



Brazilian Foreign Policy under President Geisel 1974-1979

Autonomy, Dependent Development and
Responsible Pragmatism

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Introduction

The armed forces have played a major role in the history of Latin America between 1959 and 1989, the period between the Cuban Revolution and the end of the Cold War. During this period, the majority of South-American countries experienced a period of military dictatorships. This entails a political system in which the armed forces possess reasonable political power, and the leader is a right-wing ruler who holds power through repression and military force rather than ideological appeal or charisma.

Moreover, Latin American dictatorships can in general be considered as bureaucratic-authoritarian, as rulers used state institutions to exercise their power. Of all the countries in the region, Brazil was one of the first to overthrow its democratic government in 1964 and one of the last to return to democracy in 1985. This 21-year period of military rule has extensively been studied by both Brazilian and foreign political scientists. Common features in these studies are the support given by the United States sustaining the dictatorship, the paramount human rights violations, the return to democracy after 1985, Brazil's impressive economic growth during the heyday of its military rule and its foreign policy.

My focus will be on the last two aspects and, due to the limited scope of this thesis, most attention will be dedicated to a specific period of the military dictatorship, namely the administration of general Ernesto Geisel, that was in office between 1974 and 1979. Not only did Geisel come up with the new term *responsible pragmatism* to frame Brazil's behaviour on the international stage, this framing was a reaction to a very interesting period in international history which provided several challenges for Brazil's ambition to become an important global power, spurred by economic growth.

When Geisel assumed office in 1974, the international stage had changed drastically. Brazilian authorities referred to the post-1973 period as 'international equation.' Central features of this equation were the vacuum in international leadership, the emergence of partial multipolarity and the decline of American hegemony.¹ This equation reflected in the fact that the Vietnam War was heading towards a clashing defeat for the United States. Furthermore, the Carnation Revolution had triumphed in

¹ This is the online accessible archive of president Geisel. Hereafter this archive will be referred to as (Geisel, name page). The link is enlisted in the bibliography.

Lisbon, inducing Portugal to dismantle its colonial empire and thereby giving birth to several Portuguese-speaking countries in Africa. Moreover, the Cold War enjoyed a period of relative relaxation known as *détente*, which allowed Brazil to present itself on the world stage outside the binary East-West and capitalism-communism divisions and allowing to establish ties with the Soviet-Union and Eastern Europe. But above all, there was the aftermath of the 1973-1974 Oil Crisis, when the price of oil had risen with 400% between October 1973 and March 1974. For Brazil, which depended for 80% on imported oil, this was obviously disastrous.

All the above-mentioned factors motivated president Geisel to rephrase his foreign policy to meet these new economic opportunities and challenges. These challenges could only be confronted by adopting a pragmatic attitude: ²

'We aim to be pragmatic in our relations with other countries, highlighting our points of cooperation rather than divergence. We believe that cooperation produces better results than antagonism. We are not opportunist, but keep our eyes on the long term. The prospect of the administration always has to be the future of our nation.'

According to Geisel, the best answer to these challenges was responsible pragmatism, aimed at averting automatic alliances, maintaining flexibility in order to negotiate the best outcome, in order to enhance Brazil's autonomy on the world stage. This thesis will aim to provide an answer to whether or not Brazil's economic autonomy was significantly enhanced by Geisel's responsible pragmatism and whether his newly introduced attitude represented a major breaking point in Brazil's foreign policy. Peter Evans' thorough analysis of the relationship between economic development and dependency was very helpful to study some of responsible pragmatism's aspects. In his 1979 work *Dependent Development: The Alliance of Multinational State and Local Capital in Brazil*, he describes Brazil under military rule to be caught up in a phase of 'dependent development', in which it is able to reach excessive levels of economic growth but is retains a level of dependency on the countries in the center of the structural center-periphery model and center-based multinationals. This theory will be elaborated further in the chapter 1, which will also further outline Geisel's motivations and considerations for responsible pragmatism as

² Expressed by president Geisel in a dialogue with minister-president Antônio Azeredo da Silveira, answering the latter's question about how he saw the future of the Latin American continent, available in his online accessible archive at page 1192.

well as provide a literature review of what other scholars have written on responsible pragmatism. Chapter 2 deals with the historical backgrounds of Brazilian foreign policy by contextualizing Brazil's role in the world and, equally important, the role of the world in Brazil. What was Brazilian foreign policy in the pre-1964 era like? An important aspect in this historical contextualization is analyzing Brazil's historical relationship with the United States and Western Europe. These historical relationships are important to analyze whether responsible pragmatism marked a continuity or a discontinuity concerning bilateral relations and the level of autonomy.

Chapter 3 will aim to answer the question whether Geisel's responsible pragmatism led to an increased level of autonomy. I will analyze this by focusing on a couple of aspects that were central to his new foreign policy. The first feature is his plan to exploit the Amazon to make fully use of Brazil's abundant natural resources and economic potential. The second feature is his nuclear agreement with West-Germany in 1975, which was supposed to provide Brazil with nuclear know-how and credit to build nuclear power plants in order to develop as a nuclear power. The third aspect is the influence the accession of the American president Jimmy Carter in 1977 had on Brazil's room for maneuver in international politics. The last aspect that will be discussed is Geisel's Arab Turn in response to the Oil Crisis. As a result of the increased oil prices and subsequent trade deficit in Brazil, Geisel decided to strengthen ties with Arab countries. These ties will be analyzed in order to provide a detailed answer to the question whether Geisel's responsible pragmatism and subsequent diversified ties, markets and alliances in fact led to an increase of Brazil's autonomy on the international stage.

Chapter 1: Development, autonomy and responsible pragmatism in Brazil

This chapter will deal with the three central aspects in this thesis. The first section provides an overview of the dependent development model and their link to a nation's autonomy. The second and third part elaborate on the president Geisel's motivations to embark on responsible pragmatism, with an overview of the scholarly debate on this topic.

1.1 Dependent development and autonomy

Two aspects are central in studying Brazil's foreign policy under president Geisel. Like many Latin American countries, Brazil manifested more assertiveness on the international stage in the 1970's. In the scholarly debate, several theories link autonomy to development. The debate centers around the question whether autonomy is a prerequisite for development (and therefore, dependence leads to underdevelopment, the classical dependency theory). Conversely, the Argentinian political scientist Carlos Escudé sustains the opposite view, arguing that 'wealth and development are indispensable for autonomy' (Dominguez and Covarrubias 2015, pp. 81-82). This touches upon the dependent development model, arguing that 'the steps needed to achieve economic development are self-defeating because they condition it to the preservation of subordinate, dependent relations and the acceptance of the economic and political rules of the game established by dominant political actors' (Dominguez and Covarrubias, pp. 81-82).

The dependent development model which will be used as lens through which Geisel's policy will be studied in the last chapter of this thesis, derives from Peter Evans work *Dependent Development: The Alliance of Multinational State and Local Capital in Brazil* (1979). Dependent development is one of the versions of the classical dependency theory, sharing the one common feature with all of them: 'all of them include the need to link international dimension with the national one' (Hurrell 2013, p. 9).

Classical development theory in the academic field emerged after WWII. As James A. Caporaso has put it, since the forming of two ideological blocs, and the

ongoing dissolution of European colonial empires, 'the world had many 'new nations', a term almost a synonym for less developed countries' (Caporaso 1980, p. 610). This newly emerged 'Third World' came into being next to the capitalist and the communist world. Western academic discourse, known as the 'modernization theory' held that lesser develop countries could reach the same level of development as Western countries, by imitating the Western path of industrialization and development. In this context, 'industrializing and developing' were terms referring to a process of 'catching up with the West' and defined by Western standards for measuring a country's level of development (Joshi 2005). The basic assumption of modernization theory that is challenged by dependency theorists, is that Third World countries can reach the same level of development as Western countries. Rather, dependency theorists argue, Western countries are developed because these countries are underdeveloped. Underdevelopment therefore, is not a condition, but is an inevitable result of development of richer countries. The historical component in this theory is that centuries of colonialism, imperialism and trade regulations have resulted in the West to prosper, while leaving underdeveloped countries poor. Traditional dependency theory invented a binary division between periphery and center, in which the first provides cheap labour, natural resources and easy accessible markets, in order for the latter (possessing the capital, knowledge and technology) to develop economically. As the development of wealthier nations happens at the expense of poorer nations, a country in the periphery can never really develop.

This last notion is contested in the work of Peter Evans. He argues that, even though Brazil remained to a certain extent dependent on decisions made outside Brazil, economic development was indeed possible, pointing at the enormous ratio of economic growth that Brazil had been enjoying since the end of the 1960's, known as the Brazilian miracle. With the term 'dependent development', Evans is referring to cases 'where capital accumulation and diversified industrialization are dominating the transformation of its economy and social structure' (Evans 1979, p. 32). Brazil as developing and dependent at the same time, instead of just dependent. Dependent development, as Evans describes it, 'is a special instance of dependency, characterized by the association or alliance of international and local capital' (Evans, p. 32). The state joins this alliance, resulting in a triple alliance, the driving force of Brazil's development. Multinationals yield more profit than can be obtained at the domestic market and Brazilian elites enjoy a localization of profit and control over

this localization. The local elites can decide where capital flows, how much is invested and in what sectors. As a result, a market for luxury products is created, which is only accessible for elites. The state is an important force in bargaining between the interests of multinationals and local capital, as they must ‘continually coerce or cajole the multinationals into undertaking roles they would otherwise abdicate’ (Evans, p. 44) Opposing multinationals when in capital accumulation interests are at stake, is a state task in dependent development. To serve the country’s interests, states have to promote peripheral industrialization and attracting local and foreign capital. On the other hand, states have to provide a beneficial investing climate, by repressing labour movements and keeping down wages.

Consequently, all three partners ‘have a common interest in capital accumulation and in the subordination of the mass population’ (Evans, p. 52). As a result, all benefit from this alliance, resulting in the Brazilian miracle between 1969 and 1974. However, the fact the Brazilian state and local elites benefited managed to achieve an enormous economic growth, does not downplay their dependent status. To a high degree, Brazil remained dependent on foreign capital and foreign-based multinationals. This core element of the Peter Evans’ theory of dependent development will be used as a theoretical lens to analyze the foreign policy of the Geisel-administration in the last chapter.

1.2 Geisel's motivations for responsible pragmatism

The following section will deal with the Geisel-administration’s political and economic motivations to introduce responsible pragmatism in foreign policy. As briefly described in the introduction, the international stage had changed drastically when Geisel assumed office. This posed several opportunities and challenges. This opted for a new orientation on Brazil’s foreign policy, which received the name ‘responsible pragmatism’ and can be seen as an attempt to turn these challenges into opportunities. The period around 1973 offered the chance to Brazil to re-evaluate its position in the world.

Responsible pragmatism was a reaction to the international challenges the Geisel-administration was about to face. Ongoing tendencies in international politics burst out dramatically from October 1973 onwards. First of all, the outbreak of the Oil Crisis led to a quadrupling of petrol prices, resulting in a negative balance of payment,

inflation, currency instability and recession. These factors were seriously hampering Brazil's national economic development. On top of that the international balance of power was shifting. The détente was perceived as a vacuum of international leadership, yet again because the United States hegemony was declining with its humiliating defeat in Vietnam. Furthermore, the dissolution of the Portuguese colonial empire allowed for a rapprochement between Brazil and the newly emerged Portuguese-speaking countries in Africa (Roa & Baptista e Silva 2015, p. 4)

This new international reality called for a reiteration of Brazilian foreign policy. Driven by its economic growth in the years before 1974, Brazilian envisioned an important role for itself in this new international reality, as 'the political-military vacuum objectively augmented our international responsibilities, that are imposed on us by our size and the geopolitical reality and, above all, our historical destiny' (Geisel, p. 2875). Its territorial size, its large population and its ambition, as reflected in the achieved economic growth had an inevitable consequence: Brazil had to assume the role of a major player on the world stage (Geisel, pp. 2875-76).

The new international reality not only posed challenges, but also provided high hopes and a 'maximization of opportunities and an optimization of strategic alternatives' which offered a chance for Brazil to assert itself (Geisel, p. 2876). In September 1974, the Geisel government drafted the *National Development Plan: 1975-1979*, which set an economic target on 10% annual growth (Skidmore 1990). However, to make full use of the opportunities the new international reality offered, a new blueprint for foreign policy was needed. Therefore, the new foreign policy had to be pragmatic and had to be strictly in line with national interest and in accordance with its values, ambitions and general orientation (Geisel, p. 2853). Important aspects of this general orientation were the strict adherence to principles of self-determination, non-intervention and the conviction that diplomatic ties between countries cannot be determined on the basis of ideology. Within this orientation, Brazil would have to explore the various roads and the various bargains leading to the same goal. This was not always a choice between good or bad, but might as well be a choice between a greater and a lesser evil. This pragmatism consisted of an assessment of various factors and the most profitable option, in accordance with its ideals. This last part is what added the word 'responsible' to pragmatism.

Responsible pragmatism required a plan of approach, referred to by Geisel as 'general action points.' As Brazil was a Lusophone, Latin American, viscerally

occidental and a Capitalist country, with ties with Eastern Europe but firmly anti-communist. Additionally, Brazil was a member of the UN, G77 (loose coalition of developing nations within the UN), OAS (Organization of American States) and the Non-Aligned movement. On top of that, Brazil had economic and commercial interest in every continent and in terms of energy, highly dependent on Arab countries. This diversity motivated the Brazilian government to avoid any automatic alignments, incompatible with its national interests and contradictory to the international politics of détente and interdependence. This would ensure that Brazil would have access to the best markets for its products. (Geisel, p.2840)

Secondly, with the new foreign policy, Brazil had, as a Lusophone country, special attention for Portugal's ex-colonies and newly emerged states in Africa. This was part of a greater strategy, namely Brazil's commitment to developing countries in the Third World, which opened new markets and could contribute to the diversification of the Brazilian economy.

1.3 Responsible pragmatism in the scholarly debate

Most Western sources that deal with the government Geisel focus on economic, social and military politics. In regard to the latter, terms *distensão* (détente) and *abertura* (opening) are associated with Geisel. Thomas Skidmore considers his policy as a 'gradual and highly controlled political liberalization' (Skidmore, p. 165). David Collier adds that 'in this somewhat more relaxed, but still authoritarian framework, there was considerable uncertainty about the economic and social directions which Brazil would take in the second half of the 1970's' (Collier 1979, p.175). This economic policy centered around how to decrease Brazil's continuously increasing foreign debt and domestic inflations. How economic and political realities motivated the implementation of responsible pragmatism is described by both Andrew Hurrell and Leticia Pinheiro. All aforementioned economic difficulties called for new sources of capital, technology and energy (Pinheiro 1994).

However, both authors acknowledge that the term responsible pragmatism was not completely new. Pinheiro argues that "Brazil was already well on the way in the redefinition of foreign policy, which was implemented soon after the 1964 coup, as the disengagement from the US, and the move towards Western Europe, Japan, the Socialist and the Third World countries exemplified" (Pinheiro 1994, pp. 112-13).

Hurrell (201, pp.256-260) shares the view that ‘‘much of the explanation for the increasingly independent character of Brazilian foreign policy during the Geisel period lies in the further development of trends that had begun in the late 1960.’’ The historical contextualization of Brazilian foreign relations will be dealt with in the next chapter, so for now it suffices to mention that the introduction of responsible pragmatism was not a major breakthrough in Brazilian foreign policy. This is not to say, however, that Geisel’s input in foreign reiteration was negligible. As Pinheiro puts it, ‘it was only during Geisel’s government that a decisive redirection was actually implemented’(Pinheiro, p. 113). Hurrell adds that it was only during the Geisel government that economic difficulties and internal factors required an adjustment in foreign policy.

Brazilian authors have studied responsible pragmatism more extensively. Luiz Fernando Ligiéro wrote an extensive report in which he compared responsible pragmatism with the ‘Politica Externa Independente’ (Independent foreign policy) of Janio Quadros and his successor João Goulart in the period 1961-1964, in the period predating the establishment of the military dictatorship. He concludes that even though its origins are different, the fact that Brazil’s foreign policy is revised in favor of national development is not a new phenomenon in the country’s political history. In this regard, responsible pragmatism was a way of confronting economic crises by redefining Brazil’s position on the world stage and its relations vis-à-vis with other countries is not new. Therefore, his comparison argues that there were ‘many similarities and some differences’ (Ligiéro 2011). What made responsible pragmatism unique, was that the shifting of the balance of power in the world offered an unique situation, opening up for the creation of new alliances, partnerships and the Third World. According to Ligueiro, responsible pragmatism was the first attempt to develop ties with all the quarters of the world, thereby resulting in an enhancement of autonomy on the world stage and a less dependency on the United States (Ligiéro 2011, pp. 409-410).

Matias Spektor shared this view, pointing at that the uniqueness of responsible pragmatism lied in its ability to define Brazil’s relations with all the corners of the world, which made the Geisel’s reign ‘a period of important, and in some cases systematical redefinitions of Brazilian behaviour on the world stage’ (Spektor 2004, p. 196-197). However, this notion is contested by many others. As authors like Lisandra Gobo and Paolo Vizontini argue, many of these redefinitions were already in the

process of development before Geisel got to power. For example, relations with the United States were already on the wane. Gobo showed that new ties with Asia were made possible by frequent visits by officials and diplomats from the Médici government (Lisandra Gobo 2009). Paolo Vizentini argued that the international context, in which responsible pragmatism was formulated, was unique but that its features were strictly in line with tendencies of Brazilian foreign policy (Vizentini 2004, chapter 4).

Chapter 2: Contextualizing Brazil's foreign involvement: An historical review

Since most of the literature does not consider responsible pragmatism to be a major rupture in Brazilian foreign policy, but rather in line with the historical tendencies. Therefore, this chapter will discuss the historical contextualization of Brazil's foreign policy before 1964 and a subsequent brief overview of Brazil's relations with Western Europe and the United States.

Even though Brazil's political structure changed drastically after Goulart's overthrow and the establishment of the military dictatorship in 1964, the country's foreign policy is not an isolated entity. The Geisel-administration did not invent its foreign policy, but rather developed it as part of a broader historical context. Furthermore, studying foreign policy is not just analyzing the role of Brazil in the world, but also analyzing the role of the world in Brazil. Regarding this, Geisel's foreign policy is a continuation of a broader political pattern, which can be led back to the period since the Second World War and the period predating the military coup. The following sections will provide a historical contextualization of Brazil's foreign policy and its relations with the United States and Western Europe.

2.1 Brazil's foreign policy before 1964

Brazil had already experienced a military dictatorship, under leadership of Getúlio Vargas (1930-1945), in which he desired to transform Brazil from a plantage-based economy to an industrialized, developed nation. This could only be done by protecting the Brazilian investors' interests by handing out government subsidies and establishing import quotas and tariffs on foreign products (Galván 2013, p. 42). These measures were carried out in order to foster the development of a Brazilian industrial

class and to limit the dependency on foreign products. However, this process had just taken off. Gerson Moura described Brazil's foreign policy in the thirties as "an oscillation between one great power and the other in terms of commercial, political and military issues" (Moura 2013, p. 68). The term he attaches to this oscillation is, *pragmatic equilibrium*, in general between the US and Germany. The underlying thought was that refraining from a firm alliance with one country, it could benefit economically from trade with the other. As a result, this policy led to an increase in bargaining power in numerous occasions, as well as a reluctance to pick a side in the war between its allies in WWII. However, Brazil only managed to remain neutral until 1942.

1942 marked a radical turning point in Vargas' foreign policy. *Practical equilibrium* proved inviable and was therefore replaced with a strict alliance with the US, because Vargas perceived that the US had more to offer in terms of economic benefits, from which the American Lend-Lease Aid in 1941, an arrangement in which Vargas agreed to 'supply raw materials and provide naval bases in return for American arms and financial assistance for the construction of the Volta Redonda power plant, which was to become the symbol of Brazilian development and industrialization' (Smith 2002). After Brazilians ships suffered attacks from German submarines, an official declaration of War was signed in the summer of 1942. The pragmatic character of Brazil's foreign policy already showed in the Vargas era. Despite Nazi-Germany expansionism, racial politics and fascism, Brazil refrained from breaking ties with Hitler and joining the Allied just after this had proven to be of more economic advantages (Smith 2002).

After WWII, Vargas' military dictatorship was replaced by a democratic government under the wings of Eurico Dutra. Under his auspices Brazil joined the UN and signed a military agreement with the United States, in which he hoped to secure future economic assistance from the US in industrializing Brazil. However, since Latin-America did not enter the Cold War theatre, Brazil was of little geopolitical importance to the US, which focused most of its economic aid package on Europe. This attitude by Washington induced Brazil to focus more on its relationship with its Spanish-speaking neighbors and to concern itself with its role as a hegemon in the Southern Hemisphere. In the early 1960's, after the Cuban revolution had dragged Latin-America into the Cold War theatre, president Janio Quadros advocated the *Politica Externa Independente* (independent foreign policy). Components of this

policy were an emphasis on self-determination, a refusal to break diplomatic ties with neither the Soviet Union nor Cuba and opposing an American intervention in Cuba. Quadros motivated his independent policy by this famous quote: ‘not being members of any bloc, not even the neutralist bloc, we preserve our absolute freedom to make our own decisions in specific cases and in the light of peaceful suggestions at one with our nature and history’ (Quadros 1961, p. 26), which comes remarkably close to responsible pragmatism. Quadros’ successor, João Goulart, reiterated these principles, but lacked every support in his government and was regarded with great suspicion by the armed forces. Events accelerated with the ongoing economic difficulties Brazil was facing, which eventually led to the overthrow of Goulart by the armed forces in 1964.

2.2 Historical context of Brazil-US relations

The notion of Brazil’s military leaders as inseparable allies of the United States is a firmly held in history writing. Brazil has been a Western ally throughout most of the twentieth century, its military leaders are even more ruthless combating communism than the United States and the countries’ trade partnerships go back decades. However, this assumption has recently been on the wane. The historical alliance between Brazil and the United States has not been so strong and tight as is often perceived. On the contrary, American attitudes have often excited irritation and defiance in Brazil.

As aforementioned, in WWII, the US and Germany battled for influence in Brazil, which only allied itself with the US in 1942 when that country had more to offer in terms of economic advantages. In the period after WWII, Brazil advocated strict alliance with the US in terms of foreign policy and breaking ties with the Soviet Union.

Brazil-US relations cooled after Jânio Quadros assumed office in 1961. His previously described *Política Externa Independente* which allowed for trade with the Communist bloc, advocated rights for self-determination and supported the principle of non-intervention. This comprised of a condemnation of the Bay of Pigs-invasion and a fierce opposition to a military intervention in Cuba (Hershberg 2004). This contravened the blueprint for American foreign policy towards Latin-America, known as the Alliance for Progress, which, quoting Stephen Rabe, ‘was used for building

sturdy, self-reliant, anti-Communist societies' (Rabe 1999, p. 32). The Alliance for Progress was drafted in the period after the Cuban Revolution, which transformed Latin-America into an area where the Cold War could not be won, but could be lost. This made Brazil, due to its size and population, of vital importance to the United States.

The conflicting ideals made Brazil-US relations increasingly tense. After Quadros' resignation in 1961, Joao Goulart came to power. He was not regarded favourably in Washington, where he was known for his connections with 'leftist' groups in trade unions and parliament.

Ruth Leacock, one of the leading scholars on the US-Brazil relations in the sixties, explains the deterioration primarily in economic terms, mainly stressing the importance of the Draper Report, a report drafted by a commission led by former general William Draper and existing of officials coming from different departments and agencies (CIA, Treasury Department and Defense Department). As Leacock shows, the Draper Report concluded that the Brazilian economy suffered from some serious economic setback which could only be brought a halt by overthrowing Goulart, as he would not be willing to implement the economic reform necessary to stop the ever-increasing levels of inflation and fill Brazil's enormous trade deficit. Draper concluded that the Goulart had been 'pursuing illogical and wasteful policies that prevented sound development and balanced growth' (Leacock 1990, p. 125). According to Leacock, this was due to a great extent to the ineptitude and static policies of Goulart which highly contributed to mobilization of military and conservative forces opposing the government, which, unsurprisingly, was not regretted by American officials (Leacock 1990). Concluding, the stringent deterioration of Brazil-US relations in the pre-1964 era, resulted in American support for the military coup.

2.3 Brazil and Western Europe

As relations with the US deteriorated in this period, relations with Western Europe were consolidated. President Kubitschek used the tensions with the US to build strategic partnerships with Western European countries.

An economic partnership with West-Germany was already sealed in the end of the 1950's, under the Kubitschek-administration, when the rebuilding of the German post-war economy culminated in the *Wirtschaftswunder* (Lohbauer 2000).

Components of this German miracle were the widening of its markets and the exploitation of new areas, and Brazil was one of them (most famous examples the car manufacturers Mercedes Benz and Volkswagen). However, German participation in Brazilian economic development was fortified in the early sixties, right after the establishment of the military dictatorship. At this time, Brazil was the largest Latin-American exporter to West-Germany and Heinrich Lübke, then president, ascertained an increasing flux of investment in several infrastructural projects in Brazil. Even though the heyday of Brazil-West Germany relations took place during the Geisel administration, a strategic partnership, however limited, was already agreed before his reign and friendly relations already established.

However, it was only since the military coup that Western Europe received profound attention in Brazil. According to Paolo Vinentini, this 'European turn' was again motivated by tension with the US. Brazil's military leaders understood, just like the 'Politica Externa Independente', that escaping the orbit of the US was necessary to increase the range of contacts with other parts of the globe' (Perla Martins 2015, p. 13). Artur da Costa e Silva, then president, motivated his objective to deepen relations with Western Europa by expressing his 'wish to strengthen our cultural and political identities with these countries by means of cultural, economic and political exchange' (Perla Martins 2015, p. 13). In this regard, according to Perla Martins, the foundations of Geisel's rapprochement to Western Europe, were laid by the Costa e Silva government.

Chapter 3: Responsible pragmatism: enhancing autonomy?

This final chapter will analyze four aspects of the foreign policy of the Geisel administration. As explained before, Geisel's responsible pragmatism was aimed at creating pragmatic and strategic partnerships, abstain from automatic alliances and diversify its economy, all aimed at enhancing the autonomy of Brazil on the international stage. Four aspects of Geisel's foreign policy stand out. The first one is his rapprochement to the Arab World, in response to the 1973 Oil Crisis and Brazil's high dependence on foreign petrol. Was this an act of dependency or an assertion of autonomy?

Secondly, it was only under Geisel that the Amazon entered Brazil's foreign policy agenda and subsequently, foreign investors were invited to exploit the forest's resources. Is the dependent-development model applicable to the exploitation of the Amazon?

Thirdly, under Geisel Brazil started to develop the ambition to gain nuclear independence. What does this ambition, and the international response to this ambition, say about Brazil's autonomy on the world stage?

Finally, what does the deterioration of US-Brazil relations under the American president Carter say about Brazil's ability to act independently on the world stage?

These four aspects provide an answer to the question whether Geisel's responsible pragmatism substantially enhanced Brazilian autonomy.

3.1 Geisel's Arab Turn in response to the Oil Crisis

The Oil Crisis started as an Arab Oil Exporting Countries (OPEC, including Egypt and Syria), proclaimed an oil embargo against the US, Canada, Japan, the United Kingdom and the Netherlands. This was a reaction to the American involvement in the Yom Kippur War, a military campaign launched by Syria and Egypt against Israel. The US replied by sending arms and money to its ally. This incurred the hostility of OPEC against the US and its allies, leading to an initial increase of the price of oil by 70%. By the end of the embargo, in March 1974, the price of a barrel of oil had quadrupled.

It goes without saying that the Oil Crisis had a devastating effect on Brazilian economy, as it was for 80% dependent on imported petrol. Amidst its rapid

industrialization and increasing petrol consumption, the immediate effects were felt in the country's trade deficit. Brazil started signing several agreements with Arab Countries (with Algeria and Egypt and Iraq in 1975, to stipulate to exchange Arab oil with Brazilian weaponry. Notwithstanding, Brazilian sales to Arab countries also included products like cars, soy, sugar, iron, corn and planes, all labor-intensive products, aimed to compensate the import deficit caused by petrol (De Vasconcelos Cruz 2009). The political facilitation of the new partnerships with the Arab World followed with the Brazilian vote in UN General Assembly Resolution 3379 on November 10, 1975. This resolution was titled 'Zionism is a form of racism and racial discrimination.'³ In this resolution UN member states voted whether or not they would condemn Zionism as a racist and imperialist ideology and a threat to world peace. The Resolution was passed with 72 votes for and 35 against (while 32 countries abstained from voting). The 72 votes for comprised of the Islamic countries, the Soviet aligned Bloc, Lusophone Africa and also included Brazil. To go into too much detail about the history and context of this resolution is beyond the scope of this thesis. Hence, I will in line with this thesis, focus on Brazilian motivations to vote in favor of the resolution. What does the Brazilian vote tell us about their foreign policy and their position in the world? Is it a result of a wholehearted political conviction or motivated by economic interests?

In a telegram Brazil motivated its stance, by pointing at the fact that its vote was not an anti-Semitic vote, as Brazil clearly distinguished between Judaism and Zionism. And in Brazil, there did not exist any restrictions on religion (Geisel, p. 767). Furthermore, the vote was not to repudiate the recognition of the state of Israel. Rather, the Brazilian vote was given in by a 'recognition of the actual situation' (Geisel, p. 767-8). According to the telegram, Zionism is a form of racism because 'being Zionist entails a preponderance of one ethnic group over the other' (Geisel, p. 768). Added to that, the decision of the Brazilian delegation should be seen in the context of Palestine. In line with traditional Brazilian principles of auto-determination and anti-colonialism, it denounced Israelian occupation by force of Palestinian territory. The telegram ends with the reiteration of Brazilian national interests with a clear reference to pragmatism and the evasion of automatic alliances.

³ Resolution 3379 (XXX), November 10, 1975, "Elimination of all Forms of Racial Discrimination", approved by a vote of 72 to 35, with 32 abstentions. The resolution 3379 was subsequently rescinded by UNGA resolution 46/86, of December 1991, adopted by a vote of 111 to 25, with 13 abstentions.

However, political motivations seem to be subordinated to economic interests with regards to this question. The *New York Times* headline shouted that ‘Brazil’s conscienceless military dictators are seeking Arab oil and investments with their votes’ (The New York Times, November 13, 1975). This exclamation lacks nuance, but it serves as a signal that the relations between US and Brazil were under severe pressure. Several scholars in the last forty years have shown that the Brazilian vote for the Resolution was ‘a cornerstone in Brazil’s search for universalism’ (Dos Santos and Uziel 2015, Lessa 2000).

Dos Santos and Uziel (2015, p. 6) summarize the general purposes of the new Brazilian foreign policy as ‘expanding markets, attracting investors, ensuring the supply of raw materials, and avoiding being tied up to the policies of its partners.’ These purposes are in line with the position on the international stage that Brazil envisioned for itself, in defense of its three major principles of self-determination, non-intervention and territorial integrity. These principles came to the fore in the 1974 speech of Brazil’s minister of External Relations, Antônio Silveira, to the UN General Assembly, in which he urged the UN to take the adequate steps to relieve Palestinian suffering in the Middle East (Santos Corrêa 2007, p. 315). Seeking rapprochement to Arab Countries and exclaiming support for the Palestinian cause would inevitably lead to tension with the United States. Hence, several scholars have explained the Brazilian vote as marking the non-alignment with the US and restating Brazil’s autonomy to act (Dos Santos 2009, Lessa 2000, Casaroes & Vigevani 2014), all the more because a Brazilian abstention to vote would unlikely lead to severe repercussions against Brazil on the part of the Arab countries, which led to the abovementioned scholars’ explanation of Brazil’s vote as an Arab Turn. Especially since the oil embargo had terminated in already in 1974, the direct impact of oil is hard to measure. Therefore, Brazil’s Arab Turn should not be seen as an attempt to get closer to the Arab countries, but as an attempt to fully explore the country’s possibilities in the international sphere and picking the fruits of an international environment in a state of flux. Hence, as Spektor (2004) and Dos Santos and Uziel (2015) have noted, Geisel’s policy towards the Middle East was not an act of defiance against Western values, but rather an attempt to explore its autonomy within them.

Geisel’s Arab Turn serves as an excellent example of how responsible pragmatism served in practice, as it were foremost economic necessities that drove Geisel to alter its strategy towards the Arab world. Hurrell (2009, p. 300), shows that ‘the quotation

of rising oil prices and heavy dependence on Middle East oil meant that Brazil's imports from the Middle East rose from US\$ 2,091 million (17% of total imports) in 1974 to US\$ 5,081 million (32% of total imports) in 1979, with Brazil's trade deficit with the region averaging US\$ 2.9 billion p.a. in the years between 1974 and 1979.

Hurrell argues that it was against this economic picture and massive trade deficit that this pro-Arab policy was adopted. This notion is all the more reinforced as there are no historically political motivations for Geisel's Arab Turn. After all, Brazil had played a large role in the creation of the Israeli state in 1948. Oswaldo Aranha had lobbied heavily at the UN in favor of the partition of Palestina and Brazil was one of the first countries to recognize Israel as a newborn state. Furthermore, none of Brazil's post-WW II governments have ever publicly supported anti-semitism or used any anti-Israelic language.

3.2 First come, first served: the exploitation of the Amazon

It was under the Geisel administration that the Amazon, until the seventies relatively absent factor in Brazilian foreign policy, commenced to be used as a means to yield foreign currency through export. From 1974 onwards, the Amazon was seen as a valuable contribution to the goods that could be produced for the world market. At the same time, the Geisel administration policy on the Amazon is a most striking example of dependent development in practice, and how economic concessions were given to foreign multinationals and capitalist to exploit the Amazon in order to maintain the rapid short term economic growth.

Geisel embarked on a new development plan for the Amazon, POLAMAZONIA, based on achieving full exploitation of the fifteen so-called 'growth poles.' These poles were the sectors where the financial resources would be concentrated as they were believed to yield most foreign exchange and served as a legitimization for massive investment projects in mining, industry and ranching (Maurer 1979; Jepma 2014; Kincaid & Portes 1994).

SUDAM, an already in 1966 established company to promote development of the Amazon region by granting tax incentives to both national and foreign parties, granted tax cuts to enormous cattle ranches, which added to the number of foreign-owned farms and ranches in the Amazon (Maurer 1979), most notably a 678.000 hectare in

Mato Grosso owned by the Italian firm Liquigas and 140000 hectare cattle ranch in Pará, owned by Volkswagen (Bunker 1985, p. 116).

This fact posed by Bunker are in congruence with Peter Evans' theory, suggesting that the Brazilian state only holds considerable autonomy in the Triple Alliance, when state interests and foreign capital interests overlap and that 'the relative power of each of the members of the Triple Alliance varies with the differential bargaining power of and with the shifting points of common interest among the three 'allies' in national economy' (Bunker 1985, p. 115). This meant in practice that foreign investors and multinationals benefited from the financial and tax cuts to exploit the Amazon and the state from a direct short-term capital influx.

However, besides foreign-owned cattle ranches, two other Amazon projects rendered the most publicity. Several multinationals were invited to exploit the Amazon, the best known are the Jari Project, a deal sealed with the American investor Daniel Ludwig and the deal with Japan regarding the construction of the Itaipu Dam.

Daniel Ludwig was an international shipping tycoon, who was granted 3.7 million acres at the Jary River, a tributary of the Amazon River, east of Belem, at that time the largest private landholding, purchased for the sum of 3 million dollars (Maurer 1979, Skidmore 1990). His holding consisted primarily of tropical trees that were used to produce pulp for paper. Even though this deal was sealed under the previous Médici-government (and even encouraged with a ten years tax exemption from Brazil's value-added tax and a guarantee for an \$200 million US loan), the Geisel government did not withdraw its political support from the Jari Project (Skidmore 1990). Jari project serves as an ultimate example of dependent development during the Geisel administration. Ludwig's landholding was a foreign enclave on Brazilian territory, where virtually everything was produced for export purposes and everything and everyone was dependent on one foreign company, led by an 82-year old American landowner (Braga de Miguez Garrido Filha 1980; Pojo de Rego 1998).

Antônio Carlos Pojo de Rogo argued that the Brazilian miracle had put rural exploitation on the agenda, but the old alliance between the military elites and wealthy landowners left land reforms out of the question (Pojo de Rogo 1998, p. 190). Hence foreign investments in Brazil were encouraged, which often offered little advantages for local people, is it projects like Jari only offered a limited number of unskilled jobs. This meant that the only the elites could afford the products that were

being produced. The Triple Alliance of dependent development was thus strengthened. The state looked to attract foreign capital by providing a beneficial investing climate by creating tax advantages and had the capital-intensive export enriched the local elites, while all three parties of the Triple Alliance shared the need to subordinate and repress the lower classes. The Jari project is not the only example. Close cooperation between Brazil and Japan led to the construction of a hydropower plant and a smeltery with an annual production of up to 340.000 tons (Ozawa 1979, p. 135). The ownership was almost jointly shared (51-49%) between the Brazilian and Japanese national mining companies. But also other Amazon development projects like the building of the Transamazonian highway and the creation of the Tucuruí power plant with Japanese investment, show how quick political and economic interest hamper sustained, long-term economic development and therefore diversified Brazil's economy, but did not enhance autonomy, as Brazil retained its dependent status.

3.3 Brazil as a nuclear power: the 1975 nuclear deal with West-Germany

A third interesting aspect of the Geisel administration foreign policy is the Brazil's nuclear agreement with West-Germany in June 1975, aimed to acquire nuclear know-how and technology to complete the nuclear fuel cycle.

These Brazilian attempts date back to the 1950's. Already since the Kubitschek-administration, several programmes have been established to acquire nuclear self-sufficiency, of which the creation of the CNEN (Comissão Nacional de Energia Nuclear), the National Nuclear Energy Commission, is the most important. However, since the military takeover gave an impetus to nuclear development, driven by global hegemony ambitions and Brazil's envisioned new role in the world (Kincade and Bertram 1982; Dominguez 1994). According to Kincade and Bertram (1982, p. 123), the battle for nuclear leadership in Latin-America, 'reflects the pattern of their traditional struggle for dominance on the continent.' The military regimes in Brazil and Argentina got entangled in a run for local dominance, in which both did not want to stay behind on nuclear know-how. This stance also reflected in Brazil's refusal to sign the Non-Proliferation Treaty in 1968, to prevent the spread of nuclear weapons.

The argument that was made in Brazil, and likewise in many developing countries, was that nuclear power would become of increasing relevance to meet the country's

energy needs in the aftermath of the 1973 Oil Crisis, when nuclear energy was seen as the ‘panacea of the energy problem’ (Krugman p. 32). Brazil wanted to avoid a high dependency on foreign sources of energy, which had come to the fore after the Oil Crisis. An adviser entrusted to Geisel that, as energy was the driving force of any developing country, the best weapon of development would be a large-scale employment of nuclear energy (Geisel, p. 1400).

However, the US were out of the question for a potential nuclear partner, due to the stringent anti-proliferation measures it had adopted after India exploded a nuclear device in 1974 (Perera 1984.) The Ford-administration put severe pressure on the Brazilian government to alter its nuclear programme and ultimately sign the NPT. Despite fervid critics from the US government did not prevent the construction of the country’s first power plant, the Angra I, in 1971.

The anti-proliferation advocated by the US resulted in the refusal by the Ford-administration to supply nuclear technology to countries that had not signed the NPT (Hurrell 2013). This made the Geisel administration turn towards another industrialized country, resulting in 1975 Nuclear Agreement with West-Germany, the ‘largest transfer ever made of nuclear technology to a developing country’ (Kincade and Bertram, p. 124). The deal that was concluded between Brazil and West-Germany comprised of the construction of eight nuclear power plants by 1990 and the creation of several facilities by joint Brazilian-West German companies for the enrichment of uranium as well as plutonium reprocessing (Perera 1984; Krugman 1981; Gosling 1975).

Despite initial objections by the US government, it was not until the accession of Jimmy Carter, in January 1977, that Brazil’s foreign policy started to attain full-scale international attention. Brazil’s nuclear policy and its human rights abuses (which will be discussed in the next chapter) were two bullet points that dominantly figured on Carter’s Latin-American agenda. On assuming office, Carter started a widespread public campaign to ban nuclear proliferation. It initially started with an attempt by vice-president Walter Mondale visited the West-German president Helmut Schmidt, in an attempt to persuade him to suspend the German-Brazilian agreement, however fruitless (Nedal, 2013). Subsequent attempts to alter Geisel’s nuclear policy proved equally unproductive.

The reluctance by the West-German government to bow for US pressures seemingly increased Brazil’s bargaining position on the international stage. As Hurrell

(2009, p. 288) notes, 'the determination of the German government to honor the agreement seemed to provide clear German willingness to provide exactly the kind of alternative political support that Brazil needed to strengthen its bargaining position vis-à-vis the United States.'

The assertion of independence to decide over the course of its nuclear programme had enhanced Brazil's picture as a sovereign nation, even though the costs were high and nuclear development would be fully dependent on West-Germany. Prime-minister Silveira described the agreement with West-Germany as a '*res inter alias acta*' and therefore 'unwilling to discuss with the US specifications of the agreement of which they are no part'⁴ (Azeredo da Silveira, pp. 544-549). However, in the years predating the 1979 Strategic Arms Limitation Treaty between the US and the Soviet Union, Brazil possessing advanced nuclear technology was perceived as undesirable in both countries. This proved to be an impediment for Brazil's nuclear agenda.

Already in 1975, several safeguards were installed over the agreement, which placed any nuclear activity under auspices of the IAEA (International Atomic Energy Agency), which 'imposed severe limits to the range of research and experimentation that could be done in Brazil with materials, technology and facilities associated with the German agreement' (Nedal 2013, p. 1). Contractual commitments were to be installed, which conditioned Brazil to accept IAEA safeguards over its nuclear programme, otherwise the supply fuel for nuclear plant Angra-I would be terminated (Perera 1984). Both the US, France, The Soviet Union and the Netherlands put severe pressure on the West-German government in order to prevent the spread of uranium enrichment technology to the Third World, which had its success: in 1977 Schmidt promised to end the grand-scale fuel sales to Brazil (Gray 2012).

The embargo on the transfer of proven enrichment technology, left the 'jet nozzle' (an aerodynamic uranium technology) that separates as Brazil's only access to enriched uranium. However, this technology was only in a laboratory stage of development, with no German guarantee of success (Krugmann 1980).

Also the costs further impeded the 1975 agreements. The initial projections of the costs were projected around \$5 billion, but were by 1979 estimated around \$20 to \$30 billion, as put forward by both Hartmut Krugmann and Judith Perera in 1980. In the

⁴ This is the online accessible archive of minister of foreign affairs Azeredo da Silveira. Hereafter this archive will be referred to as (Azeredo da Silveira, name page). The link is enlisted in the bibliography.

end, only one of the projected eight reactors was ever completed. Secondly, Krugmann argued, the complete dependence on foreign technology and managerial skills are counterproductive, as the model of implementation of the agreement favored multinationals that were commissioned with selling nuclear technology (particularly Hoechst and Bayer), while the Brazilian company Nuclebras was merely burdened with the investments in infrastructure (Krugmann 1980; Vizentini 1998).

Abovementioned reasons eventually led to moderate results, compared to the scope of the initial agreement. The entire nuclear agreement was executed by a joint-venture of Nuclebras (Brazil's nuclear corporation) and KWU (Kraftwerk Union, the nuclear branch of Siemens), with little attention paid to the Brazilian scientific community. It was the armed forces that dominated the nuclear agenda. Nor was there any central organ nuclear organ (Kutchesfahani 2013). Despite the 'largest nuclear agreement ever made' yielding marginal results caused by international pressure, dependence on foreign technology and economic harness, Brazil showed its assertiveness to make its own decisions. It proved unyielding to US pressures to abandon the deal and likewise the German reluctance to do so proved that Brazil was being seen as an equal economic alternative by West-Germany.

Nevertheless, Brazil's nuclear agreement was a show-off of Geisel's determination to bargain for the best outcome and avoid automatic alliances, especially with the US. When nuclear power was perceived as the panacea to the energy problem, and the battle with Argentina for Latin-American hegemony was up and running, Brazil was one of several developing countries to aim for nuclear independence. In an era when nuclear deterrence gained momentum and the first SALT negotiations were under way, this plan proved to be too ambitious and international barriers prevented the transfer of proven enrichment technology to Brazil (Nedal 2013; Vizentini 1995). This resulted in a dependence on West-Germany on nuclear technology that later proved to be economically impractical and because of its high costs even unviable (Krugmann 1980; Vizentini 1995; Nedal 2013). However, Brazil managed to champion its right to decide its own energy agenda, whereby it successfully defied the US to sign its own agreement with another industrialized country. This was an important asset of responsible pragmatism's promise to diversify its economic partnerships, which led to a severe cool-off in US-Brazil relations.

3.4 Habitat for Humanity: Jimmy Carter and the deterioration of US-Brazil relations

The 1975 Nuclear Agreement was not the only source of discord between the US and Brazil. As aforementioned, when president Carter assumed office, the diplomatic ties between both countries suffered from a severe blow.

Already in his election campaign, Carter presented himself as an advocate for human rights and nuclear deterrence. Given Brazil's frequent human rights abuses and its ambitions to become a nuclear power, a clash was almost inevitable. In its historical context, it is not hard to think of the possible motivations for Carter's stance. In the rapidly changing world of developing countries, newborn colonies and the détente in the Cold War, the US, itself recovering from the deception in Vietnam and the scandalous Watergate-crisis, had to assert itself on other fields than just the economy and military, but also as a promotor of values and ideals. Hence human rights and nuclear deterrence entered the political discourse and started to be used as an active foreign policy tool.

Already before Carter had assumed office, the American Congress had issued the 1976 Harkin Amendment, which required the State Department to write an annual report on the condition of human right in any country received financial aid from the US. (Skidmore 1990, Losito 2013) The first report was to be expected by 1977 and described the situation in Brazil as 'partially free' and acknowledged several infringements of personal freedom but also stated that 'several improvements had been made in law enforcement activities' (Losito 2013, p. 75).

The Brazilian reaction resembled the response that was given to American pressure to cancel the nuclear agreement and also this report was seen as an intolerable interference, a *res inter alios acta*. In a telegram to the Mexican president Portillo, Geisel explained that 'Brazil could not accept interference in affairs that are considered exclusively internal' and described US policy as 'exceedingly interventionist' (Geisel, p. 1889). American interference further aroused Brazilian nationalism, as Geisel expressed his disapproval about the lack of awareness in the US about Brazil's new position in the world. This meant that Brazil had the right to protect its interests in response to acts of hostility or interference on the part of the United States.

As a result, the Brazilian government did not accept interference in exchange for military aid and decided to unilaterally denounce the U.S.-Brazilian Military Agreement, which had been in effect March 1952, followed by a refusal in advance of any military assistance for 1977. It was a symbolic gesture, as the agreements had little utility for Brazil, as Brazil could already provide 80% of its arms consumption (Vizentini 1998; Losito 2013; Hurrell 2013; Schwam-Baird 2013). This period marked the lowest point in US-Brazil relations.

In an attempt to repair the damage, First Lady Rosalyn Carter traveled to Brasilia in June 1977, in order to ‘reaffirm her husband’s commitment to the international respect of human rights but to try to keep open at the same time a dialogue with the Latin American most powerful nation’ (Losito 2013, p. 81). In a personal conversation between Rosalyn Carter and president Geisel, the two major sources of discord were raised again. As seen in the previous paragraph, nuclear energy was perceived as a necessity for the maintenance of Brazil’s security. On human rights, Geisel mentioned that ‘this problem in Brazil cannot be solved overnight. In a poor country like Brazil, the solution depends on progressive efforts. A lot has been done in this country to implant a solid economic base, with the social repercussions this produces. Plenty of efforts have been made in the housing sector, the food sector, health care and education. However, one cannot ignore the necessity to fight intrinsic difficulties that are faced by every less developed country’ (Geisel, p. 1547).

The divergence between Brazil and US pointed out some interesting aspects of responsible pragmatism. Brazil did not deny human rights altogether, but considered it to be an internal affair with respect to state sovereignty, while the US regarded human rights as an universal value (equal to how human rights are nowadays perceived as a fundamental principle of international law).

Brazil’s notion that outside interference in internal matters, even on topics like nuclear energy and human rights, was inappropriate and unacceptable was a consequence of their new international position. Any attempt to intervene was perceived as unwillingness to accept the Brazil’s new position in the world. On human rights, the US did not take any far-reaching measures against Brazil following Rosalyn Carter’s visit. Controversial topics were looked after in discretion (Vizentini 1990). This indicated that the US was willing to accept Brazil’s sovereignty on this terrain, in return for not risking to lose a potential ally.

Conclusion

This thesis has aimed to provide an answer whether Geisel's newly introduced foreign policy of responsible pragmatism has succeeded to lead Brazil away from the dependent development model by enhancing its autonomy to act independently on the world stage and if responsible pragmatism implied a fundamentally new approach to foreign policy in Brazil.

As seen in the first chapters, Geisel's responsible pragmatism was not radically different from the foreign policy of his predecessors. *Practical Equilibrium* and the *Política Externa Independente* were early versions to pursue an independent foreign policy and avert automatic alliances, in order to maximize economic benefits. Tensions with the US were already used by presidents Vargas and Kubitschek to make new economic partnerships. For Brazil, revising its foreign policy in favor of national development is in line with the country's historical tendencies. What makes responsible pragmatism a unique chapter of Brazil's political history is the historical context in which it was drafted. The early seventies had brought enormous economic growth to the country, known as the Brazilian miracle. Annual growth rates of 8% were being achieved in a period of upward industrialization. Furthermore, 'international equation' had left a power vacuum in international politics, since the hegemony of the US was declining and the Cold War was experiencing the détente. In this context, Brazil was reshaping its role in the world. Spurred by economic success, its territorial vastness and its large population, Brazilian authorities felt the country had to pick up its responsibilities and assume its role as a major player on the world stage. In the aftermath of the 1973 Oil Crisis, economic difficulties dominated the foreign policy agenda. Therefore, a new policy was needed, pragmatic in character, unbound by international obligations and aimed at calculating the best bargain. It is therefore not surprising that tensions aggravated in US-Brazil relations. The seventies can aptly be described as a definitive end of the special relationship between the US and Brazil.

The economic development in this period can still be described as Peter Evans' 'dependent development.' Geisel's Arab Turn and is a good example of how dependency on imported petrol could induce the authorities to radically alter its political agenda and break with historical tendencies to meet economic needs. However, the best example is the exploitation of the Amazon. In order to maintain

economic growth, multinationals and foreign capitalist were given carte-blanche to exploit its resources for export purposes. This took place in the Triple Alliance of multinationals, local capital and the state, all sharing the interest to subordinate the local population.

However, in other situations, Brazil managed to assert itself on the world stage and to act in relative autonomy. The diversification was set in motion with the nuclear deal with West-Germany, despite international pressure from especially the US. Albeit the deal did not bring Brazil nuclear independence, due to several safeguards that were a result from this international pressure, the principles of '*res inter alios acta*' to strictly denounce outside interference in internal matters were not abandoned.

Nuclear deterrence and human rights were the two most urgent matters in which Brazil could assert its autonomy. Despite frequent US condemnations of its human rights practices and its nuclear agenda, Brazil remained unyielding for outside interference. Responsible pragmatism rejected any automatic and diversified partnerships (not only with West-Germany and the Middle East, but also with Japan and newborn Third World countries). Economic and political ties had been expanded to all over the world, even though this often took place in a scenario in which Brazil acted in a dependent position. Also not all of its foreign policy objectives were obtained, improvements were significant. On the two most important fields of divergence, nuclear policy and human rights, it successfully defied the US as the most influential global actor. The absence of any radical political or economic from the part of the US against Brazil, showed that the country had more to win with Brazil's new role in the world than with risking to lose a potential ally. Therefore, political autonomy was enhanced, economic relations diversified, but the development that '*responsible pragmatism*' yielded, in several cases retained its dependent status.

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