Speaking in Sao Paulo, Brazil, in February 1960 President Dwight D. Eisenhower outlined his belief that Brazil was on the cusp of a significant breakthrough in terms of its economic position.

At this point in history, our countries may differ in economic development, but this difference can and will disappear, for Brazil is on the march. It is today a universal Brazilian aspiration to develop the country's resources, to extend the blessings of education to all, to realize the nation's immense potentialities. Let me say to you most earnestly that we pray for your success. And we rejoice in your progress not only because you and we are friends but also because we know that the progress of Brazil and of all the nations which aspire to develop rapidly will make a happier and more peaceful world for everyone.

Such developments, Eisenhower went on, were also important in terms of validating the US prescribed model of development. The progress being made in Sao Paulo, he noted, was a shining example of how development should be pursued. “I wish that all the world could see
what I have seen today in this city,’ he proclaimed, ‘a demonstration that a dynamic
economy, based on private enterprise and free labor, redounds to the benefit of the worker,
the consumer, the public at large and the state which embodies their sovereign will.’¹

Eisenhower’s enthusiastic portrayal of Brazilian development belied the fractious
disagreements that had characterised US-Brazilian relations over economic issues for the
duration of his presidency. It also overlooked the increasingly independent developmental
path that Brazil had pursued since 1956, and the fact that his sentiments did not go down well
with many Brazilians who disliked the president’s one-dimensional presentation, preaching
of American success, and ongoing refusal to accord their nation any special significance in
inter-American relations.² For a presidency that accorded such significance to the message it
presented, it is difficult not view this as having been deliberate. For Eisenhower’s comments
also demonstrated the enduring faith that his administration had in their concept of
development: the idea that, around the world, prosperity could be brought to the masses by
following America’s own route to modernity.³

¹ Address by President Eisenhower at a Luncheon given in his honour, Sao Paulo, 25 Feb. 1960, P[ublic]
P[apers] of the P[resident]s of the U[ni]ted S[ates]: Dwight D. Eisenhower, 1960-61 (hereafter PPPUS and
year. Access to these sources was via: http://www.presidency.ucsb.edu)

² J. Smith, Brazil and the United States: Convergence and Divergence (Athens, Georgia, forthcoming 2010)

³ For the administration’s views on development: B.I Kaufman, Trade & Aid: Eisenhower’s Foreign Economic
Modernizing Mission in Southeast Asia,’ Diplomatic History Volume 27, No. 4 (September 2003), 543-68; J.
These sentiments, of course, had been increasingly prominent in American views of the world in the twentieth century and, as such, were not uncommon in the Eisenhower era. From his first inaugural address, through the Chance for Peace speech after Josef Stalin’s death, and on through the keynote speeches of his second term, the motif of development was a recurrent feature of US rhetoric toward the developing world. Examinations of the role that these constructions played in US policy, though, have tended to focus on the administration’s propagandistic intentions – eschewing the possibility of taking the notion of global development at face value, or interrogating in detail what precisely the administration’s conception of it was, and instead portraying the use of developmental idealism as a carefully contrived rhetorical effort to appeal to the ‘hearts and minds’ of the world’s underdeveloped nations. Likewise, broader studies of the administration’s approach toward what cold war historians often call the Third World (an area of the world that, loosely defined, took in much


of South and Southeast Asia, the Middle East, Latin America and Africa), which have portrayed Eisenhower’s policies as being ill-considered, negative and one-dimensional, have framed its foreign economic stance squarely within the confines of the Cold War and viewed it as being indicative of its failed approach toward the developing world. The burgeoning wave of anti-American sentiment that was in evidence by the end of the Eisenhower era, moreover, has only served to confirm these appraisals.

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6 In the 1950s, US officials often referred to these areas as the ‘Free World’, ‘developing’ or ‘underdeveloped’ areas. My use of ‘Third World’ in this essay is not a critical or derogatory one; it is for the sake of convenience and is in line with other cold war historians. Nor should not be conflated with non-aligned or neutral nations, as while there is some crossover between the two they are separate constructs. See: O.A. Westad, The Global Cold War: Third World Interventions and the Making of our Times (Cambridge, UK, 2005); M.J. Connelly, Fatal Misconception: The Struggle to Control World Population (Cambridge, Massachusetts, 2007), 114-95; J.C. Parker, “‘Made-in-America Revolutions’? The ‘Black University’ and the American Role in the Decolonization of the Black Atlantic,’ Journal of American History Volume 96, No. 3 (December 2009)

7 R.J. McMahon, ‘Eisenhower and Third World Nationalism: A Critique of Revisionists’, Political Science Quarterly Volume 101, No. 3 (1986), 453-73; see the essays in, Statler and Johns (eds), The Eisenhower Administration, the Third World, and the Globalization of the Cold War; Westad, The Global Cold War, 26-7; G.C. Herring, From Colony to Superpower: US Foreign Relations since 1776 (New York, 2008), 700-1; S.G. Rabe, ‘Eisenhower Revisionism: A Decade of Scholarship,’ Diplomatic History, Volume 17 (Winter 1993), 111-4; one work that argues against this and suggests that some aspects of the administration’s approach were a success is, S.R.J Long, ‘Winning Hearts and Minds: US Psychological Warfare Operations in Singapore, 1955-1961,’ Diplomatic History Volume 32, No. 5 (November 2008), 899-930

8 This anti-Americanism was especially evident in Latin America, but also existed elsewhere, too. See: A. Mcpherson, Yankee No!: Anti-Americanism in US-Latin American Relations (Cambridge, Massachusetts, 2003); M.P. Friedman, ‘Anti-Americanism and U.S. Foreign Relations.’ Diplomatic History Volume 32, No. 4 (September 2008), 497-514; also see the articles in ‘AHR Forum: Historical Perspectives on Anti-Americanism,’ American Historical Review, Volume 111, No. 4 (October 2006)
policies have, therefore, been cast in a wholly negative light that, while instructive, presents a one-dimensional perspective.\(^9\) Rather than relying on existing arguments, then, it is also necessary to analyse the rigidity and construction of the developmental aspect: to ask what the administration wanted to achieve in terms of Third World development, assess whether or not there was any validity in their model and to examine what the broader ramifications of this are for the historiography of the Cold War.

Narrow Cold War constructions undoubtedly hindered the Eisenhower administration’s position in the developing world; yet so, too, did the reliance on a generic – and ideologically entrenched – model of economic modernisation that proved incompatible with the desires of increasingly independent nation states in former colonial areas.\(^10\) Relative

\(^9\) To be sure, some studies have begun to challenge this consensus by looking at the relationship between strategic concerns and economic policies, while others have suggested that elements of what would later become Modernization Theory were in evidence under Eisenhower. See: M. Adamson, “‘The Most Important Single Aspect of Our Foreign Policy’? ‘The Eisenhower Administration, Foreign Aid, and the Third World’, in Statler and Johns (eds), The Eisenhower Administration, the Third World, and the Globalization of the Cold War, Ch. 3; O. Calvo-Gonzalez, ‘Neither a Carrot Nor a Stick: American Foreign Aid and Economic Policymaking in Spain during the 1950s’, Diplomatic History Volume 30, No. 3 (June 2006), 409-38; B. Sewell, ‘A Perfect (Free Market) World: Economics, the Eisenhower Administration, and the Soviet Economic Offensive in Latin America,’ Diplomatic History Volume 32, No. 5 (November 2008), 841-69; on those that argue for elements of ‘modernisation theory’ being present before 1961, N. Cullather, ‘Development? It’s History,’ Diplomatic History Volume 24, No. 4 (Fall 2000), 641; idem, ‘The Third Race,’ Diplomatic History Volume 33, No. 3 (June 2009), 509-12; K.C. Pearce argues against this, suggesting that the influence of modernisation theorists like Walt Rostow was kept to the margins under Eisenhower despite the efforts of people like C.D. Jackson to try and bring about a change in US policy, Rostow, Kennedy, and the Rhetoric of Foreign Aid, 49-75

\(^{10}\) On the problems of dealing with newly emerging nation states in these areas, J.C. Parker, Brother’s Keeper: The United States, Race, and Empire in the British Caribbean, 1937-1962 (New York, 2008); M.H. Hunt,
stability in Europe, coupled with a more consistent pattern of events in Asia, meant that prosperity and stability in the Western Hemisphere were far more important than they had been in the immediate aftermath of World War Two.11 As the Brazilian case demonstrates, there was a clear and consistent conception of the idea of development among Eisenhower and his leading officials that, even at moments of strategic crisis in Latin America, never looked like wavering.12 Adopting this approach with respect to Eisenhower’s policy in Brazil, moreover, suggests the need to reperiodize the era of Modernization Theory – or, at least, elements of its central theoretical planks – and to reconsider the chronology of the Cold War in the region.13


13 Analytical models that resituate, and/or reperiodize, the nature of the Cold War have become increasingly evident in recent years. Studies citing race, religion, decolonisation and gender in US foreign policy have all begun to break down the typical narrative of the Cold War. M. J. Connelly, ‘Taking Off the Cold War Lens: Visions of North-South Conflict during the Algerian War for Independence’, American Historical Review Volume 105, No. 3 (June 2000); J.C.Parker, ‘Cold War II: The Eisenhower Administration, the Bandung Conference, and the Reperiodization of the Postwar Era’, Diplomatic History Volume 30, No. 5 (November
Modernization, as David Ekbladh has argued, can be situated within a wider framework going back to the era of the Great Depression. This was apparent in Latin America where the Republican administrations of the 1920s concerned themselves with the concept in their examination of, and actions toward, indigenous economic structures. The Eisenhower administration’s approach, however, was different – coming in a period when the US had emerged as a superpower and the global context of the Cold War had become all-pervasive (if slightly more stable). Set within this wider framework, then, the Eisenhower


era begins to look reminiscent of that of John F. Kennedy, whose embracement of Modernization Theory and implementation of the Alliance for Progress has typically been held up as a stark break with what came before. Indeed the Eisenhower administration shared significant characteristics with that of Kennedy. Both had preordained endpoints in mind (albeit with different timeframes); both saw their actions as morally imperative acts of benevolence, as well as a successful way of limiting the spread of communism and meeting broader US economic goals; and both, despite their different methods, held to generic blueprints that stipulated how a developing nation should move toward economic, and political, maturity. Though the vision of development and how quickly it could be undertaken among Eisenhower and his advisors differed enormously from the model put forward by prominent economic historian and architect of Kennedy-era Modernization, Walt Rostow, the ultimate goal was strikingly similar. In both eras, US officials sought to create economic structures that were modern, self-sufficient, diversified, and that would begin a process of social and democratic change. This would benefit the US, to be sure, but Eisenhower and Kennedy also believed it would benefit the Latin Americans.

Thus when Rostow critiqued Eisenhower’s approach in the Third World he did so specifically with regard to the methods used, not with respect to what they were trying to

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achieve. In testimony to a Congressional committee in 1958, Rostow stated that, to achieve America’s global objectives in the developing areas, would require ‘an American economic development effort larger in scale, greater in continuity, with criteria for lending vastly less ambiguous (and economically more hard-headed) than our present programs.’ He expanded on this in *The Stages of Economic Growth*, where he argued that the biggest question confronting the US was:

> whether the United States and the West can mobilize their ample resources to do the jobs that must be done – resources of spirit, intellect, will and insight quite as much as steel and electronic gadgets; and which extend not only to missile arsenals and the further diffusion of welfare at home, but to the Indian second and third Five Year Plans and the far reaches of Asia, the Middle East, Africa, and Latin America.

These were not recommendations for wholesale changes in US objectives; rather they were a call for utilising different methods to reach ostensibly desirable endpoints.

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17 Rostow, for example, consistently bemoaned the Eisenhower administration’s belief that ‘private investment in the developing world was some kind of panacea.’ D.J. Milne, *America’s Rasputin: Walt Rostow and the Vietnam War* (New York, 2008), 53; M.H. Haefele, ‘Walt Rostow’s Stages of Economic Growth: Ideas and Action,’ in D.C. Engerman et al (eds), *Staging Growth*, 81-107

18 Boston, J[ohn] F. K[ennedy] L[ibrary], Testimony of W.W Rostow Before the Committee on Foreign Relations, United States Senate, 27 Feb. 1958, Box 561, Pre-Presidential Papers, JFK Papers

Nevertheless the escalating critiques of Eisenhower’s developmental policy in the late 1950s, which typically cited his approach as having a deleterious impact on America’s Cold War position, had an inevitable effect on inter-American relations: they ensured that, under a new administration, a more forceful approach would be taken to fostering development in Latin America.\(^{20}\) But it does not necessarily follow that, Eisenhower’s lack of success notwithstanding, critics such as Rostow were correct. The course of Latin American development, as the Eisenhower administration believed it should be, has been a gradual and lengthy process.\(^{21}\) Attempts to provide a catalyst for this process via large scale assistance in the 1960s – although initially popular with Latin American governments – ultimately proved unsuccessful. Assessing Eisenhower’s development policy toward Brazil within the context of reperiodizing the era of Modernization, then, not only resituates his administration’s policies in a more proactive context, but also widens the debate over the origins of the Alliance for Progress. Several scholars have cited policy changes late in Eisenhower’s second-term as being initial steps on the road toward the Alliance; taking a longer view of the administration’s stance on development, however, alters this perception. Eisenhower did, in some ways, pre-empt the Alliance, yet this was more to do with a long-standing belief in the merits of American-led modernization than any emerging faith in engineering economic

\(^{20}\) On the Kennedy campaign’s criticism of Eisenhower’s policies and the planning and theory regarding the Alliance for Progress, S.G. Rabe, *The Most Dangerous Area in the World: John F. Kennedy Confronts Communism in Latin America* (Chapel Hill, 1999); M.E. Latham, ‘Ideology, Social Science, and Destiny: Modernization and the Kennedy-Era Alliance for Progress,’ *Diplomatic History* Volume 22, No. 2 (Spring 1998), 199-229

\(^{21}\) F. Fukyama (eds), *Falling Behind: Explaining the Development Gap Between Latin America and the United States* (New York, 2008)
change through financial assistance.\textsuperscript{22} Forged in the annals of American history – and further buttressed by an ingrained belief in the suitability of the American model for developing nations and perennial thinking on US racial superiority over Latin Americans – the administration’s rigid stance on development thus assumes an important role in the narrative of inter-American relations in the Cold War, and makes the case study of Brazil as useful for assessing US policy in the 1950s as the oft-cited examples of Guatemala and Cuba.\textsuperscript{23}

Brazil serves as such a powerful demonstration of the effect that this developmental model exerted over the Eisenhower administration’s Latin American policy because it was on the way toward a position of ‘economic modernity’ by the early 1950s.\textsuperscript{24} Successive

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\textsuperscript{24} Although not as developed as Argentina was at this point in time – see: T.H. Donghi, ‘Two Centuries of South American Reflections on the Development Gap between the United States and Latin America’ in Fukyama (eds), Falling Behind, 36
\end{flushleft}
governments in Rio de Janeiro, moreover, were committed to programmes of reform and modernisation, and were eager to work with Washington to achieve these goals. Close allies in World War Two, where a mutually beneficial relationship had developed based in part on US funding for a state-owned steel plant at Volta Redonda, Brazilian hopes were high that this would continue in the post-1945 era.²⁵ After the war, though, the relationship oscillated between one of neglect on the US side and later, in the wake of the Korean War, one that looked to regenerate aspects of the wartime relationship.²⁶

During the Eisenhower era, other factors – including a close relationship between the Department of Defense and the Brazilian military, as well as the fluctuating nature of the Brazilian polity which saw different pressure groups and factions able to exert an immense amount of influence over the political situation – impacted upon the relationship.²⁷ Yet in spite of a strong record of cooperation on issues regarding the Cold War, there was little prospect of an agreement on developmental matters as Brazilian and American officials adopted different views as to how Brazil should move forward. Brazilian officials believed


²⁷ In particular, these groups included the Brazilian military, Congress, powerful nationalist groups and various political parties. See: Smith, *A History of Brazil, 1500-2000*, 155-64; Skidmore, *Politics in Brazil*, 81-186
that the judicious use of loan payments to alleviate short-term inflation and balance of payment problems – through institutions like the Export-Import Bank (Ex-Im), the World Bank (IBRD) and the International Monetary Fund (IMF) – would prove sufficient to enable more rapid development to take place. The US, however, was strongly opposed to this viewpoint. For successful development to occur, US officials consistently argued, Brazil needed to implement fundamental changes to its economy (such as economic diversification, increased receptiveness to foreign investment in all areas – especially those, like petroleum, which were especially attractive to the US – and currency reform). Any attempts to operate outside of these dictums were seen as deeply misguided by US officials, citing such behaviour as typical of the Brazilian nation as a whole and reinforcing assumptions about the need for a firm US hand on the tiller.

The recurrent difficulties that Eisenhower subsequently faced, as his developmental vision clashed with that of the Brazilians, should have served as a cautionary tale for the modernizationists that followed under Kennedy. In spite of some good intentions (and, of course, just as many self-interested ones as well), a clear conception of what needed to happen and an acceptance among Brazilian government officials that this private-investment led model could work, the administration palpably failed to achieve its developmental aims in the Latin American nation with the greatest economic potential. The great unsolved problem, which existed throughout Eisenhower’s two terms, was the stark difference between the US-prescribed, generic view of development and the situation on the ground in Brazil.

The belief that the American model could serve as a route to modernity for other nations to follow has long been a prominent theme in US thinking.28 This belief was given a

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28 See: D. Reynolds, America, Empire of Liberty: A New History (London, 2008), xvii-xxv; W. Easterly, The White Man’s Burden: Why the West’s Efforts to aid the Rest Have Done so much Ill and so little Good (Oxford,
boost in the post-World War Two era – when not only did the US envision itself reshaping the world in the wake of a cataclysmic global war as evidenced by the Marshall Plan, but was doing so in the midst of an all-encompassing struggle with the Soviet Union. Throughout the 1950s and on into the following decade, American social scientists worked to apply academic theories of development and modernisation to the practice of American foreign policy – building upon the long-standing trait of exceptionalism, fusing it with the geopolitical priorities of the Cold War, and creating a blueprint for fostering modern nations in the developing world. Ultimately this would coalesce into ‘modernization theory’.

As the only non-Communist theory promoting a radical rethinking of development on the basis of a totalising reconstruction of the post-war geopolitical and geo-economic social order, modernization theory dovetailed with the interests of the foundations in promoting the moral and material interests of the United States in the emergent post-war world order.30

UK, 2006), 19-23; M. Adas, ‘Improving on the Civilizing Mission?: Assumptions of United States

Exceptionalism in the Colonization of the Philippines’ in M.B.Young and L.C. Gardner (eds), The New

American Empire: A 21st Century Teach-In on US Foreign Policy (New York, 2005) , 153-81; N. Cullather,

‘The Foreign Policy of the Calorie,’ American Historical Review Volume 111, No. 2 (April 2007)


Policy in the Cold War and After Second Edition (Baltimore, 1995); D.J. Ryan, US Foreign Policy in World

History (London, 2000); M.J. Selverstone, Constructing the Monolith: The United States, Great Britain, and

International Communism, 1945-1950 (Cambridge, Massachusetts, 2009)

30 Gilman, Mandarins of the Future, 47, also, 30-47; M.E. Latham, ‘Introduction: Modernization, International

History, and the Cold War World,’ in Engerman et al (eds), Staging Growth, 1-25; J. Rohde, ‘Gray Matters:
Even before this phrasing entered the political lexicon during the Kennedy administration, though, elements of it were beginning to take root in US policy. Under Eisenhower some of the core ideas regarding economic development in the Third World became highly prominent; in particular, the idea that progress could be achieved via a singular developmental model. One of the most significant impacts that this had – which went beyond even that which had been evident in earlier periods – was to make alternative models, even those not that far removed from the US vision like that advocated by Brazilian leaders in the 1950s, redundant.\textsuperscript{31}

The Eisenhower model, like the Rostovian framework that followed, was tightly defined – focused heavily on the theory of using the expansion of private capital to drive growth, a move toward unrestricted trade and regulated use of loans from institutions like the Ex-Im Bank and the IMF. This approach was inspired by the administration’s fear of Soviet incursions into the developing world and the attendant belief that the US should be at the vanguard of any widespread move toward economic modernisation in these areas. Yet it was also motivated by a mixture of the administration’s ingrained developmental beliefs, the wider imperatives of a new national security strategy and a clear understanding that such an approach was of clear benefit to the US. Amid a global situation of great complexity, a gradual model of development was deemed necessary. As Eisenhower wrote in his diary in January 1953, ‘Nationalism is on the march and world communism is taking advantage of that spirit…to cause dissension in the free world…on the one side lies slavery, preceded possibly

\textsuperscript{31} Westad, \textit{The Global Cold War}, 27-32
by momentary independence...On the other side lies possibly a slower and more orderly progress toward independence but with the certainty that it will then be healthy and sound.\textsuperscript{32}

In a speech delivered to Congress in 1954, Eisenhower outlined his administration’s stance on the issue of foreign economic policy, organising it around the key principles of: ‘Aid – which we wish to curtail’, ‘Investment – which we wish to encourage’, ‘Convertibility – which we wish to facilitate’, and ‘Trade – which we wish to expand.’ Adopting these broad principles, he went on, was crucial:

As we curtail our aid, we must help to close the dollar gap by expanding our foreign investment and trade. This expansion will be facilitated by a return to convertibility of foreign currencies. The return by our friends abroad to convertibility will be encouraged if our trade policy leads them to expect expansion of our foreign trade and investment.\textsuperscript{33}

Other officials – particularly Treasury Secretary George Humphrey – shared the president’s standpoint with respect to fiscal prudence.\textsuperscript{34} Faith in the idea of development driven by private capital, though, was shared by officials less wedded to the president’s position on fiscal matters. Across the administration, senior and mid-level officials remained committed

\textsuperscript{32} Diary Entry by President-Elect Eisenhower, 6 Jan. 1953 in R.H. Ferrell (eds), \textit{The Eisenhower Diaries} (New York, 1981), 223

\textsuperscript{33} Special Message to the Congress on Foreign Economic Policy by President Eisenhower, 30 Mar. 1954, \textit{PPPUS} 1954

\textsuperscript{34} An obvious example of this is cited by Eisenhower in his memoirs when, in the case of a loan to Brazil in 1953, Eisenhower describes Humphrey as ‘crying’ over being compelled to sanction a loan. D. D. Eisenhower, \textit{Mandate for Change: The White House Years, 1953-1956} (New York, 1963), 135-6; Kaufman, \textit{Trade & Aid}, 14-15, 30
to the core idea of private investment funded development. Indeed, Eisenhower’s Secretary of State, John Foster Dulles – who was by no means as stringent as the president on matters of foreign aid – told an audience in Chicago: ‘Today it is the United States which has the most capital available to help develop other countries. We must find a way to make our capital work for such development.’

The impetus for this model, then, came from a number of sources and can be discerned in statements made by the administration from its first years in office. More importantly, though, there was little attempt – nor would there be during the administration’s two terms – to examine how, or indeed whether, this model could be applied to individual nations. This is particularly pertinent for the case study of Brazil. For a nation that, ostensibly, could be expected to move toward development in this period was faced with the prospect of doing so via a generic and one-dimensional model. And while this was viewed as being right by those in Washington, it was a source of intense frustration for Brazilians. The same was true, moreover, of other nations in the region. To a certain extent, US officials recognised this and, as was typical in the Cold War, they had a contingency plan. With this developmental model viewed as being a long-term project the US would, in the meantime, rely on supporting authoritarian regimes, using covert operations, establishing military assistance agreements and, in urgent cases, small aid payments to ensure political stability across the region. In

35 ‘Text of Address in Chicago Explaining Basic Aims of US Foreign Policy,’ New York Times, 30 Nov. 1954, 4

Brazil, this would translate into cultivating a close relationship with the Brazilian military and a strong bilateral stance on the issues regarding the Cold War.

Beyond these ideas the administration reflexively believed that a strict adherence to their private capital model would ultimately result in regions and nations that were prosperous, pro-American and, eventually, democratic. During his second inaugural address, in 1957, Eisenhower outlined this vision in global terms.

Everywhere we see the seeds of the same growth that America itself has known. The American experiment has, for generations, fired the passion and the courage of millions elsewhere seeking freedom, equality, opportunity. And the American story of material progress has helped excite the longing of all needy peoples for some satisfaction of their human wants. These hopes that we have helped to inspire, we can help to fulfil. 37

Ideologically the administration had a clear conception of how they believed progress could be achieved in the developing world. In terms of policy, however, there is far less evidence of a clear step-by-step approach – particularly with respect to how private investment should be encouraged to take root in underdeveloped nations. 38

37 Second Inaugural Address by President Eisenhower, 21 Jan. 1957, *PPPUS* 1957

38 This is consistent with Andrew Preston’s summary of ‘ideology’ in a recent review essay on the Iraq war, where he describes the George W. Bush administration’s policies as being ‘unprepared because their actions were unplanned; their actions were unplanned because they were guided by a strain of triumphalist, cultural hubris predicated on assumptions about US superiority and Arab inferiority.’ Such sentiments have obvious parallels with US policy toward Latin America in the 1950s. A. Preston, ‘The Iraq War as Contemporary History,’ *International History Review* Volume xxx, No. 4 (December 2008), 800
Operation Solarium process and the policy debates that led up to the creation of the New Look foreign policy (set forth in the document NSC 162/2), the issue of foreign economic policy rarely came up as officials focused on outlining a general national security strategy.\(^{39}\) When it was raised there was a clear consensus as to what the administration’s position should be: first, the underdeveloped areas of the world had to be assisted in their move toward development; and second, the US should do this by strongly encouraging growth via private investment, trade and open markets. At a meeting of the [N]ational [S]ecurity [C]ouncil, Treasury Secretary Humphrey asserted that American ‘assistance to other countries should be on the decline in the near future’ – a sentiment that gained general approval from those present.\(^{40}\) The final version of NSC 162/2 – although short on specifics as to how US financial policy in the Third World might work – was thus unequivocal in its stance on foreign economic assistance. ‘It should be possible in the near future,’ the document stated, ‘to eliminate most grant economic aid, if coupled with appropriate US economic and trade policies.’\(^{41}\) The administration’s enduring faith in this approach was based on the belief that the American model was not only transferable to the developing

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39 Bowie and Immerman, *Waging Peace*, 123-222; Gaddis, *Strategies of Containment* Ch. 5

40 Memorandum of Discussion at the 157\(^{th}\) Meeting of the National Security Council, 30 July 1953; Memorandum by the Special Assistant on National Security Affairs Robert Cutler, 31 July 1953, *FRUS 1952-1954 Volume II Part 1*, 435-7, 440

world, but also that nations seeking to modernise would embrace such a model in preference to that of the Soviet Union.\textsuperscript{42}

In Latin America, and therefore Brazil, these same principles were apparent – forming the basis of the administration’s developmental approach. NSC 144/1, finalised in early 1953, outlined the stance on development clearly.

The United States should seek to assist in the economic development of Latin America by…encouraging Latin American governments to recognize that the bulk of the capital required for their economic development can best be supplied by private enterprise and that their own self-interests requires the creation of a climate which will attract private investment.\textsuperscript{43}

Additional encouragement would be provided through loans by approved institutions, but essentially, the argument outlined in the annex to the report would hold true: ‘Our objective is to facilitate the supporting role of US capital in developing Latin American economies...this role is principally played by US private capital, and we seek to maximize it by encouraging a

\textsuperscript{42} D.C. Engerman, ‘The Romance of Economic Development and New Histories of the Cold War,’ \textit{Diplomatic History} Volume 28, No. 1 (January 2004), 23-54. This sense was underpinned by a clear commitment to the ideological context of development – the belief that the American model was correct, desirable and possible to replicate. Carter, \textit{Inventing Vietnam},24-37; on the problems that this impacted upon US policy, Kaufman, \textit{Trade \& Aid}, 10; for a broad discussion of ideology, A. Preston, ‘Bridging the Gap between the Sacred and the Secular in the History of American Foreign Relations’ in \textit{Diplomatic History} Volume 30, No 5 (November 2006), 783-812, in particular discussion on, 790

\textsuperscript{43} NSC 144/1 Statement of Policy by the National Security Council, 18 Mar. 1953, \textit{FRUS 1952-1954 Volume IV}, 6-10
better climate in Latin America for foreign enterprise.\textsuperscript{44} In a nation where economic nationalism was rife, like Brazil, this approach faced obvious difficulties – as, irrespective of the potential benefits, it was going to be inordinately difficult to persuade Brazilian nationalists that the greater good could be served by welcoming American capital or gearing Brazil’s economy toward the model advocated by Washington. Any dissent, however, was brushed aside by US officials – ascribed to Latin American immaturity or over-excitability, rather than a valid critique of the US model.\textsuperscript{45}

To be sure, the administration’s initial policy did undergo some alterations in the face of shifting regional and global patterns. Guiding development would be matched by a stark determination to keep the region securely within the US sphere of influence.\textsuperscript{46} The crucial point here, however, is that the administration’s economic model – even in the face of emerging crises – would remain constant. In terms of development, the administration would hold true to its initial principles; assistance was designed to facilitate and encourage private investment, not replace it.\textsuperscript{47} Indeed, NSC 5902/1 – the administration’s final policy statement for the region – stated that the US should ‘encourage’ the Latin Americans to ‘make maximum contribution’ to their own development, ‘base their economies on a system of free

\textsuperscript{44} Abilene, Kansas, E[isenhower] L[ibrary], NSC Staff Study – Annex to NSC 144, 6 Mar. 1953, NSC 144 – Latin America (2), Box No 4, Office of the Special Assistant for National Security Affairs; J.W. Park, \textit{Latin American Underdevelopment: A History of Perspectives in the United States, 1870-1965} (Baton Rouge, 1995), 167-77

\textsuperscript{45} M. Eisenhower, \textit{The Wine is Bitter: The United States and Latin America} (New York, 1963), 56-7

\textsuperscript{46} Rabe, \textit{Eisenhower}, Ch. 2; Gilderhus, \textit{The Second Century},139-54

private enterprise’ and to ‘take all feasible steps to create a political and economic climate conducive to private investment, both foreign and domestic.’ Even the creation of a Social Progress Fund in 1960 was a response to concern about developing anti-American sentiments rather than evidence of a shift in developmental theory. Thus while the administration did become more amenable to the idea of providing aid to help nations suffering severe deprivations, it remained wholly committed to the idea that economic development should occur via the American model. Eisenhower reiterated this during a press conference in Rhode Island in the summer of 1960. ‘The only real investment that is going to flow into countries that will be useful to them in the long term, is private investment. It is many times the amount that can be put in from the public coffers.’

When applied to Brazil, this rigid developmental model had major ramifications. In other areas – particularly those relating to the Cold War, or bilateral military relations – there was a consistent level of accord between Washington and Rio de Janeiro. On the economic front, though, there was growing disenchantment; between 1953 and 1961, the tone of the relationship was increasingly undermined by perpetual disagreements over the question of development. As with their wider regional policy, the Eisenhower administration saw no reason to alter its approach: to their minds, Brazilian development should be guided by US-prescribed principles and no progress could be made towards a compromise until Brazilian officials accepted this wholeheartedly. The inability of successive Brazilian governments to tackle ongoing balance of payment and inflationary problems, moreover, was seen by US


49 News Conference by President Eisenhower, Newport, Rhode Island, July 11 1960, PPPUS 1960-61
officials as further proof that the country needed to be schooled in more appropriate economic practices.

Brazil’s president in 1953, Getulio Vargas, saw the Eisenhower administration as a potential ally. Officials in Rio believed that a Republican president was more likely to view Brazil in a positive manner and adopt an approach that prioritised Brazil’s position in the region.50 Just a month before Eisenhower’s inauguration, Vargas’s finance minister, Oswaldo Aranha, wrote to John Foster Dulles and informed him: ‘Brazil remains today as in the past the country though which the United States can most directly influence the orientation of the hemisphere nations.’51 By contrast, the Eisenhower administration wanted to ‘normalise’ the US relationship with Brazil – removing any notion that Brazil enjoyed a special relationship with Washington in order to boost hemispheric relations – and, beyond that, to make progress in persuading the Brazilians to adopt the US developmental model. Close ties between the US and Brazilian militaries, pending military agreements and a commonality of strategic interests were believed to be sufficient to ensure relative diplomatic stability. In the meantime, the administration moved quickly to initiate decisive steps on the economic front.

A Brazilian request for a $300 million balance of payments assistance loan from the Ex-Im Bank provided the immediate catalyst. The loan had been promised by the outgoing Truman administration, but was clearly inimical to the new administration’s developmental

50 Smith, A History of Brazil, 139-95; Weis, Cold Warriors & Coup D’Etat, 48-56; Cobbs, The Rich Neighbor Policy, 93

51 Abilene, EL, Memorandum from Brazilian Finance Minister Oswaldo Aranha to Proposed Secretary of State John Foster Dulles, 24 Dec. 1952, Memoranda of Meetings – 1952, Box No 8, Subject Series, John Foster Dulles Papers
vision. Consequently there was little support for the loan among leading advisors in the White House, the Department of State or the Treasury Department. Only Thomas Mann – a mid-level State Department official – cautioned against rejecting the request, warning that do so would ‘create a serious risk that Brazil will become more nationalistic and less cooperative in its relations with us.’ Foster Dulles’s response was more typical; he quickly informed Eisenhower that to provide the loan would set a bad example as any ‘country who wants to yell “communism” will come in for loans’ and suggested that any payment be dramatically reduced. Ultimately the US was compelled to pay the full amount due to fears that any failure to do so would leave the new administration ‘open to possible charges of bad faith with regard to commitments made with the old Administration.’ The episode, however, had been a clear sign of the administration’s intent.

52 Hilton, ‘The United States, Brazil, and the Cold War’, 613

53 Memorandum from Deputy Assistant Secretary of State for Inter-American Affairs Thomas Mann to Secretary of State John Foster Dulles, 20 Feb. 1953, FRUS 1952-1954 Volume IV, 607-8

54 Abilene, EL, Phone Call between President Eisenhower and Secretary Dulles, 20 Feb. 1953, Telephone Memoranda January-April 1953, Box No 1, Telephone Calls Series, John Foster Dulles Papers

55 Minutes of the Secretary’s Staff Meeting, Department of State, 24 Feb. 1953, FRUS 1952-1954 Volume IV, 608-609; Abilene, EL, Minutes of the Cabinet Meeting of 3 July 1953, Box No 2, Cabinet Series, Whitman File
Although viewed as a missed opportunity by the administration, it is the immediacy of the US decision that is the most striking aspect of the loan request episode. Most importantly, it came at the same time that a viewpoint was developing that held that providing funds to alleviate an ongoing financial problem made little practical sense if identical difficulties were likely to re-emerge in the not-too-distant future. Critics – like Thomas Mann – cited the political consequences of such a stance, but their views were given an unsympathetic hearing. While ideologically consistent with the administration’s developmental stance, however, this view rejected the Brazilian point: that development via private investment was indeed desirable, but that public funds would also be necessary at times of financial difficulty.

In an effort to make this point to the US, Vargas dispatched a trusted emissary to meet with Treasury Secretary Humphrey to offer the US a deal: ‘If the US government does not insist on specific quid pro quos for the several measures of cooperation and assistance which Brazil needs from the US,’ the emissary stated, ‘the Brazilian Government will…succeed in adopting legislation which will attract foreign capital into industries which will expand production of basic necessities and strengthen the fabric of Brazilian society.’

56 US officials clearly saw it as a missed opportunity; a point forcefully made by George Humphrey at an NSC meeting in March. See: Memorandum of Discussion at the 137th National Security Council Meeting, 18 Mar. 1953, _FRUS 1952-1954 Volume IVI_, 2-6

57 Melancholy Anniversary, _Time Magazine_, Feb. 16 1953; Smith, _A History of Brazil_, 174-7; Skidmore, _Politics in Brazil_, 118-9; Levine, _Father of the Poor_, 82-6

Washington, this was viewed as an attempt to elicit US assistance without taking corrective measures – such as opening up petroleum reserves to private capital, limiting government spending to tackle inflation, and looking to diversify economic output away from a reliance on coffee exports – and was subsequently rejected.

The administration took the same stance with respect to the Joint Brazil United States Economic Development Commission (Joint Commission), which had been created in 1950 to provide funding for approved economic projects. From its inception, the Joint Commission had failed to live up to its promise as the World Bank assumed a position of primacy over the provision of loans and refused to sanction proposals not deemed to be economically viable. Following on from their position on the Brazilian loan request the Eisenhower administration informed Vargas in the spring of 1953 that they had decided to terminate the Commission. Despite Brazilian concerns over the political ramifications, US officials saw this as an effective way of closing off a source of funding that was at odds with their developmental agenda. Herschell Johnson, the US Ambassador in Brazil, confirmed this in a telegram. ‘There is very little doubt in my mind,’ he cabled the State Department, ‘that [the] Vargas administration hopes for further extensive financing from US and is therefore reluctant [to] see technical termination [of the] Joint Commission, which provides convenient machinery for these expanded hopes.’

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Assistant Secretary of State for Inter-American Affairs, John M Cabot 1953-1954 (hereafter Cabot papers), Country File, Lot 56 D 13


60 Telegram from Ambassador Johnson in Brazil to the Department of State, 27 Apr. 1953, FRUS 1952-1954 Volume IV, 609-11
There were obvious diplomatic dangers with this approach. Terminating the Commission, however desirable from an economic standpoint, was certain to have a detrimental impact on US-Brazilian relations. This was a point noted by British observers who, in a scribbled note on the front of a Foreign Office memorandum, wrote: ‘The economic factors for withdrawing the US element of the Joint Commission are no doubt strong, but I am surprised that the U.S.G should take the political risks involved.’ The view in Washington, though, was that the economic benefits outweighed any political costs. Subsequently – and in the face of opposition from Merwin Bohan, the leading US official on the Commission – Dulles sent word that it was to be terminated alongside a warning that any remaining funding would be dependent upon this being ‘within Brazil’s borrowing capacity to prevent the over-extension of credit and default of repayments.’ There would be no ‘advance commitments’ of capital, he went on, that were not ‘unrelated to Brazil’s financial position.’

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61 Telegram from the US Ambassador in Brazil Herschel Johnson to the Department of State, 6 May 1953, FRUS 1952-1954 Volume IV, 612-3; see also, Telegram from the US Ambassador in Brazil Herschel Johnson to the Department of State, 5 May 1953, FRUS 1952-1954 Volume IV, 611-2

62 Telegram from the British Embassy in Rio de Janeiro to the Foreign Office, 6 May 1953, FO 371/103233, British National Archives, Kew, London


64 Telegram from Secretary of State John Foster Dulles to the Embassy in Brazil, 8 May 1953 FRUS 1952-1954 Volume IV, 613-6
In part, this approach toward Brazil was dictated by the desire to make the US-Brazilian relationship equivalent to that between Washington and the other Latin American states. The president’s brother, Milton, outlined the theory behind this in October. ‘The leaders and peoples of all Latin American countries are proud and sensitive,’ he wrote. ‘They could easily be offended if we indicated in any way that our relations with the largest powers of Latin America are more important to us than our relations with the smaller ones.’ Dulles agreed, informing the president: ‘American goals in Brazil could be affected best within our present program of increased attention to all the countries of this area.’ Again, the potential dangers of this were noted internally – with one official voicing his concern that ‘we can not expect to keep friends by blows’ – but the broader regional perspective was given priority. This process was pretty much complete by 1954, a fact attested to by an Operations Coordinating Board report that confirmed, ‘Brazil is annoyed by the fact that whereas formerly Presidents of the United States and Secretaries of State treated Brazil as an

65 Abilene, EL, Letter from Dr. Milton Eisenhower to President Eisenhower concerning Fleur Cowles Comments on US-Brazilian Relations, 9 Oct. 1953, John Foster Dulles, November 1953, Brazil (11), Box No 4, International Series, Whitman File

66 Abilene, EL, Memorandum from Secretary of State John Foster Dulles to President Eisenhower, 10 Nov. 1953, John Foster Dulles, November 1953, Brazil (11), Box No 4, International Series, Whitman File

67 College Park, NARA, Letter from the Chargé in Rio, Walter N. Walmsley, to the Assistant Secretary of State for Inter-American Affairs, John Moors Cabot, 24 Sep. 1953; Letter from Walter Walmsley to John Moors Cabot, 20 Nov. 1953, Folder – Brazil, Box No 1, Record Group 59, Entry 1131, Cabot Papers, Country File, Lot 56 D 13
important country, she is now relegated, along with Haiti and Honduras, as another Latin American republic.⁶⁸

The economic motivations for US policy were, however, just as important; US actions over the Ex-Im loan and the Joint Commission had demonstrated the impact that developmental ideology could have on US policy as well as the way that such considerations could override diplomatic concerns. And though little tangible progress had been made in improving Brazilian efforts to adopt the US model, this was consistent with the wider regional trend where success had been hard to come by.⁶⁹ The administration’s enduring belief in its approach was buttressed by the relatively favourable strategic position in the region – a factor that only became more entrenched by the US-supported ousting of the leftist-leaning and possible communist, Jacobo Arbenz, from Guatemala in June 1954.⁷⁰ The fact that a regime stridently advocating an alternative model in the region had been

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⁶⁸ Abilene, EL, Memorandum for the Executive Officer of the OCB by Charles H. Taquey, 6 May 1954, OCB 091.4, Latin America (File#1) (4) March – June 1954, Box No 71, OCB Central File Series


neutralised – albeit at some political cost – helped Eisenhower officials to believe that they had the regional security situation in hand (a belief furthered by their success in de-radicalizing a revolutionary government in Bolivia).\textsuperscript{71} Furthermore – and, as it turned out, erroneously – this perceived demonstration of the US capacity to ensure the region’s stability provided the justification for continuing with this long-term push toward US-led development.

Following these initial moves, Washington’s economic position toward Brazil remained constant in 1954 and 1955. Notably Vargas’s suicide in August 1954, which threatened the stability of the Brazilian political system, the subsequent intransigence of an interim administration and the 1955 presidential election all failed to provide the spark for any reconsideration in US economic policy. With there being little evidence that Brazilian officials were prepared to heed US advice with respect to economic stabilisation and development, there was no impetus in Washington for a shift in policy. Nevertheless, there were modifications elsewhere in the US approach. The immediate aftermath of Vargas’s suicide – which had led to outbreaks of anti-American protests due to the tone of the Brazilian leader’s valedictory letter\textsuperscript{72} – compelled Dulles to turn to an experienced trouble-shooter: James Dunn – the US representative in Madrid and formerly US Ambassador to Italy. Stressing the importance of this task, Dulles informed Dunn: ‘I am told that you do not look with favour on a tour of duty in Brazil…I do want personally to urge you to reconsider the possibility of a year to eighteen months in Rio…I want you to know from me personally

\textsuperscript{71} Grandin, ‘Your Americanism and Mine’; Friedman, ‘Anti-Americanism and US Foreign Relations’, 497-515

\textsuperscript{72} Suicide Letter of President Vargas, 24 Aug. 1954, J.M. Young, \textit{Brazil: End of a Civilian Cycle} (USA, 1972), 16-17; Levine, \textit{Father of the Poor}, 88-9; Anti-Yankeeism Again,’ \textit{NYT} 26 Aug. 1954, 26
that I feel the situation in Brazil is one with peculiarly calls for you ability and type of expertise.”

Following Vargas’s death, an interim administration – headed by former vice president, Joao Café Filho – assumed control in Rio until the next scheduled presidential election in 1955. Like its predecessor, the Café Filho government recognised that ongoing financial problems would require an injection of short-term fiscal assistance. US appraisals, though, painted a picture of an economy – and a nation – in trouble. ‘Although the new cabinet was competent, experienced, conservative, and pro-US,’ the Deputy Director of the CIA told Eisenhower’s National Security Council, ‘it would have to face a number of difficult problems, including inflation, a foreign exchange crisis, lack of parliamentary majority and national and state elections.’

‘Brazil's headaches and growing pains are proportionately huge,’ the magazine noted. ‘The country is racked by inflation, is desperately short of development capital and pitifully dependent on its one big export, coffee.’ The US response, as before, was to maintain a position of economic consistency. Thus, very limited aid would be provided via the Ex-Im and the IBRD to relieve impending financial disaster, but only as a palliative measure and only after Brazil was seen to be taking

73 Abilene, EL, Memorandum from the Secretary of State John Foster Dulles to the American Ambassador in Madrid James C. Dunn, 31 Aug. 1954, John Foster Dulles Chronological – August 1954 (1), Box No 9, General Correspondence and Memoranda Series, John Foster Dulles Papers. For more on Dunn’s career, see: K. Mistry, ‘Le dinamiche delle relazioni italo-statunitensi nel dopoguerra, l'interventismo americano e il ruolo di James C. Dunn.’ Ricerche di Storia Politica 2 (July 2009), 197-222

74 Abilene, EL, Discussion at the 212th Meeting of the National Security Council, 3 Sep. 1954, Box No 6, NSC Series, Whitman File

75 ‘The Giant at the Bridge,’ Time, 6 Dec. 1954; Thomas Skidmore, Politics in Brazil, 158-9
the corrective steps US officials believed to be necessary. This approach was set forth by an official in the Office of Financial and Development policy, who penned a memorandum which would essentially serve as the bedrock of US lending policy toward Brazil in the coming years. ‘The US should extend aid to Brazil, but this should not be in one large sum,’ he wrote. ‘It should be extended piece-meal, and in each case without commitment to further amounts, which would depend upon developments and Brazil’s progress in a constructive program.’\textsuperscript{76} The administration remained committed to this approach, moreover, in spite of its obvious political ramifications. ‘This is sound financial practice,’ a State Department official reported in early-1955, ‘but is leading to an unsuccessful impasse because Brazil does not agree.’\textsuperscript{77} At no stage were Brazilian concerns accorded any credence; they might not agree, US officials stressed, but this was because they were wrong. The overriding belief that US officials continued to hold in their approach, coupled with their paternalistic appraisal of the Brazilian people, allowed them to bypass the fact that the model they were advocating so strongly was one which was of most benefit to the US.

The prospect of an election in Brazil in late 1955 raised US hopes that a more cooperative phase on economic issues might be in the offing. Henry Holland, the State

\textsuperscript{76} Memorandum by John Corbett the Director of the Office of Financial and Development Policy to Samuel Waugh the Assistant Secretary of State for Economic Affairs, 17 Nov. 1954, \textit{FRUS 1952-1954 Volume IV}, 662-4

\textsuperscript{77} Memorandum from the Director of the Office of South American Affairs Rollin Atwood to the Assistant Secretary of State for Inter-American Affairs Henry Holland, 19 Jan. 1955, \textit{FRUS 1955-1957 Volume VII} 629-31; for more on this aspect of US-Brazilian relations, see: Telegram from Ambassador in Brazil James Kemper to the Department of State, 20 Jan. 1955, Ibid, 631-2
Department’s leading advisor on Latin American affairs, recommended that the US should hold true to its abiding principles before the election as this would ensure that future relations were begun on a sound footing. ‘The next government,’ Holland asserted, ‘will be conditioned by what we do with the present government. Over the long term I think it’s best for us to maintain close scrutiny over any credit we extend. This provides a lever to bring them back to a course of righteousness and sobriety and should help to postpone further crisis.’

Holland also made this point to Brazilian officials in a less condescending manner. ‘Only the Brazilians could take the necessary steps to prevent further problems in the future,’ he told the Brazilian Ambassador in Washington, before later travelling to Rio and informing officials there: ‘The United States looks on Brazil as an ally and a friend of long standing’ and ‘desires to assist Brazil in its present difficulties in the role of a partner and not that of a banker.’

In October, Juscelino Kubitschek – the former governor of the state of Minas Gerais, and a man who had campaigned on a pledge to achieve ‘fifty years of progress in five

78 College Park, NARA, Memorandum of a Conversation at the Department of State on Brazil’s Financial Situation, 26 Jan. 1955, Folder – Brazil 1955, Box No 2, Record Group 59, Entry 1132, Records of the Assistant Secretary of State for Inter-American Affairs Henry Holland 1953-1956 (hereafter Holland Papers), Country File 1953-1956, (Brazil-Chile), Lot 57 D 295; Memorandum from the Assistant Secretary of State for Inter-American Affairs Henry Holland to Secretary of State John Foster Dulles, 28 Jan. 1955, FRUS 1955-1957 Volume VII, 637-638

79 College Park, NARA, Memorandum of a Conversation between Assistant Secretary of State for Inter-American Affairs Henry Holland and Ambassador Muniz the Brazilian Representative to the US, 3 Feb. 1955, Folder – Brazil 1955, Box No 2, Record Group 59, Entry 1132, Holland Papers, Country File 1953-1956, (Brazil-Chile), Lot 57 D 295; Memorandum of a Conversation, Brazilian Foreign Ministry, Rio de Janeiro, 8 Feb. 1955, FRUS 1955-1957 Volume VI, 642-4.
[years]’ – was elected as Brazil’s new president.\textsuperscript{80} Kubitschek was well aware that, if Brazil was to become a modern nation, attracting large amounts of private investment was crucial. Shortly after his election he met with Ambassador Dunn at the US Embassy and spoke of his desire ‘to visit the US as part of his drive to attract American capital for his economic projects’ and ‘discuss some of his economic plans with our officials and private financial circles.’\textsuperscript{81} (US officials, it bears noting, had already taken the decision to invite the new leader to America.\textsuperscript{82}) During his subsequent trip to the US, Kubitschek was highly receptive to ideas regarding development in meetings with Eisenhower and Foster Dulles – telling Dulles that he would ‘welcome the participation of American capital in the development of Brazil’ and that ‘the primary purpose of his campaign was to establish that kind of political stability that would make Brazil interesting as a field for investment.’\textsuperscript{83} To reiterate this point,

\textsuperscript{80} On the 1955 election: Smith, \textit{A History of Brazil}, 162-3; Weis, \textit{Cold Warriors & Coup D’Etat}, 86-7;


\textsuperscript{81} Telegram from the US Ambassador in Brazil James Dunn to the Department of State, 19 Oct. 1955, \textit{FRUS 1955-1957 Volume VII}, 678-9

\textsuperscript{82} College Park, NARA, Memorandum of Conversation, 6 July 1955, Folder – Brazil 1955, Box No 2, Record Group 59, Entry 1132, Holland Papers, Country File 1953-1956, (Brazil-Chile), Lot 57 D 295; Memorandum from the Assistant Secretary of State for Inter-American Affairs Henry Holland to Secretary of State Dulles, 30 Aug. 1955, \textit{FRUS 1955-1957 Volume VII}, 673;

Kubitschek ended his trip by giving a speech in New York where he pledged to ‘foster free enterprise and assist the role of foreign capital in the development of his country’s vast resources.’

Yet Kubitschek was also aware that long-standing problems were liable to complicate his relationship with the US. Nationalist elements in Brazil – who, despite being an ad-hoc collective of different factions and groups, were able to wield a significant amount of political power – remained opposed to any significant escalation in the role played by foreign private capital. ‘There are powerful forces in Brazil,’ an internal report affirmed, ‘which advocate more nationalistic policies and the possibility of discrimination against US capital cannot be overlooked.’ Worse were the problems posed by high inflation and increasing balance of payments deficits; if these factors could not be addressed then attracting private capital to Brazil would be highly difficult. For his part, Kubitschek recognised that loan requests to solve these problems were certain to be rejected. His approach, therefore, was to improve the prospects for attaining increased economic assistance by demonstrating Brazil’s support for US strategic interests. The most obvious example came with Kubitschek’s support for the Pentagon’s request to construct a missile tracking station on the Brazilian island of Fernando de Noronha. As the negotiations reached an impasse – with the

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84 Milton Bracker, ‘Kubitschek Vows to Aid Investors,’ NYT, 10 Jan. 1956, 8

85 Abilene, EL, Memorandum from Special Assistant in the Office of the Assistant Secretary of State for Inter-American Affairs Spencer King to Robert Crenshaw of the OCB Staff, 10 Jan. 1956, OCB 091. BRAZIL (FILE#1) (5) June 1955-June 1956, Box No 24, OCB Central File Series

competing interests of the two governments, the Pentagon, the Brazilian Army, the Brazilian Congress and assembled nationalist groups making things highly complicated – Kubitschek’s role was crucial in bringing the negotiations to a close.\(^87\)

Much to Kubitschek’s annoyance, however, Washington refused to alter its stance. Though he welcomed close cooperation in any area, as he told the new US Ambassador in Rio, Ellis Briggs, ‘it is closer and more effective economic collaboration that he has primarily on his mind.’\(^88\) But this stance did not match that in Washington where, in the wake of a Soviet economic presence in the region, US officials had restated their stance on development. This position, in fact, was strongly reaffirmed in a report created by the International Development Advisory Board. ‘It is the policy of the United States to encourage the development of the free world’s resources as much as possible though private enterprise,’ the report stated unequivocally.\(^89\)

Perhaps the biggest single challenge to the US drive to implement their economic vision in Brazil, however, came in the wake of Richard Nixon’s trip to the region in the

\(^{87}\) Telegram from the US Ambassador in Brazil Ellis Briggs to the Department of State, 15 Dec. 1956, *FRUS 1955-1957 Volume VII*, 728-9

\(^{88}\) Telegram from the US Ambassador in Brazil Ellis Briggs to the Department of State, 18 Dec. 1956, *FRUS 1955-1957 Volume VII*, 730-1

\(^{89}\) College Park, NARA, Paper by the International Development Advisory Board, April 1957, Folder – Eisenhower, Dr Milton 1957, Box No 2, Record Group 59, Entry 1135, Records of the Assistant Secretary of State for Inter-American Affairs Roy R Rubottom, Subject Files 1957-1959 (hereafter Rubottom Papers), Lot 59 D 573
spring of 1958 that saw the vice president come under attack in Caracas, Venezuela.\textsuperscript{90} Before the Nixon trip, Washington’s economic stance toward Brazil had hardened: as concerns about Brazil’s financial problems grew – a stance that overlooked the tangible progress being made on the ground there following the implementation of Kubitschek’s ambitious economic plans – the Eisenhower administration decreed that no further assistance would be forthcoming until Brazil reached an agreement with the IMF.\textsuperscript{91} With long-standing concerns about Brazil’s economy exacerbated by a report which revealed that, by the end of 1957, Brazil’s gold and dollar holdings, crucial in providing the financing to repay existing loans or as collateral for further loans, had fallen by 21 percent or $125 million, US officials were content to refer Brazil to the IMF.\textsuperscript{92} Furthermore they knew that the IMF would insist upon a set of financial criteria perfectly in tune with prevailing US attitudes being met before any financial assistance would be forthcoming.\textsuperscript{93}


\textsuperscript{91} On the Brazilian economy at this time: Skidmore, \textit{Politics in Brazil}, 173-9; Smith, \textit{A History of Brazil}, 176; R. Alexander, \textit{Jascelino Kubitschek and the Development of Brazil} (Ohio, 1991); Idem, \textit{The ABC Presidents: Conversations and Correspondence with the Presidents of Argentina, Brazil, and Chile} (Westport, Connecticut, 1992), 108-118

\textsuperscript{92} College Park, NARA, Document produced by Maurice McAshan of the Committee on Latin America within the Business Advisory Council, 24 Jan. 1958, Folder – 1958 – Business Advisory Council, Box 5, Record Group 59, Entry 1135, Rubottom Papers, Lot 60 D 553

Following the climactic end to Nixon’s trip in 1958, Kubitschek again sought to align Brazil with US interests. He expressed his desire to help Washington reaffirm the spirit of Pan-Americanism and, in a letter to Eisenhower, stated: ‘the ideal of Pan American unity has suffered serious impairment…It would be utterly inconvenient and unfair to allow this false impression to prevail, morally weakening the cause of democracy.’ This brought a positive response from the US. Kubitschek’s initial goal was to demonstrate his diplomatic support for Washington. Yet he also wanted to press Eisenhower on the idea of ‘underdevelopment’, which he outlined as being the major threat to the security of the Western Hemisphere. In general terms, of course, the US broadly agreed with him; they, too, wanted to tackle underdevelopment in the region and, indeed, on 20 June 1958, John Foster Dulles told Ambassador Ellis Briggs, ‘We are impressed with Kubitschek’s statesmanlike motivations and disassociation of US-Brazilian bilateral interests from the broader consideration of

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94 Telegram from the US Embassy in Brazil to the Department of State, 23 May 1958; Telegram from the US Embassy in Brazil to the Department of State, 23 May 1958, \textit{FRUS 1958-1960 Volume V}, 676-8; Abilene, EL, Letter from Brazilian President Juscelino Kubitschek to President Eisenhower, 28 May 1958, Brazil (8), Box No 4, International Series, Whitman File; Weis, \textit{Cold Warriors & Coup D’Etat}, 114.

95 Letter from President Eisenhower to President Kubitschek, 10 June 1958. \textit{PPPUS} 1958; See also, Abilene, EL, Draft of Letter from President Eisenhower to President Kubitschek of Brazil, 5 June 1958, DDE Diary – June 1958, Box 34, DDE Diary Series, Whitman File

96 See Kubitschek’s conversation with Assistant Secretary of State for Inter-American Affairs Roy Rubottom: Memorandum of a Conversation between President Kubitschek of Brazil and Assistant Secretary of State for Inter-American Affairs Roy Rubottom, Rio de Janeiro, 10 June 1958, \textit{FRUS 1958-1960 Volume V}, 679-683
strengthening Pan-Americanism,’ before giving his assent for further exploration of Kubitschek’s idea.97

Support for Kubitschek’s proposal, however, quickly evaporated once it became clear that he was envisaging something akin to a ‘Marshall Plan’ for Latin America. Kubitschek saw such public funding as being a way to bypass the financial obstacles that were hindering development in the region; he did not see it as a replacement of private capital, more a conduit toward encouraging it.98 US officials, on the other hand, saw it as marking an overly dramatic shift – one that rejected the US desire for gradual economic process and which put too much emphasis on rapid development while positing an alternative Brazilian model to that emanating from Washington.

On 20 June, the same day as Dulles’s message to Briggs, Kubitschek gave a speech in which he outlined his proposal in more detail. ‘It is difficult to spread the democratic ideal and proclaim the excellence of private enterprise in the world,’ Kubitschek announced, ‘when in our hemisphere economic and social conditions prevail that lead to statism as a reflex of underdevelopment.’99 The US response was hewn from a predictable ideological standpoint.

97 Memorandum from Secretary of State John Foster Dulles to President Eisenhower, 20 June 1958, FRUS 1958-1960 Volume V p 685-6; Telegram from the Department of State to the US Embassy in Brazil, 20 June 1958, FRUS 1958-1960 Volume V, 687-8

98 It is worth posing the counterfactual question here as to what the Kennedy administration would have made of Kubitschek’s proposal. OPA has in fact been seen by some scholars as a precursor to the Kennedy administration’s Alliance for Progress; in fact, the sums of money that Kubitschek was talking about were similar to those that would eventually form the Alliance’s input. See: Rabe, The Most Dangerous Area in the World; Taffet, Foreign Aid as Foreign Policy

99 Abilene, EL, Speech by the President of the Republic of the United States of Brazil Juscelino Kubitschek, Rio de Janeiro, 20 June 1958, Brazil (7), Box No 4, International Series, Whitman File
Roy Rubottom, who had replaced Henry Holland as head of the State Department’s Latin American desk, told the Brazilian Ambassador in Washington: ‘Kubitschek’s speech unfortunately did not stress the importance of LA [Latin American] nations doing their part to more efficiently and effectively marshal their own and foreign private capital resources for development.’

More forthright was Foster Dulles’s appraisal delivered in person to Kubitschek during a tour of Brazil in August. A day after telling Brazilian Foreign ministry officials that ‘use of government capital should be the exception, not the rule’ and that financing should be sought from either private sources or existing institutions like the IMF, Dulles told Kubitschek that it was ‘an oversimplification to say that the communist problem can be solved by solving the problem of underdevelopment’; ‘development of resources,’ he went on, ‘is primarily a job for private capital.’

He expanded on these views in a letter dictated on his flight back to Washington. ‘The discussion of “underdevelopment”,’ Dulles stated, was a ‘little too much mechanistic, as though there were some measurable point which could be achieved and which if reached would enable further development safely to cease.’

Operation Pan America (OPA), he continued, should ‘concentrate primarily upon the

100 Telegram from the Department of State to the US Embassy in Brazil, Washington, 24 June 1958, FRUS 1958-1960 Volume V, 688-9

injecting into this hemisphere of increased determination to evolve peacefully but vigorously in a way which will improve the lot of all men.\textsuperscript{102}

Strategically it would have benefited the US to support OPA more fully even if they did not accept the Kubitschek model completely. A broader level of cooperation – akin to that created by the Kennedy administration during the Alliance for Progress era – could have been engendered by working with Kubitschek’s idea more closely. Moreover the Eisenhower administration was by no means completely opposed to OPA as a political model; they were just unwilling to countenance any move that by proposing a more rapid model of development so directly opposed their own approach. With Dulles’s statements in August effectively marking the end of any prospect of close cooperation over Kubitschek’s proposal the US continued with its existing developmental policy, especially with regard to the stipulation that financial assistance would only be forthcoming once Brazil had reached an agreement with the IMF.\textsuperscript{103} As Roy Rubottom reiterated to Kubitschek’s Ambassador in April, 1959, ‘Agreement between the Government of Brazil and the International Monetary Fund on a sound program to combat inflation and to bring the balance of payments deficit into line would be an essential prerequisite to discussions looking to financial assistance from this government.’\textsuperscript{104}

\textsuperscript{102} Letter from Secretary of State Dulles to President Kubitschek, 7 Aug. 1958, \textit{FRUS 1958-1960 Volume V}, 700-1

\textsuperscript{103} OPA would remain a recurrent theme in US-Brazilian discussions, but it would never have the impetus that it did in 1958. When it was invoked, moreover, it was more as a touchstone of inter-American cooperation than any actual desire to engage in a shift in economic policy.

Negotiations between Brazil and the IMF, however, were on the brink of collapse by 1959 and, in the absence of an agreement, Kubitschek asked Washington for the economic assistance needed to stave off pressing financial problems. The impossibility of an agreement between Brazil and the IMF stemmed from the Fund’s insistence that Brazil take steps on issues – such as exchange control – that Kubitschek believed would be politically impossible. In June, Kubitschek informed Ambassador Ellis Briggs that Brazil desperately needed $300 million in balance of payments assistance and noted that, if the US refused, it might lead to ‘a graduated default of Brazil’s external obligations’ or ‘cost the US and Brazil their long friendship.’ Once again, the US rejected Kubitschek’s request. On first glance it seems surprising that the administration was not prepared to be more flexible on this issue – especially when one factors in the events of the Cuban Revolution in 1959 and the impact

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721-2; E.W. Kenworthy, ‘Brazil Again Pressed to Reform Economy,’ NYT, 10 May 1959, E6; Skidmore, Politics in Brazil, 176-80; Alexander, Juscelino Kubitschek and the Development of Brazil, 296-300

105 Telegram from the US Embassy in Brazil to the Department of State, 9 June 1959, FRUS 1958-1960 Volume V, 724-6; ‘Brazil to Ask Direct Aid from US,’ NYT, 11 June 1959, 15

106 In a meeting in June, in fact, Rubottom was told to advise the Brazilian Ambassador ‘it is difficult to see how the US Government could make stabilization loans without a stabilization program and to remark that the progress of the Brazilian talks with the IMF to date do not inspire confidence that such a program is in the offing.’ College Park, NARA, Memorandum from the Director of the Office of Inter-American Regional Economic Affairs Harry Turkel to the Assistant Secretary of State for Inter-American Affairs Roy Rubottom, 19 June 1959, Folder – 1959 – Brazil, Box 11, Record Group 59, Entry 1135, Rubottom Papers, Subject Files 1957-1959, Lot 61 D 279
that Fidel Castro’s emergence had on the course of inter-American relations.\(^\text{107}\) By this stage, though, Eisenhower and his officials were viewing their economic and strategic goals as being broadly compatible. Their fiscal response to both the Soviet Economic Offensive and the Nixon trip had been a powerful restatement of existing developmental principles. Alterations and new approaches were designed to complement, not replace, the existing model. The same would be true of the developing crisis in US-Cuban relations: with Castro looking to challenge Washington’s model, the US response on the economic side was to reaffirm their commitment to their developmental agenda.\(^\text{108}\)

With no chance of persuading Washington to soften their stance on short-term economic assistance payments, therefore, Kubitschek broke off negotiations with the IMF in an effort to either force the US hand or have the freedom to pursue alternative routes. The IMF’s position – which the Eisenhower administration wholeheartedly agreed with – was that, ‘the proposed Brazilian stabilization program was not strong enough.’\(^\text{109}\) At the same time, however, US officials recognised the deleterious impact that their stance on development was having on the bilateral relationship. Accordingly the administration sought


\(^\text{109}\) College Park, NARA, Memorandum from Assistant Secretary of State for Inter-American Affairs Roy Rubottom to the Deputy Under-Secretary of State for Political Affairs Robert Murphy, 17 June 1959, Folder – 1959 – Brazil, Box 11, Record Group 59, Entry 1135, Rubottom Papers, Subject Files 1957-1959, Lot 61 D 279
to suppress a Senate Foreign Relations Committee report on Brazil and its financial record. In conversation with Senate staff consultant, Pat Holt, Rubottom reported that the Embassy in Rio wanted its release to be delayed ‘as Kubitschek will consider it a direct slap at him,’ at a time when the administration did not want to antagonise him any further.¹¹⁰

Despite this recognition and the record of bilateral agreement between the US and Brazil on strategic issues, there was no change in the administration’s developmental position. With Kubitschek equally adamant that he could not alter his position – with ongoing financial and political difficulties ensuring the status quo – Washington began to oppose Kubitschek’s plan of anointing his successor in an effort to ensure he could return to office four years later.¹¹¹ The upshot of Kubitschek’s plan, a State Department official reported to Rubottom, was that there was now ‘little chance that an agreement on a sound economic stabilization program will result from Brazilian talks with the IMF or that such a program would be implemented if undertaken.’ Furthermore, he went on, ‘the likelihood of the election’ of a president ‘who could be expected significantly to change present GOB policies

¹¹⁰ College Park, NARA, Memorandum of a Phone Conversation between Assistant Secretary of State for Inter-American Affairs Roy Rubottom and Senate Staff Consultant Pat Holt, 19 June 1959, Folder – 1959 – Brazil, Box 11, Record Group 59, Entry 1135, Rubottom Papers, Subject Files 1957-1959, Lot 61 D 279; Memorandum of a Conversation, Department of State, 8 July, 1959, FRUS 1958-1960 Volume V, 729-30

¹¹¹ Under Brazilian constitutional law, Kubitschek could not serve two successive terms. As a result, he wanted to handpick his successor in an effort to ensure that he could return to office in 1964. On the domestic context of the election – and the political manoeuvrings that went on – see: S. Maram, ‘Juscelino Kubitschek and the 1960 Presidential Election,’ Journal of Latin American Studies Volume 24, No 1 (February 1992), 124-145; Skidmore, Politics in Brazil, 182-97; Smith, A History of Brazil, 164-70
would therefore be correspondingly diminished.\textsuperscript{112} Faced with this prospect, US officials continued to recommend that Washington stand firm against Brazilian intransigence. John Moors Cabot, who had replaced Ellis Briggs as the US Ambassador in Rio, reported:

> We [must] not permit Brazil to pressure us into receding from our position regarding balance of payments loans to Brazil…given the present financial policies and conditions in Brazil, a balance of payments loan would no good and might even do harm. Brazil must be allowed to ‘stew in its own juice’ unless it’s willing to make financial reforms.\textsuperscript{113}

As manoeuvrings for the 1960 election in Brazil got underway, US appraisals continued to focus on economic issues. This had begun in early 1959 when Joao Goulart, Kubitschek’s vice president and one of front-runners for the election, voiced his support for a

\textsuperscript{112} College Park, NARA, Memorandum from William Briggs of the Office of East Coast Affairs to Assistant Secretary of State for Inter-American Relations Roy Rubottom, 22 June 1959, Folder – 1959 – Brazil, Box 11, Record Group 59, Entry 1135, Rubottom Papers, Subject Files 1957-1959, Lot 61 D 279

\textsuperscript{113} College Park, NARA, Memorandum from Assistant Secretary of State for Inter-American Affairs Roy Rubottom to Secretary of State Christian Herter, 15 July 1959; Memorandum from Alton Hemba the Deputy Director of the Office of East Coast Affairs to Assistant Secretary of State Roy Rubottom, 16 Oct. 1959; Memorandum from Dwight Scarborough of the Office of East Coast Affairs to Assistant Secretary Roy Rubottom, November 3 1959, Folder – 1959 – Brazil, Box 11, Record Group 59, Entry 1135, Rubottom Papers, Subject Files 1957-1959, Lot 61 D 279
move that threatened US commercial interests in Brazil. It had developed to such an extent by the summer that Cabot felt compelled to deliver a speech at the American Chamber of Commerce in Sao Paulo to ‘remind the Brazilians of the economic collaboration that the US has extended to Brazil, to point out that the US is not opposed to legitimate nationalism, and to suggest to Brazil that the way to get cooperation from the US is not to blatantly demand aid.’

Tellingly the ongoing shift in US policy toward the region – which had seen a realignment in US interests as officials moved to tackle the emerging situation in Cuba – was having no impact on the rigidity of the administration’s economic position with respect to Brazil.

Even a trip by Eisenhower to Brazil for the opening of a new interior capital at Brasilia – which, on the surface, was a public relations success – was the catalyst for behind the scenes wrangling over developmental issues. Matters had not been helped, of course, by the fact that Eisenhower was visiting other Latin American nations, too, or by the tone of some of Eisenhower’s speeches during his visit. But initial goodwill engendered by Eisenhower’s visit soon gave way to familiar disputes. During the trip, Cabot reported to Dulles’s replacement, Christian Herter, that Brazil had ‘forcefully reasserted its Operation

114 College Park, NARA, Memorandum from the Deputy Director of the Office of East Coast Affairs William Briggs to Assistant Secretary of State for Inter-American Affairs Roy Rubottom, 7 Apr. 1959, Folder – 1959 – Brazil, Box 11, Record Group 59, Entry 1135, Rubottom Papers, Subject Files 1957-1959, Lot 61 D 279

115 College Park, NARA, Memorandum of a Phone Conversation between Assistant Secretary of State for Inter-American Affairs Roy Rubottom, R.M. Kimmel of Cleveland-Cliffs Iron Company, and the Acting Officer in Charge of Brazilian Affairs John Ingersoll, 10 June 1959; Memorandum from Dwight Scarborough of the Office of East Coast Affairs to Assistant Secretary of State for Inter-American Affairs Roy Rubottom, 3 Nov. 1959, Folder – 1959 – Brazil, Box 11, Record Group 59, Entry 1135, Rubottom Papers, Subject Files 1957-1959, Lot 61 D 279
Pan America thesis advocating US finance of Latin American economic development,’ while a financial advisor to Kubitschek informed Herter that, during their acrimonious negotiations, the IMF had been ‘thinking in terms of conventional economics and not in terms of political necessities.’ After the trip, the Embassy in Brazil warned that any post-trip upturn would not endure if it was not matched by ‘firm evidence of continuing US friendship and faith in Brazil.’ For the Brazilians this would mean commitments of economic assistance to tide the nation through a difficult time; for the US, however, this remained unconscionable. After eight years of manoeuvring on this issue, the relationship had returned to where it had started – with the clash between a uniform ideological framework projected from Washington and more complex local circumstances as evident as ever.


117 Despatch from the US Embassy in Brazil to the Department of State, 20 Apr. 1960, FRUS 1958-1960 Volume V, 771-3

118 This conclusion fits in with recent scholarship on Modernization Theory, examining the way that the approach was implemented on a more local level. See the essays in: ‘Special Forum: Modernization as a Global Project,’ Diplomatic History Volume 33, No. 3 (June 2009), and the commentaries by D. Ekbladh and N. Gilman, available at: http://www.h-net.org/~diplo/reviews/dh/dh2009.html#issue3 Accessed on July 27 2009
By 1961 it was clear that the Eisenhower administration had failed to implement its model of development in Brazil. Furthermore it had become the most divisive point in a bilateral relationship that was slowly becoming more acrimonious – a trend, that aside from a very few cases, was being repeated across the region. More importantly, in pursuing what we might class as an early form of modernization the Eisenhower administration had confronted a series of irreconcilable problems that deserved greater attention from their successors. For while there were undoubtedly problems with the methods used during Eisenhower’s two terms in office, it was far from clear that the wide-ranging difficulties encountered in Brazil could have been solved by adopting a different tack.

Nonetheless the incoming Kennedy administration believed that their predecessors had failed because of their failure to adopt the correct measures in meeting Latin America expectations. Imbued with the same sense of paternalism toward Latin America as the Eisenhower administration, Kennedy and his advisors held that a more concerted aid effort in the region could, under US guidance, yield spectacular results. In late-1960, Walt Rostow wrote a memorandum on the urgency of the situation in the Third World. ‘It is crucial to the Free World position,’ he wrote, ‘that the first days of the Kennedy Administration be used for a breakthrough on the question of aid to the under-developed nations.’ If this did not happen, Rostow cautioned, then ‘the odds are that we can not reverse the dangerous course of relations with the under-developed areas in the foreseeable future.’

119 Rabe, *Eisenhower*, 174-8

In his inaugural address shortly afterwards, Kennedy made a special promise to the Latin American nations that the US would ‘assist free men and free governments in casting off the chains of poverty’\textsuperscript{121} – a promise that was building upon recommendations made by a special pre-presidential task group, which had noted the need for the US to demonstrate their commitment to the region and to pursue social and democratic reforms through economic development.

It is…necessary to demonstrate our break with past inadequate programs and dramatize our intention to organize a new ‘Alliance for Progress’ in the Americas…it is a realistic objective to bring the area within a decade into economic step with the modern world and to rely for further growth on its own resources and the normal flows of outside public and private capital.\textsuperscript{122}

Arthur Schlesinger Jr made a similar point in a report to Kennedy just before the Alliance for Progress was officially announced in March, 1961. ‘The US must act very soon,’ Schlesinger wrote, ‘to reverse the recent decline in Latin America's economic position, to counter the increasingly adroit efforts of the Communists to exploit this situation and to reinforce the middle-class parties before their credit runs out.’\textsuperscript{123} The belief that a forceful aid effort could

\textsuperscript{121} Inaugural Address by President Kennedy, January 20 1961, \textit{PPUS John F. Kennedy 1961}

\textsuperscript{122} Boston, JFKL, Task Force on Immediate Latin American Problems Report, 4 Jan. 1961, ‘Task Force Reports,’ Box 1074, Pre-Presidential Papers, Papers of President Kennedy; Latham, \textit{Modernization as Ideology}, 77-84

\textsuperscript{123} Memorandum from the President’s Special Assistant Arthur Schlesinger Jr to President Kennedy, 10 Mar. 1961, \textit{FRUS 1961-1963 Volume XII}
be utilised to improve the situation clearly characterised the Kennedy administration’s approach, as did the belief that the Eisenhower administration had been pursuing a flawed model that needed refining. The evidence presented here, however, suggests that this approach was mistaken; in replacing one ideological blueprint for another, the Kennedy administration was failing to understand the nature of the Eisenhower model or the fact that, in one respect, Eisenhower and his advisors had been right.

The Alliance for Progress, of course, quickly fell into difficulties. By the time of Kennedy’s death in November 1963, the Alliance was seen to be faltering and was coming under attack from the media and disenchanted Latin Americans. The administration’s belief in the Rostovian blueprint of uniform modernisation was proven to be erroneous in an area as diverse as Latin America. In this they were not so very far removed from their predecessors; in fact they encountered similar problems, which undermined the critique of Eisenhower’s policies offered up by Rostow, Schlesinger and Kennedy’s pre-presidential task force. The Eisenhower administration’s lack of success in Brazil contained a valuable lesson for Kennedy-era modernisationists: it had failed to succeed despite the fact that, broadly speaking, successive Brazilian leaders accepted the central concept of encouraging

124 On problems facing the Alliance by the time of Kennedy’s death, Latham, Modernization as Ideology, 99-108; Taffet, Foreign Aid as Foreign Policy, 47-65. Under Lyndon Johnson, the Alliance would be reshaped into something somewhat removed from the Kennedy-era ideal – with the goal of spreading democracy sacrificed for the Cold War exigency of keeping the region stable.; A.J. Kirkendell, ‘Kennedy Men and the Fate of the Alliance for Progress in LBJ Era Brazil and Chile,’ Diplomacy and Statecraft Volume 18, No. 4 (2007), 745-7; W.O. Walker III, ‘The Struggle for the Americas: The Johnson Administration,’ in H.W. Brands (eds), The Foreign Policies of Lyndon Johnson: Beyond Vietnam (College Station, Texas, 1999)

development via private investment. On an immediate level, the relationship fell down because of the administration’s refusal to countenance using short-term lending policies to alleviate recurrent problems. Yet there was little evidence that, even if this sticking point had been addressed, the impediments toward greater economic success would have been removed. Internal problems in Brazil would still have challenged the American model, while the slow-burning nature of Eisenhower’s developmental vision would have continued to frustrate Latin Americans eager to embrace modernity. In this respect, Eisenhower, Dulles and their advisors were correct: development would take a long time to take place in Latin America as it had in the United States. In their adherence to a singular developmental ideology, however, the Eisenhower administration was unwittingly undermining its regional approach. Without greater flexibility in this area, there was little chance of an inter-American concordat on a mutually agreeable way forward – a fact demonstrated in Brazil where two nations that ostensibly agreed on most issues were unable to forge an effective bilateral relationship. The greater irony, though, is that, ideologically committed or not, there may have been little that the administration could do to solve these complex issues in the short-term. Herein lies the lesson that Kennedy, Rostow and similarly minded advisors should have taken from Eisenhower’s efforts in Brazil: not that the methods they were using were short-sighted or lacking in ambition, but that the likelihood of success in applying a rigidly defined blueprint for development was, in itself, ill-conceived.

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