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Review by Stephen G. Rabe, University of Texas at Dallas

Felipe Pereira Loureiro has composed a compelling and historiographically significant article on US aid to Brazil during the first years of the Alliance for Progress. Loureiro is a professor at the Institute of International Relations of the University of São Paulo, Brazil. He focuses his research on the history of international relations, especially on the Cold War and its impact on Brazil and the rest of Latin America.¹ His facility with English and Portuguese is readily apparent in his multi-archival approach to research.

In this straight-forward, accessible article, Loureiro set out to demonstrate that what the scholarly community has long believed about the US approach to Brazilian President João Goulart (1961–1964) was, in fact, valid. In April 1964, the Brazilian military, with US encouragement, overthrew Goulart, who was a constitutional but unelected president. Two decades of military dictatorship ensued in Latin America’s most populous nation. Prior to the military’s seizure of power, the John F. Kennedy and Lyndon B. Johnson administrations had taken steps to destabilize the federal government. Both presidents thought Goulart to be unreliable. He maintained political ties with local Communist groups, conducted extensive trade with the Soviet Union, and resisted US entreaties to cut ties with Fidel Castro’s Cuba. Various intelligence estimates discounted the idea that President Goulart represented a threat to US national security. One Central Intelligence Agency (CIA) assessment judged Goulart an “opportunist,” who maneuvered through Brazil’s complex political milieu.²

The two administrations applied a variety of political and economic pressures on Brazil in a futile effort to force Goulart to conform to US standards of domestic and international behavior. It directed foreign aid to state governors who opposed Goulart. US Ambassador to Brazil Lincoln Gordon denied that the United States was making ideological choices. He later claimed that Brazilian governors who filled out the paperwork received loans. He dubbed this the “islands of administrative sanity” approach.³ In any case, the move violated the Brazilian Constitution (1946), which forbade Brazilian states from directly accepting international funds.

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The Kennedy administration directed the CIA to spend $5 million in 1962 funding the campaigns for fifteen federal Senate seats, eight state governorships, two hundred fifty federal deputy seats, and some six hundred seats for state legislatures. The CIA also funded strikes against the government by labor unions. The Kennedy administration dispatched Colonel Vernon Walters to Brasília to serve as the US military attaché. Walters, who would subsequently become deputy director of the CIA under President Richard M. Nixon, had advised the Brazilian military in Italy during World War II and had kept in contact with high-ranking officers. He was especially close to General Humberto de Alencar Castello Branco, who later led the military conspiracy against Goulart. The Johnson administration pre-positioned war matériel and readied a US naval task force for duty off the coast of Brazil in case the generals encountered resistance. Thereafter, the Johnson administration showered the Castello Branco regime (1964–1967) with economic aid and did not ask hard questions on how the money was being spent.4

For almost five decades now, scholars of inter-American relations have not challenged the basic thesis that the Kennedy and Johnson administrations undermined the Goulart government and encouraged the Brazilian military to seize power. There is overwhelming evidence in the declassified records in the National Archives and the Kennedy and Johnson Presidential Libraries to sustain that thesis. Brazilian scholars have found evidence in their country’s records that supports the prevailing interpretation.5 To be sure, in an important new study, Andrew J. Kirkendall speculated whether President Kennedy, if he not been assassinated, would have authorized US support for a military seizure of power in 1964 or thereafter. But Kirkendall did not dispute the reality that the Kennedy administration had taken an increasingly confrontational attitude toward President Goulart.6 The only dissenter has been Ambassador Gordon. In 1990, as scholars were revealing shocking discussions and decisions within the US government about President Goulart, Gordon penned an essay in the Journal of Interamerican Studies and World Affairs denying that either Washington or his embassy in Brasília had used US economic and military power against Goulart.7 Twenty-five years later, political scientist Bruce L.R. Smith, a colleague of Gordon at the Brookings Institute, reiterated Gordon’s denials in his admiring biography of the ambassador.8

To address the views propagated by Gordon and Smith, Professor Loureiro adopted the catchphrase “follow the money” popularized in the film about corruption within the Nixon White House, All the President’s Men (1976). During the fiscal years between 1961 and 1963, the United States annually provided Brazil about $210 million in economic aid. Because the Alliance for Progress aimed to alleviate extreme poverty and underdevelopment, the money would be presumably directed at the Brazilian Northeast in a state such as Pernambuco and its leading city, Recife. Whereas poverty and malnutrition existed throughout Brazil, states

7 Gordon, “US-Brazilian Reprise,” 165-78.
in the Southeast, like Guanabara, which encompassed Rio de Janeiro, and São Paulo, the home of Brazil’s leading city, were relatively prosperous. But relatively affluent states were led by conservative, anti-Goulart governors like Carlos Lacerda in Guanabara, and many impoverished states had radical, nationalist governors who worked with Goulart.

Loureiro provides the reader with a series of comprehensible charts and tables to follow the flow of Alliance for Progress funds. As he notes, “the data on US aid to states in Goulart’s Brazil clearly corroborate what most authors have already argued (without systematic empirical foundation) about the nature of the ‘islands of sanity’ policy—namely, that political factors were fundamental in determining the level of US assistance to Brazilian states in the early 1960s” (171). In the case of Inter-American Development Bank (IADB) loans, Governor Lacerda’s Guanabara, with only 5 percent of Brazil’s population, received $35 million or 27 percent of Brazil’s IADB loans from January 1961 to March 1964. Pernambuco received less than 3 percent of IADB loans (chart on 181). After 1962, the United States cut off Pernambuco from all US assistance because voters had the temerity to elect Miguel Arraes, a political leftist, as their governor. Soon after the military dictators seized power, they jailed Governor Arraes for eleven months and then exiled him for fourteen years. Once democracy resumed in Brazil in 1985, the citizens of Pernambuco elected Miguel Arraes to the governorship twice (1987–1990, 1995–1998).

Loureiro traces the course of other US loans and grants, including those made in the local currency, the cruzeiro, and found the same pattern as revealed in his analysis of IADB loans (charts on 183–84, 189). Brazilian states led by governors who tried to undermine President Goulart were favored in aid allocation. After the military seized power, the United States rapidly expanded economic aid to Brazil to over $300 million a year and redirected it. The federal government of President Goulart received no IADB loans. From April 1964 to December 1969, the military dictators secured $343 million in IADB loans (chart on 181). Ambassador John Tuthill, Gordon’s successor, observed that the United States asked few questions about how the aid was used and conceded that Colonel Walters remained the most important US official in Brasília. Walters had few objections to the repression of journalists, university professors and students, and trade union officials.9

Perhaps Loureiro’s most amazing research discovery is that, in 1962, the embassy in Brasília, at the behest of Washington, developed an ideological index to classify the Brazilian politicians who were running for federal and state posts. The index had eight categories that ranged from extreme left to extreme right (chart on 190). As Robert W. Dean, the key career official in the embassy and a future ambassador to Peru (1974–1977) joshed, “you can’t tell the players without a scorecard” (190). The three objectionable categories were politicians who were “Communists or Crypto-Communists,” “Fellow Travelers,” or “Leftist Ultra-Nationalists.” The embassy placed seven governors, all pro-Goulart, in the objectionable categories. It concluded no governor could be classified as a “Communist.” Loureiro finds that no single state, whose governor was deemed a leftist, received any IADB or dollar loans during the Goulart presidency. The author concludes: “Ambassador Gordon’s claim—supported by his biographer—that US ‘loans at the state level’ included pro-Goulart governors is problematic” (192).

The military seizure of power proved catastrophic for Brazil and much of Latin America. In December 1968, the second military dictator to command Brazil, General Artur da Costa e Silva (1967–1969), issued Institutional Act No. 5. The edict, which had no expiration date, outlawed political activity. Political

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repression, torture, and perhaps 3,000 political murders characterized Brazilian political life under Institutional Act No. 5. Brazilian police favored a technique known as *pau de arara* (“parrot’s perch”). The victim was suspended upside down and naked on a horizontal pole and subjected to beatings and electrical shocks. Dilma Rousseff, the future president of Brazil (2011–2016), was repeatedly subjected to such horrors between 1970 and 1973, her years as a political prisoner. In 1974, CIA Director William Colby provided Secretary of State Henry A. Kissinger with definitive evidence that three of Brazil’s military dictators authorized summary executions of political prisoners.

Like a perverted version of the “domino theory,” the indiscriminate violation of basic human rights spread throughout southern South America in the 1970s, often with the assistance of Brazil. Brazil teamed up with the United States to overthrow the Bolivian leader Juan José Torres in 1971 and rig an election in Uruguay in 1971. According to Amnesty International, under military rule Uruguay had more political prisoners per capita than any other country in the world. Brazilian military officials maintained close contact with their Chilean counterparts and urged them to strike a blow against President Salvador Allende (1970–1973). Brazilians were not participants, only cheerleaders, in the Argentine military’s seizure of power in 1976. Between 1976 and 1983, the Argentine military reportedly murdered 30,000 citizens and one prominent political exile, Juan José Torres of Bolivia. In 1975, Chile’s military dictator, General Augusto Pinochet (1973–1990), organized the military dictatorships of South America into “Operation Condor,” an international assassination project that, among other “hits,” assassinated Orlando Letelier, an official in the Allende government, and Ronni Moffitt, an aide to Letelier and a US citizen, in a terrorist attack in Washington, D.C.

In view of the disastrous turn of events in Brazil and South America in the 1960s and 1970s, Felipe Loureiro fittingly focuses on the US campaign to destabilize the government of João Goulart in this first-rate article.

Stephen G. Rabe served for forty years as the Ashbel Smith Chair in History at the University of Texas at Dallas, where he now holds *emeritus* status. He has written or edited thirteen scholarly books, mainly in the field of inter-American relations. *The Killing Zone: The United States Wages Cold War in Latin America* (Oxford University Press, 2012, 2016) is widely used in university classrooms. Rabe’s *Kissinger and Latin America: Intervention, Human Rights, and Diplomacy* was published in 2020 by Cornell University Press. His latest book is *The Last Paratroopers of Normandy: A Story of Resistance, Courage, and Solidarity in a French Village*, which was released in November 2022 by Cambridge University Press.

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