

RESEÑAS

En torno a un libro:

ELIZABETH A. COBB: *The Rich Neighbor Policy: Rockefeller and Kaiser in Brazil*. New Haven, Yale University Press, 1992.

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This is a high quality study by a foreign relations historian who made the special effort to learn Portuguese so that she could do research in Brazil on the effects of Nelson Rockefeller and Edgar Kaiser's activities. By merely acquiring foreign language ability, Elizabeth Cobb set herself apart from typical foreign relations specialists in the United States, but she went even further by writing an excellent book that sets a high standard for others to emulate. The Society for Historians of American Foreign Relations quite justly awarded her its Bernath Prize, which is intended to encourage archival research outside the United States.

Non-governmental organizations (NGOs) became a standard feature of international relations after World War II. Cobb's book examines the birth of the NGO concept, and the inter-relations between governmental and private sectors in the shaping and execution of foreign policy. Her story should be read against the broader backdrop of how the United States dealt with the growth and development of Brazil. In the 1930s and 1940s few Americans knew anything about Brazil and those that did were often dismissed as overly enthusiastic.¹

Some Department of State personnel regarded Brazil as an oversized "banana republic" whose leaders had pretensions of grandeur far beyond their country's capabilities. During World War II, American officials had

little choice but to make concessions to those pretensions because the United States needed the air and naval bases that were so crucial to hemispheric defense, to allied supply, and to launching the North African campaign. The United States also needed Brazil's unsurpassed natural resources made available at fixed prices. Under President Getúlio Vargas, Brazil placed its navy under American command, and sent a reinforced infantry division and a fighter squadron to fight with the Fifth Army and Twelfth Air Force in Italy. In the process, Brazilian Foreign Minister Oswaldo Aranha conceived of the relationship with the United States as a union of national destinies.²

In return for such close ties, the Brazilian leadership expected American support in the old rivalry with Argentina and assistance in developing the national economy. Brazil paid the "blood tax" in the war and gained in return South America's first major steel mill at Volta Redonda. The relationship began well, but turned rocky when the war's aftermath deflected the Americans into a decades-long preoccupation with Soviet power. Brazil became a side-show in the seemingly greater struggles of the Cold War.³

But even in that simmering conflict, it had importance. Before the war, the United States had obtained manganese for its own steel industry from the Soviet Union, but afterwards its major source was Brazil. Then, the full list of Brazil's natural resources, which contains nearly every mineral in huge quantities, was only partially known, but even so, the Americans were almost obsessive about access. For the most part, that obsession led Washington to pressure Brazil to reduce government-sponsored development in favor of private investment, which, throughout the 1950s, meant American investment. From the Brazilian perspective, such foreign investment was often too slow, too selective, and too uncertain. Brazilians, not surprisingly, did not want to wait for others to develop their country for them.

In 1994, with the world's 5th largest population and 8th economy, Brazil has a weight on the world scene that few American policy makers envisioned in the 1940s and many still do not want to accept. Nelson Rockefeller and Edgar Kaiser, unencumbered by official Washington's prejudices, believed that the "country of the future" really could be something more than the world's biggest coffee producer.

Cobb takes the reader through the crucial 1950s' shift away from the Good Neighbor economic development policies, so pregnant with promises of United States government assistance, to the more restricted leave-it-to-capitalism approach. Throughout the war, Americans had been uneasy with the tight bilateral nature of the Brazilian-American relationship and, in the post-war era, championed multilateralism, which they thought gave them more flexibility by keeping other countries at a comfortable distance. It protected them from having to recognize Brazil's singularity. Cobb observed

that the close contact of the war years had "created a presumption of equality and mutual access" and that President "Eisenhower was determined to put Brazil in its place" (p. 97). Republican Washington strove to remove reciprocity from the increasingly unequal alliance between the two countries. Despite the arguments of Rockefeller, the Eisenhower administration "had little interest in Latin America and even less in supplying economic aid" (p. 97). Only after the Nixon demonstrations of 1958 and the Cuban revolution of 1959 would the administration develop an activist aid policy.

The International Bank for Reconstruction and Development, the so-called World Bank, had, Cobb noted, negative effects on Brazilian development. Because it was American dominated, Brazilians saw the World Bank as another United States government agency and were driven to exasperation by bank refusals to make loans between 1954 and 1958. Bank officials argued that Brazil was not credit-worthy as long as its government continued to control basic infrastructural institutions, such as the national railroads and Petr6bras, the national oil company. In contrast, the Export-Import Bank, responding to eager American exporters, had a more expansive policy and placed fewer restrictions on its loans, leading the World Bank to consider it "a dangerous competitor" (p. 83). Cobb does an interesting examination of the effects of internal American bureaucratic struggles on policy toward Brazil. Future research may question to what extent World Bank reluctance to loan to Brazil delayed or permanently derailed key aspects of development. It appears that the bank's decisions contributed to the crises that beset Brazil during the 1950s and that culminated in the establishment of the military regime in 1964.⁴

The attitude of Washington officials propelled Brazil away from the long-time position of intermediary between the United States and Latin America, to seeking actively the leadership of the regional republics. Its leaders came to see the relationship with the United States as confrontational rather than as cooperative. The Brazilians did not like the concept of Latin America. Their interpretation of their own history linked them more with Europe and the United States than with Spanish-Indo-America; however, they concluded that if they gave reality to the idea of Latin America, the United States would have to pay closer attention.⁵

Cobb devoted the bulk of her book (four chapters) to Nelson Rockefeller's activities. Much of what he did was out of public view and was decidedly development, rather than profit, oriented. She then turned her attention to Henry J. Kaiser's efforts to transfer his automobile company to Brazil. In a well-done chapter, she examined the resistance of American business to establishing manufacturing operations abroad and convincingly shows Kaiser breaking typical American business patterns in the creation of *Willys-*

Overland do Brasil. Among other unusual aspects of Kaiser's approach was the immediate "brazilianization" of the company via the involvement of Brazilian investors, led by Euclides Aranha. She concluded with a chapter discussing the Rockefeller-Kaiser legacy, namely pluralistic practice set against corporatist ideology.⁶

The Rockefeller name caused riotous demonstrations in Latin America during his 1968 fact-finding tour for President Richard Nixon. This was not because of his personal history, but because Latin Americans so closely associated the family name with exploitative capitalism. Such popular connotations were false and unjust. Cobb noted that he "was probably the most enduring and most influential advocate of a stronger U.S. relationship with Brazil between 1945 and 1960" (p. 21). By seeking the continuation of the Good Neighbor economic policies against the contrary position assumed by post-war Washington, he represented the policy alternatives rejected after the war. He understood what many American leaders did not, that Brazilian development and prosperity meant continental and hemispheric stability and greater markets for the United States. In the 1990s, the American return to Latin America in the NAFTA effort is a belated recognition of the economic realities that Rockefeller envisioned in the 1940s. Unhappily, the United States has not yet accepted that it should lead with Brazil, the region's greatest market and richest resource base.

Rockefeller's upbringing inclined him to accept other cultures. His father wanted his children to "learn neither to scorn nor fear the common man." Nelson learned "how to be a rich neighbor, whether in Queens or Caracas, without either parading his wealth or denying it"(p. 27). After a trip to South America, he plunged into the study of Spanish because he was appalled that Americans who had lived there for years could not speak Spanish or Portuguese. Among business leaders, he argued that corporations should take responsibility for social conditions, urging an understanding of local customs, ways, and psychology. He stood in the vanguard of internationalism and against the crippling parochialism of the 1930s that kept Americans from extending their position in the world economy. The lingering effects of this parochialism would become apparent in the more globally competitive 1980s.

During World War II, Rockefeller headed the important Office of Inter-American Affairs (OIAA) that spawned some of his post-war activities. The OIAA's highly successful Food Supply Program had included supplying seeds, tools, loans, and advice to thousands of small farmers. In 1948, when the United States government abruptly withdrew from the program in Brazil, Rockefeller gathered former OIAA staffers and used his personal wealth to create the American International Association (AIA) to carry on the work. The AIA created companies to develop hybrid seeds and to provide rural

credit. In the process, it devised a new development model that involved agreements between a foreign nonprofit organization and a local government, rather than between national governments. Thus, the non-governmental organization, or NGO model, was born. The first agreements were with the state of Minas Gerais, and resulted in such a remarkable number of successful small farms that it virtually revolutionized the social and economic structures of the state's countryside in a generation. I should point out to those interested in comparative history that the inspiration for the food supply program was the Farm Security Administration during the Great Depression in the United States. Presidents Juscelino Kubitschek and Janio Quadros carried the idea of rural credit and assistance to the national level, so that by the end of 1961 "an important part of the New Deal, transplanted by a Rockefeller, became part of the Brazilian federal system" (p. 127). And this basic agricultural development is one of the factors that has turned Brazil into the world's number two food exporter.

The involvement of private organizations in foreign assistance is a distinctive contribution of liberal America to international relations. By the end of the 1960s, there were over eight hundred such groups working in Latin America and the United States Congress blessed the trend by establishing the Inter-American Foundation, which makes grants only to private associations.

Cobb devoted far less space to Henry Kaiser, but his inclusion rounds out the story she wished to tell. Rockefeller's projects were "models of corporate social responsibility abroad," (p. 200) but they did not address profit sharing by foreign investors—a major Brazilian concern. American companies favored fully-owned subsidiaries abroad, which was why profit remittances became a major political problem. Kaiser helped change the approach to ownership. After 1945, it was common for American firms to seek joint ventures with Brazilian partners to nationalize their status and benefit from protective tariffs, but Kaiser was unique in insisting on fifty-one percent Brazilian ownership. His *Willys Overland* not only put Jeeps on the dirt roads of the interior, but provided a model for American investment overseas.

Cobb has taken us where we all say foreign relations history should go, beyond the corridors of the embassies and ministries into the by-ways, cultures, and economies of the countries under study, to examine the multiple and complex relations among nations, and not merely those of their governments. Archives in the United States and abroad are full of documents that would allow many other studies of non-governmental relations. Cobb has pointed the way and challenges foreign relations historians to follow.

NOTES

1. For pre-World War II era see Joseph Smith, *Unequal Giants: Diplomatic Relations Between the United States and Brazil, 1889-1930* (Pittsburgh: University of Pittsburgh Press, 1991); Stanley E. Hilton, *Brazil and the Great Powers, 1930-1939: The Politics of Trade Rivalry* (Austin: University of Texas Press, 1975); Gerson Moura, *Autonomia na Dependência: A Política Externa Brasileira de 1935 a 1942* (Rio de Janeiro: Editora Nova Fronteira, 1980).
2. Frank D. McCann, *The Brazilian-American Alliance, 1937-1945* (Princeton: Princeton University Press, 1973); Gary Frank, *Struggle for Hegemony in South America: Argentina, Brazil, and the United States during the Second World War* (Miami: Center for Advanced International Studies, University of Miami, 1979); Gerson Moura, *Sucessos e Ilusões: Relações Internacionais do Brasil durante e após a Segunda Guerra Mundial* (Rio de Janeiro: Editora da Fundação Getúlio Vargas, 1991).
3. Gerald K. Haines, *The Americanization of Brazil: A Study of U.S. Cold War Diplomacy in the Third World, 1945-1954* (Wilmington: SR Books, 1989); Luis Alberto Moniz Bandeira, *Brasil-Estados Unidos: A Rivalidade Emergente (1950-1988)* (Rio de Janeiro: Editora Civilização Brasileira, 1989).
4. In addition to Michael Weis, *Cold Warriors and Coups D'Etat*, cited below, there are the following books: Luiz Alberto Moniz Bandeira, *Presença dos Estados Unidos no Brasil (Dois Séculos de História)* (Rio de Janeiro: Editora Civilização Brasileira, 1973); Jan Knippers Black, *United States Penetration of Brazil* (Philadelphia: University of Pennsylvania Press, 1977); Phyllis R. Parker, *Brazil and the Quiet Intervention, 1964* (Austin: University of Texas Press, 1979); Ruth Leacock, *Requiem for Revolution: The United States and Brazil, 1961-1969* (Kent, Ohio: Kent State University Press, 1990).
5. W. Michael Weis, *Brazilian-American Relations, 1945-1964* (Albuquerque: University of New Mexico, 1993); Luis Alberto Moniz Bandeira, *Estado Nacional e Política Internacional na América Latina: O Continente nas Relações Argentina-Brasil (1930-1922)* (São Paulo: Editora Ensaio, 1993); Amado Luiz Cervo & Clodoaldo Bueno, *História da Política Exterior do Brasil* (São Paulo: Editora Ática, 1992).
6. For Rockefeller, she used extensive records in the Rockefeller Archive Center and, for Kaiser, the collection housed in the Bancroft Library at the University of California, Berkeley. She made good use of the papers of individual Brazilians gathered in Latin America's primer private archive, the *Centro de Pesquisa e Documentação de História Contemporânea do Brasil* (CPDOC) in Rio de Janeiro. She interviewed a number of key actors in both countries. Cobb's history supports one aspect of global corporatism, as Thomas McCormick defined it: seeking to manage conflict by "a collaborative consensus on the imperatives of growth." [Thomas McCormick, "Drift or Mastery? A Corporatist Synthesis for American Diplomatic History," in *The Promise of American History: Progress and Prospects*, eds. Stanley J. Kutler and Stanley N. Katz (Baltimore: Johns Hopkins University Press, 1982), 326-327.] Rockefeller and Kaiser believed that if countries like Brazil developed, the prosperity and stability of the world would increase, as would markets for American products. But it conflicts with the corporatist explanation of coherent elite collaboration in the private and public spheres. Rockefeller and Kaiser, and perhaps business generally, were ahead of government concerning business's role in the postwar world; they were not working hand in glove with Washington. Indeed, the corporatist model is more descriptive of Rockefeller's and Kaiser's cooperative relations with the Brazilian state. In studying the complex relationships among foreign and local capital and the Brazilian state, Peter Evans noted the continued reluctance of multinational corporations to function in benefit of the local economy [Peter Evans, *Dependent Development: The Alliance of Multinational, State, and Local Capital in Brazil* (Princeton: Princeton University Press, 1979)]. This suggests that Rockefeller's and Kaiser's examples were slow to influence corporate culture.