute for Democratic Education - IED, which was run as a foundation, 'separate' from IPES.¹²⁸ IPES also maintained its Cursos de Atualidades Brasileiras - CAB, and other superior courses launched before 1964, which were organized by the Study and Doctrine Group.¹²⁹ However, IPES added to these courses a new version of Work and Study Groups, which actually delved into policy-research. IPES leader Duvivier Goulart went even further and suggested that IPES should launch a service asking the entrepreneurs about their specific needs and problems which would then be brought to the Institute 'for discussion and analysis, transforming entrepreneurial preoccupations and demands into policy studies. The scheme, which was taken up, would serve to transmit to IPES affiliates and collaborators in governmental posts the problems and demands not only of those close to IPES, but of wider

entrepreneurial sectors, allowing for broader action.¹³⁰

IPES maintained its role as debating centre for reforms, as well as providing basic guidelines for the post-1964 administration, not only because of the obvious overlap of members described above, and the adoption by the administration of the reform programme envisaged by IPES at the Congress for Basic Reforms, but also on account of explicit efforts to elaborate policy recommendations and bills of law.¹³¹

IPES also acted as a reservoir of ideas and a structure of advice upon which IPES affiliates and collaborators in government posts could fall back upon, in order to receive help with specific matters. In this capacity, IPES acted as an informal and multi-purpose think-tank, able to provide advice, take initiatives in policy-making and rally the entrepreneurs to the side of the Minister in question, as well as mobilizing public opinion.¹³²

That IPES was itself a core organization of the dominant class is in no doubt. Harold Polland, in a letter to Jessé Pinto, president of the National Confederation of Commerce, stressed that IPES "considered it of fundamental importance and of immediate interest, to provide, whenever possible, contact for the class we represent (a classe que congregamos) with representatives of government. Such contact not only would allow for a better understanding of the problems that burden the entrepreneurial environment, but would also help the government to sound out the viewpoints and the yearnings of this laborious class."¹³³ This sentiment was not confined to IPES personnel: the leaders of entrepreneurial class associations, themselves affiliates of IPES in so many cases, recognized in IPES the effective intermediary agency between themselves and the government.

After 1964 IPES continued to shape the outlook of the entrepreneurial sectors on economic matters and on political issues. In addition to its campaign to assert its views among the entrepreneurs, IPES strove to shape the attitudes and feelings of the public at large. This was done through the activity of those professionals who were linked to IPES and were involved with economic issues throughout the media. These IPES activists and collaborators were in charge of the economic pages of O Glôbo, Jornal do Brasil and O Estado de São Paulo as well as of the publications of the Fundação Getulio Vargas, EPEA and IBRE, all of them influential opinion-shapers.¹³⁴

To shape the outlook of the entrepreneurs on economic matters and their political attitudes as well, IPES organized seminars with the explicit intention of 'filling the gap on economic information' which the entrepreneurs were assumed to have. One such seminar was the one to discuss 'Government and Private Enterprise in the Process of Development'.¹³⁵ The theses which were presented and the debates which ensued were intended to 'esclarecer (throw light on) the true role of the state vis-a-vis development needs of the country and the state's role in the creation of conditions and stimulus for private initiative, so that private enterprise could transform itself into the creative and enlivening force (força vivificadora) of the Brazilian economy'.¹³⁶ One of the important points which IPES hoped to put across was that the state should have a supplementary and regulating role vis-a-vis private enterprise (papel supletivo) instead of the 'paternalistic' role it assumed during the populist period. IPES also encouraged local firms to associate themselves with multinational concerns, on the grounds that capital and the need for technological improvement of local

enterprises was recognized. With the economic role of the state greatly reduced, there were few options left to the local firms but to associate with multinational concerns, in order to survive fierce competition.¹³⁷

Another form of overcoming what IPES perceived as 'economic illiteracy' among entrepreneurs and professionals was to administer technical and managerial courses which aimed fundamentally to rationalize procedures, simplify operations, reduce costs and eliminate inefficiency in private enterprises; so as to 'accelerate the process of capitalization' of the country, and to bring about methods and goals of rationalization and modernization to the individual enterprise. Within such a context, IPES and Gilbert Huber's group, Listas Telefônicas Brasileiras, created in 1967 the Curso Superior de Estudos Financeiros - CURSEF (Superior Course of Financial Studies). The CURSEF had as its goal the formation and the improvement of personnel with university background and of executive level, through courses of post-graduation, capacitating them for the exercise of specialized functions in the administrative and financial sectors of the big enterprises. IPES achieved a significant success when the CURSEF was eventually institutionalized as a regular course at the Fundação Getulio Vargas, in Rio de Janeiro.¹³⁸

Furthermore, in its efforts to introduce ever widening sectors of the entrepreneurial classes to notions of economic rationality, IPES launched the Course for the Global Planning of the Enterprises, which aimed at highlighting the advantages of planning for private enterprise. The course, under the responsibility of IPES activists Brigadier Ortegá, General Montagna, and Admiral Leoncio Martins, was to be implemented under the joint auspices of IPES and the Pontificia Universidade Católica. The financial responsibility

of the investment was assigned to PUC, with financial support of the BNDE and the Ministry of Education and Culture.¹³⁹

Finally, IPES also attempted to continue the political indoctrination of entrepreneurs and managers. To do so, besides keeping its traditional courses functioning, IPES launched, in association with the Centro de Estudos of the Boletim Cambial led by José Alberto Leite Barbosa, the Curso de Formação Política e Atualização, which was led by IPES affiliate Themístocles Cavalcanti, a professor of politics at the Fundação Getulio Vargas.¹⁴⁰

Another new role developed by IPES was that of becoming the 'voice of the revolution' both nationally and at international levels. Nationally, it perceived its task as being that of orienting public opinion, through the audio-visual media and through publications, and thus shape the public's reaction to government measures.¹⁴¹ To do so, IPES had to assume the role of an independent agency, concealing its connections with the administration from the public eye.¹⁴² IPES decided to behave as a watch-dog for the democratic profile of the government, which also involved attempts to curb military dissent and the expansion of the role of the state in the economy. IPES involved itself in the image-building of the administration and the promotion of individuals therein,¹⁴³ as well as attempting to defuse criticism of the government coming from social, economic and political quarters which were left out from the new power structure. At another level, IPES supported the making of short propaganda films to be screened to TV, commercial cinema circuits, factories, and schools, thus performing as a private informal agency for public relations for the government.¹⁴⁴

On the international scene, IPES established itself as an agency of apologetics for the regime, both at private and public

levels. A significant exercise in public relations and a key step taken by IPES leaders towards the consolidation of international links between various multinational corporations and organizations similar to IPES occurred in 1964. Soon after the coup a delegation of IPES leaders travelled to the United States 'so as to enter into negotiations with the entrepreneurs of the country and explain to them as well as to American public opinion what was in reality the Brazilian Revolution'.¹⁴⁵

The IPES leaders established contacts with the directors of corporations belonging to the Committee for Economic Development - CED, who in most cases were executives of the matrices of companies operating in Brazil, who had been the very financial contributors to IPES and whose directors were IPES affiliates and collaborators.¹⁴⁶ However, IPES leaders went beyond merely public relations activities. IPES leaders took an active part in the development of economic and political links between multinational corporations operating in Latin America, the entrepreneurial class associations of the Latin American countries and of the United States, many of whom were its official counterparts, and the national governments of Latin American countries. IPES, in conjunction with its American counterpart, the CED (Committee for Economic Development) and with other organizations, engaged in economic-political research on Brazil in particular and Latin America in general.¹⁴⁷

IPES made serious efforts to bring about the integration of trade among the Latin American countries and endeavoured to stimulate the consolidation of the Latin American Free Trade Association - ALALC.¹⁴⁸ Furthermore, IPES leaders participated in negotiations at government level between Brazil and the United States¹⁴⁹

Moreover, IPES-linked personalities were chosen to deal with foreign

creditors. Ambassador Sette Câmara, who had participated in the activities of the Public Opinion group of IPES, headed the delegation to the negotiations with the 'Hague Club'. Antonio Azeredo Coutinho, Vilar de Queiroz and Mata Machado went as members of the delegation.

To deal with American creditors, Gouveia de Bulhões chose IPES affiliate and entrepreneur Trajano Puppo Neto, who had been advisor to the Ministry of Industry and Commerce. The strategy to deal with creditors was established at a meeting held at the Ministry of Finance, in the presence of Denio Nogueira, Roberto Campos, Gouveia de Bulhões, Sette Câmara, Puppo Neto, Casimiro Antonio Ribeiro, Antonio Azeredo Coutinho, Vilar de Queiroz and Mata Machado.¹⁵⁰

A measure of the international recognition of IPES was the invitation to join the annual meetings of the International Bank for Reconstruction and Development - IBRD, and of the International Monetary Fund for 1966, together with the international counterparts of IPES. Behind the proceedings to involve IPES in these meetings was the CED.¹⁵¹

IPES also acted as a bridge between civilians and the ESG military, thus continuing the successful co-operation which had been developed with these officers in achieving the change of regime on April 1st, 1964. IPES also kept up its function as a bridge between civilians and the Armed Forces in order to engage wider circles of military officers outside the sphere of direct influence of the ESG and with whom IPES had no firm or steady links. IPES invited selected officers in command of troops and in administrative posts to its courses, seminars and conferences, and continued its policy of co-opting military personnel.

IPES also organized lectures and debates on issues of specific interest to the military, especially issues of development policy

which could be justified in terms of national security or for which a connection could be found, such as transportation, mining, petrochemicals, and the industrialization of the country in order to develop its potential and turn Brazil into a super-power. In these lectures and debates, the military were put in contact with a mixed audience of entrepreneurs and techno-entrepreneurs.¹⁵² Thus, industrialists and bankers reinforced their privileged position by getting across their views on development and by prescribing their solution to socio-economic and political problems.

Perhaps the most successful relationship was the one IPES leaders were able to develop with the Armed Forces through the establishment of the Brazilian military-industrial complex, which eventually became a key element in the economy of the country and an influential political factor.¹⁵³

A significant element in the constitution of the military-industrial complex was the Grupo Permanente de Mobilização Industrial (Permanent Group for Industrial Mobilization). The GPMI, whose structure and aims had been developed by entrepreneurs of IPES with military of the Superior War College, was a significant aspect in the evolution of the ties between political and economic power, on the one hand, and military power on the other hand. IPES leader Rafael Noschese, speaking at the inauguration of the GPMI, stressed that the establishment of the Permanent Group for Industrial Mobilization represented 'the continuation of the collaboration seen over the years between the producing classes and the armed forces, whether in periods of military action or in the normal life of our country'. IPES leader Victorio Ferraz, president of the GPMI, added the remarks that 'the vivid experience of the first days' (when the troops moved in to overthrow Goulart) 'showed the imperative necessity of industries

to recognize the minimum requirements of the military and the latter to know whom they can rely upon in industry'. It was essential to Ferraz to create a civil and military group of a permanent character that would do what the entrepreneurs sought, (and be able) to act in times of danger. According to Ferraz, the Permanent Group for Industrial Mobilization 'will try to achieve the inter-linking of industrial standards with the needs of the armed forces. It will give the incentive to industrial research in the military field. It will reconcile industry to the manufacture of equipment, machines, and accessories for the armed forces. It will designate the firms that are best adapted to execute the service or manufacture of military equipment. It will advise and recommend the adoption of standards for items which could be used in an emergency to benefit national security, giving the armed forces the answer to the principal equation of modern warfare: Where to obtain material? When to obtain material? How to receive the necessary material?'¹⁵⁴

The authoritarian style of politics supported by IPES reduced the significance of the traditional politicians.¹⁵⁵ The articulation of interests was accomplished through the techno-entrepreneurs and entrepreneurs in the key positions of power, to which the big industrial and financial interests had easy access. Congress lost much of its value as a policy-making locus, and its importance as a political forum for the aggregation of popular pressures and demands was greatly diminished. In such a political picture resided the 'technocratic' features of the regime.¹⁵⁶

Nevertheless, IPES attempted to gain the upper hand in the political system as well, perhaps with the main intention of controlling it so as to neutralize its possible interference with the 'technocratic' policy-making process. Congress was purged. The 'Ibadianos' were

left with greater strength even than when they had blocked Goulart's legislative efforts. Most of the ADP members became affiliated with the newly created Revolutionary Parliamentary Bloc - BPR, which was formed in March 1965 by 206 members of the Chamber of Deputies and consolidated after conversations between Gal. Golbery, Gal. Cordeiro and Nilo Coelho of the PSD. The BPR was led by Adauto Cardoso and the Chamber of Deputies president, Bilac Pinto. The BPR was formed by deputies of the PSD (48), of the PTB (23) and 90 odd members of the UDN.¹⁵⁷

These deputies became the bulwark of ARENA - National Renovating Alliance, which was made the official government party after the dissolution of all the existing traditional parties.¹⁵⁸ Among the National Directorate of ARENA were included, besides the traditional right-wing politicians who had co-operated with IPES/IBAD: General Edmundo Macedo Soares, Brasílio Machado Neto, General Punaro Bley, Brigadier Antonio Barbosa, A. C. Pacheco e Silva, Raquel de Queiroz, Paulo Almeida Barbosa, Helio Beltrão, Luiz Gonzaga Nascimento e Silva, General Golbery do Couto e Silva and many others. Raimundo Padilha became the ARENA leader in the Chamber of Deputies.¹⁵⁹

The total exclusion of the working classes and the peripheral position in which the socio-economic interests not represented in IPES were placed, made it difficult for the organic elite to rule by consensus and consent. Because of these objective difficulties, the preoccupation with the institutionalization and legitimation of the new polity was a central one. In a series of debates organized by IPES to examine the possibilities and the means to institutionalize the regime, journalist Luiz Alberto Bahia urged the leadership to 'examine those forms at our disposal and those we can create, in the sense of ensuring the continuity of

the cycle of democratic authority, controlled authority, without risks of deceiving (ourselves, and) without risking the degradation or degeneration (of sliding) into a regime of an authoritarian and uncontrolled character. (The continuity of democratic and controlled authority will) only be possible by means of the elaboration of new political contracts, which will ensure that the system of authority functions democratically, controlled by intermediate bodies such as IPES, where politics is made with the sense of autonomous and independent participation and intervention.¹⁶⁰

In spite of these well-meant warnings, the Brazilian system slid into open dictatorship, consolidated by the Institutional Act No.5 of 1968. Although the Act was drafted and implemented by IPES leader and Minister of Justice, Luiz Antonio Gama e Silva, this was General Costa e Silva's presidency, and IPES, while still part of the administration, seemed to have lost its hegemonic position. However, IPES/IBAD activists did re-establish their predominance under President Geisel, and by 1979, of the 400 key posts of the federal administration umbilically linked to the executive, at least 300 were occupied by individuals who had the personal confianca (trust) of General Golbery.¹⁶¹

It is to say the least ironic that IPES, which in 1963 underwent a Parliamentary Investigation for alleged criminal activities, was, on November 7 1966, declared an organ of 'public utility' by presidential decree.¹⁶²

Conclusion

IPES was able to round up its complex and carefully elaborated campaign to oust Goulart with a successful occupation of the key posts of government and the administration, achieving the complete

overhaul of the regime.

However, contrary to received wisdom, these key positions were not occupied by técnicos, but by industrialists and bankers in most cases. Instead of disinterested and non-partisan policy-makers, the most striking feature of the new administration was the accumulation of various posts by place-men of the big industrial and banking concerns and of multinational interests.

Another aspect worth underlining was that most of the entrepreneurs occupying key positions were involved in private business activities closely related to their public roles. Moreover, the extraordinary accumulation by a relatively small number of individuals of a series of administrative positions, and the fact that each of these entrepreneurs and techno-entrepreneurs also accumulated various posts in the direction of big enterprises, pointed to the increasing degree of concentration of economic and political power.

IPES activists controlled the process of policy formation and were the central figures in decision-making. The fact that IPES supported a structure of policy-consultation and provided appropriate channels for exhaustive lobbying only highlights the predominance of big entrepreneurial interests in the orientation of the new administration. The alliance of mutual dependence between the state and private enterprise was not only rooted in the deepening of the capitalist process, but in very concrete terms in the presence of these interests in the state, thus ensuring the indispensable political guarantees for the re-organization and control of society and economy.¹⁶³

IPES affiliates and collaborators shaped the financial system, and controlled the cabinet ministries and the main agencies of the public administration, remaining throughout the Castello Branco

government in privileged positions exercising power brokerage.

Although their programme emerged from the right of the political and social spectrum, the IPES activists imposed a modernization of the socio-economic structure which benefited, broadly speaking, the entrepreneurial classes and the middle sectors of society, to the detriment of the mass of the population. The programme of IPES, beyond the coup d'etat of March 31st 1964, implied a capitalist revolution thereafter.¹⁶⁴

Footnotes - Chapter IX.

- 1 Among the authors who emphasize the role of the military after 1964 en lieu of the entrepreneurs should be mentioned Alfred Stepan, The Military in Politics: Changing Patterns in Brazil (Princeton, Princeton University Press, 1971); Ronald Schneider, The Political System of Brazil: Emergence of a 'Modernizing' Authoritarian Regime, 1964-1970 (New York, Columbia University Press, 1971), Riordan Roett (ed.), Brazil in the Sixties (Nashville, Vanderbilt University Press, 1972).
- 2 See Appendices B and E for the economic connection of those occupying administrative posts. Some of these connections had been pointed out in previous chapters as footnotes to the individuals concerned or even in the main text.
- 3 Many ideas were common to the UDN, and many reform proposals were produced at CONSULTEC and FGV, expressed as a whole at the Congresso pelas Reformas de Base, in 1963.
- 4 In particular this has been the line of A. Stepan, op.cit. Alexandre de Barros has strongly qualified this assertion, as well as the received wisdom on the leading role of the ESG/ Armed Forces post-1964, in The Brazilian Military: Professional Socialization, Political Performance and State Building - Ph.D. Dissertation, University of Chicago, 1978.
- 5 C. N. Ronning and Henry H. Keith, 'Military Government since 1964', in Perspectives on Armed Politics in Brazil, ed. by H. H. Keith and Robert A. Hayes (USA, Arizona State University, 1976), p.235.
- 6 Ronning and Keith, idem, p.238.
- 7 See Eliezer Rizzo de Oliveira, As Forças Armadas: Política e Ideologia no Brasil, 1964-1969 (Rio de Janeiro, Editora Vozes, 1976); Joseph Comblin, 'The National Security Doctrine', in The Repressive State - The Brazilian 'National Security Doctrine and Latin America (Toronto, LARU, 1976); Mike Burgess and Daniel Wolff, 'El Concepto de Poder en la Escuela Superior de Guerra', in Cuadernos Políticos (México, Ediciones ERA, April/ June, No.20 1979).
- 8 The influence of the ADESG on the second echelon of the public administration has been pointed out to me by Professor Francisco de Souza Brasil, a distinguished figure of the ESG and ADESG - Conversation with Professor Francisco de Souza Brasil, April 1976, Rio de Janeiro.

The influence of ADIPES is evident from the amount of bureaucrats who participated in the courses it provided and the number of bureaucrats who became IPES affiliates.
See also Boletim da ADESG No.103 - 'Adesguianos no Governo' - pp.11-15.
- 9 See Chapters III, V and VIII of this thesis. See also A. Stepan, op.cit., p.186

However, the authority of the ESG officers vis-a-vis society at large derived from the power of the Armed Forces, and the ESG officers drew their legitimacy within the Armed Forces from the importance attached to the ESG by the military and their continual belief in its preparedness to guide the development of Brazil. Such beliefs entailed the need for the ESG officers to project their image as the independent source of change.

- 10 Some of the underlying assumptions for these conclusions are to be found in Tom R. Burns and Walter Buckley (eds.), Power and Control: Social Structures and their Transformation, Sage Studies in International Sociology, 6 (London, Sage Publications Ltd., 1976); G. William Domhoff, Who Rules America? (New Jersey, Prentice-Hall, 1967); and G. William Domhoff (ed.), New Directions in Power Structure Research, The Insurgent Sociologist, Vol.V No.III, Spring 1975, Oregon.
- 11 The question of the influence of the military in decisions of past governments and what is the precise power distribution between civilians and military elements and between the different fractions of the entrepreneurs in the administrations after Castello Branco's period requires much more research and obviously goes beyond the scope of this thesis. Some research into these questions as well as on who benefited directly from the policies implemented has already been done and much more is required. See Sergio H. H. de Abranches, The Divided Leviathan: State and Economic Policy Formation in Authoritarian Brazil - Ph.D. Thesis Cornell University Press, 1978. See also Peter Evans, Dependent Development: The Alliance of Multinational, State and Local Capital in Brazil (Princeton, Princeton University Press, 1979); Eli Diniz and Renato Raul Boschi, Empresariado Nacional e Estado no Brasil (Rio de Janeiro, Forense Universitária, 1978); and Luciano Martins, in a recent research into A Expansão Recente do Estado no Brasil: Seus Problemas e Seus Atores, 1979 Mimeo.
- 12 Theotonio dos Santos, 'El Nuevo Carácter de la Dependencia', in La Crisis del Desarrollismo y la Nueva Dependencia, ed. José Maros Mar (Instituto de Estudios Peruanos Argentina, Amorrortu Editores 1969), p.72.
- 13 Antonio Carlos do Amaral Osorio, 'O Estado Revolucionário e o Desenvolvimento Econômico', in O Processo Revolucionário Brasileiro (Rio de Janeiro, AERP, 1969), p.117 (my translation - RAD).
- 14 John W. F. Dulles, Castello Branco: The Making of a Brazilian President (Austin, University of Texas Press, 1978), p.391.
- 15 Jayme Portela, A Revolução e o Governo Costa e Silva (Rio de Janeiro, Guavira Editores Ltda, 1979), pp.136-137. See also Octavio Dulci, Political Change in Brazil - 1964/1968 (ongoing Ph.D. Thesis ILAS, University of Glasgow, Chapter III). Dulci was able to trace a large number of pronouncements and public statements by leaders of entrepreneurial class associations - all of them from IPES - favouring the candidature of General Castello Branco. Among them were Salvio de Almeida Prado (SRB), Rui Gomes de Almeida (ACRJ), Antonio Galvão (A.C. Pernambuco) and Jorge Behring de Mattos (Centro Industrial do Rio de Janeiro).

- 16 George-André Fiechter, Brazil since 1964: Modernisation under a Military Règime (London, The Macmillan Press, 1975), p.222 fn.23. The campaign also took care of discrediting other civilian and military contenders. Differing and complementary accounts of the struggle for the presidency are to be found in Carlos Lacerda, Depoimento (Rio de Janeiro, Editôra Nova Fronteira, 1977); Jayme Portela, op.cit., Chapter VI; J. W. F Dulles, op.cit., Chapter XII; and J.W.F. Dulles, Unrest in Brazil: Political-Military Crises 1955-1964 (Austin, University of Texas Press, 1970), pp.350-354; Carlos Castello Branco, Os Militares no Poder, Vol.I (Rio de Janeiro, Editôra Nova Fronteira, 1976), pp.5-17.
- 17 IPES CE Rio - São Paulo Special Meeting - April 3, 1964.
- 18 IPES CE, Idem.
- 19 The need to preserve IPES' role as a General Staff is reiterated in a hand-written memo for the executive meeting of IPES, which provides an excellent insight into the mood and the views prevailing with the IPES leadership. After discussing the ways in which ADIPES activities should be carried out at the lunch-meeting at the Jockey Club in Rio and mentioning past experiences of 'Dr. Duvivier at the Centro Industrial', the memo outlines a programme of action for influencing policy-making: 'This is the programme we present to be decided upon. Dr. Polland would be the person who would transmit information from the Conselho Nacional (National Council of Economy)... a centre of decision, with guidelines to decide on the spot... IPES is the appropriate body for the entrepreneurs... gathering enterpreneurs, taking well-guided and opportune decisions, of a political character... we are the private government.' While 'public' government was being carried out, it was IPES 'who contributed to sustain the public government'. But, the memo continued, because 'we carry out a series of actions which remain half between four walls, IPES is the channel to get them out of those four walls', in a sense providing 'in the first place the guidelines for the public government, and in the second place, the guidelines for the private government of each one' (of the members of IPES). Memo W/d - annex to Minutes of Executive Committee - IPES April 1964.
- 20 Paulo de Assis Ribeiro stressed that the majority of the Basic Reforms realized by the Castello Branco government coincided with those planned by IPES. See Draft of Letter to Luiz Viana Filho from Paulo de Assis Ribeiro w/d. This draft was to prepare an answer to the request for information by Viana Filho for his book on the government of Castello Branco and which provides a valuable description of the extraordinary weight that IPES activists carried from 1964 to 1967. In Paulo de Assis Ribeiro Archive, Rio de Janeiro.
- 21 J.W.F. Dulles, Castello..., op.cit., p.428.
- 22 N. Blume, Pressure Groups and Decision Making in Brazil - Studies in Comparative International Development, Vol.III, No.11, 1967/1968 (Washington University, Saint Louis, Missouri), p.217.

- 23 According to Dulles, Castello 'learned about men he did not know from men he trusted'. J.W.F. Dulles, Castello, op.cit., p.429. See also L. Viana Filho, op.cit., Chapter IV, for an account of how the cabinet was chosen.
- 24 Colonel João Baptista Figueiredo, O Serviço Nacional de Informações ESG Document Cl - 69 - 65, and Lieut. Col. Mario D. Andreazza, O Serviço Nacional de Informações - Cl - 60 - 64.
- 25 Brazil - Election Factbook, ed. by Charles Daugherty, James Rowe and Ronald Schneider - No.2, September 1965 - Institute for the Comparative Study of Political Systems, Washington D.C., p.32
 In 1967, with the end of General Castello Branco's government in sight, and the impending takeover by General Costa e Silva and the military-civilian coalition which supported him, General Golbery returned to active service within IPES, where he was to remain until the early 1970s, working for the consolidation of General Geisel's bid for the presidency. In fact, most of the original IPES activists supported the manoeuvre to make General Geisel president in 1974.
 See also Letter from João Gonçalves de Souza to Luiz Viana Filho on September 29, 1972 - from the site of the Organization of American States, in Washington D.C. - In HACB Archive, at CPDOC, Rio de Janeiro.
- 26 IPES CE June 23, 1964.
- 27 ISTO E, May 2, 1979.
- 28 O Misterioso Heitor, in VEJA August 8, 1979.
- 29 Colonel João Baptista Figueiredo became the director of the National Information Service in the presidency of General Emilio Garrastazu Medici, from 1969 to 1974 (himself the head of the SNI under President Costa e Silva, from 1967 to 1969), while General Carlos Alberto da Fontoura (author of the 'Communist Infiltration' document which had contributed to the 'red scare' campaign) was made head of the SNI. Colonel Figueiredo became head of the SNI under General Ernesto Geisel's presidency, from 1974 to 1978, when he was promoted to General, while General Fontoura was appointed ambassador to Portugal. In 1979, General João Baptista Figueiredo became the fifth military president of Brazil since April 1964. General Golbery, who had been the head of the Civilian Staff Office of the presidency under General Geisel, remained in his post with the new president, General João Baptista Figueiredo. As head of the SNI was appointed General Octavio de Medeiros, and as head of the Military Staff Office General Danilo Venturini. One should point out that the last three military presidents of Brazil have all come from the 'Community of Intelligence' and that of the nine military officers holding formal cabinet posts in the present administration, at least seven have sprung from the 'Community of Intelligence', which has become the political fulcrum of the Armed Forces.
- 30 During the period inbetween the presidencies of General Castello Branco (1967) and General Geisel (1974), Captain Heitor de

Aquino Ferreira and IPES General João Baptista Tubino were employed as part of the general staff of multi-millionaire Emil Ludwig in his gigantic agro-industrial and mining empire in the north of Brazil, along with Colonel Jorge Aragão and Admiral José Luis da Silva.

For a case study of the activities of the NBC, the multinational corporation owned by Ludwig, see Marcos Arruda, 'Case Study No.2 Daniel Keith Ludwig, in Multinationals and Brazil: The Impact of Multinational Corporations in Contemporary Brazil, ed. by Marcos Arruda, Herbert de Souza and Carlos Affonso (Toronto, LARU, 1975), pp.130-207.

Captain Aquino became personal assistant of President Geisel and remained in that function with President João Baptista Figueiredo.

- 31 Brazil - Election Factbook, op.cit., p.33.
- 32 IPES CD July 7, 1964.
Gilbert Huber also concluded at a meeting of the IPES leadership that in view of the situation it was necessary to 'review the role of IPES' (rever o papel do IPES) - IPES CD Rio, April 14, 1964.
- 33 See Appendix T.
- 34 IPES leader José Luiz Moreira de Souza headed a task team of IPES for the preparation of a study on electoral reform, which was submitted to the Study and Doctrine Group. Among their proposals was the establishment of the cédula única. The Study and Doctrine Group elaborated a proposal of its own, which attempted to integrate the recommendations of the various task teams which had dealt with electoral reform, so as to submit it to the government. IPES CD August 4, 1964.
- 35 See Appendix S. The attempts to create a Poder Político based on entrepreneurs and not on party-politicians coincided with the dissemination at the ESG and other centres of ideological debate, even in Congress itself, of the notions of the 'exhaustion of liberal democracy', of the 'inefficiency of parliament'.
- 36 Letter from Harold Cecil Polland to Lieut. Col. L. G. Andrade Serpa - SEC 65/0736 - Secret IPES Document - October 28, 1965, Rio de Janeiro. See also Secret Correspondence of October 8, 1965, Oficio Secreto No.377, October 18 1965, and Oficio Secreto of October 22, 1965, No.420. IPES Archives, Rio de Janeiro.
- 37 ISTO É, May 9, 1979, p.13.
- 38 Two samples of these reports, seen in Appendix U, were the 'Monthly letter of IPES-São Paulo' prepared in September 1968, denouncing the 'subversive escalation in Brazil' and the paper on 'Communist action in the Press as a base for the counter-revolution to be launched in 1974'.
- 39 For more information on the activities carried out by the entrepreneurs in general and Boillessen's direct involvement in particular, see 'Descendo aos Porões', in VEJA, 21 February 1979,

pp.60-64. Also 'Um Poder na Sombra', in VEJA, 21 February 1979, pp.65-68.

The suspicion that IPES leader Boillessen was also a 'CIA agent grew when he began soliciting money for a new organization to be called Operação Bandeirantes - OBAN.... Boillessen and his cohorts put heavy pressure on fellow businessmen for money to support OBAN' - in A. J. Langguth, Hidden Terrors (New York, Pantheon Books, 1978, pp.123-160. General J. Canavarro Pereira was the ostensible creator of OBAN. See ISTO É No.92, September 27, 1978, p.32.

General Menna Barreto was, allegedly, the creator of CODI-DOI, the Centro de Operações de Defesa Interna - Departamento de Operacoes de Informações, which in 1970 replaced OBAN.

40 Quoted by Marlise Simons, 'Whose Coup?', in Brazilian Information Bulletin No.12, Winter 1974 (Berkeley), pp.7-9.

It is important to note that some of the 'red scare' tactics employed to prepare a favourable atmosphere for military intervention against Allende had already been employed in 1964, at the time of the Chilean presidential elections, when he was defeated by Eduardo Frei. According to Edward Korry, one-time American Ambassador to Chile, there was, 'concealed from public scrutiny a network of under-the-table deals', concerning activities of the American government and multinational corporations first to defeat Allende in 1964 and then to de-stabilize the Allende regime in 1970, and bring about its downfall in 1973, which 'would make Watergate look like a bedtime story'. According to Korry, 'swept under the rug' was the complicity of ITT, its president, Geenen, the Rockefellers and such Chileans as publisher Edwards of El Mercurio, with Presidents Kennedy, Johnson and Nixon, many American senators and the CIA. No mention had been permitted of how Edwards and another Chilean had attended an anti-Allende strategy session of top multinational executives in David Rockefeller's office at 410 Park Avenue, in New York. The meeting was convoked by Lyndon Johnson's man for Latin America, Assistant Secretary of State, Thomas Mann. He told the gathering how important the defeat of Allende was to the White House. The CIA officials in attendance took it from there. In follow-up huddles they suggested how the multinationals might do 'their part' for the national interests by chipping in cash, material and influence to elect Frei and not a rightist, as they preferred.

According to Korry, Mann came to Rockefeller's office on the heels of his most important 'success'. On March 31 Brazil's generals had overthrown the government of João Goulart. Korry stressed that the 'toppling of the leftist Goulart - he was very much like Allende, and his removal reads like a step-by-step rehearsal for the Chilean's ouster six years later - involved the CIA, key multinational members of the Rockefeller group, and the Pentagon. The secretary of defence was Robert McNamara (now head of the World Bank), and his deputy was Cyrus Vance, when the Pentagon ordered a U.S. naval task force with paratroopers to sail for Rio to put down any resistance to Goulart's dismissal. John McCone headed the CIA then, with Helms as his deputy. When McCone resigned in 1965, he joined ITT's board of directors. He also remained a paid consultant to Helms.' - Edward Korry, 'The Sell-out of Chile and the American Tax Payer', in Penthouse, March 1978 (USA), pp.90-114.

41 Soon after Allende's election in 1970, a Chilean entrepreneur Luiz Fuenzalida came to Brazil and joined IPES leader Gilbert Huber in his business affairs. At the same time Fuenzalida was trained in the IPES techniques. Following in the footsteps of IPES, the Chilean entrepreneurs, professionals, landowners and military set up their Centre for Public Opinion Studies, with an Intelligence Action group modelled on that of IPES, which became one of the principal laboratories for campaigns such as the mobilization of the middle classes - the women in particular -, crippling anti-government strikes, especially by lorry drivers, the vicious and slanted press campaigns, the spreading of rumours and even the use of shock troops during street demonstrations. Both the Centre and the Intelligence Action group were also actively engaged in canvassing the support of military officers against Allende.

Large quantities of money were used to topple Allende, and Brazilian entrepreneurs and executives of large corporations provided financial support.

The Centre worked alongside the Corporation for Social, Economic and Cultural Studies - CODESEC, which was also involved in middle-class mobilization and in other anti-Allende campaigns. CODESEC was financed by local contributions and it also made use of funds from the German and Italian Christian Democratic Parties. The most successful fund raiser among the Chilean conservatives seemed to be Orlando Sáenz, at that time president of the powerful Chilean Association of Manufacturers - SOFOFA. After the coup Sáenz became economic adviser of the new military government. Another important fund raiser was Senator Pedro Ibáñez, of the the National Party.

The American government and the CIA were also heavily involved. McCone, the former head of the CIA and ITT executive, approached Richard Helms, at that time the CIA director on Chile, on behalf of the ITT president, Harold Geened, in the spring of 1970. This was only a few weeks after Korry, the American ambassador to Chile, had vetoed the Council of the Americas' secret proposal for a joint CIA-big business programme of de-stabilization. Within days, the ITT launched an intensive campaign at the White House to override Korry's decision. This lobbying was co-ordinated with the activities of the Chilean entrepreneurs themselves, Edwards among others, close to the Council and to the CIA. Two ITT 'public relations' men, Robert Berellez and Harold Hendrix, worked closely in Santiago with Edwards' agents, who in turn was in daily contact with the CIA, just as he had been from 1963 to 1964.

See Marlise Simons, op.cit., p.9; Edward Korry, op.cit., p.114; Samuel Bailey, The United States and the Development of South America, 1945-1975 (New York, New Viewpoints, 1976), pp.157-158 and 'O Know-How de 64 usado no Chile em 73', in ISTO É, May 2, 1979, pp.36-37. See also Anthony Sampson, The Sovereign State: The secret history of ITT (London, Coronet Books, 1974), Chapter 11. Sampson asserts that Enno Hobbing, the former CED director and current Council for Latin America director, who had worked closely with IPES and was now involved in the campaign against Allende, had also been a CIA man - p.247.

42 For further information on the Centre and the activities of this group, as well as the removal of President Torres, see Alberto Dines, 'Brasil, Banzer e Bush', in Folha de São Paulo, 11, November 1979. See also VEJA, September 12, 1979.

- 43 'Retrato de um Super-Homem sem Principios', in Movimento, February 12-18, 1979, p.17.
- 44 Campos' successor was another techno-entrepreneur, the IPES lecturer Helio Beltrão. Beltrão was succeeded in 1968 by João Paulo dos Reis Velloso, for a period of 10 years. In 1974, the Ministry became a secretariat directly linked to the presidency. In 1979, Mario H. Simonsen became Minister of Planning, with the ministry fully restored to its previous rank. He was succeeded by Antonio Delfim Neto after a short spell.
- 45 Edgard Teixeira Leite in Letter to Iris Meinberg - Rio de Janeiro, August 1964, IPES Archives. See Appendix V.
- 46 On the centrality and significance of the PAEG for the Castello Branco administration, see George-André Fiechter, op.cit., Chapters 10, 11 and 15.
H. S. Ellis (ed.), The Economy of Brazil (Berkeley, University of California Press, 1969). This book is particularly interesting as most of the individuals who contributed were IPES affiliates. Celso L. Martone, 'Análise do Plano de Ação Económica do Governo PAEG (1964-1966)', in Betty Mindlin Lafer (ed), Planejamento no Brasil (São Paulo, Editora Perspectiva, 1970), pp.69-90.
It should be mentioned that Mario H. Simonsen, a member of the Study and Doctrine Group of IPES-Rio, drafted the chapter on Redistribution of Income of the PAEG.
- 47 Luiz Viana Filho, O Governo Castello Branco (Rio de Janeiro, Editora José Olympio, 1975), p.218.
Viana Filho's book provides an insider's account of the Castello Branco administration. It is important to note that the majority of the political actors named by Viana Filho were IPES affiliates and collaborators.
See also Roberto Campos, 'A Retrospect over Brazilian Development Plans' in The Economy of Brazil, ed. by Howard S. Ellis, op.cit., Chapter 11, especially pp.336-337.
- 48 Nylton Velloso was director of Demisa-Deutz Minas Gerais S/A Fábrica de Tratores (DEMIG - Desenvolvimento de Minas Gerais/Kloeckner Humboldt Deutz AG), Economia S/A Crédito, Financiamento e Investimentos.
- 49 See L. Viana Filho, op.cit., pp.480-481.
The text of Law No.200 which has seventeen chapters and 215 articles constituted a fundamental recasting of the procedures of the body politic in Brazil. See George -André Fiechter, op.cit., pp.117-118.
See also discussion over reform of federal administration in IPES Minutes October 20th, 1964.
- 50 L. Viana Filho, op.cit., p.131.
- 51 J. B. de Carvalho Athayde was a director of Investcred S.A. - Crédito, Financiamento e Investimento, Banco de Investimento e Desenvolvimento Industrial S.A., Investbanco and Investbanco - Banco de Investimentos e Desenvolvimento Industrial.
Harry Cole was a director of Luxor Motéis Turismo S.A.

- 52 For further information on the role of the Staff Offices and particularly well informed insights into the workings of the administrations, see Walder de Goes, O Brasil do General Geisel (Rio de Janeiro, Editôra Nova Fronteira, 1978), pp.17-32.
- 53 The Archive of Luiz Viana Filho in Rio de Janeiro is extremely useful in the study of this phenomenon because it contains thousands of letters and notes sent to the president or to the head of the Civilian Military Staff, asking for personal, business and professional favours and raising all kinds of demands. The archive also contains many of the answers given by the government to these demands.
- 54 With General Costa e Silva, the heads of the Staff Offices were Colonel Jayme Portela (Military) and Rondon Pacheco (Civilian). Under President Médici, the Military Staff Office was headed by Colonel João Baptista Figueiredo and Leitaô de Abreu, brother-in-law of General Lyra Tavares, headed the Civilian Staff Office. Colonel Figueiredo, together with General Orlando Geisel, as Minister of War, were key figures within the Médici government in the consolidation of the 'candidature' of General Ernesto Geisel to the presidency. General Geisel took General Golbery as his head of the Civilian Staff Office and General Hugo de Abreu as head of the Military Office. General Hugo de Abreu was succeeded by General Belfort Bethlem, a 'Geisel man', after his resignation over the crisis which developed in the course of the successful attempts by the IPES/ESG groups to engineer the presidential 'candidature' of the then Colonel João Baptista Figueiredo.
- 55 Gouveia de Bulhões was succeeded by IPES affiliate Antonio Delfim Netto, who became the key figure in economic matters under President General Costa e Silva and President General Garrastazu Médici, spanning eight years of economic policy and overhaul of the state apparatus. Delfim Netto also became the president of the powerful Commission for Investment of the Finance Ministry. With Delfim Netto in the Finance Ministry came his personal team of collaborators and Joaquim Ferreira Mangia who was appointed head of the CPA, the Council for Customhouse Policy. The CPA became an important agency under Delfim Netto in the wake of his strongly stimulated export drive. As representative of the 'national' industry in the CPA, appointed by the Minister of Finance, was Julio Saurbron de Toledo, director of the Rhodia group, to which Octavio Marcondes Ferraz and Paulo Reis de Magalhães belonged. Delfim Netto's successor as Minister of Finance from 1974 to 1979 was none other than IPES leader Mario Henrique Simonsen. The IPES team had gone full circle.
- 56 Ernane Gálveas was appointed head of the Central Bank in 1968, a post to which he returned in 1979, only to become subsequently the Minister of Finance. By then he was the director of Aracruz Celulose. Helio Marques Vianna and Ary Burger were appointed directors of the Central Bank. Eduardo da Silveira Gomes was kept as head of the Economic Department.

Of the other Central Bank directors, Antonio Ribeiro was director of Banco Brasileiro de Desenvolvimento S.A., FINASA and ARNO S.A. Indústria e Comércio belonging to IPES leader Felipe

Arno; Aldo Franco was director and shareholder of Metal Leve S.A. Indústria e Comércio, belonging to the Lafer/Klabin/Mindlin group; and Luiz Biolchini was a director of Cia. Indústrias de Papel Pirahy and Cia. de Docas de Santos, belonging to IPES leader Candido Guirle de Paulo Machado.

- 57 Garrido Torres was succeeded in 1967 as head of the BNDE by techno-entrepreneur Jayme Magrassi de Sá, a lecturer and participant in the debate panels organized by IPES. As director of the BNDE was appointed IPES affiliate Helio Schlittler Silva. The Bank's Administrative Council by then included IPES leaders and affiliates Álvaro Americano, Raul Fontes Cotta and Antonio Bastos. To the Department of Economic Studies went IPES affiliates Luiz de Magalhaes Botelho. Magrassi de Sá was substituted in 1974 by techno-entrepreneur Marcos Pereira Viana, who had been a director of Aços Anhanguera S.A. (ICOMI, CAEMI, Bethlehem Steel Corp. and AKT Swenska Kullager Fabriken). ICOMI and CAEMI were jointly owned by IPES leader Augusto Trajano de Azevedo Antunes and the Bethlehem Steel Corp.
- 58 Jayme Magrassi de Sá, an ESG graduate of 1955, had been a former member of the CNE, the BNDE, SUMOC, COFAP, the Foreign Ministry and the Mixed Commission Brazil-USA. He has been linked to Ericsson, the electronics complex, Cia. Nacional de Alcalis, Argo Distribuidora, Tecidos Bangu, and has been director of Banco da Bahia, an important IPES financial contributor. After 1964 he occupied key posts in the National Monetary Council, the Ministry of Finance, FINAME, FUNDECE and ALALC.
- 59 IPES CD July 7th, 1964 - J. G. Torres.
- 60 Moraes Barros was succeeded by Nestor Jost, a participant in the debate pannels of IPES and a lecturer and who has been director of Corretora Cocentro and of the Grupo Denasa.
- 61 Fernando Gasparian and José Augusto Bezerra de Medeiros were directors of Cia. América Fabril. Pereira Diniz was director of Pereira Diniz Comércio e Indústria S.A. For an insight into Gasparian's economic views, see Fernando Gasparian, Em Defesa da Economia Nacional (Rio de Janeiro, Editora SAGA, 1966) and Capital Estrangeiro e Desenvolvimento da América Latina (Rio de Janeiro, Civilização Brasileira, 1973).
- 62 The CMN became the key focus for economic policy making in the subsequent administration. Under the presidency of General Costa e Silva, the National Monetary Council was composed of Delfim Netto, General Edmundo de Macedo Soares, Helio Beltrão, Ernane Galveas, Nestor Jost, Jayme Magrassi de Sá, Ary Burger, Helio Marques Vianna, Germano de Brito Lyra, Gastão Eduardo de Bueno Vidigal and Rui de Castro Magalhaes. IPES still had a hold on financial policy, although the ESG members of IPES had lost control of the military and of the political situation.

On the Capital Markets Law, see H. S. Ellis 'Corrective Inflation in Brazil, 1964-1966, in H. S. Ellis, op.cit., pp209-211.

- 63 The endorsement of the concept of 'democratization of capital' by the government was concretized through the creation of the Fund for the Democratization of Capital of the Enterprises - FUNDECE. Jayme Magrassi de Sá was assigned to FUNDECE.
- 64 Appendices B and W make it clear that affiliates of IPES/IBAD were fully represented within the entrepreneurial community of private, financial, credit and investment interests. Appendices B and W also help to show the very high degree of financial concentration and interlocking directorates of which IPES/IBAD activists were members. Furthermore, they provide information on the high level of industrial and banking integration through interlocking directorates, joint venture associations and shareholding.
- 65 By 1964 the 'Blue Chip' corporations numbered 78, the majority of which were financial contributors of IPES and whose directors were IPES affiliates.
See Anuário Banas S.A - Bancos, Investimentos e Bólsas (São Paulo 1964) pp.112-144; Anuário Banas, Bancos, Bólsas e Investimentos, (São Paulo, 1966), Chapter IV.
- 66 During this period, Humberto Barreto established a very close personal relationship with the head of the Military Staff Office of the President, General Ernesto Geisel, who was an intimate friend of his uncle. Humberto Barreto became vice-president of the Superior Council of the Caixas Econômicas Federais and, as General Geisel's protégé, the president of CEF in 1974.
- 67 The changes in the structure of the ministry and of the financial system have been examined. There were several changes in policy prepared at IPES and implemented after 1964. One such change was the Agreement on Guarantees for Foreign Investment and the bill of law on Profit Remittance (IPES CD August 4th, 1964 - José Luiz Moreira de Souza, Harold Cecil Pollard, Glycon de Paiva and Augusto Trajano Azevedo Antunes). IPES continued to prepare policy papers. Gilbert Huber, with a team of advisers, among whom was Humberto Gogliati, prepared a paper on Créditos e Prazos Comerciais. The papers suggested a new system of short loan terms with the creation of Obrigações Reajustáveis e Conversíveis, fixing a maximum of 60 days for duplicatas (a credit instrument specially created by Brazilian commercial legislation corresponding to the sale of goods on time). The study was taken to the government as a suggestion for a new financial policy and to the Banco Central to be studied in its operational aspects (IPES CO October 25th, 1966 and IPES CO November 8th, 1966). (For an explanation about the state of the commercial banks and the short term credit market and the significance of the changes implemented, see Mario Henrique Simonsen, 'Inflation and the Money and Capital Markets of Brazil', in Howaró S. Ellis, op.cit., pp.140-145.) On readjustable obligations, see M. H. Simonsen, idem, p.156 and H. S. Ellis, in H.S. Ellis, ibid., p.207. Gilbert Huber's team also prepared the bill of law on Títulos de Crédito, which was accepted by the government. IPES CO December 19th, 1964. Moreover, Huber prepared with his advisers Paulo Roberto de Moraes, Eduardo Schoueri and Per Laurentzius, a policy paper on the Stabilization of Prices for the National

Council for the Stabilization of Prices - CONEP, which was directed by José Lobo Fernandes Braga, a director of Gávea S.A. Máquinas e Veículos and of Luiz F. Braga Comércio e Indústria. The paper focussed on Portaria 71. IPES CO September 20th, 1966. See also H.S. Ellis, op.cit., pp.200-204.

The bill of law on Reavaliação de Ativos was oriented also by IPES. IPES CD August 4th, 1964 - Jorge Oscar de Mello Flores, Augusto Trajano de Azevedo Antunes, Glycon de Paiva and Harold Cecil Polland. IPES collaborated with the government in the 'lançamento' of readjustable obligations of the national treasury. IPES CD December 15th, 1964.

Furthermore, under the administration of President Geisel the law regulating the Sociedades Anônimas was implemented. Among its architects were José Luiz Bulhões Pedreira and A. Lamy Fo.

- 68 Paulo de Assis Ribeiro, Draft of Letter to Luiz Viana Filho, for the preparation of the latter's book on the Castello Branco administration - PAR Archives w/d.

In a letter from Paulo de Assis Ribeiro to General Golbery of October 1964, the former gave additional information on those who collaborated in the general preparation of the Estatuto da Terra, which became the cornerstone of Castello Branco's agrarian policy. They were: José Garrido Torres, Denio Nogueira, Carlos José de Assis Ribeiro, Mario H. Simonsen, José Arthur Rios, General Golbery, Harold Cecil Polland, José Rotta, Glycon de Paiva, Iris Meinberg (president of the Brazilian Rural Confederation - CBR), Edgard Teixeira Leite (vice-president of the CBR), Cândido Guinle de Paula Machado, Padre Mello (of SORPE-Pernambuco), Al Neto (representing the modern farming interests of Santa Catarina), Mario Lacerda de Mello (secretary of agriculture of Pernambuco), Assis Brasil Corrêa (president of the Association of Cattle Breeders of the south of Matto Grosso), Salvador Diniz, Paulo Ignacio de Almeida (representing the Ministry of Agriculture) and João Calmon (of the Assis Chateaubriand group). Again, the IPES/IBAD team had the hegemony. The names of these entrepreneurs and techno-entrepreneurs obviously overlapped with those activists who had participated in the IPES sponsored project of agrarian reform. Letter from Paulo de Assis Ribeiro to General Golbery - October 1964, PAR Archives.

- 69 The team of the Ministry of Planning included entrepreneurs Luiz Gonzaga do Nascimento Silva, José Garrido Torres, Mario H. Simonsen, Eudes de Souza Leão, José Gomes da Silva, José Trigo Drummond, Carlos José de Assis Ribeiro, Frederico Maragliano Cardoso and Julio Cesar Belisario Vianna. The hegemony of IPES was evident.

In a memo to the cabinet, the Grupo de Trabalho which participated in the elaboration of the Estatuto da Terra, was officially acknowledged by the Ministry of Planning as having been composed of: Roberto Campos (Ministry of Planning), Hugo de Almeida Leme (Ministry of Agriculture), Paulo de Assis Ribeiro (Ministry of Planning), José Gomes da Silva (SUPRA), José A. Trigo Drummond Gonçalves (Ministry of Planning), José Garrido Torres (BNDE), Carlos José de Assis Ribeiro (Ministry of Planning), Luiz Gonzaga do Nascimento e Silva (Ministry of Planning), Julio Cesar

Belisario Viana (Ministry of Planning), Frederico Maragliano (Ministry of Planning), Copérnico de Arruda Cordeiro (Ministry of Agriculture), Eudes de Souza Leão (Ministry of Planning), Messias Junqueira (SUPRA), Fernando Pereira Soderro (SUPRA) and Carlos Lorena (SUPRA). Ministry of Planning - Memo for Cabinet Meeting - September 10th, 1964 - PAR Archive. Despite the different accounts of who had been 'responsible' for the agrarian reform plan, it was evident that IPES affiliates were predominant in each group

- 70 Ministry of Planning - Memo for Cabinet - September 10th, 1969 - PAR Archive, Rio de Janeiro. The task teams were aided by professionals from SUPRA and from DATE São Paulo, a technical and consultancy agency. Among them were Paulo F. Cidade (DATE), Pedro Moraes (DATE), Mario Borgonovi (Instituto Agronômico de Campinas), Jorge Souza e Mello de Oliveira (SUPRA), Mario Nogueira da Silva (SUPRA), Dryden de Castro Arezzo (SUPRA), José Carlos Costa Martins (SUPRA), Fernando Antonio Genshow (SUPRA), Manoel de Souza Barros (SUPRA), Lytton Leite Guimarães (SUPRA), Angelo Moraes Neves (SUPRA), Paulo Aguiar Godoy (SUPRA), Mario Lacerda de Mello (secretary of agriculture of Pernambuco), Nelson Coutinho (FGV).
- 71 M. Cehelski, op.cit., pp.205-235. See also Julian Chacel, 'The Principal Characteristics of the Agrarian Structure and Agricultural Production in Brazil', in Howard S. Ellis, op.cit., pp. 103-129.
- 72 Report of the Ministry of Planning - May 15th, 1965 - PAR Archive.
- 73 Flavio de Almeida Brito was director of Cia. de Seguros Concordia. Eventually, Sylvio Wanick Ribeiro, assistant of Julian Chacel, was appointed director. The Technical Council was composed of Edgar Teixeira Leite, Manuel Diégues Junior, José Agostinho Trigo Drummond Goncalves (Sao Paulo), José Nazare Teixeira Dias (MP), Pedro Luiz Pecoe (vice-rector of PUC), Milciades de Sá Freire (MG), José de Souza Soares (RGS), Renato Gonçalves Martins (Bahia) or João Gonçalves (Sudene) (Gears), João da Costa Porto (Pernambuco) and Fabio Yassuda. Other individuals considered in the short list were Padre Gregory, representing the Church, João Napoleão of Minas Gerais, and Cândido Guinle de Paula Machado.
- ABCAR was a semi-private extension organization, modelled on the Farmers' Home Associations of the United States. Beginning with Minas Gerais, in 1948, it had been established jointly by the American International Association, a Rockefeller organization, in conjunction with several state governments. In 1966, the ABCAR became the main instrument of extension in 16 out of Brazil's 23 states at the federal level, showing significant effects on the rate of adoption of new techniques and on productivity. In 1965 almost 127,000 persons participated in the meetings of ABCAR and there were over 53,000 members of its various organizations. See Gordon S. Smith, 'Brazilian Agricultural Policy, 1950-1967', in Howard S. Ellis, op.cit., Chapter 8, especially pp.217-218.
- 74 Luiz Viana Filho, the former head of the Civilian Staff Office,

candidly admitted that channels to policy formation on agricultural matters were left open for Salvio de Almeida Prado of the SRB, Luiz Emanuel Bianchi of FARESP, Paulo Ayres Filho, and Amador Aguiar, president of BRADESCO, which became the biggest discount bank of Brazil.

It was also common for Gouveia de Bulhões, Roberto Campos, Hugo Leme, Severo Gomes, G. Borghoff, Denio Nogueira and Luiz de Moraes Barros, all linked to IPES, to travel periodically to São Paulo for the discussion of agrarian matters and to iron out differences with representatives of traditional interests. See L. Viana Filho, op.cit., pp.263-264.

- 75 See Testimony of Senator Siegfriedo Pacheco in Jornal do Brasil, January 16th, 1977. On the same occasion, he named Octavio Gouveia de Bulhões as a place-man for Siderúrgica Belgo Mineira.
- 76 See Chapters VI and VII of this thesis.
- 77 Furthermore, engineer Mario da Silva Cunha, who had worked for General Electric, Acesita and Ferro e Aço de Vitória until 1964, was appointed to the Ministry as a 'technocrat', and in 1965 was also appointed to the Ministry of Planning, where Carlos de Assis Ribeiro, director of General Electric, was also posted.

As successor to Paulo Egydio in the Costa e Silva administration went General Edmundo Macedo Soares, a director of Mercedes Benz, Volkswagen, Banco Mercantil de São Paulo, Light Rio S.A., Mesbla S.A. and Aços Anhanguera S.A. General Macedo Soares was also president of the CNI and executive of CIESP, FIESP and the Forum Roberto Simonsen and had been director of Volta Redonda and governor of the state of Rio de Janeiro.

- 78 The successor of Senator Mem de Sá, in the Costa e Silva presidency was IPES leader Luiz Antonio Gama e Silva. He took with him to the Ministry of Justice, as advisors, a series of individuals belonging to the Comando de Caça aos Comunistas - CCC, a para-military group which incorporated MAC and GAP elements. See 'Um Poder na Sombra' in VEJA, 21, February, 1979. Gama e Silva was substituted under President Médici by Alfredo Buzaid, a business associate, in his legal capacity, of IPES leader Fuad Lutfalla. President Geisel's Minister of Justice was Armando Falção, who, like his predecessor Mem de Sá, had played an important part in the strategy of IPES/IBAD in Congress and through the media, against Goulart.
- 79 The four jurists had been recommended by Mem de Sá. They were eventually substituted in their functions by Carlos Medeiros Silva.

As Procurador da República was appointed entrepreneur Oswaldo Trigueiro. Antonio Neder, in whose house in Petrópolis military officers of the various factions within the Armed Forces coordinated their efforts to conspire against Goulart, was appointed Judge of the Supreme Federal Tribunal. Deputy João Mendes, head of the ADP was appointed to the Superior Military Tribunal, together with Eraldo Gueiros, a relative of IPES activist J. Gueiros, and formerly attorney general of Military Justice (Procurador da Justiça Militar), with General Pery Bevilacqua,

the former commander of São Paulo, and General Olympio Mourão Filho. General Golbery, after his spell as head of the SNI was appointed to the Tribunal de Contas da União. Alvaro Ameri- cano had already been appointed to the Tribunal de Contas as well as having become secretary of administration of the state of Guanabara.

As director of the Demographic, Moral and Political Service of Statistics, which functioned under the aegis of the Ministry of Justice was appointed Rubens D'Almada Horta Porto, a member of the CBP team which IPES activist Paulo de Assis Ribeiro directed. Another IPES leader, former integralista Miguel Reale became secretary of Justice for the key state of São Paulo.

- 80 Luiz Gonzaga do Nascimento e Silva has been director of Cia. Fiação e Tecidos Minas Gerais (Aluisio Aragão Villar - Adm. e Empreendimentos Lugona S/A), Administração e Empreendimentos Lugona S/A, Standard Electric (Fernando Machado Portella, International Standard Electric Corp.), I.T.T., Cia. Ferro Brasileiro (Joseph Hein, Luiz Lodi - Siderúrgica Belgo-Mineira), Cia. Brasileira de Usinas Metalúrgicas - CBUM (Cecil Hime, Mervyn Hime, Francis Hime, Francisco de Paula Pinto), FIAT-Alfa Romeo, Hime Comércio e Indústria (Cecil Hime, Mervyn Hime, Francis Hime), Cia. de Administração e Comércio Rio Grande S.A./Acompar - Administração, Comércio e Participações S.A./ Cia. Brasileira de Participações e Comércio/Carangola Adm. e Com. S/A/Patrol Adm. e Com. S/A/Ribeiro Pinto Adm. e Com. S/A. He had also been an executive of the BNDE before 1964.
- 81 IPES embarked on a giant effort to provide the tenets of a new labour legislation. In order to provide the government with the necessary background information, they set themselves the task of assembling information on the labour laws of the different countries of Latin America with the co-operation of the different Brazilian ambassadors in those countries. Letter from Harold Cecil Pollard to Ambassador in Uruguay, Manoel Pio Correia - Rio de Janeiro September 9th, 1965 - IPES Archives. For an analysis of the labour reforms and a view of the relations between state and labour after 1964, see Kenneth P. Erickson, The Brazilian Corporative State and Working-Class Politics (Berkeley, University of California Press, 1977), Chapters VIII and IX.
- 82 See K. Erickson, op.cit., pp.165-167.
- 83 IPES CE Rio February 16th, 1966. See also Draft 192, of the National Council of Economy - CNE - Rio de Janeiro 1966 in IPES Archives. For further information on the FGTS, see the very useful study by Alexandre de Souza Barros and Argelina Maria Cheibub Figueiredo, The Creation of Two Social Programs: The FGTS and the PIS (Mimeo - Rio de Janeiro, 1975).
- 84 R. Campos, 'A Geografia Louca', in OESP, December 1st, 1971 (my translation - RAD).
- 85 See Letter from Lindolfo Martins Ferreira, councillor and president of the Special Commission of CONSPLAN, to Paulo de Assis

- Ribeiro - August 23rd, 1966 - PAR Archives.
See also Memo CONSPLAN - August 1966 - annex to Letter, in PAR Archives.
- 86 Padre Melo, the only leader the IVth Army trusted, was given de facto control of the rural labour movement. With the help of the Army and the police he replaced the leadership of virtually all of the rural unions. See Jan Knippers Black, United States Penetration of Brazil (Manchester, Manchester University Press, 1977), p.136.
- 87 Eugene Methvin, 'Labor's New Weapon for Democracy', in Reader's Digest, October 1966, p.28.
- 88 Vasco Leitão da Cunha went into private business as a director of Standard Electric - ITT, where he joined IPES leader Fernando Machado Portela and Luiz Gonzaga do Nascimento e Silva. Leitão da Cunha also became a director of Banco Mercantil de São Paulo, owned by IPES leader Gastão Bueno Vidigal.
A number of IPES and CONSULTEC activists and collaborators occupied diplomatic posts after 1964. Among them were Raimundo Meirelles Padilha, a right-wing Catholic intellectual and son of ADP/ADEP Congressman Raimundo Padilha, appointed to Rome; Carlos D'Alamo Lousada appointed to Paris; Luiz de Almeida Nogueira Porto was appointed to Sofia; Bilac Pinto, a UDN/ADP Congressman, became ambassador to France. Among his successors have been General Lyra Tavares, Antonio Delfini Netto and Luiz Gonzaga do Nascimento e Silva. Roberto Campos became ambassador to G. Britain.
- 89 OESP, July 4th, 1964 and OESP Editorial August 15th, 1964.
See also Juracy Magalhães, Minha Experiência Diplomática (Rio de Janeiro, Livraria José Olympio Editôra, 1971), especially his speech to the Conference of Business Managers at John Hopkins University, USA, on January 22nd, 1965 - pp.130-136.
- 90 OESP, August 1st, 1964, quoted in Carlos Estevam Martins, 'Brazil and the United States from the 1960s to the 1970s', in Latin America and the United States: The Changing Political Realities, ed. by Julio Cotler and Richard R. Fagen (Stanford, Stanford University Press, 1974), pp.277-278.
- 91 Visao, October 1965, as quoted by Carlos Estevam Martins, idem.
- 92 Ruy Mauro Marini, 'Brazilian Sub-Imperialism', in Monthly Review, February 1972.
- 93 See Juracy Magalhães, op.cit., Speech to the Organization of American States - September 15th, 1966 - pp.64-68.
- 94 Initially, Luiz Antonio de Gama e Silva had been appointed by the Military Junta as Minister of Education and Culture, combining this function with that of Minister of Justice. With Castello Branco in the presidency, Gama e Silva was substituted by Flavio Suplicy de Lacerda, rector of the University of Paraná and a relative of Manoel de Linhares de Lacerda, the IPES activist of the civilian-military staff of Paraná. Suplicy de Lacerda was soon replaced by the UDN/ADP politician and entrepreneur, Pedro Aleixo, after an interim period in

which IPES collaborator Raymundo Moniz de Aragão held the post, as stop-gap minister. Pedro Aleixo, a leader of the UDN of Minas Gerais and linked to the Assis Chateaubriand media complex, finally left the post of Minister of Education to become vice-president to General Costa e Silva. Raymundo Muniz de Aragão took over for the remainder of the administration's period.

Entrepreneur and ADP politician Tarso Dutra was appointed Minister of Education in Costa e Silva's administration, succeeded by Jarbas Passarinho, who in turn was succeeded by Nei Braga. In João Baptista Figueiredo's administration, Eduardo Portela, editor of Cadernos Brasileiros, became Minister of Education.

- 95 Guidelines for the change in educational policy were also fixed by President Castello Branco in mid-1964, when he communicated to the secretaries of education of all the states of the federation that the aim of his government would be to 're-establish order and tranquility among students, workers, and military' - OESP, June 10th, 1964. See also Barbara Freitag, Escola, Estado e Sociedade (São Paulo, EDART São Paulo Livraria e Editôra, 1977), pp.67-71. For Freitag, the new educational legislation envisaged de facto the creation of instruments of control over students and workers.

By 1965, a commission of five Americans and two Brazilian specialists constituted in the framework of a MES-USAID agreement, produced an in-depth report on educational policy. This report inspired the wide-reaching educational Law of University Reform of 1968, produced by a task-team of ten members, which consolidated the technocratic features of higher education. J. A. Poerner, O Poder Jovem (Rio de Janeiro, Civilização Brasileira, 1968).

- 96 The team also comprised Raymundo Moniz de Aragão, Carlos Pascoali, Candido Paim, Joaquim Faria Goes Filho and Pery Porto.

By November 1964, the following team of IPES activists and collaborators had been gathered to debate the problems of educational reform: Augusto Frederico Schmidt, General Edmundo Macedo Soares e Silva, Jayme Abreu, José Arthur Rios, Lucas Lopes, Padre Laercio Dias Moura, Mario Henrique Simonsen, Paulo de Assis Ribeiro, Raymundo Moniz de Aragão, Wanderbilt Duarte de Barros, Antonio Couceiro, Ana Amelia Carneiro de Mendonça, Belarmino Austregésilo de Athayde, Carlos Chagas Filho, Jorge Kafuri, Ernesto Luiz de Oliveira Junior, Carlos Otavio Flexa Ribeiro (director of Promotora de Educação S/A), Luis Cintra do Prado (director of Luferreira S/A Comercial, Agrícola e Administradora) and Suzana Gonçalves. IPES Boletim Mensal - No.26/27, Sept./Oct. 1964, Rio.

IPES was finally to present its ideas in a publication called 'The Education which is convenient for us'. The ideas contained in the study were introduced as representing 'the stance ('tomada de posição') taken in a certain historical moment by strategic entrepreneurial sectors and those of the Brazilian organic intellectuals ('intelectualidade orgânica') (sic)'. 'A Educação que nos convem' - IPES (Rio de Janeiro, APEC Editôra, 1969).

- 97 On the functionality of the educational reform for the big corporations in general and multinational enterprises in particular, see Luiz Antonio Rodrigues da Cunha, Educação e Desenvolvimento Social no Brasil (Rio de Janeiro, Livraria Francisco Alves Editôra S.A., 1975).
See also B. Freitag, op.cit., pp.95-97.
- 98 B. Freitag, op.cit., pp.67-82, 92-93, 98-99, 120-121.
- 99 Thomas G. Sanders, The Paulo Freire Method: Literacy Training and Conscientização, West Coast South America Series, Vol. XV, June 1968, p.14 - American Universities Field Staff.
See also Philippe C. Schmitter, The Portugalization of Brazil in Authoritarian Brazil: Origins, Policies and Future, ed. by Alfred Stepan (New Haven, Yale University Press, 1973), pp.215-219.
- 100 Gilberta Martino Jannuzzi, Confronto Pedagógico: Paulo Freire e MOBRAF (São Paulo, Cortez e Moraes, 1979), Chapter IV, especially pp.78-79.
B. Freitag, op.cit., pp.83-89.
See also Soletre MOBRAF e Leia Brasil: Sete Anos de Luta pela Alfabetização (Rio de Janeiro, Guavira Editôres) MOBRAF Report 1977 - Ministry of Education and Culture.
- 101 P. Schmitter, Interests Conflict and Political Change in Brazil (Stanford, Stanford University Press, 1971), p.418.

After the coup, a unit of OPUS DEI was established in São Paulo and by 1966 it had three university centres functioning - Jornal do Brasil, July 27th, 1966.

As Glycon de Paiva remarked, it 'is one thing to make a revolution, but quite another to sustain it. The danger now is that we who initiated this revolt might relax.' To avoid such a danger, IPES continued to sponsor courses and train activists, especially from the middle classes and the trade unions, as well as continuing its indoctrination of the entrepreneurs themselves. See Clarence S. Hall, 'The Nation that Saved Itself', supplement of Reader's Digest November 1964, p.158.

With the approval of Brazilian Federal authorities, Jean McKee and Arthur Renander, both New York pollsters and political scientists, lectured on public opinion surveying and citizen participation in politics, to the Centro Industrial in Rio de Janeiro, the Public Opinion Secretariat of the National Conference of Bishops, the Centro dos Engenheiros Democráticos in São Paulo and the Liga da Mulher Democrática in Belo Horizonte. The Council for Latin America arranged, supervised and paid for the lecture tour. The purpose of the tour was to 'help Brazilians to broaden the basis of their democracy'. Support was given to a programme of high school scholarships for the children of members of the Christian Workers Federation in Rio. The selection board consisted of workers, employers and members of CAMDE. The purpose of this activity was to 'give prestige to democratic unionists and to improve understanding between labour, management and civic minded women'.

Arrangements were also made for a donation by the American Society of Rio to the building of a community centre for vocational and civic education in the 'Favela da Rocinha', Rio's

largest urban slum. The purpose of this activity was to 'demonstrate US business support for the middle class of the future'. See Council for Latin American report - Chicago Meeting, October 8th, 1965.

- 102 Flexa Ribeiro, a political associate of Carlos Lacerda and who had collaborated with IPES, became secretary for Education of the politically troublesome state of Guanabara, where the UNE had been headquartered. Flexa Ribeiro was eventually to become president of the Commission for Culture and Education of the Chamber of Deputies.
- 103 Members of the working group were Manoel José Ferreira, Ernani Braga, Walter Ribeiro Sánchez, Eduardo Secades and Carlos Leopoldo Philipowski.

Immediately after the coup of 1964 Arnaldo Sussekind, the Minister of Labour, was also made Minister of Public Health. Under Castello Branco's presidency, he was replaced by ADP politician, Raymundo de Brito. His successor, Leonel Tavares Miranda, was one of the main shareholders of Banco Mercantil de São Paulo, of IPES leader Gastão de Bueno Vidigal, and of Banco Econômico do Rio de Janeiro, whose president was Marcos Rabello, of Construtora Rabello, the IPES contributor. Miranda was also owner of one of the biggest private clinics in the country, the Hospital e Casa de Saúde Dr. Eiras, which by 1969 was the 211th biggest 'sociedade anônima' according to the FGV - see Conjuntura Econômica Vol.24, No.9, 1970.

- 104 See Unirio Machado, A Indústria Farmacéutica no Brasil: 'Desnacionalização' Preço, Similares, Fraudes (Rio de Janeiro, 1963). See also CPI sobre a Desnacionalização da Indústria Farmacéutica no Brasil - 1961, IPES Archives Mimeo; L. Viana Filho, op.cit., pp.426-427; and Moniz Bandeira, Carteis e Desnacionalização (Rio de Janeiro, Civilização Brasileira, 1975), Chapter III.
- 105 Banas, Investindo para o Brasil (São Paulo, Banas, 1966), pp. 137-143.
- 106 Ernani Mazza Wettternick became director of Planning of the National Department of Railways - DNEF. General Ramiro Gorreta Jr., of the Civilian Military Staff of São Paulo, was appointed director of the Estrada de Ferro Noroeste do Brasil. João Soares do Amaral Netto became director of the Cia. Paulista de Estradas de Ferro, to which Colonel Walfrido de Carvalho was subsequently appointed.
- 107 To the Merchant Navy Commission went Commander Francisco Frota, Commander José Cruz Santos and Admiral Aniceto Cruz Santos, while Admiral Saldanha da Gama became its president. Commander Frota was a partner of Frota Oceânica Brasileira (Delta Line, New Orleans) and so was Leônidas Castelo, who became president of Loide Brasileiro, the state shipping company. Admiral Aniceto Cruz Santos, a CONSULTEC member, was director of Ishikawajima, the Japanese shipping consortium, and director of Ishibras.
José Cruz Santos was a member of CONSULTEC

- Admiral Saldanha da Gama was a director of Verolme Estaleiros, the IPES contributor.
João Eduardo Magalhães Motta, an IPES affiliate, was appointed to the Loide in 1972.
See Mauricio Bacelar, 'Transportes Marítimos', pp.227-232; Admiral José Cruz Santos, 'A Cabotagem', pp.233-242; Walter Lorch, 'Transportes em 1965', pp.243-252; and José Gonçalves Pontes, 'Situação dos Portos Brasileiros', pp.253-260, in Estudos Económicos Brasileiros - Seleções APEC no.1, 1965, Rio de Janeiro.
- 108 To DOCENAVE, the shipping company of the state-owned Cia. Vale do Rio Doce went Oscar de Oliveira. The General Direction of the National Department of Ports and Vias Navegáveis (Navigable Waterways) was placed under the responsibility of Fernando Viriato Miranda Carvalho, while Admiral Leoncio Martins became director of the Companhia Brasileira de Dragagem, in charge of dredging operations.
- 109 Techno-entrepreneur Aldo Franco was appointed president. As superintendent of EMBRAER was appointed Luiz Cassiodos Santos Werneck, and as directors the entrepreneurs and techno-entrepreneurs Vitorio Ferraz, José Luiz de Almeida Bello, of COTEC - Consultoria Técnica S.A. (who became executive secretary of the Council for Industrial Development, a key policy-making agency of the government in the late 1960s) and Antonio Augusto Reis Velloso (APEC).
Entrepreneur Luiz R. Rossi was eventually appointed director of Viação Aérea São Paulo - VASP, the commercial airline owned by the state of São Paulo. VARIG, the joint private-Rio Grande do Sul state enterprise remained under the direction of IPES collaborator Rubem Berta until his death.
- 110 Besides being a member of CONSULTEC, Thibau has been director of SELTEC (Sanders & Porter), USIMINAS, Vidraria Indústrias Figueiras Olivera S.A. - VIFOSA (Cie. Saint Gobain) and lately Petroquímica União.
As advisor to the Ministry was appointed Antonio Carlos Ferreira de Queiroz, an economist was was part of the Study and Doctrine Group of IPES-Rio.
- 111 L. Viana Filho, op.cit., p.160. See also Resolução No.5/65, of the National Oil Council - Brazil, 1965 - in IPES Archives.
See also M. Bandeira, Cartéis..., op.cit., Chapter XI.
To GEIQUIM - Executive Group for the Chemical Industry - were appointed Paulo Ribeiro, Juvenal Osorio Gomes, Paulo Bellotti and Francisco Melo Franco.

Paulo Figueiredo has been a director of Union Carbide do Brasil. Kurt Politzer has been a director of Guanabara Chimica Industrial S.A. and Industrias Químicas Taubaté S.A.
Ivo de Souza Ribeiro and José Batista Pereira have been directors of Petrobrás.
- 112 However, Hanna Mining Co. considered it to be wise to associate itself with CAEMI, an enterprise owned by ICOMI, of IPES leader Augusto Trajano de Azevedo Antunes, who was associated with Bethlehem Steel. From the merger was born the gigantic Minerações Brasileiras Reunidas - MBR. The nationalistic campaigns against

Hanna stopped and MBR controlled a most substantial parcel of the mining market.

See L. Viana Filho, op.cit., p.170. For a detailed view of the links of MBR see Guia Interinvest 1973: O Brasil e o Capital Internacional - research by Jean Barnett (Rio de Janeiro, Interinvest Editora, 1973), pp.154, 160 and 477.

- 113 IPES CD July 7th, 1964. J. R. Moraes Jardim.
- 114 In July 1964, after Mario Henrique Simonsen and José Luiz Bulhoes Pedreira, whose help had been requested by Roberto Campos, had finished their draft on the Banco Nacional da Habitação and the housing plan, Congress was presented with the project which created the BNH, SERFHAU and the National Housing Plan. Stressing the importance attached to the housing programme, Paulo de Assis Ribeiro himself was made responsible for defending the Housing Reform in Congress. See G.-André Fiechter, op.cit., p.60.
- 115 Sandra Cavalcanti had previously been the secretary for Social Services of Carlos Lacerda (a post which now went to José Arthur Rios) and had been involved in the experience of the Housing Company of Guanabara State - COHAB. During Cavalcanti's period as head of the BNH, her team of young advisers closely resembled a nepotist network, for she was aided by lawyer Carlos Eduardo Paladini Cardoso, son of ADP member and UDN leader Adauto Cardoso; Dr. Sussekind, cousin of Minister of Labour Arnaldo Sussekind; Dr. Bulhões, nephew of Octavio Gouveia de Bulhões, the Finance Minister; Dr. Jorge Tedesco, son-in-law of Health Minister Raymundo de Brito; lawyer João Claudio Dantas Campos, son of Minister of Justice Milton Campos; and by Henrique Capper Alves de Souza, a CONSULTEC associate.

The trend of appointing IPES linked entrepreneurs to key posts continued under President Geisel. IPES leader Gilberto Waack Bueno was appointed director of the Companhia de Construções Escolares do Estado de São Paulo - CONESP, while Mauro Ribeiro Viegas was made director of the Companhia de Habitação Popular do Estado da Guanabara - COHAB.

- 116 See Harry J. Cole, 'Uma Política de Desenvolvimento Urbano', in Estudos Econômicos Brasileiros (Rio, APEC, 1965), pp.38-43. Banas, Investindo para o Brasil (op.cit., pp.120-123). See G. A. Fiechter, op.cit., p.60.
- 117 IPES leader Oscar de Oliveira was made the overlord of both the state-owned and the mixed steel enterprises. He was the president of the Cia. Vale do Rio Doce, a joint venture responsible for the extraction and transportation of iron ore out of Minas Gerais. Oscar de Oliveira was seconded by ESG General José Sinval Monteiro Lundenberg and José Hugo de Carvalho, also a director of Floresta Rio Doce. Oscar de Oliveira also became the president of Cia. Siderúrgica VATÚ, and director of the Cia. de Ferro e Aço de Vitória, together with entrepreneur Baron Vollrat von Watzdorf. The latter was also director of Intergráfica S/A Máquinas Impresoras and of Ferrostael do Brasil.

Amaro Lanari, IPES financial contributor and an associate of Lucas Lopes, the general director of Hanna Mining, was appointed president of USIMINAS, the private/state joint venture. In USIMINAS participated Nippon Kabishiki Kaisha, Yamata Iron and Steel Co., Fuji Iron and Steel Co. and Ishikawajima. Ibero Gilson was made president of Cia. Siderúrgica Paulista - COSIPA, the steel complex of São Paulo, while industrialists and bankers Luiz Dumont Villares, Francisco de Paula Vicente Azevedo, Plinio Reis Cantanhede and Helio Cassio Muniz de Souza were appointed directors. (Cantanhede was also appointed director of the National Steel Corporation.) Eventually entrepreneur Oscar Augusto de Camargo was also made director of COSIPA. Lieut. Col. Antonino Machado Doria, a commercial director of CONSUL and former director of Volta Redonda, ACESITA and Companhia Siderúrgica Nacional, was appointed to the directorship of Usina Siderúrgica da Bahia - USIBA. He was also appointed head of the Department of Promotion and Sales of the National Steel Corporation. Entrepreneurs Fernando Machado Portela, Helio Beltrao, Edmundo Falcao da Silva and Fabio Garcia Bastos were appointed directors of COSIGUA, the steel complex of Guanabara, of which Brigadier Antonio Guedes Muniz became president. Brigadier Guedes Muniz was also made president of the National Steel Corporation. José Ermirio de Moraes was appointed member of its Conselho Consultivo, while João de Castro Moreira was appointed financial director. General Cordeiro de Farias, after his spell as Minister for Regional Co-ordination, became director of Aços Especiais Itabira - ACESITA.

- 118 Marshal Ademar de Queiroz remained head of Petrobrás, to which he had been appointed by the military Junta, and Silvio de Froes Abreu and entrepreneur Manoel da Costa Santos (of A.S.E.A. and ARNO S/A) were eventually appointed councillors. After his spell at Petrobrás, Marshal Queiroz took up private entrepreneurial activities, heading Bakol S.A. (Cevekol S.A.) in association with Ralph Rosenberg, the biggest individual shareholder of Petrobras. To the National Oil Council was appointed Plinio Reis Cantanhede. The director of the Instituto Brasileiro do Petróleo was entrepreneur José Marques.

General Geisel became head of Petrobrás under General Médici and took with him a number of close collaborators, namely Captain Heitor de Aquino Ferreira, Colonel Gustavo Moraes Rego, Humberto Barreto and Shigeaki Ueki, director of Indústrias de Lâmpadas Sadokin S/A, who was attached to Ralph Rosenberg. The first three were subsequently part of General Geisel's team at the 'Largo de Misericórdia' site in Rio de Janeiro of the meeting place and headquarters of the IPES/ESG team in charge of drawing up and implementing the strategy which made Geisel president in 1974. Shigeaki Ueki became Minister of Mines and Energy under President Geisel and head of Petrobrás under President General João Baptista Figueiredo.

- 119 Ruy de Castro Magalhães was appointed head of CEMIG, the Electrical Power Complex of Minas Gerais. John Cotrim was the director of FURNAS, the Electric Power Complex of Guanabara. John Cotrim also took part in the government-level conversations which were held with the Paraguayan authorities preparing

the ground for the joint venture to use hydroelectric power to be obtained from falls on the Paraná River through the construction of a giant dam. The electricity generated by the Itaipú Dam would serve the area of São Paulo and the south of Brazil. The Itaipú Dam would eventually be constructed by a binational corporation headed by reserve colonel, Costa Cavalcanti, who became Minister of Mines and Energy and of the Interior under General Costa e Silva and under President General Garrastazú Medici. Lucas Nogueira Garcez was appointed director of the Centrais Eléctricas de São Paulo. Apolonio Salles, president of Banco América do Sul S/A and director of Cia. Electricidade Cariri - CELCA, became head of the Companhia Hidroelétrica do São Francisco - CHESF.

120 On the background to the 'AMFORP case', see Moniz Bandeira, Presença..., op.cit., pp.423-434; Moniz Bandeira, O Governo..., op.cit., pp.49-53. See also Airgram No.710 of American Embassy in Rio de Janeiro to Department of State - Minutes of Conversation between President João Goulart and Attorney General Robert Kennedy - December 17th, 1962, dated December 19th, 1962. Declassified State Dep NLK 76-93; Telegramme from Ralph Dungan, special assistant to President Kennedy, to Harold S. Geneen, president of ITT, March 3, 1962; Memorandum for Mr. McGeorge Bundy from L. D. Battle, executive secretary of Department of State on Reply to Telegram to the President concerning Expropriation of ITT Properties in Brazil - February 28th, 1962, enclosing Geneen's telegramme of February 17th, 1962 to President Kennedy, Secretary Rusk's reply of February 22nd, 1962 to Geneen's telegramme of February 17th, 1962 to Secretary Rusk and Embassy Rio de Janeiro's telegrammes of February 23rd and 25th, 1962; Telegramme from Department of State to Ambassador Gordon, Rio de Janeiro, March 7th, 1962 - No.2454. All these documents are in the National Security Files, in the JFK Archives, Boston, Mass.

121 João Calmon, O Livro Negro da Invasão Branca (Rio de Janeiro, Edições O Cruzeiro, 1966), especially pp.37-38.

On the business holdings of Gallotti's Light S.A./BRASCAN, see Marcos Arruda, 'Case Study No.1 - BRASCAN', in Multinationals and Brazil: The impact of multinational corporations in contemporary Brazil, ed. by Marcos Arruda, Herbert de Souza and Carlos Affonso (Toronto, LARU, 1975), pp.91-129.

122 See letter from Paulo Ayres Filho of August 5th, 1965 to 'Dear Niso' and enclosed telegrammes from Paulo Ayres Filho and Antonio Gallotti (in the name of the GLASSCO president) to Roberto Campos lobbying for private nationalization against state take-over of the CTB, in Luiz Viana Filho Archive, Rio de Janeiro.

123 One of the reforms introduced by the Castello Branco administration but only implemented in the subsequent government of General Costa e Silva was the setting up of a new ministry to oversee the different activities and agencies in the area of communications. The first Minister of Communications was Carlos Furtado de Simas, a former director of the Telephone Company of Bahia and an associate of Juracy Magalhães, the director of Ericsson

- do Brasil. Simas had also been linked to IPES. Commander Euclides Quandt de Oliveira succeeded Simas as Minister of Communications, keeping his post until the end of President Geisel's term. By then he had been for years a director of Siemens do Brasil, which was presided by Ambassador Manoel Pio Correia, the former secretary-general of the Itamaraty under Juracy Magalhães.
- 124 The notions about the neo-corporativist structure of interest articulation draw heavily on Guillermo O'Donnell, 'Corporatism and the Question of the State', in Authoritarianism and Corporatism in Latin America, ed. by James M. Malloy (Pittsburg, University of Pittsburg Press, 1977); Guillermo O'Donnell, Apuntes para una teoría del Estado - Documento CEDES/G.E. CLASSO, No.9 Buenos Aires, November 1977 - Mimeo; Philippe C. Schmitter, 'The "Portugalization" of Brazil?', in Alfred Stepan (ed.), Authoritarian Brazil - Origins, Policies and Future (New Haven, Yale University Press, 1973), pp.179-232; and Fernando Henrique Cardoso, La Cuestión del Estado en Brasil - Mimeo, 1974
- 125 IPES CO Rio December 19th, 1966 - Helio Gomide.
- 126 IPES CD Rio April 28th, 1964.
- 127 The complete and extensive list of lecturers and participants from the administration and from the entrepreneurial sector, as well as the themes they discussed, the questions raised, and the answers given are to be found in the IPES Archives, Rio de Janeiro. This large amount of documentation is excellent material for anyone attempting to do research on economic and social policy formation and decision making during this period.
- 128 IPES CD June 16th, 1964 and IPES CD June 23rd, 1964.
- 129 An idea of the ensemble of personalities, political functions and social roles brought together by the CAB is provided by the list of participants of the 4th course of IPES-Rio in 1965. From a total of 36 participants, 18 were entrepreneurs: Benjamin Robert Fye, diretor of Comércio e Ind. Stik S.A.; Carlos da Silva, president of ENGENFUSA; Celso de Almeida Campos, diretor of Cia. de Laticínios Alberto Boeke S.A.; Eder Accorsi, executive of S.A. Marvin; Elie Laurencel, diretor of Esso; Francisco Correia Bordale Garcia, executive MESBLA S.A.; Geraldo Gayoso Neves, executive of ENGENFUSA; Gualter Mano, executive of Nestlé; Homero Luiz Santos, executive of ICOMI; Israel Hirsch Coslovsky, executive of ICOMI; Leonardo Musafir, diretor of L. Musafir Arquitetura e Construções; Luiz de Miranda Figueiredo, executive of Esso; Luis Melone Junior, executive of Brafor S.A.; Osmar Gomes da Silva, executive of Norbrasa; Osvaldo Cezani, executive of Lloyd Brasileiro, Otto Frensel, president of Associação Brasileira de Laticinistas; Vicente Alves de Carvalho, president of Banco Nacional do Espírito Santo; Vinicius Costa, executive of Cia. Casimiras Aurora. Other participants were: entrepreneur Alberto Lelio Moreira; Diógenes Vieira Silva, ESG officer; Eduardo de Almeida Martins, sociologist and head of Division of INDA; Eptacio Elliot

Martins Medeiros, head of Property Administration of the Caixa Económica; Francisco de Assis Gonçalves, Army officer; Gilberto Comporto, planning adviser to the Secretaria de Economia of Guanabara; Hans Alfred Rappel, agronomic engineer of INDA; Jorge de Oliveira Castro, officer of the Merchant Navy; Nair Sodré Gomes, nurse; Jairo Araújo Regis, economic editor of Diario Carioca; Paulo Cezar Xavier Aguiar, security inspector of Petrobrás; Paulo Emilio da Câmara Ortegá, Air Force brigadier; Paulo Leite Ribeiro, director of the Planning Division of the Comissão de Marinha Mercante; Paulo Roberto Tavares Azevedo, migration official; Pedro Jacinto de Mallet Joubim, Army officer; Sonia Lucia Abud, student; Waldir Gonçalves de Carvalho, assistant of Corregedoria of Justice; and Zenildo Costa de Araújo, lawyer.

- 130 IPES CD April 28th, 1964.
- 131 IPES Meeting June 9th, 1964, with Glycon de Paiva, Augusto Trajano de Azevedo Antunes, General Heitor Herrera, Jorge Oscar de Mello Flores, JPC, José Duvivier Goulart, General Liberato and General Golbery.
At this meeting strategic guidelines were discussed on what they considered was the appropriate concept of government for Brazil, focussing on whether it should be a unitarian or federative republic. Moreover, they discussed what would be the minimal conceptualization of democracy ('which one is our democracy') and concluded that a democrat is not he who 'does not admit private property'. Furthermore they focussed on the issue of liberty, problems of socialization of profit and on free enterprise, both national and foreign.
- 132 Guilherme Borghoff, who became head of SUNAB, appealed to the IPES executive for help in the preparation of a policy paper on prices, propaganda and guidelines to take to the government, in view of the difficulties he was encountering in his new job. IPES CD December 1st, 1964.
Before Borghoff, it was the turn of Mario Thibau, Minister of Mines and Energy, to discuss his problems with the IPES leadership. IPES meeting September 9th, 1964.
- 133 Letter from Harold C. Polland to Jessé Pinto Freire - Rio de Janeiro, March 14th, 1966. Such contacts were obviously not difficult, considering the tight grip that IPES/IBAD affiliates and militants held over the reins of government. See Letter from Colonel Yeddo Blaut to IPES Rio - IPESUL May 8th, 1969; Letter from J. I. Caldeira Versiani to IPES Rio January 5th, 1966; and Letter from Helio Gomide to Glycon de Paiva November 17th, 1966. See Appendix X.
- 134 IPES also exercised its influence through APEC, the expertise agency spawned by CONSULTEC.
APEC publications were distributed by IPES to its affiliates and selected sectors of the public and opinion shapers. Until 1970 the APEC team was to organize and write up the annual edition of the Revista Económica (Economic Review) of Jornal do Brasil and was also to write up Panorama Económico and the Cadernos Económicos of O Globo from 1970 onwards. Frederico

Heller continued in charge of the Economic Section of O Estado de São Paulo. IPES affiliates controlled both the key posts in the Fundação Getulio Vargas, which was directed by IPES leader Julian Chacel, and its key publications, such as Conjuntura Económica. The government's data centres also came under the influence of IPES affiliates and collaborators. (In 1979, IPES collaborator Jessé Montello became head of the Instituto Brasileiro de Geografia e Estatística - IBGE.)

- 135 The significance of the seminar lay in the sponsors as well as in the participants and theses discussed. This international gathering was organized by IPES in São Paulo between the 23rd and 27th of November 1964, and took place at the Forum Roberto Simonsen. The gathering was sponsored by the University of São Paulo and co-sponsored by the Commercial Association of São Paulo - ACSP, the National Association for Economic and Social Programming, the Bolsa de Mercadorias of São Paulo (Commodity Stock Market), the Bolsa Oficial de Valores (Stock Market), the Federation of Rural Associations of the State of São Paulo - FARESP, the Federation of Commerce of the State of São Paulo - FCESP, the Federation of Industries of the State of São Paulo - FIESP, the Order of the Economists of São Paulo, the Secretariat for Economy and Planning of the State of São Paulo, the Syndicate of the Banks of the State of São Paulo and the Brazilian Rural Society - SRB. The main discussions centred round papers on the role of the government and private enterprise in developed countries, the role of the government and private enterprise in developing countries, the need for a theory of the form and limits of state intervention in developing countries, the problems of the state enterprises and mixed-economy enterprises (sociedades de economia mista) and the obstacles to private enterprise. The relationship of private enterprise and foreign competition, as well as private foreign co-operation were also discussed. Participation in the Congress was restricted to economists, university professors, liberal professionals, entrepreneurs and directors and representatives of public and private entities. The lecturers at the Congress were Antonio Delfim Netto, Eugenio Gudín, Glycon de Paiva, Geraldo Dannemann, José Pinto Antunes, Laerte Almeida de Moraes, Mem de Sá and Roberto Campos, for Brazil. Ettore Lolli (Italy), Ingvar Svennilson (Sweden), Mario R. Micele (Argentina) and Pierre-Bernard Couste (France) were the international guests. The organizers of the conference were: Antonio Carlos Pacheco e Silva, Brasília Machado Neto, David Beatty III, Ernesto Barbosa Tomanik, Fernand Edward Lee, Gastão Eduardo Bueno Vidigal, Harold Cecil Polland, Humberto Martins, Humberto Reis Costa, João Baptista Leopoldo Figueiredo, José Adolfo da Silva Gordo, José Ulpiano de Almeida Prado, Luiz Antonio da Gama e Silva, Luis Cassio dos Santos Werneck, Luiz Emmanuel Bianchi, Modesto Scagliusi, Paul Albright, Paulo Ayres Filho, Paulo de Almeida Barbosa, Paulo Reis Magalhães, Rafael de Souza Noschese, Salvio Pacheco de Almeida Prado, Roberto Pinto de Souza and José Roberto Whitaker Penteado. With the exception of IPES Rio leader, Harold Polland, these members of the various class and sectoral associations mentioned above were part of the leadership of IPES São Paulo.

- IPES Report - O Governo e a Empresa Privada no Processo de Desenvolvimento, São Paulo 23/27 November, 1964.
- 136 IPES Report, idem, p.3. See also Roberto Campos, Speech at the Federation of Commerce of the State of São Paulo, January 29th, 1965.
- 137 On denationalization, see Rubem Medina, Desnacionalização: Crime contra o Brasil? (Rio de Janeiro, Editôra Saga, 1970); Osny Duarte Pereira, Multinacionais no Brasil: Aspectos Sociais e Políticos (Rio de Janeiro, Civilização Brasileira, 1975); Fernando Henrique Cardoso, 'As Tradições do Desenvolvimento Associado', in Estudos CEBRAP No.8, April-June 1974 (São Paulo, Edições CEBRAP/ Editôra Brasileira de Ciências, Ltda.), pp.41-76; Fernando Gasparian, op.cit.; Peter Evans, op.cit.: Guia Interinvest, op.cit. and Silvio Heck, op.cit.
- 138 The director of the CURSEF was Colonel Luiz Víctor D'Arinos Silva, and appointed as teaching director was Pierre Louis Laporte, from France. The teaching staff was composed of: Américo Cury, Antonio Veiga de Freitas, Agrícola de Souza Bethlem, Aurelio Chaves, Bellini Cunha, Carlos Henrique Froes, Clertan Arantes, Condorcet Pereira de Rezende, Fernando Strachmann, Henrique Flanzer, Herculano Borges da Fonseca, Gary S. Schieneman, Gustavo Watsted, Ian Benedict, Isaac Sirostky, Isaac Kerstenetsky, J. Brito Alves, James do Souza, João Batista de Athayde, João Eduardo Magalhães Motta, Joseph A. Caltagirone, Luiz Zottmann, Lywall Salles, Natalino Agostinho Pereira de Souza, Og Francisco Leme, Oliveira Penna, Orlandy Rubem Corrêa, Ricardo Cesar Pereira Lira, Ruy Flaks Schneider, Victor da Silva Alves Filho, Victor H. Russomano, Waldyr Santos and William Barcellos.
See Report of Activities - IPES GB, 1968 - Introduction, in IPES Archives Rio de Janeiro.
- 139 IPES CO Rio December 12th, 1966 - General Montagna, Admiral Martins.
IPES maintained its own Group of Education, which received support from the Ministry of Education and Culture, through its programme of the Industrial Department. In 1967, IPES realized 28 courses, with a total of 841 participants. Sixty-five per cent of the participants were university students. IPES also provided the PERT - Project Cost Analysis Course, for private enterprises. In 1967 there were 200 participants, mostly professionals and university students.
IPES Report of Activities - 1967 - pp.15-17, in IPES Archives, Rio de Janeiro.
- 140 Jornal do Brasil, May 19th, 1966.
- 141 IPES CD November 3rd, 1964 - Helio Gomide.
- 142 IPES CD May 26th, 1964.
When Philip Siekman published his article about the role of the entrepreneurs in bringing down the government of Goulart, the IPES Rio leadership considered the article a 'most serious matter' and 'prejudicial to IPES and to some of its members' and sent a telegramme to IPES São Paulo where they stressed that 'we

have been unpleasantly surprised (by the) article (in) 'Fortune' over (the) Revolution, embarrassingly (comprometedoramente) commented by Tribuna da Imprensa and Ultima Hora'. Telegram to João Baptista Leopoldo Figueiredo, from Harold C. Polland (annex to IPES CD September 21st, 1964). See also Philip Siekman, 'When Executives Turned Revolutionaries, A Story hitherto untold: How São Paulo business men conspired to overthrow Brazil's Communist infested government, in Fortune, No.3, 1964, pp.147-149, 210-221.

143 IPES CD July 21st, 1964 and IPES CD December 1st, 1964.

144 IPES CD November 3rd, 1964.

145 The delegation was comprised of Harold Polland, José Luiz Bulhões Pedreira, Luiz Dumont Villares, João Reginaldo Cotrim, Paulo Ayres Filho and Israel Klabin.
IPES Bulletin - Brazil-USA: Encontro de Empresários, April/May 1964, pp.24-25.

Immediately after the coup, IPES had appealed to entrepreneurs for an offer of financial help to the new government. IPES CD April 6th, 1964. It was widely believed that one billion dollars had been pledged.

146 Among those contacted by the IPES leaders were: Hubert Aldrich (vice-president of Chemical Bank New York Trust Co.); Richard Aldrich (vice-president of International Basic Economy Corp.); William Barlow (president of Vision Inc.); Henry Borden (president of Light and Power Co.); John W. Buford (vice-president of Hanna Mining Company); Norman Carignan (vice-president of the Latin American Group, W. R. Grace Co.); Sam Carpenter (general manager of the International Department of E.I. du Pont de Nemours & Co.); Robert Christopher (chief editor of Newsweek Magazine Internacional); John T. Connor (president of Merck & Co.); Harry Canover (assistant executive of the president of CICYP); Alphonse de Rosso (Latin American co-ordinator of Standard Oil Co.); Richard Fenton (president of Pfizer International); Leo Fernández (vice-president of Merck & Co.); James R. Greene (vice-president of Manufacturers Hanover Trust Co.); Francis Grimes (vice-president of Chase Manhattan Bank); Clarence Hall (chief editor of the Reader's Digest Association); Philip Holmann (president of Johnson & Johnson International); Edgar Kaiser (president of Kaiser Industries); Donald Kendall (president of Pepsi-Cola Co.); Francis Mason (vice-president of Chase Manhattan Bank); S. Maurice McAshan Jr. (president of Anderson Clayton-ACCO); McCullough (president of General Electric of Brazil), Georges Moore (president of the First National City Bank) and David Rockefeller.

147 In September 1964, at a meeting of the leadership of IPES, in which Mario H. Simonsen participated, the leaders of IPES considered the material and human resources at their disposal for the studies to be developed in agreement with the CED. Paulo de Assis Ribeiro and Mario H. Simonsen were appointed directors of the programme. IPES CD September 8th, 1964. One of the outcomes of these encounters was the decision to produce a study on Inflation in Brazil, assigned to Simonsen. Moreover,

it was decided that Paulo de Assis Ribeiro and Simonsen should study the positive and negative factors in the various historical cycles of the Brazilian economy. IPES CD September 16th, 1964.

- 148 Leocadio Almeida Antunes was appointed to ALALC as was Jayme Magrassi de Sá after his spell as president of the BNDE.

In August 1964, Gilbert Huber reported on his conversations in the United States with Alfred C. Neal of the CED. On that occasion, the agenda of a future discussion between IPES, the Ford Foundation and the CED members was established. The priority objectives aimed at eliminating the obstacles counterposed to the internal commerce between Latin American countries. To operationalize this proposal, two aims were discussed: the investigation of the potential of intra-South American commerce, even to the point of complementing the economies of the different countries; and the development of road links between the different national transportation systems of the various South American countries, seen as a key incentive to commerce and tourism. IPES was also behind the projection of CICYP, the Interamerican Council for Commerce and Production, which operated as a counterpart of the Institute and to which the corporations that made up the CED and later the CLA belonged, including the above mentioned concerns.

It is interesting to note that after his term as Minister of Planning, Roberto Campos was appointed to the CICYP. General Pedro de Almeida became secretary of the CICYP in 1968.

Furthermore, it was to be with CED directors A. C. Neal and Frank Brandenburg that IPES executives Harold Polland and Gilbert Huber would discuss how to 'eliminate the obstacles placed before the internal commerce between South American Countries'.

IPES CE August 21st, 1964, IPES CD August 21st, 1964, IPES CD August 18th, 1964 and IPES Minutes August 24th, 1964. See also Appendix Y.

- 149 In October 1964, Gilbert Huber gave an account of another trip and his contacts in the United States. He proposed a solution to the problem of the relations at government level between Brazil and the United States, in geo-economic terms. Huber suggested a group of men to deal with the matter in the United States, with the 15 advisors of President Johnson. Huber stressed the fact that there should be a personal representative of President Castello to President Johnson (um homem que seja o emissário pessoal). An individual whose presence in such a mission was considered to be essential was Alberto Byngton. As a result of the meeting, it was decided that IPES would concentrate its efforts in the preparation of its team of advisors, in order to 'approach the problem with the government'. IPES CD October 6th, 1964. (See also Appendix Y.)

- 150 Luiz Viana Filho, op.cit., pp.132-133.

- 151 Letter from Alfred C. Neal, of the CED, to General Gomes de Abreu, secretary of IPES - August 22nd, 1966.

- 152 Among these lectures stood out one on 'Planning and Projects of National Interest', prepared by the Fundação Delmiro Gouveia, an institution which, although bearing the name of the famous assassinated nationalist entrepreneur, collaborated with IPES General Olympio Sá Tavares, Colonel Newton Cipriano Leitão (of the Ministry of Finance) and General João Bina Machado, commander of the General Staff and Command School of the Army ECEME, were invited. See Letter from General Octavio Gomes de Abreu to General Olympio Sá Tavares - Rio de Janeiro, August 16th, 1966 - IPES 66/0228 and letters to Colonel Cipriano Leitão and General Bina Machado of the same date. IPES Archives, Rio de Janeiro.

IPES also co-operated with the Fundação Coimbra Bueno, led by General Humberto Peregrino, in the preliminary works envisaging the creation of an Interamerican System of Civilian Security, as a watchdog over political and socio-economic development in the rest of Latin America. General Heitor Heitor Herrera was designated by IPES to participate in the corresponding work-team. Letter from Harold C. Pollard to General Humberto Peregrino, Rio de Janeiro, August 3rd, 1966 - IPES 66/0104. IPES Archives Rio de Janeiro.

- 153 The military industrial complex has a two-fold meaning. It involves both the association of entrepreneurs and officers and institutions of the Armed Forces for the production of military equipment and other ventures, as well as the large and growing number of military officers in executive positions of private enterprises. For the sake of clarity, the first case shall be referred to as military-industrial complex and the second case as entrepreneurial-military complex.

In May 1968, a critical period in Brazil of social and political unrest, Rui Gomes de Almeida organized a meeting of entrepreneurs, at which J. A. Leite Barbosa read out the 'Manifesto of the Military and Industrial Complex', attacking students, the Church and other 'subversive' elements and appealing to the joint action of military and entrepreneurs in order to rescue the country. Towards the end of the year, Congress had been closed; some of the most influential politicians had their mandates and political rights suspended; students, workers and intellectuals were driven into fringe militant guerrilla organizations, and a junta of the three services ruled the country, backed by Institutional Act No.5. The Manifesto was elaborated by 'encomenda' of the Chamber of Commerce. See Movimento, February 12-18, 1979, p.17

- 154 O. Ianni, Crisis in Brazil (New York, Columbia University Press, 1970), pp.187-188.

- 155 Moreover, IPES stimulated an extra-awareness of the 'dangers' existing in political mobilization. At the time of the enactment of Institutional Act No.5, IPES was busy stirring up the fear of political mobilization by bringing to the 'personal knowledge' of company directors and asking them to keep in their archives a 'Summary of the present political conjuncture of communist pressure among us', produced by IPES. The letters, signed

by Glycon de Paiva, were sent to, among others, Lojas Americanas, Centro Indústria de Fósforos de Madeira de Segurança, Antonio Gallotti-Light S.A., Gilberto Huber - Listas Telefônicas Brasileiras, Jorge Geyer - Masson, Coca-Cola, Antonio Sánchez Galdeano - Cia. Estanífera do Brasil, Augusto Trajano de Azevedo Antunes - ICOMI, Artes Gráficas Gomes de Souza, Paulo Geyer - Refinaria Exploração Petróleo União, Cândido Guinle de Paula Machado - Cia. Docas de Santos, Metalon S.A. IPES Archives, Rio de Janeiro.

- 156 As K. Erickson remarked, the Institutional Act 'left no doubt about either the low esteem in which the victorious officers held the nation's elected representatives or the relationship which they intended to maintain with Congress'. K. Erickson, op.cit., p.153
- 157 J. Knippers Black, op.cit., pp.76-77; Brazil: Election Factbook, op.cit., p.37.
- 158 The governatures of the states remained a focus of traditional power. Nevertheless, IPES affiliates made inroads into this area as well, while central government, by eventually establishing a centralized federative republic which substituted the preceding federal system, took the sting out of the governors, at least for a while.
- See also Wanderley Guilherme dos Santos, 'Governadores-Políticos, Governadores-Técnicos, Governadores-Militares', in DADOS No.8 - Instituto Universitário de Pesquisas do Rio de Janeiro, 1971, pp.123-128.
- 159 IPES members also masterminded the scheme to turn the states of Rio de Janeiro and Guanabara into a 'super-state', by the fusion of their administrations. A Work Group 'Rio de Janeiro-Guanabara' was created at IPES. IPES had the 'pleasure of seeing its studies and preliminary work utilized as a contribution to the basic planning of the government goals of the Administration Raymundo Padilha', of the state of Rio de Janeiro. The Work Group and its head, João Duvivier Goulart, were put at the disposal of municipal, regional and state authorities for their respective projects. The Work Group was to remain an 'auxiliary technical assistantship' to the governor of Rio de Janeiro.
- Letter from J. Duvivier Goulart to Paulo de Assis Ribeiro, Rio de Janeiro, May 3rd, 1971 - PAR Archive, Rio de Janeiro.
- As co-ordinator of the planning of the Plan for Development of Governor Padilha was appointed Paulo de Assis Ribeiro, who was also in charge of the planning of the administration, supported by a task team of IPES. See '1º Encontro Governo Padilha - Empresas' in IPES Archives Rio de Janeiro.
- 160 Luiz Alberto Bahia, 'Contexto Político e Modelos Económicos', Lecture - IPES Archives.
- 161 E. Bones, 'Golbery Poder e Silencio', in Coojornal Porto Alegre, September 1978.

- 162 IPES CO November 8th, 1966 - General Herrera.
- 163 O'Donnell, Corporatism..., op.cit., pp.61-62
- 164 O'Donnell, Corporatism..., op.cit., pp.57-60.

Chapter X: Conclusion

There are several conclusions to be drawn from the empirical evidence presented in this thesis, and some methodological, theoretical and political implications, which are worth briefly mentioning. It is important to stress at the outset that these observations are concerned primarily with the change of the Brazilian regime in 1964 and the imposition of a new State in its aftermath, and not with so-called 'bureaucratic-authoritarian states' in general.¹ Generalizations about these states require comparative research.²

Among the immediately striking observations to be made are two which have a bearing on the recent historiography of Brazil. The first observation refers to the political involvement of the entrepreneurs and the quality of their organization and action, which was by any standards very high. The second observation centres on the take-over of the State administration and the policy-making apparatus by the entrepreneurs and techno-entrepreneurs of IPES.

A mistaken assumption which has permeated the politico-historical literature on Brazil for at least the last 20 years is that of the traditional lack of political interest of the entrepreneurs³ and their conformity to the designs of professional politicians and civil servants. This, in turn, was thought of as being one of the characteristics of the 'independent' populist state. Received wisdom had it that entrepreneurs did not occupy the posts within government, although their interests were nevertheless expected to be accommodated. The class power of the industrialists and bankers was assumed to be mediated mainly through the political action of politicians and bureaucrats, and transposed into civil authority by proxy. Consequently, the focus of political and academic attention was on the politicians, at the expense of the study of the direct

political involvement by the entrepreneurs. This lack of attention on the political praxis of the entrepreneurs has in turn reinforced the prevailing myth that industrialists and bankers had a 'natural' horror of involvement in political matters.

Such a view is in need of severe qualifications. The politicians were certainly the mediators of power between society and state in the political system previous to 1964. However, despite the obvious role played by the politicians in the quasi-pluralist populist polity, there are several points which have been consistently overlooked. For one, many of the most influential politicians, party leaders and state governors were entrepreneurs themselves, entrepreneurial influence being one of the main springboards for their becoming politicians at all.

Another qualification which has to be made is that although both professional politicians and politically active entrepreneurs loomed large in the populist period, the inner circles of the various administrations from Vargas onwards were predominantly composed of industrialists and bankers.⁴

Furthermore, one could even argue from the empirical evidence that entrepreneurs have regularly occupied the key economic policy and decision-making centres and agencies of the State, and that this tendency was strongly enhanced by the creation of the 'parallel administration' during the Kubitschek government and the existence of bureaucratic-entrepreneurial rings. Meanwhile, the private industrial production and managerial affairs of the entrepreneurs have been run by administrative and technical experts, who were the executives of Brazilian capitalism. For the Brazilian entrepreneurs, politics has been intrinsically part of their business.⁵

Traditional analyses of the period which the thesis has

focused upon have stressed the 'exhaustion' of the 'easy' stages of 'import-substitution', the 'political decay' of the system and the disintegration of public consensus in order to explain the crisis of the early 1960s.⁶

The emergence of a modernizing cluster of officers at the ESG and Goulart's 'violation' of his role as an arbiter by becoming identified with the avantgarde of a section of the population, with the remainder of the social body 'feeling itself to be threatened' have been considered to be contributing factors of instability.⁷

Such analyses have interpreted the military intervention of April 1964 as a response to the impasse created by structural crisis and political decay, an intervention which was spurred by the Armed Forces' adoption of the doctrine of National Security and Development of the ESG and their disenchantment with populist politics.

What has been neglected is the role of the entrepreneurs and techno-entrepreneurs in the political leadership of events, in the definition of the policies and tactics employed to face the crisis of insubordination described in Chapter IV, and the desire of the industrialists and bankers of the multinational and associated power bloc to control the state.

This thesis has attempted to outline the establishment in Brazil of a new multinational and associated power bloc,⁸ stressing the transformations which occurred in the sphere of economic production. It has been argued throughout the thesis that their influence on Brazilian society and the State was not a mere reflection of the economic supremacy they enjoyed by the early 1960s, as seen in Chapter II, but the result of a political struggle waged by the vanguard of these new interests. In effect, the new power bloc gave rise to an organic elite, and Chapters III and V have sought to

describe the different stages of their organization for action and their efforts to shape both the economy and the polity so as to foster their interests and consolidate their expansion.

Emphasis has been focused upon the early attempts by the new interests to free themselves of the control hitherto exercised by the populist polity and to press claims of a limited character, through the formation of techno-entrepreneurial agencies and a parallel administration. The thesis has also focused upon those new organizations such as CONCLAP and IBAD which asserted the autonomy of the newly formed multinational and associated bloc, though still within the old populist framework.

These organizations were superseded in their political significance by the formation of IPES, a class organization which encompassed the organic elite of the new power bloc, and which expressed the integral philosophy behind the multinational and associated industrial and banking interests.⁹

Finally, the thesis has been concerned with the action through which the organic elite of the new power bloc disrupted the established regime and the form in which it took over the State. In other words, the thesis has been an attempt to show the organization for action and the political praxis of (what proved itself to be) the leading power bloc of the dominant classes. The capacity for leadership of the multinational and associated interests was shown by their ability to stimulate a wide assortment of sectors against the regime and the subordinate classes, both under cover and in an open manner. Through IPES the new power bloc mobilized the dominant classes for action and served as the nexus for the various military-civilian conspiracies against Gouart. Their action differentiates the class movement which led to April 1st from a mere military coup.

The political involvement of the multinational and associated entrepreneurs was exemplified by their success in engaging the support of those economically subaltern fractions which made up the populist industrial-oligarchic bloc. The need of the multinational and associated interests to encompass the industrial-oligarchic bloc was urgent on two basic counts. First, the industrial-oligarchic bloc was still politically predominant, through their influence in the national and regional parties, the media and the state governments. Politicians and state governors were extremely useful not only in containing the mobilization of the working classes attempted by the Executive and the labour-left but also in the counter-mobilization of the middle classes and segments of the working classes, as seen in Chapter VII.

Furthermore, political parties and state governors were efficient in blocking the Executive's policies through Congress and the state legislatures, as seen in Chapter VII. Finally, politicians and state governors were also influential for their contact with the rank and file members of the military opposition to Goulart who were outside the influence of the ESG.

A reason for engaging the participation of subaltern economic interests was to dilute what would otherwise have been an over-obvious presence of multinational interests in the campaign opposing Goulart and his national-reformist government. Such a situation would have made them extremely vulnerable to attack from the left. With the insertion of multinational and associated demands within a broader modernizing-conservative framework, which included the widest spectrum possible of the dominant classes, and with some 'popular' backing furnished by the mobilized middle classes, mainly through female organizations and such tame labour groups as the MSD, the

labour-left lost its clearly defined object of opposition. It meant that military intervention could then be legitimated in the name of the 'people'.

The most important form of political action, however, exercised by the entrepreneurs and techno-entrepreneurs and which has consistently been underemphasized in past studies of the political conjuncture of the early 1960s, was the campaign directed by IPES against the Executive and the labour-left. The organic elite, under the cover of IPES, confronted the Executive in constant political battles, harassing it and succeeding in narrowing the scope of the government's political space for manoeuvre, while preparing a strategic military strike at the heart of the regime. Both State and society were transformed into a battleground. The policies and techniques used in the campaign to disrupt Goulart's regime and bring about military intervention resembled closely those which became known after the experience of Chile in 1973, by a memorable euphemism: 'destabilization'.¹⁰

The dominant classes, under the leadership of the multinational and associated bloc, fought, as seen in Chapters VI, VII and VIII, an ideological and politico-military campaign on many different fronts, through a series of class institutions and organizations, many of which were part and parcel of the populist polity. Some of these institutions and organizations were exclusively controlled and occupied by the dominant classes, such as the entrepreneurial class associations. Others, however, were agencies and institutions through which the dominant classes sought to assure their hegemony, although they did not have total control over them. Among these institutions and agencies of 'civil society', where dominant class power was exercised and also contested by other classes, were the

educational system, the cultural, social and sport clubs, the Catholic Church, the professional associations and the trade unions. IPES also made significant inroads into large sections of the State apparatus, such as the middle and senior ranking officers of the Armed Forces, military police, influential individuals and the bureaucratic-entrepreneurial rings within the State administration which Goulart had inherited from the previous governments. IPES also managed to exert its influence with members of the political bureaucracies of the State, such as the pelegos. IPES actually kindled the political struggle of the dominant classes and raised the level of class struggle to the point of military confrontation, for which the working classes and their allies were not prepared at all. IPES called the bluff of the government's military dispositivo, of Brizzola's Grupos de Onze Companheiros and of the purported political muscle of the Frente de Mobilização Popular by clever instrumentalization of the Armed Forces.

The harm created by the 'alarm and despondency' campaign instigated by IPES coupled with the help given them by professionals in private occupations and in the State apparatus itself slowed down the running of the regime and resulted in a vast collective enterprise to produce disruption, which was crucial in allowing military interventors to act as restorers of order.

Finally, IPES served as a focus for the intervention of private multinational corporations, both as individual companies and through their class associations outside and inside Brazil. IPES also served as a 'linkage group' for foreign governments, in particular that of the United States.¹¹ The pressures of multinational corporations and those exerted by the US government, together with the accumulated effects of external conservative intervention such as

the joint Brazilian-American teams to programme development had a devastating effect on the Brazilian government.

The political autonomy and initiative shown by the entrepreneurs described in this thesis shows that they were not blind traeger (bearers) of the process of domination, but were politically aware forces who made the conquest of state power the aim of their political planning and action.¹² It should be noted that the unprecedented efforts of the entrepreneurs were carried out primarily through the exercise of their class power,¹³ although class action was ultimately realized and sanctioned by the force of the coercive State apparatus.¹⁴ The idea of an 'amorphous' dominant class, without consciousness of its own interests, which therefore had to be 'led' by the State in the critical conjuncture of the early 1960s, or the vision of an 'underdeveloped' entrepreneurial class, who in the absence of an enlightened ruling class had to be directed by a technically prepared military force or by an efficient techno-bureaucratic 'elite' grafted onto the dominant class, does not stand the evidence of a close study of entrepreneurial political action.

The dominant classes were led by a vanguard basically composed of their own kind, the organic elite operating through IPES. They were the organized leadership of the class, those who made 'the perfecting of the illusions of the class about itself' a central activity, together with providing the dominant power bloc with a strategy and tactics for action. They were an integral, organic part of the emerging power bloc, not least because 'they themselves belonged economically to the dominant classes; they were intellectuals and political organizers and at the same time heads of

enterprises, big landowners or administrators of big estates, commercial entrepreneurs and industrialists'.¹⁵

This true elite of the dominant classes took charge of the most general affaires d'etat. They preserved the State's capitalist nature, a task which involved severe restrictions in the autonomous organization of the working classes, and the consolidation of a pattern of growth which has been called profundización,¹⁶ i.e., the deepening of a type of late, dependent, uneven, but also extensively industrialized capitalism, with an economy mainly directed towards a high degree of concentration of ownership in industry, and integration with banking.¹⁷

The double-pronged aim of IPES to ensure profundización and to restrain the labour force, was coupled with another objective which was both a requisite for the development of multinational and associated interests and the exclusion of the industrial-oligarchic populist bloc. This objective was the overhaul of the bureaucratic structure of the State and the imposition of specific restrictions on political life in general.

Once in power, the multinational and associated industrial and banking power bloc, in seeking a redefinition of the criteria of inclusion/exclusion in the polity¹⁸ did not limit its attention to the working classes alone.¹⁹ The multinational and associated power bloc imposed a new relationship between the State, the dominant classes and itself, which entailed the rejection of the populist industrial-oligarchic bloc and of its mechanisms of class representation and control. The new power bloc rejected the previous political order and sought to establish a techno-entrepreneurial polity, protected and buttressed by the Armed Forces, a polity in which the politicians were to become ancillary and in the process were to lose

their central roles.

The new relationship between the State, the dominant classes and the leading multinational and associated power bloc, allowed IPES to shape the process of economic modernization.²⁰ The bureaucratic entrepreneurial rings were consolidated. Economic groups who did not belong to the multinational and associated industrial and banking power bloc were excluded from central policy-making processes.²¹

The overlap of industrial and banking personnel occupying the key positions of economic policy-making, their common membership or close relationship to IPES, and their public roles as cabinet ministers and top bureaucrats allowed IPES to perform as a true mediator of power, i.e., as a political and ideological agent which was part both of the dominant classes and of the State.²²

The occupation of the economic policy-making agencies by IPES entrepreneurs and techno-entrepreneurs amounted in effect to the 'privatization' of the State's institutions,²³ i.e., it opened up institutional areas of the State to the exclusive representation of certain organized private interests. This had to be legitimated in one way or another, for not even a prepared and powerful organic elite as that of IPES, with the support of the ESG officers, could operate an economic system so openly biased in favour of the multinational and associated fractions without presenting a vulnerable political and ideological position which could readily be exploited by the discordant voices among the dominant classes and among the military. The formula which legitimated the control of economic policy-making by IPES was that of the 'technocratic' polity, in which technically equipped bureaucrats, the so-called técnicos, were responsible for rational decision-making.

'Technocratic rationality' in policy-making excluded by definition political considerations which were equated with petty interests and pressures. The 'technocratic' features of the polity, namely the absence of open discussion and public responsibility of the decision-makers effectively worked against those fractions of the dominant classes not related to IPES. Likewise, the 'technocratic' nature of State decision-making was congruent with the total exclusion of the popular sectors. The technocratic ethos befitted the image of the two 'rational' elements in policy-making among civilians and military. These were the so-called técnicos charting economic development, with their counterparts in the Armed Forces, i.e., the officers of the ESG steering the political helm of the State and providing security. 'National Security and Development', the motto of the ESG, became the motto of the new State. The técnicos and the ESG officers were purportedly united in government on account of their supposed endowments, their unemotional, apolitical, apartisan ideology.²⁴ The 'technocratic' image had the same function of legitimation and generalization of particular demands and interests as the idea of 'development' had had during the Kubitschek period.²⁵ Both 'development' and 'technocratism' appealed to expectations, although both labels served to blur the identification of the main beneficiaries of the process, in both cases multinational and associated interests. The one difference, though, was that the idea of 'development' under Kubitschek served to foster hegemonic aspirations of the dominant classes vis-a-vis the subordinate classes, i.e., it involved active political life in the quest to attain a national goal of development. 'Technocratism', on the other hand, referred not to a goal, but to the ways in which decisions were taken about socio-economic objectives not open to discussion.²⁶

'Technocratism', which was assumed as an ideological veil by the new State established in 1964, sanctioned an important aspect of reality, i.e., the restrictions imposed on political life by the new ruling power bloc.²⁷

Although policy-making was handled by the entrepreneurs and techno-entrepreneurs of the organic elite, a body of literature has tended to portray the occupants of positions of power in the State as técnicos, emphasizing their lack of economic interests and their 'neutrality' in the process of policy-formation and decision-making. The analytical dichotomy between entrepreneurs (or techno-entrepreneurs) and técnicos seems to have stemmed from a lack of simple empirical research into the strong business connections of the técnicos as well as from assumptions which too readily ascribed the rather arbitrary degree of 'technocrat' to entrepreneurs on account of their specialization in various sectors of business.²⁸

The study of the dominant classes-for-themselves, in action, exercising their class power, showing their political will and their class consciousness has been severely neglected, with noteworthy exceptions.²⁹

Instead, the Armed Forces and in particular the ESG as its ideological centre have been focused upon as agents of change, while the bureaucracy through a core of técnicos have been singled out as the agents of nation-building.³⁰ Moreover, the projection of the State and the minimization of the role of the industrialists and bankers could be regarded as one of the outcomes of the emphasis placed on the autonomous or sub-systemic nature of the Armed Forces and the techno-bureaucracy.³¹

Furthermore, the Bonapartist intervention of the military has been assumed to be the basic model for the interpretation of coups in Latin America, and in particular that of Brazil.³² The Bonapartist

state of exception of post-1964 was perceived as a military-bureaucratic apparatus which took power against popular unrest and was supported by the fear of the middle classes, rather than acting on 'behalf' of the peasantry as had been the case of the original Bonapartist state.³³ What the Brazilian case was assumed to have in common with the original Bonapartist state was that the military-bureaucratic apparatus took power in spite of the dominant classes in order to command the state, so that the interests of the whole of the dominant classes could rule. The perception of the post-1964 state as Bonapartist was reinforced by the belief in the 'relative' autonomy of the exceptional state, which according to Nicos Foulantzas needs relative autonomy to 'reorganize hegemony and the power bloc'.³⁴ As it happened, it was the IPES-led power bloc which reorganized the State, and under the control of the organic elite attempted to consolidate their position.

With the dominant classes hypostatized in the State, the latter became the object of research instead of what seemed to be 'state absentee' industrialists and bankers. State and classes were perceived as paired externalities,³⁵ and social groups were supposed to compete for the favours of the administrative and largely 'independent' bureaucratic-authoritarian apparatus of State, charted by técnicos and steered by military officers.³⁶ As Cardoso pointed out, social scientists launched themselves 'a la recherche de l'état perdu', a sort of Estado Tecno-burocastrense (military and techno-bureaucratic state) exercising a supervisory role over the dominant classes as well as acting for its own sake.³⁷

By generally overemphasizing the leading role of the Armed Forces and the strategic function of the 'techno-bureaucracy' at the expense of the presence and activity of the entrepreneurs in national politics,

several important issues and questions, such as the notion of a ruling class or ruling power bloc, were explained away, while additional difficulties were raised in attempts to understand the problems of interest articulation and class representation in the State. The State itself was clad in the clothes of metaphysical 'relative autonomy'. Overlooked was the fact that authoritarianism pre-empted social responsibilities and political accountability of the State, while the technocratic features of the regime legitimated the control of the economic-administrative state apparatus by IPES and ensured the exclusion of the industrial-oligarchic bloc. Thus a nonsense was made of one of the basic factors for the concealment of class instrumentality of the State, i.e., the State's representation of the general interests.

The State expressed then the supremacy and political unity of the IPES-led ruling power bloc.³⁸ From a structural point of view, the Brazilian State was the true 'condensate of relations of power', of which Poulantzas speaks, between struggling classes and between contending fractions. The level of class struggle in Brazil in the particular political conjuncture of the early 1960s accounted for the 'technocratic'-authoritarian nature of the 'condensate' of relations of power and the conflict between the IPES-led power bloc and the industrial-oligarchic bloc. In other words, the State then represented both the relation of force between those excluded from political participation tout court - hence its authoritarianism -, and the relation of force between those interests excluded from representation at the top and the power bloc led by IPES, conditioned by the dynamics of the technocratic polity.

The widespread presence which IPES established in the State apparatus, their privileged position in civil society, their control

over a predominant part of the means of material production, and their repression of opposition, present some food for thought vis-a-vis the notion and political reality of a ruling class (or, for that matter, of a ruling power bloc or ruling fraction).

The widespread presence of IPES entrepreneurs and techno-entrepreneurs in the State apparatus also helps to qualify the rather sceptical views which have been cast upon the possibilities of actually ascertaining their existence.³⁹

The class bias of the Brazilian state post-1964 has been studied both on account of its fulfilment of political and economic requirements for the development of the capitalist mode of production and on account of the strength and influence which the dominant economic interests are able to wield by virtue of their ownership and control of material and other resources.⁴⁰

However, as seen in Chapter IX, these multinational and associated industrial and banking interests were not obliged to exert pressure 'from outside' as it were, on the State's actions and policies.

The process of economic policy-making and of decision-making was carried out both inside and outside the State by the IPES-led ruling power bloc, who did not require intermediaries, for they were the very mediators of power. In other words, the class bias of the State was determined not only by the structural constraints, which in themselves amounted to an objective and impersonal dimension of class instrumentalization,⁴¹ but by the recruitment of the personnel located in the commanding heights of the State. Those individuals in the executive, administrative, judicial, legislative, repressive and coercive branches of the State apparatus were largely of the same class as the entrepreneurs and techno-entrepreneurs who commanded

the private sector of the economic life of Brazil.⁴²

The State was anchored to the designs of IPES activists who took care of the problems of policy-cohesion. Although tactical differences did occur (and one is hard put to find any social group without internal differences), they occurred within a specific and fairly narrow spectrum, and so allowed IPES to be influential throughout the 1970s. There is, however, scope for further research into the role of IPES after 1964, into the power distribution between the different fractions and sub-groups comprising the IPES-led power bloc.

Not only did the new State established in 1964 act on behalf of the multinational and associated industrial and banking power bloc, but it acted at the behest of the ruling power bloc organized by IPES. The State of 1964 was indeed a class state and above all a State ruled by a power bloc. By the same token of its subjection to the personal control of an IPES-led ruling bloc, the State was largely outside the sphere of influence of the dominant classes as a whole, while enjoying total autonomy from the subordinate classes, thus emphasizing the need to qualify the assertions about the relative autonomy of the State in Brazil.

To sum up, IPES represented in organic form the power of multinational and associated interests, with a strategic vision which transcended narrow interests of individual corporations or coteries and which was able to formulate policies which benefited the whole bloc.

It is important to stress that organizational capacities play a pivotal role in understanding class struggle and social change, for class struggle is a struggle over the very existence of organized classes before it is a struggle between organized classes.⁴³ To the extent that the dominant classes could achieve the transformation

of what Olin Wright calls their 'structural capacities' into organizational capacities, the multinational and associated power bloc was capable of containing the pervasive contradictions of the Brazilian State and to take it over.

What happened in Brazil, on April 1st, 1964, revealed that the most obvious and perhaps therefore, the most easily overlooked fact concerns the notion of class struggle. According to Miliband, 'assuming one may ignore the view that the class struggle is the result of "extremist" propaganda and agitation, there remains the fact that the left is rather prone to a perspective according to which the class struggle is something waged by the workers and the subordinate classes against the dominant ones. It is of course that. But class struggle also means, and often means first of all, the struggle waged by the dominant class, and the state acting on its behalf, against the workers and the subordinate classes. By definition, struggle is not a one-way process; but it is just as well to emphasize that it is actively waged by the dominant class or classes, and in many ways much more effectively waged by them than the struggle waged by the subordinate classes.'⁴⁴ From the evidence provided in this thesis, one has to concur with Miliband in this respect. However, the crucial observation to be made, contrary to another generalization offered by Miliband, is that class struggle was waged by the multinational and associated bloc led by IPES in 'civil society' within a particular strategy, with specific and deliberate foci of action and with elaborate leadership and organization. That military intervention was finally called upon to deal the decisive blow to the Goulart government only highlighted the fact that 'the dominant class, under the protection of the State, had vast resources, immeasurably greater than the resources of the subordinate

classes, to bring its own weight to bear on "civil society".⁴⁵

To conclude, one could say that the political and ideological 'pre-history' of big industrial and banking multinational and associated interests was interwoven with that of the populist historical bloc and with its ruling class convergence. The multinational and associated power bloc's own history 'began' with April 1st, 1964 when the new interests actually 'became State', overhauling the polity and reshaping the economy to suit their purposes. In doing this, they brought Brazil, and, one might venture to say, by proxy the southern cone of Latin America into the world-wide stage of monopolistic capitalist development.

Footnotes - Chapter X

- 1 For generalizations about the bureaucratic-authoritarian state see Guillermo O'Donnell, 'Corporatism and the Question of the State' in James M. Malloy, Authoritarianism and Corporatism in Latin America (Pittsburgh, Pittsburgh University Press, 1977).

- 2 To what extent is the Brazilian experience relevant for other Latin American countries? Are similar patterns of entrepreneurial class action found elsewhere? For one, IPES had sister organizations and counterparts throughout Latin America and even in the United States. Also, as seen earlier on, there is some indication that the 'Brazilian model' was employed in other countries. The case of Allende's downfall and the climate of economic disaster and social convulsion which was stimulated during his presidency certainly bear close resemblance to the Brazilian experience. Ambassador Kourry, who served in Chile, went as far as asserting that the techniques employed in Brazil were used in Chile ten years later with devastating effect. Moreover, local and foreign entrepreneurs belonging to the Council for Latin America were engaged by 1970 in Uruguay, in activities similar to those carried out in Brazil, namely a 'business-supported publicity campaign against the extremists.' Moreover, entrepreneurs were part of 'an Uruguayan-US committee of businessmen which acted as volunteer adviser to President Pacheco Areco'. Furthermore, a year later, IPES leaders were involved in the downfall of President Torres of Bolivia, while Council for Latin America 'stockholders' were involved in 'publicity' campaigns in Argentina. See The Report to Stockholders - The Council for Latin America Report Vol.6 No.2, January 1970, New York, page 8.

- 3 Most industrialists and bankers were supposed to be preoccupied with or submerged in their immediate business problems, and thus, it was assumed, had little intellectual or practical inclination to devote themselves to tasks which seemed extraneous or possibly harmful to their entrepreneurial goals. The belief in the political passivity of the Brazilian entrepreneurs has been forwarded in particular by Riordan Roett, Brazil: Politics in a Patrimonial Society (Boston, Allyn & Bacon, 1972), pp.126-130.

- 4 The entrepreneurial classes have held through their successive organic intellectuals the reins of power with a strong political and ideological grip. Whenever a new configuration of power relations pointed to the possible establishment of a relatively autonomous state, as in 1945, 1954, or 1964, the entrepreneurial order intervened in one form or another to restore its firm sway over the political machinery of authority and force. Even João Goulart did not dispense initially with important entrepreneurial figures, such as banker Moreira Salles (purportedly imposed upon Goulart, as part of the compromise of 1961 when he assumed the presidency); Nei Galvão, a banker and industrialist; Carvalho Pinto, a banker; Santiago Dantas, an oil industrialist with Copebras (A.F. Torres, E. Caio da Silva

Prado, Angus C. Littlejohn) - Columbian Carbon Co-USA/Celatino S.A. - Panamá/Celanese Corp. of America/Traders Inc.-Panama; Jorge Serpa, a director of Mannesman, the German Steel complex; and Renato Costa Lima, representing interests in the coffee sector, to mention but a few.

There is certainly need to research further into the political options open to multinational and associated interests, through the person of Santiago Dantas and the reason for their 'rejection' of him. Furthermore, in research carried out by Carlos Hasenbalg and Clovis Brigagão, in relation to the political participation of the bourgeoisie between 1955 and 1968, it was found that from a total of 132 central public offices occupied by entrepreneurs, the bankers had 56 posts against 46 of industrialists and 27 of merchants. Out of a total of 9 Finance Ministers, 6 were bankers. Out of 36 directors of the Banco do Brasil 16 were bankers, as well as 22 of the 34 executives of SUMOC and officials of the Central Bank. In C. Hasenbalg and C. Brigagão, 'Formação do Empresário Financeiro no Brasil' in DADOS No.8 1971, pp.79-103, IUPERJ, Rio de Janeiro.

- 5 There is need for further study of the interplay between entrepreneurs and political entrepreneurs and between them and professional politicians in policy-making prior to 1964. On the political role of the entrepreneurs, see Quentin Hoare and Geoffrey Nowell-Smith, Selections from the Prison Notebooks of Antonio Gramsci (London, Lawrence & Wishart, 1973), p.260.
- 6 See A. Stepan, The Military in Politics (Princeton, Princeton University Press, 1971), Chapters 6 and 7; T. Skidmore, Politics in Brazil (Oxford, Oxford University Press, 1969), Chapters VII and VIII; R. Schneider, The Political System of Brazil (New York, Columbia University Press, 1971), Chapter I.
- 7 Georges-André Fiechter, Brazil since 1964 (London, Macmillan, 1975), pp.9, 28-29.
- 8 On the concept of power bloc see N. Poulantzas, Political Power and Social Classes (London, NLB, 1975), pp.241-242.
- 9 The argument is based on the methodological criteria of A. Gramsci, as presented in Quentin Hoare and Geoffrey Nowell-Smith, op.cit., pp.175-185; Antonio Gramsci, Naquiavél, A Política e O Estado Moderno (Rio de Janeiro, Civilização Brasileira, 1968), p.61.
- 10 See Godfrey Hodgson and Willian Shawcross, 'Destabilisation' in The Sunday Times, October 24, 1975, pp.15-16.
- 11 The notion of 'linkage groups' as employed by Karl Deutsch refers to groups within the domestic polity which have particular ties with the international environment. See Jan Knippers Black, United States Penetration of Brazil (Manchester, Manchester University Press, 1977), pp.59-63.
- 12 '... a political movement... (is) a movement of the class, with the object of enforcing its interests in a general form, in a form possessing general, socially coercive forces' - Karl Marx, in Letter to Bolte, November 23, 1871, concerning the Gotha Programme, as quoted by N. Poulantzas, Political..., op.cit., p.107.

- 13 For R. Miliband class power is the 'general and pervasive power which a dominant class (assuming for the purpose of exposition that there is only one) exercises in order to maintain and defend its predominance in 'civil society'. This class power is exercised through many institutions and agencies. Some of these are primarily designed for the purpose, e.g. political parties of the dominant class, interest and pressure groups, etc. Others may not be specifically designed for the purpose, yet may serve it, e.g. churches, schools, the family. But whether designed for the purpose or not, they are the institutions and agencies through which the dominant class seeks to assure its 'hegemony'. R. Miliband, Marxism and Politics (Oxford, Oxford University Press, 1979), pp.54-55.
For N. Poulantzas, in Political..., op.cit., pp.104-107, power is 'the capacity' of a social class to realize its specific objective interests'. The notion of power is related to the field of 'class' practices, having a particular reference to the analysis of class organizations. Its frame of reference is the field of class struggle of a society divided into classes. For the notion of 'interests', 'objective interests' and 'class interests', see N. Poulantzas, idem, pp.109-113 and Erik Olin Wright, Class Crisis and the State (London, NLB, 1978), pp.87-88.
- 14 By such action, the State apparatus performed as a strategic and historically prepared class power. For the notion of the State as prepared class power (previously deployed and consolidated), see Q. Hoare and G. Nowell-Smith, op.cit., p.217.

One has to remember, though, that State power 'is the main and ultimate, but not the only means whereby class power is assured and maintained'. See R. Miliband, 'Poulantzas and the Capitalist State', NLR No.82, London, 1973, p.86 and N. Poulantzas, 'The Capitalist State: a Reply to Miliband and Laclau' in NLR No.95, London, 1976, pp.72-76.
- 15 A. Gramsci, Antología (México, Siglo XXI, 1970), p.71; A. Gramsci, Notas sobre Maquiavelo, sobre Política y sobre el Estado Moderno (Buenos Aires, Editor Lautaro, 1962), p.325.
- 16 G. O'Donnell, op.cit., pp.48, 64.
- 17 One of the indicators of the process of integration was that from 1962 to 1967 the number of directors of industrial enterprises for the whole of Brazil dropped from 48,000 to 40,000, while the number of individual enterprises actually grew by several thousands. See BANAS, 40.000 no Comando da Economia Brasileira, Vol.I, 1968-1969, Introduction.
- 18 On 'exclusion politics' see F. Parkin, Marxism and Class Theory (London, Tavistock, 1979).
- 19 The threat posed to the dominant classes by the mobilization of urban and rural working classes resulted in the re-establishment after April 1st, 1964 of strong control links with the popular sectors, underlining the authoritarian character of the new State, and a further 'penetration' of the State into civil society. On the notion of 'penetration' see O'Donnell and his notion of the authoritarian-bureaucratic states - in O'Donnell, op.cit., p.48

However, the quasi-corporatist relationship of the dominant classes with the popular sectors through the new bureaucratic-authoritarian State entailed not the controlled incorporation of the urban working classes, which had been the practice of Vargas and his successors, but the political and economic exclusion tout court of the popular sectors. The stifling of the corporate and political expression of the industrial and rural working classes was the foundation of the 'new order' and of 'social peace', and a pre-requisite to 'national security and development'. The new power bloc implemented a strategy of domination of the subordinate classes in accordance with the doctrine of National Security and Development of the Superior War College, which had as one of its basic tenets the unavoidable recreation of the equation 'elite-masses'. The demands and needs of the latter were, in this doctrine, to be interpreted by the 'elite', ascribing to the masses a permanent intermediary in the form of the State.

On control of the working class after 1964, see Kenneth S. Mericle, 'Corporatist Control of the Working Class: Authoritarian Brazil since 1964', in Authoritarianism and Corporatism in Latin America, edited by James M. Malloy, op.cit., pp.303-338.

- 20 As seen in Chapter IX, at the centre of the institutionalized exclusion of subaltern economic interests was the Ministry of Planning, which was an outright IPES preserve. It was this Ministry which was in charge of co-ordinating and overseeing the different functions of the State apparatus, setting out socio-economic policy guidelines for the post-1964 government. It was under the guidance of the Ministry of Planning that the overhaul of the productive and administrative structure of the State was carried out. By the nature of the indicative planning it carried out, the Ministry of Planning made of the State a giant factor of capital accumulation, which benefited the multinational and associated bloc. In this respect, the Ministry of Planning was fundamental for its role in the process of 'agenda building' and 'mobilization of bias' for the policies of modernization, in so far as the consequences of its action have to be evaluated not only in terms of what it openly and positively attained and favoured, but also in terms of what it prevented from occurring.
- 21 Besides the State mechanisms of exclusion, i.e., the institutional means of articulation of interests represented by the Ministries and agencies of government, there were other informal links between the entrepreneurs of IPES and the State administration. IPES itself, which had been created, financed and directed by members of the multinational and associated interests in order to take over the State, became after 1964 one of the major means whereby the members of the ruling power bloc were able to carry out research on specific policy-issues and discussion of general policy, and come to agreement on major socio-economic and political questions and their solutions. In this respect, IPES developed functions which G. William Domhoff has called 'consensus-seeking of policy-planning' for the ruling power bloc; very similar to such American organizations as the Council on Foreign Relations, the Business Council and the Committee for Economic Development, which, as seen earlier, was

actually one of the American counterparts of IPES. See G. William Domhoff, 'Social Clubs, Policy-Planning Groups, and Corporations: A Network of Ruling Class Cohesiveness' in G. William Domhoff, (ed.), 'New Directions in Power Structure Research', The Insurgent Sociologist, Vol.V No.III, Spring 1975, p.175. See also Laurence H. Shoup, 'Shaping the Post-war World: The Council on Foreign Relations and the United States War Aims during World War Two', in G. William Domhoff, (ed.), idem, pp.9-52.

- 22 As seen in Chapter IX, IPES was shaped into an effective 'intermediary body' for policy-making, developing a series of channels and ways of securing easy communication between the entrepreneurs at large, represented by IPES, those entrepreneurs in IPES and the public administration. Of course, the IPES entrepreneurs took advantage of the informal and very close relationship they had with the occupants of public positions. By virtue of both their overlapping public roles and their private industrial and banking positions as well as their common background in IPES, straightforward informal communication took place between government and the leading multinational and associated fraction. IPES also developed an intricate network of interaction between the State and the dominant sectors of civil society, thus constituting an exclusive neo-corporatist structure of interest articulation, whose locus was not within 'political society' as had been the case of the corporatist structures of the Estado Novo and of the populist structures of associations of interests, but in 'civil society'. This was another level in which the objective interpenetration of the State and the oligopolistic structure of modern industrial and banking capitalism took place, mutually guaranteeing the predictability of their future behaviour. In the fulfilment of the functions of stabilization and predictability the SNI played a central role, by drawing away from naked repression and coercion and closer to preventive manipulation and less visible social controls. On the role of the SNI, see Walder de Goes, O Brasil do General Geisel (Rio de Janeiro, Editora Nova Fronteira, 1978). The role of the SNI in policy-making is an area in need of further research.
- See also O'Donnell, Corporatism..., op.cit., pp.49, 61-64 and his notion of 'bi-frontal corporatism'. See also Philippe C. Schmitter, 'Still the Century of Corporatism?' in Review of Politics 36 No.1, January 1974, USA, pp.85-131.
- 23 On the notion of 'privatization' of the State, see O'Donnell, op.cit., p.48.
- 24 Flynn, in a recent book which repeats the argument of so many Brazilianists, reflects this ideological argument about the 'ESG-técnico' marriage as the focus of policy-making and the lack of political muscle of the businessmen vis-a-vis these técnicos and bureaucrats. See P. Flynn, Brazil: A Political Analysis (London, Ernest Benn, 1978), pp.331, 355, 372.
- 25 On the idea of development as a source of hegemony, see Miriam Limoeiro Cardoso, La Ideología Dominante (México, Siglo XXI, 1975), pp.277-298.

- 26 The exercise of hegemony by a class, power bloc or fraction depends on its capacity to maintain the norms of political exclusion, and thus in a certain form to exercise a measure of repression. The hegemonic or coercive character of the rule of a class is determined by whether such exclusion is imposed and recreated by naked force or if it is established - or at least recreated - by the ensemble of ideological apparatus of State and society. See F. H. Cardoso, *Estado e Sociedade no Brasil*, F. H. Cardoso (ed.), Autoritarismo e Democratização (Rio de Janeiro, Paz e Terra, 1975), pp.193-196.
- 27 The direct imposition of entrepreneurial interests through the occupation of the key positions of government and state administration and the implementation of narrow and exclusive policies restrained the space for politics. Moreover, the political restrictions imposed upon subordinate classes and subaltern socio-economic groups made shambles of the pretense of 'public authority' defending general interests, let alone common needs. Instead, the authoritarian State with its entrepreneurial bias became the true instrument of the dominant classes, totally excluding subordinate interests and shaping the character of the new class relations, qualifying G.-A. Fiechter's hopes to the contrary. See G.-A. Fiechter, op.cit., pp.xii-xiii, 34, 212.

The overwhelming victory which IPES in particular and the dominant classes as a whole attained against the subordinate classes both in State and society also meant that the State was not any more the 'arena' of class struggle which it had been during the populist period. Instead, the State became the stage where conflicting fractions of the dominant classes excluded from the ruling bloc adjusted their own differences and their relationship with the latter.

- 28 See G.-A. Fiechter, op.cit., pp.225, 250; N. Leff, Economic Policy-Making and Development in Brazil 1947-1964 (London, John Wiley & Sons, Inc., 1968), Chapter 11.
- 29 Among these exceptions were Eli Diniz, Empresário, Estado e Capitalismo no Brasil: 1930-1964 (Rio de Janeiro, Paz e Terra, 1978); Fernando Henrique Cardoso, Empresário Industrial e Desenvolvimento Económico no Brasil (São Paulo, DIFEL, 1972); F. H. Cardoso, O Modelo Político Brasileiro (São Paulo, DIFEL, 1973); and F. H. Cardoso, Autoritarismo e Democratização (Rio de Janeiro, Paz e Terra, 1975).
- 30 There are various examples of such lines of argument. Alfred Stepan in his The Military in Politics - Changing Patterns in Brazil searched for the explanation of social change in military intervention, the reasons being encapsulated in ideological and organizational differentiations. Nathaniel Leff propounded a technocratic reason for nation-building in his Economic Policy Making and Development in Brazil 1947-1964. Helio Jaguaribe saw in the State a major driving force of national development, in his Political Development - A General Theory and a Latin American Case Study. Juan J. Linz even constructs his argument on the autonomy of the military - Juan J. Linz, 'The Future of an Authoritarian

Regime: The Case of Brazil' in A. Stepan (ed.), Authoritarian Brazil: Origins, Policies and Future (New Haven, Yale University Press, 1973), p.234.

The ideological view of the Brazilian State occupied during the 1964-1967 period by técnicos and supported by a technical military rather than just armed bureaucrats has helped to build up an image of peculiarity for the Brazilian Armed Forces in particular and for the Brazilian State in general which also helped to legitimate the new regime. Such an image of singularity has also almost projected the Brazilian polity beyond the realm of traditional social and political sciences and reified the State to a large extent, although in time political reality (traditional class conflict and social struggle) have taken care of demolishing the myth of Brazil's particularity.

- 31 Examples of such emphasis on the techno-bureaucracy and the military are respectively Luiz Carlos Bresser Pereira, Desenvolvimento e Crise no Brasil (São Paulo, Ed. Brasiliense, 1973), and Edmundo Campos Coelho, Em Busca da Identidade: O Exército e a Política na Sociedade Brasileira (Rio de Janeiro, Forense Universitária, 1976).
- 32 See P. Flynn, op.cit., p.520.
- 33 The Bonapartist coup in the name of the middle classes was studied by José Nun - 'The Middle Class Military Coup' in C. Veliz (ed.), The Politics of Conformity in Latin America (Oxford, Oxford University Press, 1967), pp.89-92, 112. See also Irving Louis Horowitz, 'The Military Elites' in Elites in Latin America, edited by Seymour Martin Lipset and Aldo Solari (Oxford, Oxford University Press, 1967), pp.146-189. See T. dos Santos, Socialismo o Fascismo: Dilema Latinoamericano (Santiago de Chile, Ediciones Prensa Latinoamericana, 1969), chapters VIII and IX; Alain Rouquié, 'L'hypothèse Bonapartiste et l'émergence des systèmes politiques semi-compétitifs' in Revue française de science politique, XXV (6), December 1975, pp.1077-1111; C. Furtado, 'De la República Oligárquica al Estado Militar, in J.C. Bernadet et al. (eds.), Brasil Hoy (México, Siglo XXI, 1968), pp.21-24; H. Jaguaribe, 'Brasil - Estabilidad Social por el Colonial Fascismo' in Brasil Hoy, op.cit., pp.44-53; Guy Hermet, 'Dictature Bourgeoise et Modernisation Conservatrice: Problemes Methodologiques de L'Analyse des Situations Autoritaires' in Revue française de science politique XXV (6), December 1975, pp.1029-1061, France.
- 34 Nicos Poulantzas, Fascism or Dictatorship? (London, NLB, 1973), p.313.
- 35 N. Poulantzas, The Capitalist State..., op.cit., p.74.
- 36 G. O'Donnell, Corporatism..., op.cit., p.54. See also T. Skidmore, 'Politics and Economic Policy Making in Authoritarian Brazil, 1937-1971' in A. Stepan (ed.), Authoritarian Brazil: Origins, Policies and Future (New Haven, Yale University Press, 1973).

37 See Carlos Estevam Martins, Tecnocracia e Capitalismo (São Paulo, Editora Brasiliense, 1974) and L. C. Bresser Pereira, Estado e Subdesenvolvimento, Industrializado: Esboço de uma Economia Política Periférica (São Paulo, Editora Brasiliense, 1977).

38 On the difficulties surrounding the notion of 'ruling class', or 'ruling power bloc', see R. Miliband, Marxism..., op.cit., pp.67-74. See also Nicos Poulantzas, Political..., op.cit., pp.100-114, 117-119, 300-301 and N. Poulantzas, The Capitalist, op.cit., p.75.

The nature of the State has been the bone of contention of political analysis for many years and has been the subject of the famous and fruitful 'Miliband-Poulantzas debate'. The debate itself is contained mainly in a series of articles, namely N. Poulantzas, 'The Problem of the Capitalist State' in New Left Review No.58, London, 1969; R. Miliband, 'Reply to Nicos Poulantzas' in NLR No.59, London, 1970; R. Miliband 'Poulantzas and the Capitalist State' in NLR No.82, London, 1973; N. Poulantzas, 'The Capitalist State: A Reply to Miliband and Laclau' in NLR No.95, London, 1976.

The debate stimulated spinoffs and although it has subsided in recent years, the issue and the 'problematic' are certainly there, and far from exhausted.

Ernesto Laclau, 'The Specificity of the Political: The Poulantzas-Miliband Debate' in Economy and Society Vol.5 No.1, 1975 has been one of the more influential additions.

See also Amy Beth Bridges, 'Nicos Poulantzas and the Marxist Theory of the State' in Politics and Society Vol.4 No.2 1974; J. Mollenkopf, 'Theories of the State and Power Structure Research' in Special Issue of The Insurgent Sociologist Vol.5 No.III, 1975 and A. Wolfe, 'New Directions in the Marxist Theory of Politics' in Politics and Society, Vol.4 No.2, 1974.

39 Lewis Coser, one of the most influential opponents of the notion of ruling class or ruling power bloc states that 'Proponents of the power elite thesis have not been fully convincing in that they have not been able to show that those they claim to be in structural power positions have in fact the organizational and ideological capacity to act in common in the pursuit of super individual interests'. Lewis Coser 'The Notion of Power: Theoretical Developments, American Sociological Association Meetings, 1973, quoted in G. William Domhoff, Social Clubs..., op.cit., p.173.

40 See P. Evans, Dependent Development: The Alliance of Multinational, State and Local Capital in Brazil (Princeton, Princeton University Press, 1979).

See also Sergio Hudson de Abranches, The Divided Leviathan: State and Economic Policy Formation in Authoritarian Brazil - Ph.D. Thesis, Cornell University, 1978; and Renato Raul Boschi, National Industrial Elites and the State in Post-1964 Brazil: Institutional Mediations and Political Change - Ph.D. Thesis, University of Michigan, 1978).

41 See N. Poulantzas, The Problem..., op.cit., pp.70-74.

- 42 It would prove interesting to study the historical roots of what seems to be the extraordinary common background and origin, education and kinship, friendship and connections and shared political and ideological attitudes and presumptions, of the entrepreneurs and techno-entrepreneurs who composed IPES.
- 43 On Class Structures, Class Struggle, Class Interests and Class Capacities, see Olin Wright, op.cit., pp.98-108. See also Nicos Poulantzas, Political Power and Social Classes (London, NLB, 1975) and his notions of 'specific presence' and 'pertinent effects', in pp.78-84, and his view of social classes conceived as class practices existing in oppositions, in pp.85-93; and Fernando Henrique Cardoso, 'La Cuestión del Estado en Brasil' in Autoritarismo e Democratizaçãõ...., op.cit., edited by F.H. Cardoso.
- 44 R. Miliband, 'The Coup in Chile' in Revolution and Class Struggle, edited by Robin Blackburn (London, Fontana, 1977), pp.412-413.
- 45 R. Miliband, Marxism...., op.cit., pp.54-55.

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