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Consumer Culture Imperialism

A Thesis submitted in partial satisfaction of the  
requirements for the degree Master of Arts

in

Latin American Studies

by

Marcelo Gonçalves de Carvalho

Committee in charge:

Professor Daniel Widener, Chair  
Professor Daniel Hallin  
Professor Denise da Silva

2010



The thesis of Marcelo Gonçalves de Carvalho is approved and it is acceptable in quality and form for publication on microfilm and electronically:

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Chair

University of California, San Diego

2010

## DEDICATION

*Dedicated to my family that always supported my endeavours.*

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ABSTRACT OF THE THESIS

Consumer Culture Imperialism

by

Marcelo Gonçalves de Carvalho

Master of Arts in Latin American Studies

University of California, San Diego, 2010

Professor Daniel Widener, Chair

The thesis examines the interplay between political, military, economic, social and cultural influences in the context of the United States' control over Brazil. The main argument is that the ways used by the United States to control Brazil were, and are, a form of imperialism even though there was never any use of direct American military invasion or occupation. The role of the US during World War II, but most importantly their role in the 1964 military coup, demonstrated the American involvement in this crucial moment in Brazilian history. Then a discussion of the development of television follows, which in Brazil after 1964 meant Rede Globo, and

its connections to the new economic model implemented by the military government are examined in order to demonstrate Brazil's direct subordination to the interests of American multinational corporations. This apparatus was further extended by the establishment of American advertising agencies such as J. Walter Thompson, which allowed for the homogenization of Brazilian culture and tastes with the model of the American Way of Life in its "Brazilianized" version, as represented by the *Cultura Zona Sul* with the telenovela as its main tool. This model I called "Consumer Culture Imperialism" because it was through the creation of desires to consume in the same way as Americans initially, and Brazilian elites later, that American control was achieved. The thesis concludes that this model is still very pervasive in Brazil today, together with Globo's virtual monopoly, therefore making the research into this field now more important than ever before.

## Introduction

### *Is Consumption the Word of the Day?*

On November 25<sup>th</sup>, 2008, president Luís Ignacio “Lula” da Silva, from the Workers Party, began to urge the Brazilian population to consume in order to avoid the effects of the international financial crisis, which started in the United States and was reaching the Brazilian economy. From the pages of the newspaper *O Globo*, he said that: “The people should not be afraid to consume, buy a television or the first bra.”<sup>1</sup> Lula was directly and explicitly sponsoring consumption as the way to avoid the financial crisis. It is important to remember in this context, that most television sets sold in the Brazilian market are manufactured by multinational corporations. Moreover, Lula went on to affirm that he “will keep promoting consumption” and that “whenever I can I am going to tell the people to consume.”<sup>2</sup> It is important to remember that Lula, an ex-union leader, had been persecuted by the military dictatorship installed in Brazil in 1964 with the help of the United States, which had as its main goal the furthering of the consumer culture of the American Way of Life in Brazil, because he was seen as a communist. However, as it becomes clear from Lula’s pronouncements, his ideologies seem to have radically changed from the days of his union work. At the present moment, and for many years for that matter, the consumer culture ideology American style seems to be very pervasive among

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<sup>1</sup> O Globo On Line. November 06, 2008.  
[http://oglobo.globo.com/economia/mat/2008/11/06/quem\\_apostar\\_numa\\_queda\\_maior\\_do\\_pib\\_pode\\_quebrar\\_cara\\_diz\\_lula-586283015.asp](http://oglobo.globo.com/economia/mat/2008/11/06/quem_apostar_numa_queda_maior_do_pib_pode_quebrar_cara_diz_lula-586283015.asp) (O povo não deve ter medo de consumir, comprar uma televisão ou o primeiro sutiã.)

<sup>2</sup> Ibid.

Brazilians from all classes, most importantly the elites, but as it can be seen, even the president from the Workers Party is accepting consumption as a way of life.

Furthermore, another item which has been highlighted by the president on the news is the automobile and the need for people to buy them because if people do not buy, “the stores will not order from the industry, and the industry will not produce. Not producing, there is no job. And then the workers run the risk of staying without a job.”<sup>3</sup> It seems that the workers are the problem if they do not consume, and they are the solution out of the crisis if they do, demonstrating the importance of consumption at this moment for the maintenance of the financial/economic system in Brazil. This financial/economic system, as will be clear later in this research, was further implemented and solidified after the 1964 military coup. At the present moment, capitalism is no longer to blame, as was the case in the past for Lula and others on the left, but it is in the worker’s consumption rate where the blame and solution can be found. It is also important to highlight that the main automobile manufacturers in Brazil are General Motors and Ford, the good old American multinational corporations, which have been in financial trouble lately. In sum, the purchase of automobiles and television sets in Brazil would directly help the United States and its corporations therefore helping to maintain American imperialism.

Interestingly enough, the language being used by Lula seems to be very similar to that used by George W. Bush, ex-president of the United States, after the September

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<sup>3</sup> *Gazeta Mercantil*. November 26th, 2008.  
<http://indexet.gazetamercantil.com.br/arquivo/2008/11/26/124/Lula-apela-ao-povo-para-comprar.html>  
(o trabalhador corre o risco de perder o emprego se ele não comprar. E não comprando o comércio não encomenda para a indústria, e a indústria não produz. Não produzindo, não tem emprego. E aí os trabalhadores correrão o risco de ficar sem empregos.)

11th, 2001 terrorist attacks. Both were trying to use consumption as the main tool to avoid a very different set of problems. However, the most interesting part about the situation is that, as it is well known, these two figures could not have seemed to be further apart from each other on their political and economic leanings, Lula on the extreme left and Bush on the extreme right.

In comparison with the language used by Lula, for example, on September 20, 2001, Bush said: "I ask your continued participation and confidence in the American economy. Terrorists attacked a symbol of American prosperity. They did not touch its source."<sup>4</sup> And a few days later he affirmed that: ". . . one of the great goals of this nation's war is to restore public confidence in the airline industry. It's to tell the traveling public: Get on board. *Do your business around the country.* Fly and enjoy America's great destination spots. Get down to Disney World in Florida. *Take your families and enjoy life, the way we want it to be enjoyed.*"<sup>5</sup> These statements could be interpreted as Bush encouraging Americans to enjoy their lives, or in other words, to consume because that is the "source" of American prosperity. However, the development of a consumer culture and consumerism can be traced to a more remote past when the American Way of Life was laid out as a lifestyle full of consumption with manufactured goods looming large in importance because of the expansion of the American industrial sector and the belief in a "productive and economic expansion

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<sup>4</sup> President George W. Bush. Address to a Joint Session of Congress and the American People, United States Capitol, Washington D.C., September, 20<sup>th</sup> 2001.

<http://www.whitehouse.gov/news/releases/2001/09/20010920-8.html>

<sup>5</sup> President George W. Bush. *At O'Hare, President Says "Get On Board."* Remarks by the President to Airline Employees O'Hare International Airport, Chicago, Illinois, September 27<sup>th</sup>, 2001. (Italics Mine) [http://www.thewashingtonnote.com/archives/2004/10/george\\_bush\\_to/](http://www.thewashingtonnote.com/archives/2004/10/george_bush_to/)

without limits.”<sup>6</sup> This was pointed out, especially by the media, as the main difference in the standard of living of the populations of the US and the USSR.<sup>7</sup> Now with the USSR out of the scene, and therefore no other political/economic possibility in sight, it seems that the consumer culture ideology has permeated Brazil to its core. How could Lula and Bush be using such similar language in the 21st century? How was such development possible? This research sets out to answer these questions by taking a historical approach on the development of a consumer culture ideology American style in Brazil through the 1964 military coup and government, the formation of the Globo television station, the arrival of American advertising companies and most importantly, the connection of each one of them to multinational corporations (MNCs), which were mostly American, but also their connections among each other.

As it can be seen, the topic of consumerism becomes a very important area of research at the moment when the ex- president of the US, George W. Bush was urging people to consume in 2001 in order to fight the “war on terror” and the Brazilian president Luís Ignácio “Lula” da Silva in 2008 was urging Brazilians to consume in order for Brazil to stop the spread of the American financial/economic crisis into the Brazilian economy. For such a reason, the ideology of consumerism becomes

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<sup>6</sup> The American way of life is an expression that refers to the "life style" of people living in the United States of America. It is an example of a behavioral modality, developed from the 17th century until today. It refers to a nationalist ethos that purports to adhere to principles of "life, liberty and the pursuit of happiness." It has some connection to the concept of American exceptionalism and the American Dream. During the time of the Cold War, the expression was commonly used by the media to highlight the differences in living standards of the populations of the United States and the Soviet Union. At that time, American popular culture broadly embraced the idea that anyone, regardless of the circumstances of his or her birth, could significantly increase his or her standard of living through determination, hard work, and natural ability. In the employment sector, this concept was expressed in the belief that a competitive market would foster individual talent and a renewed interest in entrepreneurship. Politically, it took the form of a belief in the superiority of a free democracy, founded on a productive and economic expansion without limits. [http://en.wikipedia.org/wiki/American\\_way](http://en.wikipedia.org/wiki/American_way)

<sup>7</sup> Ibid.

fundamental to understanding US imperialism because it is this idea that is encapsulated in the concept of the American Way of Life, which the US proposes to be the driving force and model for other nations in the world to follow. In other words, this was an imperialist approach which created an ideology where the image of America “as the proposed blueprint for all others”<sup>8</sup> becomes the only possibility.

Even though, for many years authors have discussed the topic of consumerism, in the present moment the topic seems more relevant than ever because of the downward swing in which the United States’ economy has now plunged and the clear reduction in consumption within the American market.<sup>9</sup> With this shift, people are now looking into saving and not simply buying everything they can, as they had done in the past, but especially as was asked of them to do after the September 11<sup>th</sup> attacks by George W. Bush.<sup>10</sup> It is interesting to see how Bush asked Americans to consume in order to win the war on terror and Lula asked the Brazilians to consume in order to win the fight against the financial crises. It seems that, in the world of American imperialism, consumerism is the solution for every problem that may appear on the path to global conquest. Most importantly, this situation also demonstrates that the efforts carried on to create and expand the Brazilian consumer market for the products of multinational corporations in the 1960s were successful and are still present to this day.

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<sup>8</sup> Bernd Hamm. “Cultural Imperialism: The Political Economy of Cultural Domination.” In *Cultural Imperialism: Essays on the Political Economy of Cultural Domination*. Edited by Bernd Hamm and Russell Smandych. Ontario: Broadview Press, 2005. p.26.

<sup>9</sup> KPBS Radio. *PRI's - The World*. “Why America Spends.” November 13, 2008.

<http://www.theworld.org/?q=node/22539>

<sup>10</sup> Ibid.



*United States' Consumer Culture Imperialism*

The topic of United States (US) imperialism is a very delicate one. Many Americans do not like to accept or hear that the US is an imperialist nation. But as stated in *The Talons of the Eagle* by Peter Smith: “The first phase of US imperialistic policy involved territorial acquisition and absorption” and “the acquisition of Louisiana marked US entrance into the imperial contest.”<sup>11</sup> For such a reason, recent events, including the invasion of Iraq, made the issue of US behavior in underdeveloped, or “developing” nations even more important than before. However, it is also important to highlight that imperialism does not necessarily mean military invasion and territorial occupation. It could, and does, take many different forms that are much more subtle and much more efficient. The definition of imperialism used here is that of Hugh Seton-Watson in his book, *The New Imperialism*, where “the irreducible and central meaning of the word is the domination of one nation by *people of another*.”<sup>12</sup>

This new form of US imperialism could be seen as beginning around 1941, when Henry Luce in a *Life* editorial called Americans “to accept wholeheartedly our duty and our opportunity as the most powerful and vital nation in the world and in consequence to exert upon the world the full impact of our influence, for such purposes as we see fit and by such means as *we see fit*.” He then followed this arrogant statement with the idea that “it now becomes our time to be the powerhouse from

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<sup>11</sup> Peter Smith. *The Talons of the Eagle-Dynamics of U.S. – Latin American Relations*. New York: Oxford University Press, 2000. p.18.

<sup>12</sup> Hugh Seton-Watson. *The New Imperialism*. London: Bodley Head, 1971. p.09. (Italics mine)

which the ideals spread throughout the world...”<sup>13</sup> Looking into such a statement one is left wondering, what exactly was Henry Luce advocating? This thesis will try to answer this question. By focusing on the 1964 Brazilian military coup and the development of Rede Globo, a television station in Brazil, which was created and consolidated with the coup and helped maintain the military regime in order to spread American consumerist ideology, I argue that this was the perfect combination for the new American Imperialist project: Consumer Culture Imperialism.

This seems to be exactly what Henry Luce was proposing, the spread and expansion of the American Way of Life throughout the world, in other words, the lifestyle of consumerism which could be seen as a new form of US imperialism, beginning around 1941. This was in line with the expansion of multinational corporations and American advertising companies which would be the clearest way “to exert upon the world the full impact of our influence, for such purposes as we see fit and by such means as we see fit” and also “to be the powerhouse from which the ideals spread throughout the world...”<sup>14</sup> As it will be clear after the discussion below, Brazilian television was the model case for such expansion based on its dependency<sup>15</sup> on the United States in many different areas. It is also important to note that, Rede Globo was funded by the Time-Life group owned by Henry Luce.

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<sup>13</sup> *Life Magazine*, February 07, 1941. “The American Century.” (Italics mine)

<sup>14</sup> Ibid.

<sup>15</sup> “Dependency theory,” according to Fernando Henrique Cardoso one of the main theorists in the field and also ex-president of Brazil, “was what people called imperialism when they did not want to lose their Ford Foundation grants.” In, Ronaldo Munk. *Contemporary Latin America*. New York: Palgrave Macmillian, 2008. p.67.

The main point of this research is to demonstrate that the ruling elites in Brazil became directly dependent economically, psychologically and ideologically on the US in the same way that they were dependent on England and France in the turn of the 19th century because these nations were seen as synonyms of Civilization and Modernity.<sup>16</sup> It is this dependency and emulation which in turn became the main force behind US imperialism in Brazil. By controlling the people in power, US imperialism could also control the population through their desires to consume in the same way as Americans, because to do so is considered to be modern. In this ideology, modern is equated with American and part of being American is to consume American products at the level of consumption that Americans do themselves.

Having this in mind, in the first chapter I propose to examine the role of US imperialism in Brazil during the overthrow of a democratically elected president, João Goulart, in 1964 and how this event was related to the Cold War and the Cuban Revolution in order to maintain US control over the Brazilian economy and foreign policies. This would maintain control of the Brazilian market and natural resources for the United States' corporations. But most important is how the economic policies implemented by the Goulart government which had the intention to curtail American corporate profits and control over the Brazilian economy, among others, led to the coup. In chapter two, the focus will be on the role played by Rede Globo, in the "populist phase" of television development (1964-1975)<sup>17</sup> which coincided with the

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<sup>16</sup> Jeffrey D. Needell. *A Tropical Belle Epoque*. New York: Cambridge University Press, 1987. p.28.

<sup>17</sup> José Marques de Melo (ed.). *Communication for a new world: Brazilian perspectives*: papers presented by ECA-USP and other Brazilian institutions to the XVIII IAMCR Scientific Conference, Guarujá, São Paulo, 1992. p.230.

beginning of the military regime. This chapter will explore first and foremost, how and why Rede Globo was formed; second, how and why the United States benefited from the creation of Rede Globo; third, who financed and technically assisted the formation of Rede Globo and why; fourth, what was the impact of Rede Globo on the United States imperialist project in this period? The topic of consumerism and consumer culture will be addressed in chapter three, and is going to be carried out within the context of the development of Brazilian television, mainly Rede Globo because of its virtual monopoly, and its connections with the major American advertising agencies and their main clients, multinational corporations,<sup>18</sup> but also in relation to the overall expansion of US imperialism and the new forms of imperialist control. I will argue that, television, which in Brazil at this time meant Rede Globo, which was a commercial television, played a pivotal role in the Brazilian economic development after the 1964 military coup because it was directly connected, and subservient, to the American advertising agencies and multinational corporations. At the same time, this could also be seen as following Veblen's theories regarding conspicuous consumption and emulation which is a pattern that was present in Brazil since the colonial period. Most importantly, this pattern which was present at the end of the nineteenth century in the city of Rio de Janeiro,<sup>19</sup> could be clearly noted in the 1960s and is still present today.

The central goal of this thesis is to demonstrate that the economic model applied by the military after the coup was in the United States' and its corporations'

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<sup>18</sup> The terms Multinational and Transnational corporations are used here interchangeably since they describe the same institutions.

<sup>19</sup> Needell.

best interest but not in the best interest of the Brazilian population, with the exception of the elite which was directly connected to the United States, the MNCs and their interests. The elite, because it was able to participate in the consumption, benefited from such model and for this reason helped with its implementation and was therefore controlled by the United States and its corporations. For such reasons, the argument fits in the definition of imperialism given in the opening paragraph, where “the irreducible and central meaning of the word is the domination of one nation by people of another.”<sup>20</sup> Was this imperialism through consumerism?

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<sup>20</sup> Seton-Watson. p.09.

*A Caçada for Imperialist Control*

A Brazilian pictorial pamphlet called *A Caçada* (The Hunt)<sup>21</sup> published in São Paulo in 1977 (housed in the rare section of the UCSD library), is going to be used to illustrate the Brazilian situation at the time but also as the starting point for the discussion of what I will call United States imperialism through television and consumerism in Brazil (Consumer Culture Imperialism). The Hunt depicts some crucial elements which form the apparatus of Imperialism in Brazil. In the first pictorial, which was separated for formatting reasons and appears in Figure 1.1 and 1.2, entitled *As Armas* (The Guns) a television set and the Rede Globo symbol<sup>22</sup> are depicted as an indication of their role in this hunt. These two symbols are important because they were the main tools used by the US in its turn for imperialist control of Brazil after the coup. However, it is also important to note that a tank and a machine gun, which were most likely imported from the US because of the military agreements, were also present illustrating the initial apparatus used to begin the military regime in Brazil.

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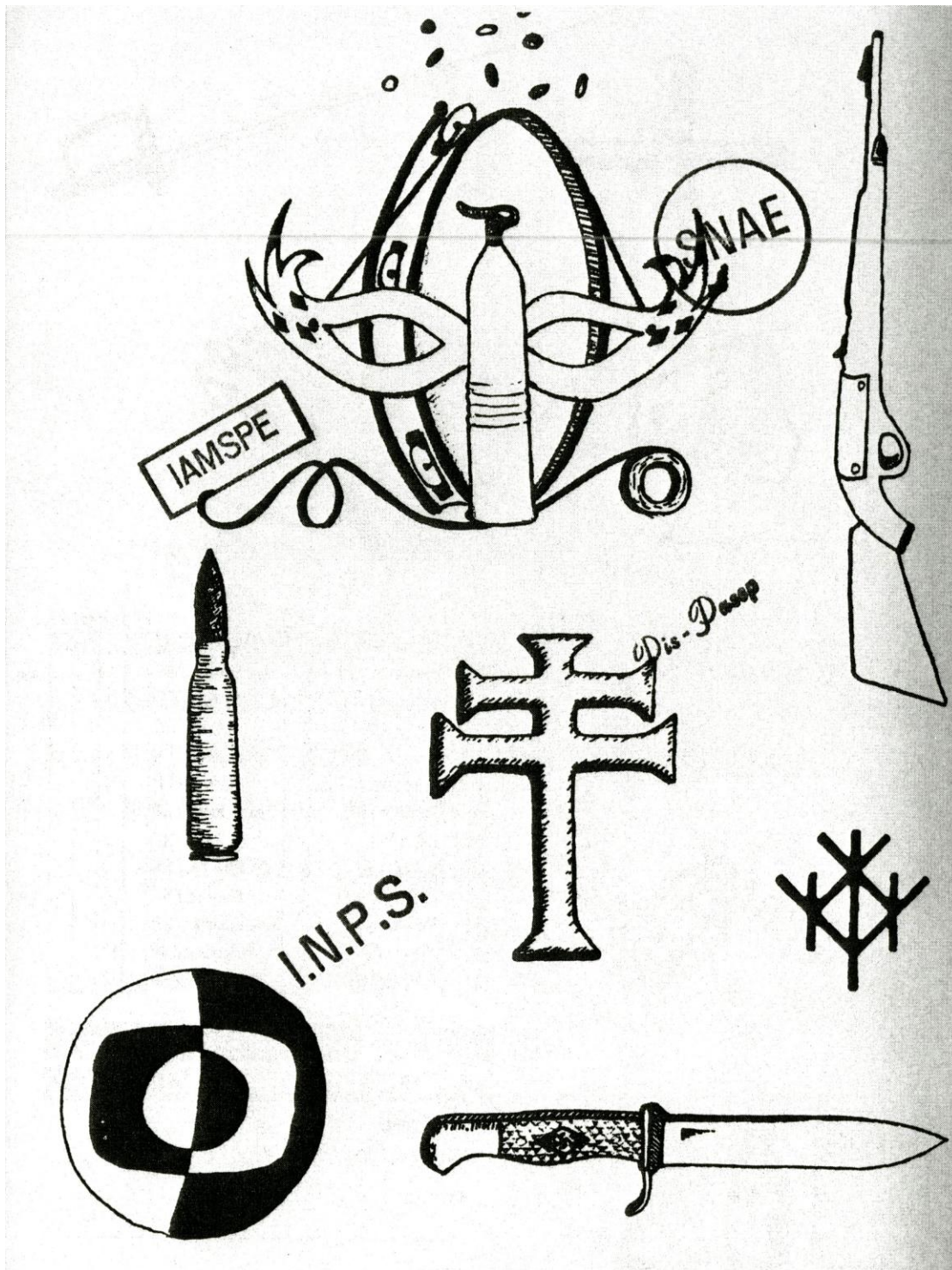
<sup>21</sup> Silvio A. Spada. *A Caçada*. 1977. Marília: D.A. XV de Março / FEFCSO de Marília, 1977. The hunt in this pictorial is clearly an allusion for the development project implemented in Brazil of which United States imperialism was the main contributor together with the military and the bourgeoisie.

<sup>22</sup> The Rede Globo symbol appears in Figure 1.2 at the left bottom corner (the Globe looking eye).



**Figure 1.1:** *As Armas (The Guns)*. Silvio A. Spada. *A Caçada*. 1977. Marília: D.A. XV de Março / FEFCSD de Marília, 1977.





**Figure 1.2:** *As Armas (The Guns)*. Silvio A. Spada. *A Caçada*. 1977. Marília: D.A. XV de Março / FEFCSD de Marília, 1977.

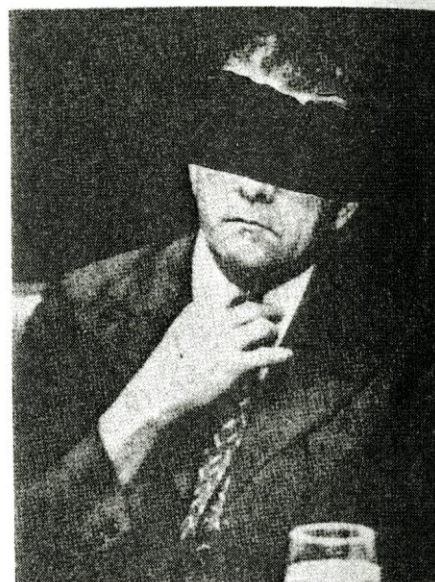


In the next segment, entitled *Os Caçadores* (The Hunters), depicted in Figure 1.3 and 1.4, which were also separated for formatting reasons, the United States appears as the main hunter, in the form of Uncle Sam, and is surrounded by the Brazilian bourgeoisie and military officers who would be of crucial importance for the success of this hunt. The elite uses the clear markers of the emulation process by dressing in suit and tie the quintessential European garment.<sup>23</sup> This is important because it relates to previous phases of elite emulation which took place in the *Rua do Ouvidor*, the main street in Rio de Janeiro, a place where the elite would meet every afternoon to pursue conspicuous consumption and show off their new European clothes.<sup>24</sup> This same pattern would be seen after the implementation of Rede Globo throughout the country, but now instead of going to the *Rua do Ouvidor*, the elite parade would take place in every household which had a television. In other words, in a way, people would not go to the *Rua do Ouvidor* anymore, but the *Rua do Ouvidor* would now “go” to people’s homes. One no longer needed to go out of their houses to see what the fashion of the day was, or what was modern and should be emulated, because that was delivered to their homes via Rede Globo. Europe was the model to be followed before the Second World War and the US after. In other words, before the Second World War to be modern was to consume and look like the English and French but after the War one wanted to consume and look American because the US became the symbol of modernity to be emulated.

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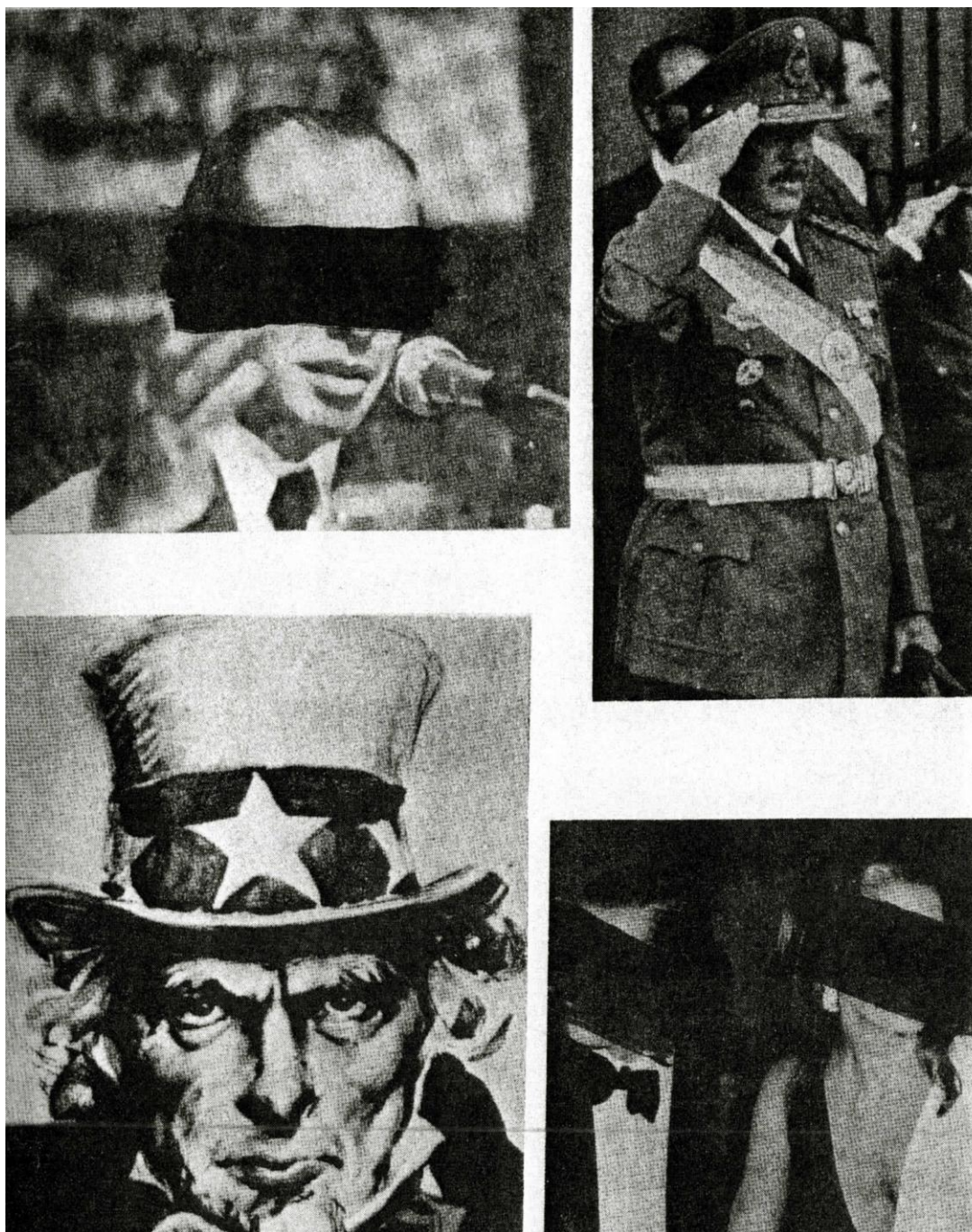
<sup>23</sup> Ken McCormick. *Veblen in Plain English – A Complete Introduction to Thorstein Veblen’s Economic*. New York: Cambria Press, 2006. p.110

<sup>24</sup> Needell. p.161.



**Figure 1.3:** *Os Caçadores (The Hunters)*. Silvio A. Spada. *A Caçada*. 1977. Marília: D.A. XV de Março / FEFCSD de Marília, 1977.





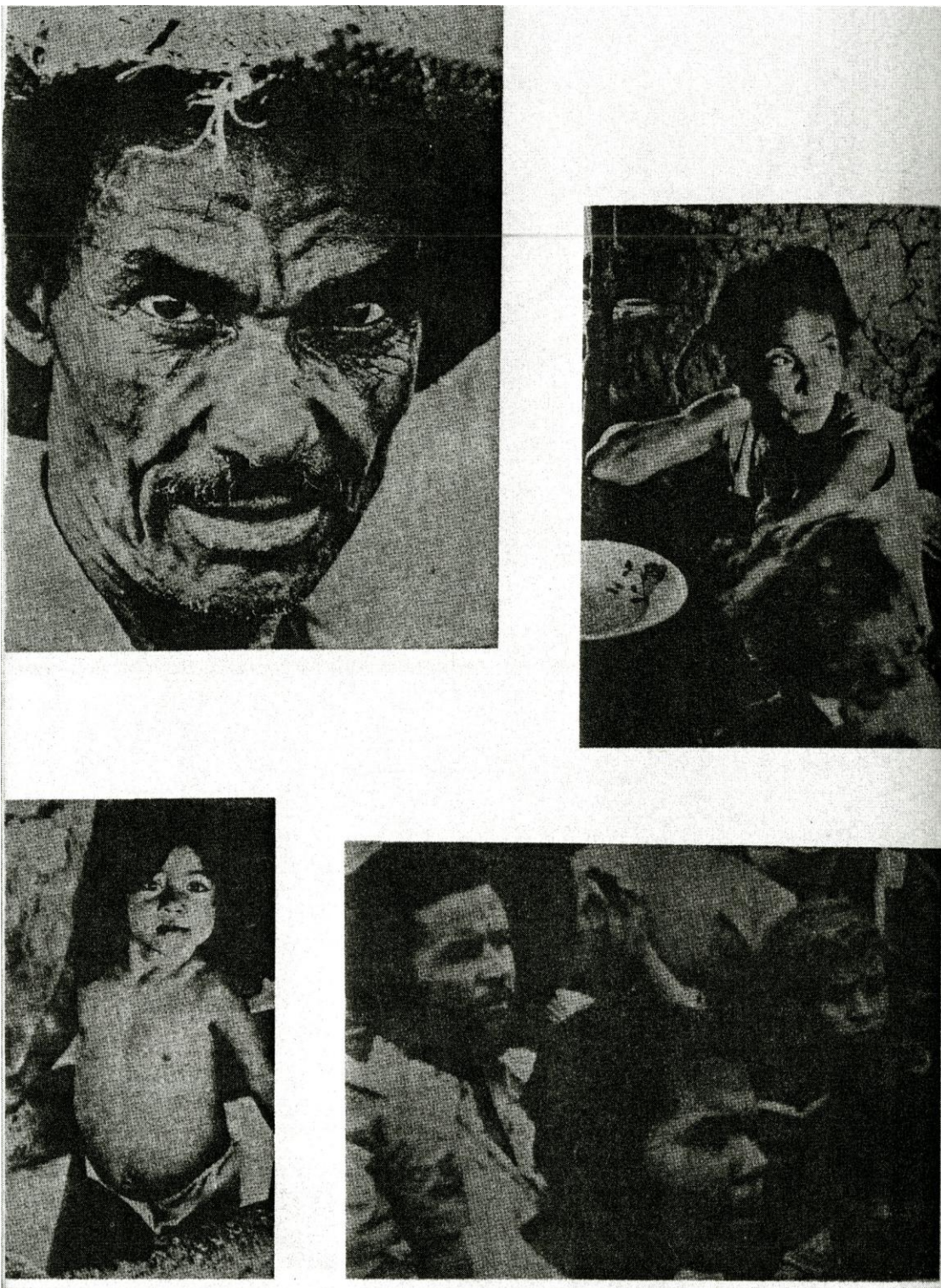
**Figure 1.4:** *Os Caçadores (The Hunters)*. Silvio A. Spada. *A Caçada*. 1977. Marília: D.A. XV de Março / FEFCSD de Marília, 1977.

The last segment, *A Caça* (The Prey), shown in Figure 1.5, is a depiction of the lower class Brazilians, or the rural peasant, the poor urban dweller and people of color. These were the ones who were excluded from the consumption which was the main driving force of the Brazilian government in the period discussed and for such reason they could be nothing other than the hunted. If they were not physically eliminated they could be controlled by being imposed a way of life full of dreams and products to be wanted in a distant future through the new genre that was diffused by Globo, the *telenovela*. The pictorial is crucial for the development of this research because with the use of limited words it paints a clear picture of the Brazilian situation in 1977, two years after the “populist phase” of television development (1964-1975) ended,<sup>25</sup> which is the main period discussed in this thesis. This pamphlet clearly demonstrates the awareness of Brazilians of the role played by the United States in the period. The question that arises is: how is the hunt going to be carried out? I propose that through television and advertising, based on the supremacy and monopoly of Rede Globo, the hunt was pursued first and foremost through the fostering of consumerism, but not of just any kind, a consumerism of American tastes, lifestyle, ideology and consumer goods which would benefit US imperialism because it led to the control of the Brazilian economy by the American government and corporations.

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<sup>25</sup> de Melo. p.230.





**Figure 1.5:** *A Caça* (The Prey). Silvio A. Spada. *A Caçada*. 1977. Marília: D.A. XV de Março / FEFCSO de Marília, 1977.

The most important point of the thesis is to demonstrate, through each of the individual chapters, that the common thread which holds them together is the United States' direct participation, interference and control, through various methods in each stage, on the development of the political, cultural and economic affairs of Brazil. The Brazilian military coup was the first instance, and could be argued the most important one until it allowed for the consolidation of Globo and multinational advertising agencies, of the United States' direct involvement in Brazilian internal affairs at this period. The coup was used to lay out the foundation for the cultural, political and economic involvement and control that would be present for years to come. Last, but not least, the discussion that follows is of crucial importance because to this day many Brazilians and Americans do not accept that the United States was involved in the 1964 military coup and by maintaining this denial they try to excuse US imperialism for the problems that afflict Brazil to the present moment. Therefore, in order to better understand this process, we now turn to the coup and the role of the US in order to understand how the US imperialist project to maintain Brazil on the consumerist path American style began to be carried out.

## I. The Reasons Behind the 1964 Coup

On April 1<sup>st</sup>, 1964, the Brazilian military staged a coup against democratically elected president João Goulart. The main reason given for the coup was that Goulart was a Communist. Even though Goulart was not a Communist and the official reasons given for the coup are important, the participation of the United States in the success of the coup and the true reasons behind the coup and US participation are of greater importance for this research in order to lay the foundation for a better understanding of the United States imperialist control of Brazil in the years that followed. On April 10<sup>th</sup>, 1964, nine days after the triumph of the coup *Time Magazine* carried a piece in which it stated that:

For the first time in more weeks than anybody cared to count, the critics of U.S. foreign policy last week were able to stop wringing their hands long enough to applaud. The reason: Brazil. After a two-and-a-half-year tailspin toward chaos and Communism under the erratic rule of leftist President João ("Jango") Goulart, the armed forces of Latin America's biggest country finally lost patience and sent him packing. Despite the fact that this was a military coup against a constitutional regime, State Department officials made no attempt to conceal their pleasure over Jango's fall. The moment Brazil's Congress gave the new regime a legal base by naming Goulart's next-in-line to succeed him, President Lyndon Johnson extended his "warmest wishes" and hinted at quick recognition. All this was in line with the policy laid down by Assistant Secretary of State for Inter-American Affairs Thomas C. Mann (TIME cover, Jan. 31) that the U.S. will deal with such situations as occurred in Brazil on their merits, not according to a rigid doctrine that condemns all coups as evil.<sup>26</sup>

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<sup>26</sup> *Time Magazine*. April 10<sup>th</sup>, 1964. Foreign Relations: "Three Cheers". <http://www.time.com/time/magazine/article/0,9171,875713,00.html>

As it can be seen, the United States was pleased with the outcome of the coup and was ready to help the new regime. Critics of US foreign policy seemed to be applauding the removal of a constitutional regime for a military dictatorship. Why were *Time Magazine*, US foreign policy critics, State Department officials and the US president pleased with this un-democratic change of government? In this chapter, the role played by United States imperialism in the 1964 military coup, the reasons for its involvement and why the US was so pleased with this change are going to be pursued in depth through a chronological and historical examination of the many stages in which it took place before the coup could be a successful reality. The connections between the United States and the Brazilian military go back all the way to the preparations for World War II (WWII), but were truly forged during and after the war was over. After these connections had been laid down during the war and with the commencing of the Cold War, the Brazilian military was rightly prepared and positioned to help US imperialism in case there was a “need”. During the Cold War period and especially after the Cuban Revolution in 1959 the United States had to make sure, as stated by US Colonel Vernon Walters, attaché to Brazil and best friend of to be president Marshall Castelo Branco from the time of the war, that Brazil would not “become Communist and another Cuba.”<sup>27</sup>

However, in the period that preceded the coup there were also other methods used by the United States such as the sponsoring of organizations like the *Instituto de Pesquisas and Estudos Sociais* (IPES) and the *Istituto Brasileiro de Ação Democrática* (IBAD) through the CIA and multinational corporations in order to

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<sup>27</sup> Vernon Walters. *Silent Missions*. Doubleday & Company, Inc.: New York, 1978. p.382.



directly control Brazil. Nevertheless, it was the US preparation and help to the Brazilian military at the final moment of the coup which sealed the direct involvement of United States imperialism in the coup. The facts behind the American involvement are pursued here, most importantly because such involvement is still being questioned by Brazilians and Americans alike, as stated earlier, heightening the importance of this research even further. The United States through a US Navy task force, the facilitation for the acquisition of armaments and ammunition, direct financing of rebelling states and direct propaganda against the Brazilian federal government through many different channels directly paved the way for the success of the military coup and the economic benefits which would be gained by US multinational corporations. As it will soon be seen, it was US financial, military and technical support which would guarantee the maintenance of the *status quo* for US imperialism in Brazil while at the same time destroying any aspirations for the masses in Brazil to have a more equal distribution. In order to better understand how this process began, we now turn to World War II and the beginning of the US imperialist approach in Brazil.

*World War II: The Beginning of the Imperialist Approach*

The connections between the US military and government and the Brazilian military took a very important turn with the explosion of the WWII. This was the case because the United States at that moment needed to bring as many nations as possible to the Allied side and Brazil was a strategic one because of its close relations with Germany, its large size, its natural resources but most importantly its proximity to the North African coast where part of the war was been fought. In this period, the US began to more clearly show its imperialist tendencies in Brazil. The connection between the United States and Brazilian military has its start in the beginning of the 1940s. At this time, on July 24, 1941 in the “midst of doubts and suspicion on both parts, General Dutra, Minister of War in Brazil, and Miller, Chief of the American Military Mission signed an agreement for the creation of a Brazilian-American Joint Group of Staff Officers.”<sup>28</sup> In this agreement Washington obtained from Brazil the promise that it would give an authorization for the use of air and naval bases for *other American nations*, more specifically by the United States, which would help, with equipment and strategically in the building of it.<sup>29</sup> The term of agreement was a result of pressures and maneuvers by the US government in order to take the concession of the bases from Vargas, the president of Brazil at the time.<sup>30</sup>

Nevertheless, the US was not satisfied with only getting the bases. After they signed the agreement, the US began to emphasize the need to “prepare” the Brazilian

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<sup>28</sup> Moniz Bandeira. *Presença dos Estados Unidos no Brasil. (Dois Séculos de História)* Rio de Janeiro: Editora Civilização Brasileira, 1973. p.280.

<sup>29</sup> Ibid.

<sup>30</sup> Ibid. p.281.

officials, including psychological preparation “in order to pave the way for the arrival of the American personnel.”<sup>31</sup> Miller recommended the repression of the subversives pro-Axis and an eventual house cleaning, with the removal of military and other personnel in the Vargas government, which did not deserve the trust of the United States, and their substitution for elements sympathetic to the United States (*americanófilo*).<sup>32</sup> Here, the United States after getting the agreement they wanted, began to put pressure in order to change the internal arrangements of the Brazilian military and civilian government. It was such an imperialist approach that infuriated many within the Brazilian establishment. For such reason, when the Brazilian General Góis Monteiro “did not consent with an aerial mapping of the Northeastern part of Brazil by the Americans” the later began to complain.<sup>33</sup> Such incident demonstrated the imperialist attitude that the US had at that moment in which it felt that all its requirements should be accepted by the Brazilians without question. The same pattern would be present later with the USSR and communism replacing the Germans as a threat during the Cold War.

However, by far the most important aspect of cooperation (or cooptation) was the Brazilian Expeditionary Force (FEB), which Americans equipped, trained, and fought beside in Italy. Brazilian officers had been going to the United States, especially Fort Leavenworth, for training since 1938, and their numbers swelled by

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<sup>31</sup> Ibid.

<sup>32</sup> Ibid. Interesting enough the word the author used to describe someone that admires the United States, its people and culture (*americanófilo*) could not be founded in the American dictionary even though such word exists for someone with the same feelings towards France (Francophile) and Britain (Anglophile).

<sup>33</sup> Ibid. p.281.

1943-44 to fill the needs of the Force. The FEB raised the self-confidence of the military and its sense of a role in the national destiny. Organization and tactics, as well as weaponry were integrated with those of the United States. Many FEB officers formed personal bonds with US officers, some of which lasted for years.<sup>34</sup> Castelo Branco, who would become the president of Brazil after the 1964 coup, was tent-mate and close friends of Vernon Walters, the best of the few US Portuguese speaking officers, subsequently military attaché in Rio. Castelo Branco and others came to esteem the American system and to oppose the totalitarianism that they perceived as its opposite. Even before they left Italy in 1945, the commander, Gen. João Machado, observed divergences with the Communists and foresaw a new war.<sup>35</sup> Upon returning to Brazil, the FEB leaders, with the help of the US, forced Vargas from office. The participation in the FEB would also be “the clearest distinguishing mark of the anti-Goulart generals in 1964.”<sup>36</sup> Here we have the beginning of a close relationship between the US and Brazilian military which was used as a tool for US control for the removal of Vargas and it would be the solid base in which US interests would be protected from that moment on, all the way to the end of military rule in the 1980s.

Most importantly, the US was also involved in the creation of the *Escola Superior de Guerra* (ESG), Higher War College, established in August 1949 in Rio de Janeiro,<sup>37</sup> modeled on the National War College in Washington.<sup>38</sup> This was a

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<sup>34</sup> Alfred Stepan. *The Military in Politics: Changing Patterns in Brazil*. Princeton: Princeton University Press, 1971. p.128.

<sup>35</sup> José Alfredo Amaral Gurgel. *Segurança e democracia: uma reflexão política*. Rio de Janeiro: Livraria José Olympio, 1975. p.35.

<sup>36</sup> Stepan. p.131.

<sup>37</sup> Boris Fausto. *História Concisa do Brasil*. Brasil: EDUSP, 2001. p.249.

remarkable institution important for the formation of higher officers before 1964 and subsequently for ideological direction of the military government. It was an outgrowth of wartime cooperation.<sup>39</sup> This institution and the formation of officials, followed the same pattern of the 19<sup>th</sup> century, when people like Pereira Passos, which was appointed in 1874, engineer to the Ministry of the Empire had “graduated from a school (*Escola Militar*) modeled on one of France’s *grandes écoles* (probably the *Ecole Militaire*), where he probably studied from French texts.”<sup>40</sup> In the 1950s, the programs and courses were patterned after those of the National War College in Washington with the aid of several American advisors and instructors, some of whom remained for many years – although, according to the founder of the school, Gen. Cordeiro de Farias, US instructors never interfered politically.<sup>41</sup> Nevertheless, as affirmed by Gerald K. Haines, “In counseling the Brazilian military to become increasingly involved in all stages of society, American advisers implicitly encouraged, much like their earlier European counterparts, deeper involvement of the Brazilian military in domestic politics, and thus promoted military “managerial activism”.<sup>42</sup>

Although the influence of ESG doctrine was not pervasive within the military in the early 1950s, it had a profound effect on later military governments as it became increasingly anti-communist and committed to rapid economic development. In

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<sup>38</sup> William Blum. *Killing Hope – U.S. Military Interventions Since World War II*. Maine: Common Courage Press, 1995. p.167.

<sup>39</sup> Robert Wesson. *The United States and Brazil: Limits of Influence*. New York: Praeger, 1981. p.42.

<sup>40</sup> Needell. p.28-31.

<sup>41</sup> *O Estado de São Paulo*, July 1 1979. p.12.

<sup>42</sup> Gerald K. Haines. *The Americanization of Brazil – A Study of Cold War Diplomacy in the Third World, 1945-1954*. Delaware: SR Books, 1989. p.47. Also see, Needell. *Belle Epoque*; Wesson. *The United States and Brazil*. p. 42; Blum. *Killing Hope*.

Castelo Branco's government in the 1960s, for example, 80 percent of the core group of policy makers had attended either the college or United States military schools.<sup>43</sup> According to René Armand Dreifuss, “the American officers together with the Brazilian staff propagated the idea of an Americo-Brazilian collaboration against communism” and after WWII “the position of the American officers in Brazil was further enhanced by the transfer of heavy military equipment.”<sup>44</sup> Such equipment was clearly depicted in *A Caçada* as some of the guns being used on the hunt. However, the belief shared by most US officials, but also by Brazilians, that the US military training of Brazilian officers' inculcated apolitical professional values among the officer corps seems insupportable.<sup>45</sup> Washington insisted that such training exposed the Brazilian officers to “democracy at work” and the “bureaucratic ethos”, but more often it “exposed them to the power and opulence of the United States military without stressing its submission to civilian authority.”<sup>46</sup> Within such context and assumptions the 1964 military coup could be seen as a normal occurrence.

Furthermore, another vehicle for military collaboration, developed at the same time as the ESG was the PAM, the *Programa de Assistência Militar* (Military Assistance Program). The main goal of the PAM was to maintain a close connection between the American and Brazilian military. The PAM was described by Ambassador Lincoln Gordon as “a vehicle of major importance to establish a close

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<sup>43</sup> Ibid.

<sup>44</sup> René Armand Dreifuss. *1964: A Conquista do Estado – Ação, Poder e Gope de Classe*. Petrópolis: Editora Vozes, 1987. p.78.

<sup>45</sup> Haines. p.47. The US advisory mission remained until 1960, and in 1970 the United States was still the only country with a liaison officer with faculty status at the War College. Also see, Stepan. *Military in Politics*, p.129; Dreifuss. *1964: A Conquista do Estado*, p.79

<sup>46</sup> Ibid.

relationship with the members of the Armed Forces and a highly important factor to influence the Brazilian military to favor the US.”<sup>47</sup> In order to maintain the pro-US position of the Brazilian officer corps, the Ambassador stated that the supply of equipment should be used to “augment the influence of our friends in the military in the way to configure the regime, at the same time that it would eliminate the connection with any other country.”<sup>48</sup> In other words, Brazilian officers would be bribed with military equipment in order to follow US ideology. Moreover, General George Robinson Mather, Commander of the American delegation in the Mixed Brazilian-American Military Commission and chief of the Program of Mutual Assistance, explained in a speech at the ESG in the beginning of 1964, that the main threat Brazil was exposed to was “the communist subversion and indirect aggression, rather than direct aggression coming from outside of the Hemisphere.”<sup>49</sup> For such reason, to the General, the PAM had as its primordial objective to “assure the existence of sufficient native military and paramilitary forces to combat communist subversion, espionage, insubordination and other threats to the internal security, without making necessary a direct military intervention of the US and other forces of the free world.”<sup>50</sup> If we consider the intense political mobilization, that was taking place in the first months of 1964, which will be analyzed later, the speech by General Mather insinuated a lot of intentions by the US.

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<sup>47</sup> Dreifuss. p.80.

<sup>48</sup> Ibid.

<sup>49</sup> Ibid. p.81.

<sup>50</sup> Ibid.

However, the intention of the US to control Brazilian affairs through the military had in the *Lei de Assistência e Defesa Mútua* (Mutual Defense and Assistance Act) of 1949 and the *Lei de Segurança Mútua* (Mutual Security Act) of 1951, which were developed by the US but would be implemented and paid by the Rio de Janeiro Government, another forceful instrument.<sup>51</sup> These were American laws that were simply applied in Brazil without ever being voted by Congress for approval and were part of the Program of Mutual Assistance which had General Mather as its chief. For such reason, Judge Osny Duarte Pereira stated that: “This is the first time in World History that without having engaged in a war, nor suffered a military defeat, a nation capitulated and abdicated of its sovereignty, accepting in its own territory, the validity of laws of another country, discussed and to be discussed, voted and to be voted only by a body of which it does not participate.”<sup>52</sup> As it can be seen, the laws were to benefit the US control and were another infringement of Brazilian sovereignty, but this was a matter that would be less relevant with the Cold War and the new needs, or wants, of the American government.

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<sup>51</sup> Bandeira. *Presença dos Estados Unidos no Brasil*, 1973. p.334.

<sup>52</sup> *Ibid.*



*The Cold War and The Brazilian Situation*

*Immediate Reason for the Coup: The Independent Foreign Policy*

From the moment Jânio Quadros took office in 1960 as president of Brazil relations between the US and Brazil began to take a rather unfriendly turn. That was so because Quadros unlike his predecessors had “spurned the Americans.” For such reason “Brazilian-American relations became openly confrontational, and the United States began to intervene covertly in Brazilian affairs, to the point of aiding groups conspiring against the government. This ultimately led to the military coup of April 1<sup>st</sup>, 1964, and the establishment of a military dictatorship.”<sup>53</sup> The main reason for the change in relations was because Quadros wanted to put forth an independent foreign policy and the “use of the word *independent* meant a new relationship with the United States, one that acknowledged some divergence in interest, but it was not meant to imply that Brazil was becoming pro-Soviet or even neutralist.”<sup>54</sup> This policy was “actually “pro-South,” for it advocated a radical reordering of North-South or developed-underdeveloped relations. [However], such nuances meant little; the Kennedy administration considered a dangerous precedent.”<sup>55</sup> As it can be seen, from the outset Quadros was trying to remove itself from the *Talons of the Eagle* in order to benefit not only Brazil but all of the underdeveloped nations on the South beginning with the Cuban situation. However, as many other imperialists before, the United States could not accept that one of its subordinate dependencies (i.e. colonies) would

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<sup>53</sup> W. Michael Weis. *Cold Warriors & Coups D’etat – Brazilian American Relations, 1945-1964*. Albuquerque: University of New Mexico, 1993. p.141.

<sup>54</sup> Ibid. p.143.

<sup>55</sup> Ibid.

take an independent approach. That was not what dependencies were supposed to do; they were supposed to be dependent therefore they were called dependencies.

For such reason, the imperialist US could never accept such precedent, especially after the 1959 Cuban revolution. Therefore, the US through its corporations and government personnel in Brazil pressured Quadros to change his position especially in regards to Cuba by offering money. Such position was unacceptable for Quadros and the final drop was when in 1961, he was visited by one of President Kennedy's advisors on Latin American affairs and a former ambassador to Brazil, to request for "Quadros's backing of the Bay of Pigs invasion."<sup>56</sup> After being offered a bribe of \$300 million for Brazilian cooperation, "Quadros became "visibly irritated" after [the US advisor] refused to heed his third "no"."<sup>57</sup> Brazil was trying an independent foreign economic policy and that was a threat to US economic interest, but it was also pushing a politically independent foreign agenda and the combination of the two could not be accepted by the imperialist US.

Even though this incident alone would be enough reason for the US to remove him, he also demonstrated to be in favor of land reforms, and that caused preoccupation.<sup>58</sup> After these incidents, Quadros, who was elected with a record margin, began to be accused of trying to install a dictatorship "because he sought to put teeth into measures unpopular with the oligarchy, the military, and/or the United

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<sup>56</sup> Peter Bell. "Brazilian-American Relations" in Riordan Roett, ed., *Brazil in the Sixties*. Nashville: Vanderbilt University Press, 1972. p.81.

<sup>57</sup> Ibid.

<sup>58</sup> Fausto. p.242.

States, as well as pursuing a “pro-communist” foreign policy”<sup>59</sup>, even though he was “more-or-less a conservative.”<sup>60</sup> After seven months, Quadros resigned. In his own words, he blamed his predicament on “reactionaries and “the ambitions of groups of individuals, some of whom are foreigners”<sup>61</sup> and “the terrible forces that arose against me.”<sup>62</sup> Here we can see that some foreigners, read Americans, were behind the pressures that led to his resignation which could be seen as imperialism through economic means. The pressures to bribe him and also the power of American economic interests in Brazil were strong enough to force Quadros to resign. It is important to note that Quadros, as it would be the case with Goulart later, was being accused of being a Communist.

It is clear that by tracing an independent foreign policy to his country and not accepting the US bribe to favor the Bay of Pigs invasion he made enemies in Washington. On top of that, he began to express ideas about land reforms that would directly change the *status quo* irritating the US government and the oligarchy in Brazil. These facts led, without any doubt, to “the “terrible forces” that arose against me”, which Quadros mentioned in his resignation letter. The pressure of US imperialism and the power of the Brazilian oligarchy, in direct accord with the US because they shared a common interest for the maintenance of the *status quo*, were too much for him to bear. Here we can identify that US imperialism was involved in the resignation of Quadros, and its main reason to be involved was primarily the economic

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<sup>59</sup> John Gerassi. *The Great Fear in Latin America*. (revised edition) New York: Collier Books, 1965. p.84.

<sup>60</sup> Ibid. p.83.

<sup>61</sup> Blum. p.164.

<sup>62</sup> Fausto. p.242.

issues at stake in Brazil, but it also had to do with Cuba because of the refusal to help on the Bay of Pigs invasion. Furthermore, the excuse was the “pro-communist foreign policy” demonstrating an argument that would be ever present during the Cold War. It shows that the Brazilian government, as could also be said for the Cuban government, was becoming more aware of the broader nature of the struggle they were involved in, and who was the real enemy at that point. The enemy was US imperialism as Ernesto “Ché” Guevara clearly stated in the 1962 O.A.S. meeting in Punta Del Este.<sup>63</sup>

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<sup>63</sup> Weis. p.147.

*The João Goulart Period: Between Jânio Quadros resignation and April 01, 1964*

Jânio Quadros' resignation took place on August 25, 1961. According with the Brazilian constitution the vice president should assume the presidency. However, at that moment vice president João Goulart was on an official mission visiting Communist China and could not be immediately sworn in. For such reason, the problems that Brazil and its new president would face began to appear very clearly. Within the military certain individuals began to mobilize to stop Goulart from taking power. Goulart was perceived to be a leftist, and therefore should not be allowed to become the president of Brazil. Such ideas about Goulart were shared by American intelligence specialists. "By September 1961, [American] Chargé [to Brazil, Niles] Bond could state that "Goulart's past associations with Communists and his anti-US position are a matter of public record" and the CIA could report that "President João Goulart has a long history of working with Communists in an effort to increase his political strength, particular in labor groups."<sup>64</sup> However, according to Ruth Leacock, "neither analyst felt obliged to offer any supporting evidence."<sup>65</sup> As it can be seen from the outset, even before Goulart was sworn as the new president of Brazil, the Brazilian military, the American officials working in Brazil and the CIA already had their mind set on the idea that Goulart was a Communist and therefore should not become president. After the efforts to stop him from becoming the new president failed plans began to remove him from power.

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<sup>64</sup> Ruth Leacock. *Requiem for revolution: the United States and Brazil, 1961-1969*. Ohio: Kent State University Press, 1990. p.59.

<sup>65</sup> Ibid.

Moreover, after becoming president, Goulart continued Quadro's independent foreign policy.<sup>66</sup> That was an unacceptable position for a Latin American leader in the eyes of the imperialist US. This position, together with the proposal of socioeconomic reforms and a change in the status quo were enough reasons for the US to intervene. As was described by the document presented by Ché on the O.A.S. conference in August 08, 1961, the Brazilian non compliance with the US policy was reaffirmed again "in December 1961 [when] Brazil abstained on a vote to hold a special session aimed at discussing "the Cuban problem", and stood strongly opposed to sanctions against the Castro regime."<sup>67</sup> "A few months later, Goulart reaffirmed his conviction in front of the US Congress and affirmed Brazil's right to take its own stand on some of the Cold War issues."<sup>68</sup> That was too much independence for a Latin American nation, especially one with such potential and influence within the hemisphere as was the case of Brazil. Goulart, according to US calculations had to go. The recognition of a common struggle with the Cubans, and the broader global aspects of it, allied with US economic interests were setting the stage for the overthrow.

The maintenance of an independent foreign policy was based on de-emphasizing entangling alliances and "included friendly overtures to Communist bloc nations as potential friends and trading partners with Brazil."<sup>69</sup> This meant that Brazil would stand on its own and decide what would be better for the country and not what would be told by the US it had to do. That in itself was a "sin" in the ideas of

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<sup>66</sup> Arthur Schlesinger. *A Thousand Days*. Boston: Houghton Mifflin Co., 1965. p.780-782.

<sup>67</sup> Blum. p.165.

<sup>68</sup> Ibid.

<sup>69</sup> Phyllis R. Parker. *Brazil and the Quiet Intervention*. Austin: University of Texas Press, 1979. p.12.

American imperialism which saw Brazil as a dependency of the US in the Cold War context. In other words, Brazil should be in the sphere of influence of the US or a dependency and therefore obey. The Brazilian position was confirmed by Goulart's new Foreign Relations Minister, San Tiago Dantas, which in less than three months after becoming Minister "reestablished diplomatic relations with the USSR and continue to repel the US attempts for Brazil to approve the sanctions against Cuba, as a preparation for an armed intervention, with the cloud of the O.A.S."<sup>70</sup> These independent positions in foreign policy were important at this moment because after the Cuban revolution in 1959 there was a possibility that a different path was possible and from that moment on the US had as its main goal the eradication of the example set by the Cubans. The independent foreign policy pursued by Goulart was trying to maintain Brazilian independence *vis-à-vis* the US in order for Brazilians to benefit from their own labor and resources.

Besides maintaining diplomatic relations, Goulart also wanted to maintain commercial relations with the eastern European countries and the USSR in the same way as the US did.<sup>71</sup> In 1960, Jânio Quadros, irritated Washington when he asked "Why should the United States trade with Russia and her satellites but insists Brazil trade only with the United States?"<sup>72</sup> This was the same question that Goulart was asking when he became president. Following the footsteps of Quadros, which went on to "negotiate with the Soviet Union and other Communist countries to (re)establish

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<sup>70</sup> Bandeira. *Presença*, p.420.

<sup>71</sup> Maia Neto. *Guerra Quente na América Latina*. Rio de Janeiro: Editora Civilização Brasileira, 1965. p.61.

<sup>72</sup> Blum. p 164.

diplomatic and commercial relations,”<sup>73</sup> Goulart tried to do the same. Quadros and Goulart were “in a word, independent”<sup>74</sup> and that made them Communists in the eyes of the US. For such reason, the US maintained its imperialist approach and would not allow the Brazilian independent foreign policy to take place even if that meant getting rid of Goulart.

A clear interference of the US in Brazilian affairs took place when Brazil tried to purchase helicopters from Poland. The US stopped the deal on the grounds that Brazil, because of its military agreement with the US could only purchase such equipment from the US.<sup>75</sup> These agreements were part of PAM, described earlier, which had as their main intention to maintain a pro-US posture among the officers in the military, but also to make a profit for US multinational corporations which manufactured the military equipment. However, the US did not take into consideration that Poland would charge much less and take spoiled coffee as payment, to be used as agricultural inputs, for the helicopters and the ones purchased by the US had to be paid in hard currency, which Brazil did not have.<sup>76</sup> For the US all it mattered was for Brazil to be maintained as a customer for US military equipment and by doing so the US would maintain its control over the Brazilian military and make a profit at the same time.

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<sup>73</sup> Ibid.

<sup>74</sup> Ibid.

<sup>75</sup> Bandeira. *Presenca*, 1973. p.433.

<sup>76</sup> Ibid. Also see, Neto. p.62.



The same pattern would appear when “in late 1963, the Soviets apparently made an offer to provide transport planes to the Brazilian Air Force.”<sup>77</sup> The White House viewed as “extremely significant” that such plans were under way and Gordon Chase communicated to McGeorge Bundy that “if such deal seems to be happening, it would appear vital that we act quickly and vigorously.”<sup>78</sup> The problem, as stated by Ambassador Gordon to Goulart, was that the “purchase of military equipment meant the establishment of training missions and ongoing contract for spare parts with the providing country”<sup>79</sup> and such arrangements could only be established with the US in order to maintain US control and profits. Because the US had established PAM it frowned upon any competition, especially from the communist bloc. The military agreement was the excuse used because in reality if Brazil bought the helicopters another range of interactions between Brazil and Poland would be necessary for parts, technical assistance among others, and such relation the US would not accept. Here we have another instance of the US directly controlling the trade partners Brazil could have in a clear imperialist manner in order to control the military but also for profits to be made in such transactions.

In addition, the economic importance of such trade becomes clearer when non military equipments were involved. For Example, if Brazil decided to buy tractors from any of the Eastern European countries it would, in turn, purchase fewer tractors from the US. In the same way as military equipment, replacement parts would also have to be imported from these nations not the US, which meant less parts being

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<sup>77</sup> Parker. p.53.

<sup>78</sup> Ibid.

<sup>79</sup> Parker. p.53-54.

purchase from US corporations. The Brazilian firm responsible for the importation of American tractors would lose business, its banker would lose money and the traditional importers of parts would also lose money. However, the biggest problem was that if tomorrow “we decide to manufacture the Tchechoslovaquian tractor in Brazil, the problem would be further aggravated because the royalties, profits and everything else will be sent to Tchechoslovaquia not the United States.”<sup>80</sup> As it can be seen, the main reason why Brazil was not allowed to trade with the communist bloc was because it would have a major impact in the profits of US corporations in the United States but also in Brazil which would directly impact the US economy and government.

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<sup>80</sup> Neto. p.63.

*US Imperialism Safeguarding US Multinational Corporations in Brazil*

However, the main problems which Goulart faced was the power of American multinational corporations which at every turn tried to pressure the Brazilian government to make more concessions on the profits that could be made in Brazil. The ITT (International Telephone and Telegraph) case was the first to raise the need for the US government to intervene in the internal affairs of Brazil more directly. That was the case because the US government and business community had been “deeply shocked by the Cuban revolution and horrified that Castro had been able to expropriate American companies in Cuba without compensation [and in turn] the American business community turned bearish on all of Latin America.”<sup>81</sup> The ITT case was a relatively minor incident in Brazil that triggered massive reaction in the American business community because of the precedent in Cuba. On February 16, 1962, a small subsidiary of ITT was expropriated by the state government of Rio Grande do Sul.<sup>82</sup> With this expropriation the business community panicked because they were afraid that this would be another example that if unchallenged, such nationalizations might spread further in Latin America.<sup>83</sup> For this reason, compensation was the word of the day. It should be pointed out that the dispute between ITT and Rio Grande do Sul dated back to 1953, and “thus was certainly not a whimsical or capricious act of anti-imperialism.”<sup>84</sup> However, that was the interpretation chosen by the Americans. The president of ITT Harold Geneen in the

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<sup>81</sup> Leacock. p. 81.

<sup>82</sup> Ibid. p.82.

<sup>83</sup> Ibid. p.86.

<sup>84</sup> Weis. p. 153.

day after the expropriation sent an “urgent” and “confidential” telegram alluding to a Cuban resemblance in “the irresponsible seizure of our American owned companies”<sup>85</sup> and urged Kennedy to “take an immediate personal interest in the situation.”<sup>86</sup>

Kennedy accepted the advice and “made the expropriation a cold war issue, instead of an ordinary commercial dispute.”<sup>87</sup> Here we can see Kennedy listening to the president of a multinational corporation to transform a compensation for a commercial issue into a cold war matter, which could in turn lead to a higher payment for the expropriated property. But most importantly, this matter could also lead to the destabilization of Goulart’s government.

In fact that was exactly what happened. The ITT case was tied to the granting of any new loans to Brazil through the Alliance for Progress. This situation pressured Goulart to settle the matter in order to get new loans to stabilize the Brazilian economy. Before the takeover of the ITT subsidiary the governor of Rio Grande do Sul, Leonel Brizola, had “deposited \$400,000 in an escrow account as the state’s estimate of the value of the property. Brizola had arrived at this figure by taking the valuation placed on the ITT subsidiary by an arbitration panel and then deducting from that sum such things as the value of the land that had been donated to the company and profits illegally exported.”<sup>88</sup> ITT had agreed on the arbitration and had named three of the arbitrators; however, two month after the panel’s report, ITT rejected the plan and called for new negotiations. At this point, ITT personnel claimed that “the property

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<sup>85</sup> Parker. p.16.

<sup>86</sup> Weis. p. 153.

<sup>87</sup> Ibid. p.154.

<sup>88</sup> Leacock. p.85.

was worth between seven and eight million dollars.”<sup>89</sup> While this dispute was going on the US Congress “passed the Hickenlooper Amendment to the 1962 Foreign Aid bill”<sup>90</sup> which had stipulated the amount of aid which was going to be disbursed for the needing nations, Brazil included. This amendment “obliged the US government to suspend assistance to any country that expropriated US-owned property unless that country demonstrated that it had taken steps to make speedy compensation for the full property value within six month.”<sup>91</sup> Furthermore, in September a few months after this amendment was passed, “a new position of special assistant for international business was created in the office of the Undersecretary of State, with the specific assignment of assisting corporations threatened with expropriation, discriminatory taxation, or profit remittance problems.”<sup>92</sup> It seems that with this amendment the US government demonstrated full commitment to its corporations abroad but at the same time it tied the expropriations with the possibility for aid which would exacerbate US-Brazilian relations.

That was the case because the expropriation also took place with AMFORP (American and Foreign Power). In a similar case as ITT, AMFORP’s property had been seized in 1959 by Brizola, a year after their contracts had expired.<sup>93</sup> However, the question of compensation was still before the courts in 1962. This takeover had attracted little attention at the time, but after the ITT’s case, “AMFORP lobbyists drew

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<sup>89</sup> Ibid.

<sup>90</sup> Parker. p.17.

<sup>91</sup> Ibid.

<sup>92</sup> Leacock. p.94.

<sup>93</sup> Ibid. p.90.

attention to Brizola's earlier action against the company."<sup>94</sup> It is important to mention that in both cases, but especially in the case of AMFORP, their installations had been allowed to deteriorate<sup>95</sup> because the business was perceived as unprofitable.<sup>96</sup> For such reason, it was in AMFORP's favor to get compensation.<sup>97</sup> Their intention was to do the same they had done in Argentina (1958), Mexico (1959) and Colombia (1961) which was to get the federal governments to buy the company and as the balance was paid off they would reinvest in manufacturing.<sup>98</sup> In the case of the AMFORP, there was two more expropriation in 1962 by state governments based on the expiration of the AMFORP's contracts.<sup>99</sup> There were several legal problems in settling the AMFORP case, the main one was that the "the company's concession contracts ...included similar "free reversion" clauses."<sup>100</sup> This meant that at the end of the contract AMFORP would simply give the concessions back to the states. It is also interesting to note that: "Publicly, the Kennedy administration would have nothing whatever to do with any takeover of American private enterprises. Privately, however, the White House would continue to push for whatever the companies involved wanted, and in the cases of ITT and AMFORP, they wanted to unload their unprofitable enterprises."<sup>101</sup> As it can be seen, even though AMFORP should not receive any money from the Brazilian government their pressure was so strong that Brazil now had to pay for the expropriations in order to be allowed to receive new loans, but most

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<sup>94</sup> Ibid.

<sup>95</sup> Ibid. p.98.

<sup>96</sup> Ibid. p.90.

<sup>97</sup> Ibid.

<sup>98</sup> Ibid.

<sup>99</sup> Ibid. p.97.

<sup>100</sup> Ibid.

<sup>101</sup> Ibid. p.92.

importantly the payments would be the only way for Goulart to demonstrate that he was not a Communist.

However, while the expropriation cases of ITT and AMFORP were stalled, a third company faced the threat of expropriation, Hanna Mining Company. On June 14, 1962, Gabriel Passos, the Minister of Mines issued an order “canceling the mining rights on certain properties belonging to a number of foreign companies.”<sup>102</sup> Hanna had three properties rich in iron ore that were involved. To Brazilians, Hanna was the symbol of US imperialism in its most predatory state because it plundered the country without putting anything into it. The suggestion that Hanna should use some of its export profit to build a steel mill in Brazil was swiftly dismissed by a Hanna official with the remark: “We are not a philanthropic organization.”<sup>103</sup> The Hanna concessions had been given by President Juscelino Kubisheck in an immoral and unpatriotic move to please the Americans.<sup>104</sup> As Edmar Morel states: “Hanna had one objective: to dominate the trade in our iron ore.”<sup>105</sup> Here we have a somewhat different problem. In this case, Hanna did not want payment for the expropriation, it wanted the expropriation reverted so it could exploit the mineral and make an enormous profit. In other words, Hanna wanted to expand, not sell, its Brazilian operations. From that point on, Hanna would be more fully involved in the financing of institutions, such as IBAD and IPES, which will be discussed later, in order to promote the removal of Goulart. However, immediate response from the Kennedy administration was not

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<sup>102</sup> Ibid. p.98.

<sup>103</sup> Ibid. p. 99.

<sup>104</sup> Edmar Morel. *O Golpe Começou em Washington*. Rio de Janeiro. Editora Civilização Brasileira, 1965. p. 45.

<sup>105</sup> Ibid.

forth coming based on some corruption problems Hanna had in the US courts at the time.<sup>106</sup> Nevertheless, the US government added the ““increased iron ore export” to “the “nag” list of self-help measures Brazil must take to qualify for continued Alliance for Progress aid, but the State Department did not champion Hanna’s interests more directly during the remainder of the Kennedy administration. More direct support came during the Johnson administration.”<sup>107</sup> The US government again gave priority to the interests of its corrupt corporations over Brazilian interests demonstrating who the real allies were in this matter. This third incident, among many others, could be seen as one of the main the reason for the US to become more directly involved in the coup, which would take place in 1964, and will soon be examined.

Nevertheless, Goulart, after a long delay, in order to appease Kennedy and have a chance to get a new loan and aid, settled on a payment for the ITT subsidiary. A year later (after ITT had safely pocketed the proceeds from the settlement) Geneen, the president of ITT, remarked that the expropriation in Brazil had been “exaggerated out of all proportion and what was seized – a \$7.3 million company that was running in the red.”<sup>108</sup> The ITT benefited immensely from the settlement and Brazil bought a company running on red, but the worse part of it all was that the ITT case was used by the US media until the coup to persuade Brazilians and Americans that Goulart was a communist that wanted to do to Brazil the same that Castro had done to Cuba. It is interesting that this was the same argument used by Geneen to convince Kennedy to take urgent action. This episode demonstrates how at this time even events which were

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<sup>106</sup> Leacock. p.99.

<sup>107</sup> Ibid. p.100.

<sup>108</sup> Ibid. p.87.



not necessarily related to the Cold War were transformed into cold war issues in order to benefit US multinational corporations and at the same time to try to prevent and control the Goulart government from becoming independent. In the expropriation disputes, Brizola was blamed as the main communist influencing Goulart. But in response to such accusations he stated in the newspaper *Última Hora* on April 9, 1963: “I am not a communist; I have no contact with communists, and do not believe, since Russia is so distant, that we ought to concern ourselves with it. Our problem, the one we feel within our own house, is that of American exploitation.”<sup>109</sup> Brizola, as many others, knew that the problem in Brazil was US imperialism and not communism. It seems that, because of such recognition, at this time a nationalist would always be seen as a communist by the US because to be a nationalist would most likely imply been anti-imperialist.

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<sup>109</sup> Ibid. p.46.

*A Lei de Remessa de Lucros: The Final Drop*

Another instance of Goulart trying to be independent and protect Brazilian interests' *vis-à-vis* the US came in the form of the Profits-Remittance Law (*Lei de Remessa de Lucros*). The controversy surrounding the *Lei de Remessa de Lucros* began on November 1961 when "the Chamber of Deputies passed a remittance of profits bill that raised the question among the US business community in Brazil of whether Brazil, which had traditionally welcomed foreign private investment was becoming a hostile business environment."<sup>110</sup> Within the bill there were provisions to inhibit foreign investment: Re-invested profits would be considered national capital and, therefore, not a part of the base for computing remittances.<sup>111</sup> Furthermore, "Annual remittances of profits out of Brazil would be limited to 10 percent of registered capital, with no provision covering the depreciation in the value of the Brazilian currency. Moreover, existing Brazilian business could not be bought out by foreign firms; foreign companies would not be able to borrow from Brazilian banks; and all Brazilian residents would be required to declare their holdings."<sup>112</sup> The passage of such bill sent shock waves throughout the American business community and US diplomats. The two Brazilian houses of congress discussed the law and on 1962...the Senate approved the bill and sent it to Goulart for final approval, but Goulart held on to it and only signed the bill a few days before he was deposed.<sup>113</sup> It is important to note that "one of the first acts of General Castelo Branco's government after the coup

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<sup>110</sup> Parker. p.9.

<sup>111</sup> Ibid. Also see, Thomas Skidmore. *Politics in Brazil*. New York, Oxford University Press, 1967. p.271.

<sup>112</sup> Parker. p. 10

<sup>113</sup> Neto. p.53.

was to demand congress to revoke the law, especially the provisions that dealt with the profit remittances.<sup>114</sup> It appears that the remittance of American profits played a crucial role in the final coup. The multinational corporations would be directly affected and for such reason they sponsored the removal of Goulart in many fronts, as it will be described in the next section. However, the most important point that is demonstrated with this situation is the power of the American corporations and the US government to control and manipulate the developments in Brazil which according to the definition used in this thesis, is imperialism.

“The problem to regulate profit remittances by nations must have started when the first colony freed itself from the metropolis. And, in the Americas, it reached its highest point at the time when the United States, shook off the economic oppression of the English capital” asserted Maia Neto in his book *Guerra Quente na América Latina*.<sup>115</sup> In Brazil the same happened when president Goulart tried to implement a law to curb the amount of profits which would be allowed to be repatriated by multinational corporations. This type of legislation was crucial in order to maintain the invested capital in Brazil in order to help the nation’s development. However, the multinational corporations wanted to have the ability to send back as much capital as it deemed appropriate, in other words, send back sometimes up to 1000 percent of the capital invested.<sup>116</sup> This arrangement is clearly nothing but the same old imperialist/colonial system in disguise because the capital invested in Brazil would

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<sup>114</sup> Ibid.

<sup>115</sup> Ibid. p.38.

<sup>116</sup> Ibid. p.53.

make its way back to the US in the same way that the British capital would make its way back from the US before independence.

At the moment in which Brazil decided to stop the bleeding of its economy and passed the *Lei de Remessa de Lucros* the US government in order to protect the interests of its multinational corporations, in the same fashion as the British government would do on its colonies when the British trading companies, in its imperialist phase, were threatened, they intervened. The US intervention was already taking place for a long time, but the *Lei de Remessa de Lucros* was just the final motive to pressure for the final coup against the government of Goulart. This was a law that would allow the capital invested in Brazil by multinational corporations to be maintained in Brazil for further development, but at the same time would mean fewer profits for American corporations and therefore the US as a whole. As such, the old imperialist philosophy that “the more the profit the better”<sup>117</sup> for the metropolis was maintained in Brazil. “This is the colonial system which imperialism maintained and remains, in essence, the philosophy of operations: Profit as much as possible and send as much of the profit to the metropolis.”<sup>118</sup> However, as Maia Neto described in 1965, “The country which pretends to conquer its future will be guided by a rational and nationalist policy of discipline in its foreign commercial relations. Especially in relation to foreign capital, which is the substitute of the old armies of conquest, otherwise it will be dominated by the old philosophy of exchange and will watch the

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<sup>117</sup> Ibid. p.42.

<sup>118</sup> Ibid. p.43.

evasion of all the products of its labor.”<sup>119</sup> Goulart was aware of this situation and tried to change it to the benefit of Brazil and Brazilians, but the imperialist US would not allow another such precedent to take place. As it can be seen, the *Lei de Remessa de Lucros* was in essence the “*política econômica independente* (independent economic policy), twin sister of the *política internacional independente* (independent foreign policy).”<sup>120</sup> And for such reason, independence, Goulart would have to go just as was the case with many presidents before him in Brazil, such as Quadros, his predecessor, and many others throughout the world.<sup>121</sup>

As it becomes clear from the above description there were several actions taken by Goulart, such as expropriation of companies, canceling extraction concessions and curbing profit remittances which did not sit well with the business community in the US and for such reason the US government felt the need to intervene. It was these same problems that led many multinational corporations to take a more active approach together with the US government, through diplomats and the CIA, in order to stop Goulart. It is to this “more direct” but indirect approaches that we will now turn in order to better understand the US involvement in the military coup that would finally remove Goulart and assure the “safety” of US interests and control of Brazilian affairs.

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<sup>119</sup> Ibid. p.44.

<sup>120</sup> Ibid. p.50.

<sup>121</sup> Peter Joseph. *Zeitgeist: Addendum. Part II*. 2008. <http://www.zeitgeistmovie.com/> Interview with John Perkins author of *Economic Hitman*.

*A Soup of Letters in the name of US imperialism: ESG, IPES, IBAD, CIA and MNC*

The military coup that took place in 1964 was carried out by Brazilian military officers that had as their primary American contact “Defense Attaché Vernon Walters who arrived in Brazil after having been apprised that President Kennedy would not be averse to the overthrow of João Goulart.”<sup>122</sup> Walters was close friends with General Castelo Branco, a main player in the *coup*, from the times of their service together in WWII<sup>123</sup> and one of the founders of the *Escola Superior de Guerra* (ESG), Higher War College. The ESG and the military assistance programs, as described earlier, were the major vehicles “for establishing close relationships with personnel of the armed forces and a highly important factor in influencing [the Brazilian] military to be pro-US.”<sup>124</sup> Furthermore, the ESG was also open to civilians creating ties between civilians and military personnel.<sup>125</sup> After Goulart began to implement his policies, “the US Ambassador, Lincoln Gordon, and the US military attaché, General Vernon Walters, were in close touch with the conspirators, both military and civilians.”<sup>126</sup> When Vernon Walters arrived in Brazil Ambassador Lincoln Gordon told him that: “From you I want three things: First, I want to know what is going on in the Armed Forces; second, I want to be able in some measure to influence it through you; and third, most of all, I never want to be surprised.”<sup>127</sup> It seems that again the Ambassador wanted to “influence” the military through Walters because he knew the close

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<sup>122</sup> Blum. p.165.

<sup>123</sup> Ibid.

<sup>124</sup> Ibid.

<sup>125</sup> Fausto. p.249.

<sup>126</sup> Thomas Skidmore and Peter Smith (eds.). *Modern Latin America*. (5<sup>th</sup> Edition). Oxford: Oxford University Press, 2001. p.168.

<sup>127</sup> Walters. p.374.

relationship the colonel had with the military officers, especially Castelo Branco, from the time they spent together with the FEB in Italy.<sup>128</sup>

Furthermore, it was “Through the ESG and other institutions such as the *Instituto de Pesquisas and Estudos Sociais* (IPES) and the *Istituto Brasileiro de Ação Democrática* (IBAD), financed by the CIA, which lines began to appear that would define a political regime considered capable of stopping the subversion of the order and guaranteeing a kind of economic development.”<sup>129</sup> The “subversion of the order” was the legitimate president of Brazil trying to maintain an independent policy for Brazil and the “economic development” to be guaranteed was one which would maintain and further enhance the profits for MNCs.

In order to control the developments in Brazil, IBAD was “founded in 1959 as a conduit for funds to influence Brazilian public opinion against communism. It was supposedly financed by Brazilian business but most likely by foreign corporations, plus to an unknown amount– the CIA. It is alleged to have spent \$12 million on the 1962 congressional election, including perhaps \$5 million of US provenance; it was outlawed in October 1963 on suspicion of being foreign supported”.<sup>130</sup> IBAD,

In addition to more than eighty weekly radio programs scattered throughout the country, [it had through] Promotion (a subsidiary of IBAD), on the eve of the election, sponsored some three hundred additional hours of radio and television advertising and saturated the press with its materials. It also provided an unknown quantity of billboards, pamphlets, and the like in support of *ibadiano* candidates. Apart from the activities of Promotion, IBAD itself kept dozens of journalists on its payroll and edited a monthly magazine, *Ação*

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<sup>128</sup> Weis p.156.

<sup>129</sup> Fausto. p.249.

<sup>130</sup> Wesson. p. 43.

*Democrática*. The magazine, which used top-quality paper and was published in the quantities of 250 million copies, was distributed free and carried no advertising... But the project that arose the greatest indignation among Brazilian journalists was IBAD's renting for ninety days the editorial of Rio's evening newspaper, *A Noite*.<sup>131</sup>

At this moment, as Miguel Arraes, governor of Pernambuco and the main target of IBAD propaganda not to be reelected, demonstrated through documents that IBAD received contributions from major US corporations, such as Texaco, Ciba, Schering, Coca-Cola, IBM, Exxon, Hanna Mining Corp., General Motors, among others, which helped finance IBAD.<sup>132</sup> As it can be seen, even before Goulart became president IBAD and US corporations already saw him as a threat to the economic development they envisioned for Brazil. Many of these corporations were the same that would dominate the advertising market together with advertising agencies such as J.W. Thompson which was brought into Brazil by General Motors,<sup>133</sup> and will be analysed in chapter three. In short, by giving financial support to IBAD and other institutions, the US government, through the CIA, and American corporations established an imperial project in Brazil, with the military as their chief compradors. The CIA even though successful in hiding its direct involvement in the coup by blocking declassification of its documents by The National Security Archives it was not as careful in its financial dealings with IBAD and IPES leaving a trail for historians to trace.

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<sup>131</sup> Jan Knippers Black. *United States Penetration of Brazil*. Pennsylvania: University of Pennsylvania Press, 1977. p.99.

<sup>132</sup> Caio Navarro de Toledo. *O Governo João Goulart e o golpe de 64*. São Paulo: Editora Brasiliense, 1982. p.86.

<sup>133</sup> James P. Woodward. "Marketing Modernity: The J. Walter Thompson Company and North American Advertising in Brazil, 1929-1939." *Hispanic American Historical Review* 82:2. p.01. General Motors, established assembly operations in São Paulo in 1925 and in 1927 GM and J.W. Thompson "signed an agreement that would make J.W. Thompson the first major U.S. advertising agency to open offices in Brazil."



Moreover, Ivan Hasslocher, leader and “creator” of IBAD together with John Foster Dulles Jr. clearly played the role of economic hit man.<sup>134</sup> In this specific case, they went to Castilho Cabral, a juridical consultant to the *Movimento popular Jânio Quadros* (popular Movement Jânio Quadros), and both of them promised one billion dollars for him to choose candidates for the Senate and the House of Representatives “that sworn not to be hostile to the US imperialism.”<sup>135</sup> It is important to point out that John Foster Dulles Jr. was president of Hanna Mining Co., the same mining company that would later pour in more money in order to overthrow Goulart. The time passed but the goal remained the same to either bribe powerful people to do what Hanna wanted and if that did not work, sponsor the people that are going to overthrow that government and put “friendly” people in power. For such reason, as the treasurer of IBAD, Arthur Oscar Junqueira, confessed to the CPI - *Comissão Parlamentar de Inquérito* (Brazilian congressional investigation) that IBAD had financed 250 deputies in the 1962 elections and spend 250 billion cruzeiros for the most reactionaries and antinationalist candidates. If elected they would be the lawyers for Hanna and other multinational corporations in Congress.<sup>136</sup> These activities were the main reason for the creation IBAD. Based on this evidence, “A Brazilian congressional investigation of the role on IBAD in the 1962 elections got underway in May 1963. It uncovered evidence that millions of US dollars had been invested in the campaigns of anti-Goulart politicians. [But] what was the source of those funds? The Brazilian left was convinced that the giant corporations with investments in Brazil had put up the money.

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<sup>134</sup> John Perkins. *Confessions of an economic hit man*. San Francisco: Berrett-Koehler Publishers, 2004.

<sup>135</sup> Morel. *O Golpe*. p.52.

<sup>136</sup> *Ibid.* p.53.

Perhaps Goulart realized that the CIA, and ultimately the White House itself, was the more likely source.<sup>137</sup> It seems plausible that the corporations, the US government and the CIA all contributed to the scheme because they all had benefits to reap from the changes that would be brought by IBAD. In sum, US financial, military and technical support would guarantee the maintenance of the status quo for US imperialism and at the same time it would destroy any aspirations for the masses to have a more equal distribution. These goals would maintain US economic interests in the country intact and at the same time protect the interests of the Brazilian elites: urban and rural.

In addition, among organizations assisted by IBAD was IPES, a conservative organization at least nominally composed of Brazilian businessmen and with the leadership of the ESG group.<sup>138</sup> IPES was created on November 29, 1961 and began its operations in Rio de Janeiro and São Paulo, later expanding to Porto Alegre, Belo Horizonte and other cities. IPES promoted, produced and financed courses, films and publications directed to the formation of a business and intellectual elite that would develop politico-social actions in all areas of the Brazilian society in order to eradicate what they considered “the communist conspiracy.”<sup>139</sup> IPES carried on multiform cultural and political activities, working with the press and in electoral campaigns. Its most significant contribution, however, may have been supporting and helping organize the huge anti-communist marches that shortly preceded the coup of March

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<sup>137</sup> Leacock. p.161.

<sup>138</sup> Wesson. p.43.

<sup>139</sup> Arquivo Nacional. Fundo Instituto de Pesquisas e Estudos Sociais. Rio de Janeiro, 2004 AN/CODES/DOCUMENTOS PRIVADOS P.01. Historico.(AN 002)

31, 1964.<sup>140</sup> The hallmark of those marches “was [the] obviously limited participation of the lower classes.”<sup>141</sup> IPES also sponsored hundreds of newspapers articles, as well as pamphlets and books, in the period preceding the coup of 1964, and a lesser volume in the period following it. “In an in-depth study of the Guanabara branch of IPES, Norman Blume found that the organization received assistance from the US embassy’s book program. The embassy assisted, for example, in the publication of Sonia Seganfredo’s *UNE-Instrumento de Subversão* (UNE-Instrument of Subversion), which was distributed to university students as part of an attempt by IPES to gain control of the student movement. Such publications were distributed free and without attribution.”<sup>142</sup> UNE was, and is, the *União Nacional dos Estudantes* (National Student Union) and it was being framed by IPES as another Communist stronghold.

Also, IPES distributed on Sunday, March 25, 1962 through the main newspapers in Brazil a supplement entitled Primer for Progress (*Cartilha Para o Progresso*) in which the subtitle read “How to make a Revolution Without Blood.”<sup>143</sup> By promoting such literature it becomes clear that this organization, which was suppose to be a non partisan civic organization of business and professional individuals, had much broader and far reaching goals. Phillip Agee affirmed that the CIA brought about the fall of Goulart by “careful planning and consistent propaganda campaigns dating back to the 1962 election operation”<sup>144</sup> and after looking at the kind

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<sup>140</sup> Moniz Bandeira. *O Governo Joao Goulart: As Lutas Sociais no Brasil, 1961-1964*. Rio de Janeiro: Editora Civilização Brasileira, 1978. p. 166-167.

<sup>141</sup> Parker. p.81.

<sup>142</sup> Black. p.99.

<sup>143</sup> Leacock. p.72.

<sup>144</sup> Phillip Agee. *Inside the Company: CIA diary*. New York: Stonehill, 1975. p.362.

of work that IBAD and IPES were doing, it becomes even more apparent that the CIA together with other American interests, such as American corporations, were involved in such propaganda campaigns, in order to get “their” candidates, and here “their” means their in the sense of ownership because they owned the candidates they funded, in government so they (American interests) could reap the benefits of such control. Caio Navarro de Toledo in his book, *O Governo João Goulart e o golpe de 64* (The João Goulart Government and the coup of 64), acknowledged that IPES received financial contributions from 297 American corporations and that IBAD also channeled money to IPES.<sup>145</sup> Furthermore, René Armand Dreifuss affirmed that Ambassador Lincoln Gordon was especially important in obtaining the support and contributions from MNCs to the IPES/IBAD complex for their actions.<sup>146</sup> As it can be seen, the US government through the CIA and corporations which financed IBAD and IPES were able to manipulate the events taking place in Brazil. This would not be a surprise if one acknowledges that at this time “the CIA was setting similarly named organizations of business and professional people in other Latin American countries.”<sup>147</sup> In Ecuador, it was named Center for Economic and Social Reform Studies and in Colombia the Center of Studies and Social Action.<sup>148</sup> Phillip Agee affirmed that “Civic organizations of this sort have been established by other stations and have been effective for propaganda and as funding mechanisms for elections and other political action operations.”<sup>149</sup> Such coincidence is just too great to be entirely fortuitous. As it

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<sup>145</sup> Toledo. p. 86.

<sup>146</sup> Dreifuss. p.205.

<sup>147</sup> Leacock p.72.

<sup>148</sup> Leacock. p. 72.

<sup>149</sup> Agee. p.247-48.

can be seen, the US through IPES and IBAD made most of this manipulation by the use of media outlets either created or dominated by these institutions. However, the manipulation and control would be greatly extended after “their” candidates got elected. Nevertheless, another step was already taking place in order to guarantee US control of the media in Brazil, Rede Globo, which will be analyzed in the next chapter.

*Mann and the Money for the Islands of Sanity*

As if the IBAD and IPES campaign were not enough interference in the internal affairs of Brazil, the US would be further meddling in such affairs through direct distribution of funds. An article published in the *Correio da Manhã* newspaper on June 19<sup>th</sup>, 1964, stated that “Thomas Mann (the Sub-secretary of State for Latin America Affairs) officially declared in the United States, that he had financially helped the local state governments in Brazil which conspired against Goulart in order to preserve what he, Mann, calls democracy”.<sup>150</sup> The *Correio da Manhã* stamped in the first page that:

*Mann revela que agiou contra JG* (Mann reveals that he acted against João Goulart) in which Mann stated that the US distributed among the efficient governors of certain Brazilian states the help that should be given to the Goulart government thinking in this way to be financing democracy. And that Washington did not give any money for the Brazilian balance of payments or the federal government because that may have helped the central government.<sup>151</sup>

This became known as the Island of Sanity Policy in which by June 1963, the US eliminated all assistance to the central government and began to give economic aid to “friendly” Brazilian states.<sup>152</sup> This was another interference by the US in the internal affairs of Brazil which was against the constitution.<sup>153</sup> But most importantly, it demonstrates the US’s goal to control Brazil by destabilizing the central government so a coup would be accepted at the same time that it was buying the state governments with direct financial assistance. In other words, the US was destabilizing the Goulart

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<sup>150</sup> Edmundo Moniz. *O Golpe de Abril*. Rio de Janeiro: Editora Civilização Brasileira, 1965. p.17. This book is a compilation of articles written on the Newspaper *Correio da Manhã* right after the coup.

<sup>151</sup> Morel p.18

<sup>152</sup> Weis. p.161.

<sup>153</sup> Ibid.

government, in any way it could, at the same time that it sponsored his enemies which were together with the US and the military finding a way to remove Goulart. Such attitude was coming from Thomas Mann, a man that declared memorably in the same period that: “I know my Latinos. They understand only two things – a buck in the pocket and a kick in the ass.”<sup>154</sup> Since he was already putting many “bucks” in the pockets of some Latinos that were willing to go with his plan, now it was becoming the time to start kicking the ass of those that did not take money and for such reason had to go.

However, the law on remittance of profits, the nationalization of American companies, the curbing of the exploitation of natural resources and most importantly an independent foreign policy were more forcefully pushed by Goulart on March 15<sup>th</sup>, 1963 when he send a message to Congress (*Mensagem ao Congresso*) and reemphasized the need for the above measures. However, on his message, he went one step further and called for a “change in the international institutional structure of global commerce” with three particular objectives in mind:

- a) the establishment of an institutional mechanism which will attend to the peculiar conditions of the underdeveloped nations, and that it will be capable to propitiate a quick expansion of trade of the underdeveloped with the developed nations with free enterprise and with the nations with economies centrally planned, and among themselves; b) the elimination of barriers by the developed nations, whichever the system in which their economies are based, in the commerce and consumption of primary products, through the implementation of tariffs and tributes, or by the maintenance of preferential systems and discriminatory treatment; c) the correction

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<sup>154</sup> Ronaldo Munck. *Contemporary Latin America*. New York: Palgrave Macmillian, 2008. p.182.

of the losses by the nations which produce primary products through the international systems of financial compensation.<sup>155</sup>

After this message to Congress things began to deteriorate quickly and a year, almost to the day, a declaration out of the US would set up the scene to the final coup.

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<sup>155</sup> João Goulart. *Mensagem ao Congresso Nacional*. Brasilia, March 15, 1963.  
<http://brazil.crl.edu/bsd/bsd/u1345/000149.html>



*1964: The Coup and the Role of the United States*

*It was not impossible that the State Department knew about the conspiracy, helped and supported and would recognize if successful. Thomas Mann*<sup>156</sup>

The beginning of the end for Brazilian democracy began to take shape when on March 17<sup>th</sup>, 1964 Thomas Mann declared secretly in a meeting with President Johnson, the top officials in the administration, AID directors and the American diplomats to Latin America, that “the US government will no longer try to stop right wing coups and will maintain an anticommunist political line. In the present conditions in Latin America, it becomes difficult to make a dividing line between democracy and dictatorship. For this reason the fight against communism and the defense of the investments of the country (United States) are the main objectives of the US policy in Latin America.”<sup>157</sup> Interesting enough the talk in this secret meeting made its way to the pages of the *New York Times* and, in turn, were interpreted all over Latin America as a green light for military coups. This became known as “the Mann Doctrine which essentially stated that the US would no longer oppose military coups, but would recognize any government in effective control. Instead of reform, the US would now emphasize economic growth, protection of American investments and anticommunism.”<sup>158</sup> As Parker stated: “US officials appear to view US interests in Latin America as being served if those nations do not pose a strategic military threat to the United States or block US economic interests, US policy makers can apply economic incentives, political pressure, and, if need be and as a last resort, military

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<sup>156</sup> Morel. p.17. Thomas Mann declared in the morning of April 1, 1964.

<sup>157</sup> Neto. p.82. Also see, Weis. p.166.

<sup>158</sup> Weis. p.166.

force.”<sup>159</sup> For such reasons, in Brazil, the pressures that had been secretly built up by the US for the removal of Goulart were now able to become explicit and help bring the desired ending, with a military intervention by the US if needed. The 1964 military coup in Brazil had as its main reason the threats of a Communist takeover of the government but in reality it was the interests of the US government and multinational corporations that were at stake. Even though Goulart was not a communist his proposals were radical and would shake the status quo and in doing so it would have a direct affect in the profits that could be made in Brazil by the United States through its corporations.

For such reason, in September 1963 “American contingency planning for a coup and/or possible civil war began [to take place] during one of Ambassador Gordon’s periodic visits to Washington.”<sup>160</sup> On his first personal meeting with President Johnson, on March 19, 1964, Gordon was able to assure the president that the embassy had continued contingency planning “in view of the civil war possibilities.”<sup>161</sup> The military aspects of the American plan were dubbed Brother Sam when it was put in operation on March 31. When one of the Brazilian military leaders, general Krueel, issued his manifesto in Minas Gerais, at 11:00 p.m. on the 31<sup>st</sup> of March, Vernon Walters, the American military attaché to Brazil exclaimed: “*Graças a Deus* (Thank God).”<sup>162</sup> The Americans could not wait any longer for the coup.

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<sup>159</sup> Parker. p.104.

<sup>160</sup> Leacock. p. 213.

<sup>161</sup> Ibid..

<sup>162</sup> Parker. p.75.

However, new evidence of US involvement in the Brazilian coup only appeared in 2004 through The National Security Archives which included a declassified audio tape of Lyndon Johnson being briefed by phone at his Texas ranch, as the Brazilian military mobilized against Goulart.<sup>163</sup> Johnson begins his instructions to undersecretary of State George Ball by saying that: “I’d put everybody that had any imagination or ingenuity... [CIA Director John] McCone... [Secretary of Defense Robert] McNamara” on making sure the coup went forward. Furthermore, Johnson said: “We just can’t take this one” and for this reason he stated: “I’d get right on top of it and stick my neck out a little.”<sup>164</sup> Included in these documents are Top Secret cables sent by US Ambassador Lincoln Gordon who clearly demanded Washington’s direct support for the coup plotters led by Army Chief of Staff General Humberto Castelo Branco.<sup>165</sup> Gordon wrote to the State Department, CIA officials and the White House on March 27, 1964 that: “If our influence is to be brought to bear to help avert a major disaster here-which might make Brazil the China of the 1960s-this is where both I and all my senior advisors believe our support should be placed.”<sup>166</sup> With the knowledge of the position which China today enjoys, it may have been good for Brazil to be the China of the 60s, but if that was the case it would be counterproductive for US imperialism, then and now, and for such reason Goulart had to go.

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<sup>163</sup> The National Security Archives. <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB118/index.htm>

<sup>164</sup> Ibid. White House Audio Tape, President Lyndon B. Johnson discussing the impending coup in Brazil with Undersecretary of State George Ball, March 31, 1964.

<sup>165</sup> Stepan. *The Military in Politics*. p.128. Also see, José Alfredo Amaral. *Segurança e democracia: uma reflexão política*. Rio de Janeiro: Livraria José Olympio, 1975. p. 35.

<sup>166</sup> The National Security Archives. State Department, Top Secret Cable from Amb. Lincoln Gordon, March 29, 1964. <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB118/index.htm>

Most importantly, besides supporting the coup in principle the president was also ready to help with a naval fleet that would be sent “with no commitment,” Johnson is heard saying on the tape.<sup>167</sup> That same day, March 31, the documents show, a secret telegram was received by Gordon from Secretary of State Dean Rusk stating that the Administration had decided to immediately mobilize “a naval task force to take up position off the coast of Brazil; dispatch US Navy tankers “bearing POL” from Aruba; and assemble an airlift of 110 tons of ammunition and other equipment including “CS agent”-a special gas for mob control.”<sup>168</sup> This was the effective beginning of Operation Brother Sam. At an emergency meeting on April 1 at the White House, according to a CIA memorandum of conversation, President Johnson was told by Secretary of Defense Robert McNamara that “the task force had already set sail, and an Esso tanker with motor and aviation gasoline would soon be in the vicinity of Santos. An ammunition airlift, he reported, was being readied in New Jersey and could be sent to Brazil within 16 hours.”<sup>169</sup> It is interesting to note, that the tanker which was going to be used in the operation belonged, not to the United States government, but to Exxon, a MNC which had sponsored IPES and IBAD, and would later play a prominent role in the formation of TV Globo. This evidence makes clear the United States’ approval and support for the coup, however, what still remains unknown is the extent of the CIA’s involvement because its operational files on

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<sup>167</sup> Ibid. White House Audio Tape, President Lyndon B. Johnson discussing the impending coup in Brazil with Undersecretary of State George Ball, March 31, 1964.

<sup>168</sup> Ibid. State Department, Secret Cable to Amb. Lincoln Gordon in Rio, March 31, 1964.

<sup>169</sup> Ibid. CIA, Secret Memorandum of Conversation on Meeting at the White House 1 April 1964 Subject-Brazil, April 1, 1964.

intervention in Brazil remains classified.<sup>170</sup> This secrecy can only lead one to conclude that the CIA was heavily involved, taking into account their heavy involvement in institutions such as IPES and IBAD. Hopefully these documents will be made available soon because as Archive analyst Peter Kornbluh stated: “Declassification of the historical record on the 1964 coup and the military regimes that followed would advance US interests in strengthening the cause of democracy and human rights in Brazil, and in the rest of Latin America.”<sup>171</sup> As it can be seen, by hiding these documents, successive administrations have become part and parcel of the coup and its sorry aftermath, but also contributed to the domination and control of Brazil by the United States and its MNCs.

As it can be seen “the United States had a contingency plan to support the anti-Goulart rebels with fuel and weapons, if they needed.”<sup>172</sup> This demonstrates that besides previous “arrangements”, in order to assure that the coup would be successful, the US guaranteed that “a large quantity of petroleum would be sent to Brazil and made available to the insurgent officers... if Goulart supporters in the state oil union were to blow up or control the refineries.”<sup>173</sup> But most important, “a US Navy task force would be dispatched to Brazilian coastal waters, the presence of which would deliver an obvious message to opponents of the coup.”<sup>174</sup> The coup began in March 31, 1964 and even though some resistance took place it was quickly defeated, and on

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<sup>170</sup> Ibid.

<sup>171</sup> The National Security Archives. <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB118/index.htm>

<sup>172</sup> Skidmore. *Modern Latin America*, 2001. p.168.

<sup>173</sup> Blum. p.165.

<sup>174</sup> Ibid.

the next day the seat of the president was declared empty.<sup>175</sup> As Ambassador Lincoln Gordon cabled Washington, “He describe the coup as a “great victory for the free world”, adding, in a remark that might have had difficulty getting past the lips of even John Foster Dulles, that without the coup there could have been a “total loss to the West of all South American Republics.”<sup>176</sup> This was the same free world that together with the United States had to protect its markets and resources in the Third World. The “total loss” of which Gordon was talking about meant the loss of markets and natural resources; and when one is talking about the survival of the “free world”, “any expense, any means was justifiable.”<sup>177</sup> It seems that for the “free world” the imperialist road was the one most traveled.

For such reason, democracy was destroyed and so was the perspective of a more just Brazil, but US economic interests were either left intact or improved. The status quo was maintained and the military dictatorship, that used tortures that “range[d] from simple but brutal blows [and] from truncheon to electric shock”<sup>178</sup> and was supposed to stay in power for a short period, remained in power well into the 1980s. It should be highlighted that the US furnished the Brazilian police with criminology equipment, 31,000 grenades, batons, body shields, and vests for riot control. It also trained the Brazilian police in subjects such as “riot control, fire arms, investigations, counterintelligence, handling explosives, patrol operations, and boarder

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<sup>175</sup> Fausto. p.255.

<sup>176</sup> Blum. p.168.

<sup>177</sup> Leacock. p.256.

<sup>178</sup> Ibid., p.171.

and customs patrol.”<sup>179</sup> The equipment and training helped the terror that took hold of Brazil which in turn helped maintain US control of Brazil. The military assistance and the political pressure were part and parcel of the US plan to maintain and further its economic ambitions in the region but it also helped with the maintenance of political control. For such reason, the United States’ main desire was to see “Brazil take serious measures to deal with problems of internal security”<sup>180</sup> because internal security was crucial for natural resource extraction and consumption which were, and are, the main goals of the United States abroad as was also the case with the previous imperialist nations.

In addition, besides helping militarily the US was also planning in helping the coup plotters with financial assistance if they were successful. Clear evidence of such assistance, appeared in an interview by Lincoln Gordon the American ambassador to Brazil in the moment of the coup when he said: “[President Johnson] was all in favor of supporting this new regime as a matter of policy, including financial help for the Brazilian balance of payments.”<sup>181</sup> This was the same balance of payments which the US had previously suspended funds and used the money instead to finance the “islands of sanity”, or the state governments, instead of the federal government. In this respect, Phyllis R. Parker showed that in 1962 the total loans from the US to Brazil were \$2,982,669.95 and in 1963 they were \$29,029,881.19 and part of it was tied to Brazil settling the ITT and AMFORP cases. However, in 1964 with the new government in

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<sup>179</sup> Parker. p.97.

<sup>180</sup> Ibid.

<sup>181</sup> Lincoln Gordon interview to Paige E. Mulhollan July 10, 1969.

<http://www.lbjlib.utexas.edu/johnson/archives.hom/oralhistory.hom/Gordon-L/Gordon.pdf>

power, Brazil received \$108,619,051.76 and \$78,845,470.22 in 1965.<sup>182</sup> As it can be seen, the US government was really going to support the new regime “as a matter of policy.” Parker also affirms that there were no loans negotiated while Goulart was president, (the loan received in 1962 and 1963 had been negotiated under the Quadros administration) but in “June 1964, three month after the coup, the United States negotiated and released \$50 million as “an emergency measure to meet foreign exchange crisis.” Within four years there were four program loans for an additional total of \$475 million from the United States to the military government of Brazil.”<sup>183</sup> It is important to point out that “since aid to Brazil was “tied” to purchase of American goods, the American economy as a whole would benefit, and the balance of trade with Brazil continued to run in America’s favor. Just as important for President Johnson was the political spinoff: the executives representing American multinationals were absolutely delighted with the change in business climate in Brazil.”<sup>184</sup> It is interesting to note that President Johnson “despite the fact that this was a military coup against a constitutional regime, the moment Brazil’s Congress gave the new regime a legal base by naming Goulart’s next-in-line to succeed extended his “warmest wishes” and hinted at a “quick recognition” together with State Department officials [that] made no attempt to conceal their pleasure over Jango’s fall.”<sup>185</sup>

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<sup>182</sup> Parker. p.95.

<sup>183</sup> Parker. p.93.

<sup>184</sup> Leacock. p.260.

<sup>185</sup> *Time Magazine*, April 10<sup>th</sup>, 1964.



The US saw in the new military regime a solid ally because “some of the Brazilian officials seemed almost pathologically pro-American.”<sup>186</sup> Such position was clear because “it would be difficult to find another foreign minister of a sovereign state proclaiming, as did Juracy Magalhães, that what was good for the United States was good for his own country.”<sup>187</sup> This was the moment in which the Brazilian economy would be “effectively adapted to modern forms of international capitalism as military bureaucrats, “internationalist” businessmen, and technocrats tied to the multinationals replaced those who had advocated nationalist and “statist” development.”<sup>188</sup> Before when two Brazilian industrialists would talk they would say: “In Jango’s (Goulart) day every time I entered the factory I was afraid of finding a communist sitting in my desk. [The other replied:] Right. But now every time I enter mine, I’m afraid of finding an American sitting on my desk.”<sup>189</sup> This anecdote clearly depicts the situation in Brazil after the military coup. This new climate was brought about mostly because the military government in the first year eased restrictions on profit remittances by foreign owned enterprises, signed an investment guarantee agreement with the United States (designed to encourage direct private investment) and took steps to end the dispute that prevented Hanna Mining co. from mining and exporting Brazilian iron ore. Furthermore, fifty million of aid money was used to purchase AMFORP.<sup>190</sup> The military government in its first year reversed most of the policies implemented by Goulart which had a direct impact on the profits of

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<sup>186</sup> Leacock. p.223.

<sup>187</sup> Ibid.

<sup>188</sup> Ibid. p.254.

<sup>189</sup> Ibid. p.221.

<sup>190</sup> Ibid. p.232.

multinational corporations in Brazil and as a result sponsored the takeover of the Brazilian economy by these same multinational corporations.

Moreover, it is also important to point out that, the new government was conspicuous in the number of ESG generals. Perhaps more conspicuous was the amount of praise it received from Lincoln Gordon and other top US officials. Over the next few years the Johnson government showered the new Brazilian administration with assistance, indicating the desire for Castelo Branco to succeed. United States corporate investments likewise ballooned, taking advantage of policies that eased access to local capital and natural resources. The Castelo Branco regime closely identified Brazilian interests with the US and reversed the independent foreign policy, especially in regard to cold war issues (concerning Cuba, Vietnam and the Dominican Republic).<sup>191</sup>

Again, as was the case in Cuba with the Bay of Pigs invasion, but by different means, US imperialism intervened in the affairs of an independent nation, simply because that nation was trying to implement nationalist reforms that would benefit the majority of its own population and most of all the poorest within the population, meaning the darker classes or *A Caça* (The Prey) depicted in the pictorial *A Caçada*. This was a government that, by trying to trade with multiple partners became “too independent” in the eyes of Washington, as far as foreign policies were concerned. Two elected presidents were removed because they did not follow Washington’s rules and traced an independent policy that would benefit the population of their own

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<sup>191</sup> Weis. p.168.

country. Both were blamed as “communists” in order to legitimize their demise. The facts presented clearly point to the nature of US imperialism where if a nation expresses any independence from what the US thinks is “best for them” they have to be removed and destroyed. This follows the same pattern of British Imperialism when the British tried to protect, for example the Indians, from themselves by abolishing certain religious practices because the British decided that this practices were backwards. The practice of *Sati* (women sacrificial burning at the husband’s pyre) is a good example of that. It also demonstrated that the Brazilian case could not be left unchecked by the imperialist US because otherwise it would serve as a bad example, or precedent, to other Latin American nations that could think that an independent policy, away from Washington’s desires could be accomplished without the fear of reprisal. They were also becoming aware of the US methods and were recognizing that they had a common struggle. This was a major threat for US imperialism. The year 1964 seems to be the end for democracy in Brazil for the next 20 years and kept the Brazilian government out of any involvement in the global anti-imperialist struggle that would surface in the years after 1964.

### *Conclusion*

On April 19<sup>th</sup>, 1964 in an edition of *O Estado de São Paulo* newspaper, Assistant Secretary Thomas Mann went on to state the pattern and purpose of US assistance before and after the coup. He stated that:

Last January when we assumed our duties we were convinced that communism would rapidly erode the government of João Goulart in Brazil. Even before assuming our actual position, moreover, we already were following a policy destined to grant aid to certain state governments in Brazil. We did not furnish any money to support the balance of payments or the budget, nor did we take any measures that could directly benefit the central government of Brazil. In our opinion, which I believe is shared by many Brazilian specialists, and in words attributed to efficient governors of various states, the limited assistance destined for the Goulart administration contributed toward financing democracy... Now after the replacement of Sr. Goulart, if the government of Brazil supports a stabilization and self-help program, which is the type of development program that *we want to see*, or in other words, if they accept their responsibilities in the Alliance for Progress, we would be prepared to consider making appreciably more substantial funds available.<sup>192</sup>

Is he saying that no matter what Goulart did the US was going to destabilize his government, in an imperialist manner, in order to maintain the control over Brazilian affairs? It seems that this was his message. However, Mann did not interpret the US as being imperialist, or even in any way intervening in the internal affairs of Brazil. When he later elaborated on his previous statement, he said that: the US did not “intervene in Brazil’s internal affairs” in the classic sense of the word (military coercion), and he did not recall that the US tried to influence Brazil’s policies through economic leverages.<sup>193</sup> However, on this matter, the evidences provided above, and his

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<sup>192</sup> Parker. p.93. Also see, Maia Neto. p.184. (Italics mine)

<sup>193</sup> Ibid.

later recollections tend to create divergent impressions.<sup>194</sup> It is important to note that the goal of this research is to demonstrate that US imperialism has much more efficient mechanisms to maintain control without direct military intervention. These mechanisms were initially economic and political, but later would come through the media, more specifically through television. For such reason, the anecdote published by the *Time Magazine* on April, 10<sup>th</sup>, 1964 on the The Hemisphere section on the coverage of the coup is very telling. It stated:

The revolution overturned Brazil's "Jango" Goulart - Latin American revolts are a hazard to TIME because they usually seem to happen on the weekend, after we go to press, but this one came in plenty of time for thorough coverage. What is more, Hemisphere Editor George Daniels, in Rio on a previously planned trip, was ready and eager to help Bureau Chief John Blashill and his staff during 37, mostly sleepless, hours of reporting. The coup started just as the moving men arrived to relocate TIME'S Rio quarters, and while the new office was a shambles, its balcony provided a magnificent view of the massed anti-Goulart troops in the square below. In fact, reported Daniels: at times it looked for all the world as if we were directing the operations.<sup>195</sup>

Even though this was published as an anecdote it had a major truth to it as will be clear in the next chapter. It almost seems that they had been briefed in advance about the coup and were prepared to cover the event. But most important as it was stated “it looked for all the world as if we were directing the operations” and maybe they were, since such “coincidences” seem to be the hallmark of United States imperialism in Brazil.

In conclusion, the main reason for the coup was to maintain and advance the interests of the US government and multinational corporations in Brazil. At the time,

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<sup>194</sup> Ibid.

<sup>195</sup> *Time Magazine*. The Hemisphere. Friday, Apr. 10, 1964.

<http://www.time.com/time/magazine/article/0,9171,875721-4,00.html>

Edmar Morel wrote: “Yesterday, was the suicide of Getúlio Vargas. Today, the deposition of João Goulart. Tomorrow, it will be another revolution *made in USA* with all and any reformist president.”<sup>196</sup> Even though Morel was right in pointing the finger to the US for the removal of the Brazilian reformist presidents, he worried about a problem that would not again take place in Brazil: a reformist president. The reasons were that the military stayed in power for 20 years and from the very beginning they helped to create a powerful propaganda machine for the formation of public opinion, in line with the interests of the US, which meant the expansion of the Brazilian market for sale of US goods and the exploitation of Brazil’s natural resources. This machine was named Rede Globo and had the sponsorship, again, of American corporations. With the formation of Globo the problems of a true reformist president gaining power would be greatly eroded because the ideology of consumerism American style would maintain the population in alliance with the goals of the US. Fred J. Cook made the real intentions of the US clear in 1964 when he said: “We export not democracy, but US capitalism: and all that US capitalism looks for abroad is that the labor be cheap and a government that would be agreeable, most likely an authoritarian regime which will impose the lowest taxes”.<sup>197</sup> All of these objectives had been achieved with the coup. Nevertheless after low taxes and cheap labor are achieved, the next step is to guarantee the access to the countries’ market with the best conditions for the largest profit to be obtained. This was already taking place in Brazil but it would be further enhanced by the military regime and the formation of the TV station, Rede Globo. In

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<sup>196</sup> Morel. p.18.

<sup>197</sup> Neto. p.180.

this manner, the US could make the most profit and as was seen above, profits for the mother country are all that mattered in an imperialist relationship.

It is important to point out that when Brazilians suffered from the colonial regime there were some *patrícios* (citizens/brothers) that would advocate for the maintenance of the colonial regime because they received position and wealth. When British imperialism dominated the economy it found Brazilian defenders for its policies, people that with it prospered. “The new imperialism of the present moment also has Brazilian allies, well paid and placed in key positions. And when it does not have them, it can always buy them... The press is in the hands of the Marinhas [owner of Globo], the Chateaubriand and Julio Mesquita and is financed by advertisers predominantly foreign.”<sup>198</sup> As it can be seen, an ample policy, independent and dignified, that would allow for foreign relations with all the countries in the world, would be lucrative and crucial for Brazilian independence, but would be prejudicial to the top circles which retain financial control, judicial power, political power and the fourth power – the press.<sup>199</sup> For such reason, we now turn to the formation of Rede Globo and its role in the American imperialist project in Brazil.

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<sup>198</sup> Ibid. p.62-63.

<sup>199</sup> Ibid. p.63.

## II. Globo and its Logo: The Sword and the Cross of the New Imperialism

*I think he is more powerful than citizen Kane, Roberto Marinho is the strongest political force. In a country of 180 million people nothing is done without asking Roberto Marinho. It is scary (assustador). Chico Buarque.<sup>200</sup>*

*Globo is proud of the fact that only the three main television networks in the United States are larger. But none is so powerful. The power of Globo is reinforced everyday by marvelous images with an excessive repetition of its own identity in the screen.<sup>201</sup>*

On December 10, 1984 *The New York Times* reported directly from Rio de Janeiro that:

More than four centuries after the sword and the cross first started shaping this vast land into a nation, the silvery blue logo of Brazil's main television network is emerging as the country's new symbol of integration. From the upper reaches of the Amazon to the southern borders with Uruguay, Brazilians can now watch the same soap operas or comedy shows at the same time. Still more critical, 40 million people turn to Globo Network each evening for their news about Brazil and the world. The huge distances and hostile terrain that long kept this country separated from itself are being bridged electronically, and for the first time, people in one area can learn about those in another. (...) Television is also beginning to blur regional identities by slowly homogenizing the slang, fashions and buying habits of Brazilians thousands of miles apart. After a character in a soap opera remarked "I don't like violet," store owners in many cities protested that clients stopped buying that color. In a subsequent episode the character changed her mind.<sup>202</sup>

This piece is transcribed here because it is very illustrative of how different interpretations can be given to the same facts. The author brings forth many issues that are described as positive achievements of the Globo network but that could be seen as not so beneficial for the people being "served" if more closely examined. The

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<sup>200</sup> Simon Hartog, *Beyond Citizen Kane*. United Kingdom: BBC, 1993. Interview with Leonel Brizola.

<sup>201</sup> Ibid. Introduction.

<sup>202</sup> Alan Riding, "On TV, Brazil Is Getting a Clearer Picture of Itself" Special to *The New York Times New York Times (1857-Current file)*; Dec 13, 1984; ProQuest Historical Newspapers *The New York Times (1851 - 2004)*. pg. A2.



first instance is where the article mentioned that Globo, with its silvery blue logo, is doing the same as the sword and the cross 400 years later “shaping this vast land into a nation” as if it was a positive consequence. However, he never mentions that, in the same way as the sword and the cross, Globo and its logo serve as instruments and symbols of Imperial power, or Imperialism, in this new era. Even though *The New York Times* did not mention it, the publishers of *A Caçada* did when they identified Globo’s logo as one of the guns. As it is well known, the sword and the cross were instruments of imperialist control used by European monarchies and the Church respectively. Therefore I raise the question: Who was behind this new effort, TV Globo, of “unification” or attempt to control the people living in the territory which was named Brazil since it is the new sword and cross? In this chapter, I will argue that it was *Time-Life* initially, together with multinational corporations, which for the most part in this period were American, that were the major players which created Globo as the main spearhead for Imperialism American style. In other words, this was the creation of a new form of Imperialism based on consumerism American style, in ideology, tastes and products.

However, the article did not point out that after the sword and the cross, in a more near present, as was described in the prior chapter, another instrument was used for this so called unification and that was the military dictatorship installed 20 years prior to the *New York Times* article. This as it was seen earlier, was an Imperial tool but instead of swords given to them by the Kings of Portugal they had the equipment and training from the new imperialists, the United States. Maybe the author of the

article had the military implied by mentioning *Jornal Nacional* which was its mouth piece during the dictatorship and would survive in the democratic period and serve “40 million people every evening for their news about Brazil and the world.”<sup>203</sup> This control of the television news in Brazil seems to point to a virtual monopoly of the truth since so many Brazilians are now able to get their news in the comfort of their homes every night. This imperialist project which had been set out in 1500 entered a new phase with the installation of the military dictatorship because besides the “sword and the cross” the military would help create together with *Time Life*, the multinational corporations and advertising agencies, the most powerful “sword and cross” of the twentieth century: television. And in Brazil television, as the article made clear, meant, and means, Globo, and Globo means consumption. But not any consumption, one that would follow the *Cultura Zona Sul* (South Zone Culture), or the style of the wealthy coastal areas of the city of Rio de Janeiro, which was the model used to homogenize the population in the consumerist ideology of the US, and was described in the article as positive, through its “Brazilianized” version.<sup>204</sup>

This new model was described as being a “symbol of integration” because Brazilians “can now watch the same soap operas or comedy shows.”<sup>205</sup> However, as described by Roberto Ramos the telenovelas’ themes revolve around the elite in any geography or place. “The reality is structured on the life of the rich. They live in their mansions and top floors of buildings... The cultural values are conceived within the

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<sup>203</sup> Ibid.

<sup>204</sup> Roberto Ramos. *Os Grã Finos na Globo: cultura e merchandising nas novelas. Petropolis: Vozes*, 1987. p.59.

<sup>205</sup> Riding, pg.A2.

universe of the *Zona Sul carioca*.<sup>206</sup> Eugenio Bucci describes how the most common exclusion takes place “with the miserable, the oppositional, the ugly and even black Brazilians more truthful to their origins: all are excluded from the visual menu offered to the large public. And when they appear, it is to supply the necessities of prejudice. We all see this in the comedy shows or in the *program de auditório*, where we see construction workers and maids made fun of in return for a small sum of cash.”<sup>207</sup> As it can be seen by the description of these Brazilian authors, on the one hand, the unification was going to be based on the spread of the elite patterns of consumption, through the telenovelas and television programs in general, or the hunters, as the model to be followed by the entire population. And the exclusion, or satire of the lower classes, as the prey, or the ones to be eliminated physically, but most importantly the destruction of their culture and identity, on the other hand in order for the consumerist ideology to take place more easily would be clearly present following the description of the hunt present in *A Caçada*.

Furthermore, the year 1984 is also symbolic and important, because besides being the year in which Globo was doing the “great favor” for the nation, was also going to be the last year in which Brazil would be ruled by a non-elected president in its history. It is important to establish that an elected president does not necessarily mean an independent one, as it will be clear later with the power of Globo and advertising agencies to manipulate public opinion. The article in the *New York Times* has even more importance because in a way it ushered in the opening of a new phase

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<sup>206</sup> Ramos. p.59. Carioca is an expression used to describe someone from Rio de Janeiro.

<sup>207</sup> Eugênio Bucci. *Brasil em tempo de TV*. São Paulo: EditoraBoitempo, 1997. p.32-33.

where Globo and its control over television, and over the media in general, but most important, public opinion, would play an even more important role since its creation. The military government helped and allowed for the formation of Globo, as it will soon be demonstrated, and in doing so, it made way for this new Imperialism to further root itself in Brazil.

Nevertheless, this would only be possible with the illegal dealings between Globo and the American group Time Life which helped transform Globo into the leading television station in Brazil. This historical point is of the highest importance because as the military was getting ready to go back to the barracks, they could only do it because they had created, in the 20 years they were in power, a social control mechanism that could maintain the direction set out by the military dictatorship which meant, the opening of Brazil to the multinational corporations. Bucci asserted that: “the vocation of this model of television (represented by Globo), since its formation, is to perpetuate the authoritarian order which created it.”<sup>208</sup> In sum, television from the beneficiary, converted itself into the source of political power. This was the main objective of the United States since its sponsoring of the coup: the destruction of the possibility that Brazil may follow a more ideological, political and most importantly economically independent path away from the *Talons of the Eagle*. Globo was the guarantee that a consumer society would be developed with similar tastes as its North American counterpart which would be in alliance with the interests of the multinational corporations and the Brazilian elite. For this reason, the true authoritarians were not the Brazilian military or even Globo, but the United States

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<sup>208</sup> Ibid. p.21.

and its MNCs. It is for such reason that Bucci affirmed in 1997 that “What we have today is a paradigm dispute: either television continues to delineate the public space, or the public space, by its own legitimate power, decides to discipline the television which occupies it –and in turn constitutes it.”<sup>209</sup> As it can be seen, more than 10 years after the military had gone back to the barracks, the discussion of the control of public opinion was still a main concern in Brazil. However, this situation, which is still present today, had its began with the formation of Globo, which was directly related to the new economic path followed by the Brazilian military and to this we now turn.

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<sup>209</sup> Ibid.

*The Beginning of the End: Military or US? Who's Goals for the Brazilian Economy?*

***You should always keep in mind that it is crazy for a nation to expect disinterested favors from another and that everything that a nation receives as a favor will have to be repaid, later, with part of its Sovereignty. George Washington.<sup>210</sup>***

***Let's not look for the road back to the colonial situation. Let's guard ourselves from international protections. Safe guard ourselves from the absorbing powers and expansionist races. A dependent people on its own territory and in it subject to the control of masters could not seriously aspire nor seriously maintain its independence from foreigners. Rui Barbosa.<sup>211</sup>***

In order to understand how the rise of Globo, the fall of João Goulart, the military dictatorship and advertising are related one needs to understand the role played by the United States through *Time-Life* initially and later by advertising agencies, such as J.W. Thompson and its main clients: multinational corporations. This was part of a government policy promoting US capital and American consumption patterns in Brazil. “The economic model pursued by the military became increasingly beneficial to multinational corporations. This was particularly true after the period of the “economic miracle,”<sup>212</sup> when the overall domination of foreign capital in key sectors of the economy became apparent.”<sup>213</sup> Interesting enough Armand Mattelart stated in *Multinational Corporations and the Control of Culture* that the campaign to promote the myth of the economic miracle was launched from New York, on a world scale by the Kenyon & Eckhardt agency in 1972.<sup>214</sup> This fact

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<sup>210</sup> Genival Rabello. *Cartilha do Dólar*. Rio de Janeiro: Edições Gernasa, 1968. Opening.

<sup>211</sup> Ibid.

<sup>212</sup> *The New York Times*, February 16, 1993. The “economic miracle” took place in the 1960s and 1970s.

<sup>213</sup> Maria Helena Alves. “Interclass Alliance in the Opposition to the Military in Brazil: Consequence for the Transition Period.” in Susan Eckstein. *Power and Popular Protest in Latin American Social Movements*. Berkeley, CA: University of California Press, 2001. p.279.

<sup>214</sup> Armand Mattelart. *Multinational Corporations and the Control of Culture*. – *The ideological apparatus of Imperialism*. New Jersey: Hasvester Press-Sussex, 1979. p.239.

demonstrates that the myth of the economic miracle was just that, a myth, created by an American advertising agency in order to rationalize the takeover of the Brazilian economy by the MNCs which were the main clients of these agencies, after the military coup. Furthermore, the military dictatorship had a direct impact on the mass media/communication system because the political system and the country's social and economic situation were completely changed by the definition of an economic model for national development. "The country's economic growth was centered on the fast industrialization based on imported technology and foreign capital, while the mass media, principally television, had to exercise the role of broadcasters of durable and non-durable goods production."<sup>215</sup> As it can be seen, the main goal of the military was to industrialize Brazil even if that meant opening the country to the domination of multinational corporations. The goal of such development model, as pointed out by John Tomlinson, for "the 'underdeveloped world', is generally conceived of as 'modernity'. 'Modernity' and 'development' though by no means necessarily linked as concepts, have become closely identified."<sup>216</sup> In Brazil this would be very clear after the control of Globo and advertising agencies had been established which will be further examined in the next chapter. For now it suffice to say that in Brazil, development, modernity and progress would become almost synonyms.

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<sup>215</sup> Sergio Mattos. "A Profile of Brazilian television", in José Marques de Melo (ed). *Communication for a new world : Brazilian perspectives: papers presented by ECA-USP and other Brazilian institutions to the XVIII IAMCR Scientific Conference*, Guarujá, São Paulo, 1992. São Paulo, Brasil : School of Communication and Arts, University of São Paulo, 1993. p. 231.

<sup>216</sup> John Tomlinson. *Cultural Imperialism – A Critical Introduction*. London: Pinter Publishers, 1991. p.27.

Following such patterns and reporting on the changes occurring in Brazil, in June 1964, a *Time Magazine* article stated that:

Having kicked out leftist João Goulart, Brazil's new President Humberto Castelo Branco is determined to put his country's economic house in order once and for all. To do the job, he has chosen Roberto de Oliveira Campos, 47, a brilliant economist and diplomat, who was Brazil's Ambassador to Washington until last December, when he quit in disgust at Goulart. As Minister of Economic Planning, Campos knows just how big a task he faces.<sup>217</sup>

Roberto Campos was the incarnation of development, modernity and progress himself. That was so because Campos as Ambassador to Washington had very close connection not only to the US government but also to American MNCs and for the Brazilian military the US and MNCs meant development, modernity and progress. A clear example of Campos's direct contacts with MNCs was that he was the mediator between Globo's lawyer Luiz Gonzaga do Nascimento Silva and Time-Life, at the time of the signing of the contracts which would allowed for Globo to take over its competitors, and will be analyzed in the next segment, while he was still serving as ambassador to the US.<sup>218</sup> Furthermore, Campos has also been said to be directly related to figures such as Otávio Gouvêa de Bulhões that would become president of *Ericsson* a powerful MNC in the area of telecommunications in Brazil.<sup>219</sup> But most telling is that the "*Houston Post* of May 08, 1964, second section, page 7, advertised for seven o'clock at night an interview with a view of Brazil, by Mr. Roberto Campos, Minister of Economic Planning chosen and *appointed* by President Johnson

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<sup>217</sup> *Time Magazine*, June 05, 1964.

<sup>218</sup> Herz. *A história secreta da Rede Globo*. Porto Alegre: Tchê Editora Ltda, 1987. p.107.

<sup>219</sup> *Ibid.* p.169.



(of the US) that will be interviewed.”<sup>220</sup> It seems that the *Houston Post* had an idea of how Campos got his position as Minister of Economic Planning. Moreover, Campos and his Ministry were said to be a truly reserve of IPES and therefore helped “transform the State in a gigantic factor for the accumulation of capital, which benefitted the multinational block.”<sup>221</sup> No wonder that at the moment he was leaving his ambassador position in Washington he stated that “The nation has “developmental intentions but no developmental policy.”<sup>222</sup> And for that reason, Campos, educated at Yale, says the article, spoke strongly and defiantly, against the government, in an interview with the newspaper *O Globo*. He went on to say that Brazil needed to stop attributing its troubles to “imperialism, foreign exploitation and colonialism”<sup>223</sup> to the newspaper that would soon acquire a TV station that would give Campos so much publicity coverage that would make him look like “a movie star.”<sup>224</sup> As it can be seen, Campos would inevitably lead Brazil right into the hands of his masters: the US government and MNCs, because for him that was in the best interest of Brazil and Brazilians, or at least the Brazilians that mattered: The Hunters. For Campos, this was not Imperialism, it was development and modernity, at least the type of development which him, the military, the US and the MNCs envisioned for Brazil where development would mean the consumption of MNCs products which in itself were a representation of modernity and progress.

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<sup>220</sup> Herz. p.171-172. (Italics mine)

<sup>221</sup> Herz. p.204, in Dreifuss. *1964: A Conquista do Estado*. Petropolis, Vozes, 1981. p.492.

<sup>222</sup> *Los Angeles Times*, February 6, 1964.

<sup>223</sup> Ibid.

<sup>224</sup> Herz. p. 173.

However, the expectations that the economy was going to improve for Brazilians seemed to have been frustrated when in May 12, 1967 a report affirmed that “The closing months of the administration of Marshal Humberto Castelo Branco were punctuated with the laments of Brazilian business that the country was being sold out to the US and other powerful overseas economic interests. Under the finance minister Sr. Roberto Campos it was argued growth had been halted, but despite that inflation continued.”<sup>225</sup> This was expected since, beside Campos’ connections to the US, Castelo Branco's foreign minister Juracy Magalhães stated that “what is good for the United States is good for Brazil.”<sup>226</sup> It seems that at this moment, even the business community in Brazil began to question the new economic plan which favored MNCs. It seems that again Brazilian businessmen would have to worry that when entering their industries they may find “an American sitting on [their] desk”<sup>227</sup> not a Communist as they feared in the Goulart era. It is important to note that this was a moment in which “Industry after industry, North American corporations saw that their foreign profits were growing, and that the return on foreign investments frequently was higher than in the US. At the same time that foreign profits began to grow, the internal profit margin began to diminish (...) This was the combination that forced the multinational development.”<sup>228</sup> For such reason, Brazil was being invaded by MNCs in this period. At this moment, the United States and its corporations were happy; Brazilians had little to cheer about.

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<sup>225</sup> *Latin American Weekly Report*, May 12, 1967.

<sup>226</sup> *Ibid.*

<sup>227</sup> Leacock . p.221.

<sup>228</sup> Carlos Rodolfo Amendola Ávila. *A Teleinvasão – A participação estrangeira ne televisão brasileira*. São Paulo: Cortez Editora, 1982. p.25.

Furthermore, it is important to acknowledge that a growth in production will inevitably lead to a growth in consumption, and for such reason, the creation of desires within the population to consume these newly produced goods had to be established. Based on this factor it is easy to see why John P. Dickenson noted that, “The post-1964 governments made many concessions to foreign investors, who, together with the local industrialists, stimulated both television and consumerism chiefly by means of television advertisement.”<sup>229</sup> The first multinational corporations (such as Ford, Armour, IBM, Firestone, and others) were established in Brazil before 1939. After 1964, multinational corporations practically controlled the engineering, electrical, vehicle, and pharmaceutical industries in Brazil.<sup>230</sup> For such reason, General Motors, which established assembly operations in São Paulo in 1925, “signed an agreement that would make J.W. Thompson the first major US advertising agency to open offices in Brazil” in 1927.<sup>231</sup> As it can be seen, by the mid 60s, the formation of Globo became important to expand the possibilities for the sale of goods being produced by these multinational corporations which had already been established in Brazil for almost four decades. Globo and Time-Life began a partnership that would further open Brazil to American advertising agencies, such as J.W. Thompson, who soon dominated the national television advertising market. For such reason, Carlos Lacerda, Governor of Guanabara, asserted that: “They were stimulating in Brazil the formation of a public opinion control, of a control over public opinion, in such a way to my eyes, and to other informed ones (...) in which we find the progressive and

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<sup>229</sup> John P. Dickenson. *Brazil: Studies in Industrial Geography*. England: Westview Press, 1978.

<sup>230</sup> Ibid.

<sup>231</sup> James P. Woodard. “Marketing Modernity: The J. Walter Thompson Company and North American Advertising in Brazil, 1929-1939.” *Hispanic American Historical Review* 82:2. p.01.

growing threat, that soon, the people in Brazil will not know what is in their best interest to know, but what at least is in the interest of another people.”<sup>232</sup> And what was in best the interest of other people, which meant the United States and its MNCs, was for Brazilians to be “educated” in what and how to consume. For such reason, in order to understand how this process began we now turn to the formation of Globo.

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<sup>232</sup> Herz. p.181.

*Globo – Time-Life Agreement – Consolidating Television Control*

***And this is a war – it is not a hot war, but an episode of the cold war. Therefore, if we lose this episode, Brazil will stop been an independent nation to become a colony, a protectorate. It is much easier, more comfortable and cheaper, it does not require the spilling of blood, to control public opinion through the media than to build military bases and finance occupation troops. João Calmon.<sup>233</sup>***

The creation of Rede Globo which had its beginnings in 1961 was directly related to the ESG group. Having in mind that the ESG group was already involved with IBAD and IPES in order to stop what they saw as a communist take over, nothing would be more plausible than the creation of new mechanisms of control in order to obtain the two main objectives of the ESG at the time: security and development.<sup>234</sup> It seems that at this moment for the military security meant that Brazil would be maintained in the capitalist camp and therefore under the sphere of influence of the United States, which meant the creation of desires for a consumer society in opposition to the socialist camp which was not participating in such consumption. And development seemed to mean the same, consumption, but would be surrounded by ideas such as modernity and progress in order to legitimize such consumption patterns. With the appearance of television in the 1950s and its further dissemination in the 1960s, it became of great importance for the ESG, and in turn for the US and MNCs, to have some control over this medium that was bound to dominate all others<sup>235</sup> in order to maintain, “security and development”. The

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<sup>233</sup> João Calmon. Entrevista. Arquivo Nacional do Rio de Janeiro. PH.O.DOT 6573 1964 1972. On the CPI which investigated the Globo-Time-Life agreements. April 13<sup>th</sup>, 1966.

<sup>234</sup> Sergio Mattos. *A Televisão no Brasil: 50 anos de história (1950-2000)*. Bahia: Editora Pas, 2000. p.37.

<sup>235</sup> Black. p.102.

prediction for such domination was based on the knowledge that it already had a major influence in the US and it was growing very fast in Brazil with credit programs sponsored by the military government for TV set purchase.<sup>236</sup> It was also during the [populist] phase (1964-1975) that the cost of TV sets, as a result of increasing economies of scale, became available to a wider audience and drew extraordinary levels of advertising. The data shows that in 1960 there were 598,000 TV sets purchased, 1,663,000 by 1964, in 1970 the number was 4,584,000 and 18,6 million by 1980.<sup>237</sup> Another data shows that by 1965 there were 3 million TV sets and by 1985 there were 22 million.<sup>238</sup> Table 1 shows the progression by year:

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<sup>236</sup> Mattos, *A Televisão*, 2000. p.102. Also see, Sergio Mattos. "Advertising and Government influences – The Case of Brazilian Television." *Communication Research*, Vol.11, n. 2 (April 1984). p.211 (on credit programs.)

<sup>237</sup> Sergio Mattos. "A Profile of Brazilian television", in José Marques de Melo (ed). *Communication for a new world : Brazilian perspectives: papers presented by ECA-USP and other Brazilian institutions to the XVIII IAMCR Scientific Conference*, Guarujá, São Paulo, 1992. p.228.

<sup>238</sup> Armand Mattelart and Michelle Mattelart. *O Carnaval das Imagens – A Ficção na TV*. Translated by Suzana Calazans. São Paulo: Editora Brasiliense, 1987. p.42.

**Table 1:****TV sets purchased in Brazil**

Year	Number(*)
1950	200
1952	11.000
1954	34.0000
1956	141.000
1958	344.000
1960	598.000
1962	1.056.000
1964	1.663.000
1966	2.334.000
1968	3.276.000
1970	4.584.000
1972	6.250.000
1974	8.781.000
1976	11.603.000
1978	14.818.000
1979	16.737.000
1980	18.300.000
1986	26.500.000

\* Number of TV sets (Black and White and Color) in use in Brazil.<sup>239</sup>

<sup>239</sup> Mattos, "A Profile", 1992. p. 228.

As it could be seen, TV ownership was increasing exponentially and for such reason television stations had to be controlled and put to “good” use, such as selling goods and legitimizing the military regime. In order to achieve these goals, the commercial investments came primarily from American corporations, some of which had also financed IBAD, such as Exxon, in Brazil under the name Esso Standard de Petróleo.<sup>240</sup> It is important to note that the first national television news report in Brazil was called *Repórter Esso*, (Exxon Report) which later became *Jornal Nacional* and in 1984 according to the opening article was how 40 million Brazilians got “their news about Brazil and the world.”<sup>241</sup> This fact should raise the question of the control of Globo by foreign interests, and at the moment when Globo was in the way to achieve a virtual monopoly of television it was even more important.

Accordingly, in order to better understand the situation in Brazil, already with the knowledge of the importance of television for the military regime and multinational corporations, a closer look into the development of television and the acquisition of Globo of a virtual monopoly is needed. At the end of the 1950s, there were already ten television stations operating in Brazil and, in 1962 the Brazilian Telecommunication Code (*Código Brasileiro de Telecomunicações*) which had the goal of regulating the sector, and included radio and television, was promulgated by the Law no. 4.117. This code, even though it was innovative in many aspects, gave the executive unilateral power over television and radio.<sup>242</sup> This new code approved

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<sup>240</sup> Sérgio Capparelli. *Televisão e capitalismo no Brasil: com dados da pesquisa da ABEPEC*. Porto Alegre, Rio Grande do Sul : L&PM Editores, 1982. p.80-81. Also see, Mattos, *A Televisã*, p.50.

<sup>241</sup> Riding. pg. A2.

<sup>242</sup> Black. p. 99.



by the National Congress (*Congresso Nacional*) was in reality a project of “military inspiration, fully identified with the ideology of national integration (*integração nacional*), security and development preached in the ESG.”<sup>243</sup> The new code would be a major source of power and control for the military presidents over television after the takeover. In turn the president would make sure that this new integration would be, and according to the opening article it was doing just that in 1984, carried out by TV Globo with the help of its national news report (*Jornal Nacional*), telenovelas and comedy shows in order to create: security and development. But in order for that to happen, a few laws had to be broken, but for Globo, the military and the US this was nothing new.

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<sup>243</sup> Ibid.

*Globo: The Constitution? What is that?*

In 1962 a major event took place, though it went unnoticed for awhile. A contract was signed between Rede Globo and the North American group Time-Life, in which Rede Globo would be transformed into the biggest communications group in Latin America. It is important to note that, as it was described in the previous chapter, in 1962 the multinational corporations together with the US government and the CIA were sponsoring candidates illegally through IPES and IBAD among other illegal deals. Following such patterns of illegality and control over the Brazilian media, and in turn, Brazilian affairs, on July 16, 1962 even before the contracts between Globo and Time-Life were signed, Globo received, through a “swap” operation \$1.5 million from Time-Life Incorporated.<sup>244</sup> On July 24, 1962 the recently constituted TV Globo Ltda. signed two contracts with Time-Life, in New York. “The first was called *Contrato Principal* (Main Contract), which defined the association as a joint-venture. The second was an agreement for technical assistance (*Acordo de Assistência Técnica*) which had clauses that referred to the *Contrato Principal*.”<sup>245</sup> These contracts violated the Brazilian Telecommunication Code (*Código Brasileiro de Telecomunicações*) Law 4.117 of August 1962 and the *Regulamento dos Serviços de Rádiodifusão* (Regulation for the Services of Radiodifusion) which stipulated that “it was prohibited to enter into any agreement, contract or adjustment, related to the use of frequencies consigned to the exploration of services, with any other person or groups, without prior authorization of the *Conselho Nacional de Telecomunicações* -

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<sup>244</sup> Herz. p. 106.

<sup>245</sup> Ibid.

CONTEL (National Council of Telecommunications).”<sup>246</sup> In other words, the Brazilian Telecommunication Code and the Regulation for the Services of Radiodifusion did not permit Globo, or any other station, to have any contract without the permission of the National Council of Telecommunications. Even though the contracts were signed before the establishment of the law, Globo was required to obey the new law. It is also very interesting that Globo had the foresight to sign these contracts right before the new law was to be passed, which could lead one to question why such action took place in the first place right before this prohibition was to be made into law. It is interesting to remember that these contracts were signed, while Roberto Campos was ambassador of Brazil in the US, as mentioned above, but also with his help as intermediary between the parties.<sup>247</sup> However, it was not until July 1965, three years later, that the *Conselho Nacional de Telecomunicações* would finally have knowledge of the contracts. This allowed Globo to receive technical assistance and millions of dollars, which were outside the law. Looking back, it seems that the US through a variety of illegal means created a reoccurring pattern which facilitated its control over Brazilian affairs.

The dealings of Rede Globo and Time-Life began to be revealed in 1963 when, “A Cuban employed by TV Globo, denounced to Carlos Lacerda’s (Governor of Guanabara) security police as a Castroite “agent” turned out to be a “refugee” and a Time-Life executive earning US \$20,000 a year. Under questioning, he “spilled the beans” to the Guanabara authorities about the “deal” between Time-Life and

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<sup>246</sup> Ibid. p.107.

<sup>247</sup> Ibid.

Globo.”<sup>248</sup> The above mentioned “technical assistance” and “joint venture” agreement of 1962, when Globo was still in the development stage, labeled Time-Life’s 30 percent interest in the enterprise as a “foreign investment”. And despite a constitutional provision that management of news media “shall fall exclusively to Brazilians,” the 1962 agreement called for placing one Time-Life executive “with the qualification equivalent to those of manager of a TV station” and another to be “responsible for accounting and financing” at TV Globo.<sup>249</sup> When the Time-Life executive arrived, TV Globo’s Brazilian station manager resigned.<sup>250</sup> The executive which had arrived was Joseph Wallach from the Time-station in Los Angeles which would remain at Globo for more than 14 years.<sup>251</sup> It is interesting to note that Wallach had a similar position at Globo, than the American instructors which served for many years in the ESG, developing the programs and courses which were patterned after those of the National War College in Washington, and were mentioned in the previous chapter.<sup>252</sup> Furthermore, following the same pattern, as when Gen. Cordeiro de Farias mentioned that “US instructors never interfered politically” in the ESG<sup>253</sup>, Wallach was also said, to not have interfered politically on Globo.<sup>254</sup> However, in the same way as the American advisors for ESG, it was later proven by the CPI, that “Wallach was in reality a representative of Time-Life with ample powers.”<sup>255</sup> Such an event besides pointing to the illegality of the formation of Globo, it highlights the

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<sup>248</sup> Black. p.102.

<sup>249</sup> Ibid. p 103.

<sup>250</sup> Ibid.

<sup>251</sup> Herz. p.142.

<sup>252</sup> Chapter I. p. 04.

<sup>253</sup> *Estado de São Paulo*, July 1 1979. p.12

<sup>254</sup> Herz. p.142.

<sup>255</sup> Ibid. p.143.

direct influence and control of Time-Life over the internal affairs of Globo. This situation besides being detrimental to the sovereignty of Brazil it was also against the constitution.

Moreover, the contract also “allowed for Time-Life to claim 45 percent of the profits. The contract was binding but went against the spirit of the article 160 of the Constitution of 1964, which prohibited newspapers or broadcasters from issuing bearer shares or shares to foreigners and which ruled that Brazilians alone were to have the principal responsibility for the intellectual and administrative management of newspaper and broadcasting companies.”<sup>256</sup> At the time, João Calmon, president of the *Associação Brasileira de Empresas de Rádio e Televisão-ABERT* (Brazilian Association of Radio and Television Companies) said that “because of the contract with Time-Life TV Globo was the richest station in Brazil.”<sup>257</sup> Within five years of the 1962 agreement, Time-Life had pumped more than \$6 million into Globo. And with the massive influx of dollars by 1965, the station embarked upon an ambitious expansion, acquiring a chain of two TV and five radio stations in the key states of São Paulo and Pernambuco, as well as two of Rio’s four 50-Kilowatt radio stations.<sup>258</sup> Interestingly enough, a foreign service officer who served in Brazil in the 1950’s told Jan Knippers Black, author of *United States Penetration of Brazil*, that “the CIA had a policy of attempting to own or control at least one major newspaper in each country.

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<sup>256</sup> John W. F. Dulles. *President Castello Branco – Brazilian Reformer*. College Station: Texas A&M University Press, 1980. p. 290. Also see, Mattos, *A Televisão*, 2000. p.109.

<sup>257</sup> Mattos. *A Televisão*, 2000, p.110.

<sup>258</sup> Black. p.103.

In Brazil, he said, it had owned or controlled *O Globo*.<sup>259</sup> However, the author mentioned that she was not able to confirm this statement. But if on one hand, there is no proof that the CIA was trying to acquire a newspaper, on the other hand, Time-Life was. “Both *O Estado de São Paulo* and the *Diários Associados* refused Time-Life’s partnership offers” because it was against the constitution.<sup>260</sup> Here it appears that the connections between Time-Life and Globo, besides infringing on several laws, placed Brazil’s largest media enterprise under the effective control of foreign interests through Time-Life which was directly related to the US government in the person of Henry Luce. In sum, by controlling Rede Globo the US saw the opportunity to control Brazil. It is also important to highlight, as did Calmon, the disproportion of the capital mobilized by the two enterprises. In 1966, Globo’s capital was around 200 thousand dollars. The investments of Time-Life reached 6 million dollars. Time-Life gave Globo a capital thirty times its own. “This was an arrangement made between a company with a capital of 2 billion dollars, Time-Life, and Globo with a little more than 200 thousand dollars: Time-Life had a capital ten thousand times larger than that of Globo.”<sup>261</sup> Such disparity raised serious questions about media control in Brazil. For this reason, after this moment “to discuss television in Brazil was to discuss the public space itself”<sup>262</sup> and that was why and how the scandal developed.

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<sup>259</sup> Ibid. p.102.

<sup>260</sup> Helena Sousa. *The re-export of the US commercial television model time-life/Globo/SIC: replicating business strategies*. p.03. <http://www.bocc.ubi.pt/pag/sousa-helena-globo-sic.pdf>.

<sup>261</sup> Herz. p.195

<sup>262</sup> Bucci. p.25.

*How did the incident developed in the Media? The Globo-Time-Life Scandal*

***I have repeated many times over that any hostility towards foreign capital is just a prelude to the extermination of the national capital. For such reason, I am an enthusiast of the capitalist system, and consider that such system is the best in the planet, and that it guarantees the highest levels of wealth, prosperity, levels that are found in the capitalist areas, in the democratic areas, and not in the communist or socialist ones. João Calmon.***<sup>263</sup>

On January 9, 1966 the newspaper *O Estado de São Paulo* published a long piece where congressman João Calmon, also president of the *Associação Brasileira de Empresas de Rádio e Televisão-ABERT* denounced the infiltration of foreign capital in the radio, television and journalism in Brazil.<sup>264</sup> This was not the first time that this news was made public in Brazil. But in this editorial, Calmon is replying to an accusation of been driven by self interest to carry on this campaign against TV Globo by its owner, Roberto Marinho. Calmon states that the reason he is engaged in the campaign is because if the media in Brazil was to be invaded by foreign capital, public opinion would be threatened and with it the existence of Brazil as a sovereign nation would also be threatened.<sup>265</sup> Furthermore, he stated that the Director of Standard Oil, Paulo Carvalho Barbosa, told him in the restaurant of the Museum of Modern Art that: “if I did not stop the campaign he would not be able to hold the men that would come toward me to destroy and liquidate the *Diários Associados* (another media group which Calmon was a member). Calmon again affirmed that this was not his or the *Diários Associados*’ campaign but a national campaign.<sup>266</sup> At this moment,

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<sup>263</sup> Calmon. (AN 073-074). In response to accusations of being a communist and against foreign capital in the Brazilian economy. p.28-29.

<sup>264</sup> Arquivo Nacional. Fundo Instituto de Pesquisas e Estudos Sociais. Rio de Janeiro, 2004 AN/CODES/DOCUMENTOS PRIVADOS P.01. Historico. (AN 2005-first paragraph).

<sup>265</sup> Arquivo Nacional. (AN2005 – nota do O Globo)

<sup>266</sup> Ibid. (AN2005-papel obscuro)

we have the owner of Globo and the president of Standard Oil trying to achieve the same goal, the demoralization and destruction of its television competitor for revealing an illegal transaction with serious consequences to public opinion in Brazil and therefore Brazil's sovereignty.

Looking at these events, one should question what interests did Standard Oil had on the Globo-Time-Life agreement. Already with the knowledge that this was the same Standard Oil which had sponsored IBAD and IPES it is pretty clear what interests Standard Oil had: the control of public opinion in Brazil. For such reason, Standard Oil would become one of Globo's main advertisers and the sponsor of the first national evening news, *Reporter Esso*, as seen above. Moreover, Calmon also mentioned that the main *boi* (bull) "is Standard Oil which in Brazil is Esso Standard de Petróleo, which in the last year sold eleven billion dollars, many times the budget of our country."<sup>267</sup> Interesting enough, Time-Life and Globo had almost a similar capital disparity as Standard Oil and Brazil, demonstrating the power of Standard Oil, as a specific MNC, but also as representative of MNCs in general, to control Brazilian affairs. Again Globo and a major American MNC, if not the major, had the same goal, the maintenance of the Globo-Time-Life contracts which would allow for the domination of the Brazilian telecommunications market by American interests.

After he was threatened, Calmon made other investigations which led him to ask Paulo Carvalho Barbosa, on another occasion, if there was "some connection, some agreements, some business, some commercial understandings between Esso

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<sup>267</sup> Ibid. (AN2006-nome aos bois)



Petróleo do Brasil – Standard Oil- and O Globo, or TV Globo or Mr. Roberto Marinho?”<sup>268</sup> At this moment, Paulo Barbosa revealed that “there was something” but not directly with Roberto Marinho but with some people connected to Marinho.<sup>269</sup> After further investigations Calmon stated that in the state of Bahia there was the “existence of a connection between the Esso Standard do Brasil and the organizations of Roberto Marinho. There is a symbolic oil pipe between their two buildings, an oil pipe where there is no oil or gasoline, but dollars and a constant, non-stop, influx of news.”<sup>270</sup> He also asserted that one of the enterprises interested in the oil business in the state of Bahia, with the participation of Esso personnel, had their headquarters, on Irineu Marinho Street, number 5, also the headquarters for O Globo.<sup>271</sup> Besides “the symbolic pipeline” and having its headquarters on the same building as O Globo, this influx of news was, most likely, helped by the creation of news’ strategy, developed by JWT for its clients, which will be discussed in the next chapter. Here it suffices to state that, Standard Oil was one the main clients for JWT and in turn one of the main advertisers at TV Globo, including its first national evening news, *Reporter Esso*. It was maybe for such reasons that “the Worldmark Encyclopedia of The Nations, edited by Worldmark Press Inc. classified O Globo as a conservative institution subsidized by the United States.”<sup>272</sup> It seems that the more one looks for evidences of foreign control of Globo, and therefore public opinion in Brazil, the more the

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<sup>268</sup> Herz. p 153.

<sup>269</sup> Ibid.

<sup>270</sup> Ibid. p.155.

<sup>271</sup> Arquivo Nacional. (AN 2196)

<sup>272</sup> Herz. p.155.

evidence seems to point to the power of the US, through its MNCs, to exert such control.

For such reason, Calmon called for a *Comissão Parlamentar de Inquérito* (CPI) (Parliamentary Investigation Commission) to be created in order to further investigate the case.<sup>273</sup> On January 21, 1966 *O Estado de São Paulo* published a note entitled “*Castelo Determina Investigação Sobre Time-Life no País* (Castelo orders investigation about Time-Life in the country).”<sup>274</sup> It stated that after Calmon’s denunciation many military groups began to pressures the president to form the Commission and for such reason the president called the Justice Minister Mem de Sá, the same one which stated that what is good for the United States is good for Brazil, and began to prepare a commission. On January 25, *O Estado de São Paulo* carried a piece entitled “*A Comissão já está completa*” (The commission is complete).<sup>275</sup> On January 27, Calmon showed proof of the money transactions on *O Estado de São Paulo*.<sup>276</sup> At this moment, the major newspapers, radio and TV stations of São Paulo, under the leadership of *O Estado de São Paulo*, issued a “Manifesto to the Nation”, calling the government to act.<sup>277</sup> As it can be seen the Globo-Time-Life agreements were now being discussed on the daily newspapers and the government had to decide what to do with the case.

At this point TV Globo went on a campaign through its daily newspaper in order to convince public opinion that Calmon was only carrying on such campaign

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<sup>273</sup> (AN2006-papel obscure)

<sup>274</sup>(AN2013)

<sup>275</sup> (AN-2018)

<sup>276</sup> (AN-2026-Provas)

<sup>277</sup> Black. p.103.

for personal reasons. For Roberto Marinho, the main reason for the campaign was easily found on the numbers of IBOPE, *Instituto Brasileiro de Opinião Pública e Estatística* (Brazilian Institute of Public Opinion and Statistics), because “TV Globo, being the newest television of Guanabara has already conquered the first place in audience. By the same IPOBE, it can be seen, that the station of the denouncer is the one before last.”<sup>278</sup> For such reason, Marinho stated that the campaign had a self interest motive. He decided not to mention that such change of positions was only achieved because of the illegal injection of dollars, personnel and technical assistance given by Time-Life to Globo which allowed Globo to hire most of the best talents from other stations, build a TV studio and import as many US programs as it wished. However, interesting enough, on February 11, an article on the *Correio da Manhã* newspaper stated that: “Disappears the sale contract of TV Globo.”<sup>279</sup> This was in relation to the removal from the official pages of the registry office (*cartório*) of the contract of the sale of Globo’s main building to Time-Life. “The pages were simply ripped off the book,” stated the article. Roberto Marinho again tried to clean the name of Globo by stating that many other sources had a copy of it, and therefore this could only have been done by the ones that opposed Globo in order to create an uproar.<sup>280</sup> The people responsible were never found. These events only helps to prove the many illegal dealings carried out by Globo and Time-Life which would put the control of

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<sup>278</sup> *O Globo*, February 02, 1966. Reprinted in *O Estado de São Paulo* on February 07, 1966. (AN-2040 – Globo a opinião pública)

<sup>279</sup> *Correio da Manhã*, February 11, 1966. (AN 2045)

<sup>280</sup> *O Globo*, February 16, 1966. Reprinted in *Correio da Manhã* on February 17, 1966. (AN-2045 – Globo a opinião pública)

the media in Brazil in the hands of foreigners, therefore leading to foreign control of Brazil which according to the definition used here is imperialism.

On March 11, 1966 Calmon went back on national television on Globo's main competitor TV Tupi and put the Globo scheme further on the media map. The interview took place in a meeting of *ABERT*. It is important to note that according to Calmon *ABERT* was created during the administration of João Goulart because of the threat of the destruction of private enterprises in the area of communication in Brazil and their substitution for state owned enterprises. However, he goes on to say that this was the fire that initiated the *ABERT* but now there was a different fire: caused by the "advancement of foreign capital to dominate the communication systems (*Imprensa, o rádio e a TV*)."<sup>281</sup> This is an important fact to note because *ABERT* was not a communist stronghold, as Marinho was trying to paint it to be, but it was an association of capitalist media owners which saw the illegal dealings of Globo as detrimental to their business, in the same way as, the "communist threat" of the Goulart era. Calmon stated that he was being accused to be against foreign capital but affirmed that it was such a lie because "no one fought like me to allow foreign capital to bring about true development to Brazil. [But] not to direct and control Brazilian public opinion through the ownership of TV stations and newspapers."<sup>282</sup> As seen in the previous chapter, the "communist threat" was a creation of institutions such as *IBAD* and *IPES* which was also behind the new, and at this time real, take over by the *MNCs*. In other words, before the coup, media owners feared they would arrive at

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<sup>281</sup> *O Estado de São Paulo*, March 11, 1966. p.6. (AN 2060)

<sup>282</sup> *Ibid.*

their work and a communist would be sitting in their chairs, but now they feared an American would be sitting there, just like the industrialist had the same fear.<sup>283</sup> The difference was that the “communist threat” was a creation of the new imperialists to make way for their take over. In order to achieve their goals, they used scare propaganda to overthrow the government and in turn paved the way for the implementation of their control over the government and the media. And now that their control over the main media outlet was being threatened they tried to use the same communist argument to stop the campaign against the Globo-Time-Life agreements. By doing so they could control Brazil. This seems to be a common pattern in Brazil at this period which demonstrates the domination of many crucial areas of the economy and public opinion by the United States and its MNCs.

It is important to note that in 1963, a *Comissão Parlamentar de Inquérito* (CPI) had been formed to investigate the influx of foreign capital into the Brazilian media. This CPI was mostly concerned with magazine publication and radio but also television.<sup>284</sup> This CPI was shut down in 1963 before it could report anything because it was investigating IBAD and was about to disclose the links between Globo and Time-Life.<sup>285</sup> The main objectives of that CPI was to determine to what extent the concentration of huge advertising resources in a small number of hands “influences and controls the opinions of the written and spoken press and consequently public opinion; discriminates against publications that defended points of view or positions contrary to the hidden interests of their clients; responds to the financial support of

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<sup>283</sup> Leacock . p.221.

<sup>284</sup> Black. p.102.

<sup>285</sup> Ibid.

clandestine organizations for political ends; and finally even sustains foreign publications edited in Portuguese in Brazil (publications that on the basis of circulation alone would not survive)...”<sup>286</sup> As it can be seen the invasion of the Brazilian media was taking place before the Globo-Time-Life agreement. However, this relationship was crucial in the process of foreign domination of the Brazilian media and therefore had to be maintained, at least until Globo had acquired a monopoly of the television audience/market. As it was pointed out by Carlos Lacerda, Governor of Guanabara, the main reason for the implementation of Globo was as an instrument to control public opinion.

Furthermore, as stressed by Daniel Herz: “Time-Life represents, in reality, in this operation a cover up for the groups interested in taking over the national economy. This is the point. It is not about Time-life magazines. Is that, through the group Time-Life, which took over of the use of television ‘O Globo’ that these groups can intervene, now, at the Brazilian public opinion.”<sup>287</sup> As it can be seen, the way in which the interest of the US and American MNCs were being served with the formation of Globo in an illegal manner becomes more clear one step at a time. The penetration was taken place in all areas of the media but television had an important place. It is no wonder that by the end of the 1960s, official data showed that 99 percent of the country’s advertisement industry was already controlled by foreign capital<sup>288</sup> since their main goal was to control public opinion. This control was exercised through foreign advertising agencies such as J.W. Thompson, McCann-

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<sup>286</sup> Black. p.104.

<sup>287</sup> Herz. p.183

<sup>288</sup> Black. p.106.

Erickson and Lintas which already had experience with television in their homeland and soon started to use Brazilian television as an advertising medium, for MNCs. The power of foreign capital in television from MNCs through advertising agencies allowed them to control program content. It was the MNCs which were behind the attempt of Time-Life to control Globo in order to benefit from the profits that advertising in TV could bring them.

Because of this major capital influx, in the first few years, the advertisers established the programs that should be produced and broadcasted and they directly hired the artists and producers.<sup>289</sup> An example of this practice was Novelist Gloria Magadan, as well as the producer and director Boni (Jose Bonifácio de Oliveira Sobrinho),<sup>290</sup> from the Globo Network, which were employees of Colgate-Palmolive, through Lintas advertising agency.<sup>291</sup> After the Globo-Time-Life agreement this was the primary way to control programming. In such manner, “the sponsor made decisions over everything and to the broadcasting company remained the obligation to hand over studios and equipment and to air the program on.”<sup>292</sup> This was another way for MNCs to control public opinion. In this period, programs were identified by the sponsor’s name such as: *Telejornal Panair* (Panair TV News) or *Repórter Esso*

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<sup>289</sup> de Melo, p.227.

<sup>290</sup> *Briefing Magazine*, Sept. 1980, stated that Boni was hired to be (superintendente de administração) administration superintend, production, and programming, Joseph Wallach, the American from *Time-Life* stayed with administration at a higher level. In, Maria Rita Kehl, Alcir H. da Costa and Inimá Ferreira Simões. *Um País no Ar: História da TV Brasileira em Três Canais*. São Paulo: Editora Brasiliense, 1986. p.175.

<sup>291</sup> de Melo, p.227.

<sup>292</sup> Ibid.

(Exxon Report).<sup>293</sup> *Repórter Esso* was the main news report for Globo, their evening news, and later became the *Jornal Nacional* which is still the main news program in Brazilian television today. Furthermore, in “1969, it was possible to notice that 16 out of the 24 *telenovelas* produced and broadcasted in the country, had the sponsorship of multinational corporations: Gessy-Lever, Colgate-Palmolive, [and] Kollynos-Van Ess.”<sup>294</sup> As it can be seen, the rise and dominance of television in its “populist phase” went hand in hand with the rise of advertising in which US agencies representing US MNCs played a major role and as such increased foreign control. This was a system that would allowed for the creation of networks such as Globo, “that came to have a national embracing influence on the promotion and selling of consumer goods on a large scale.”<sup>295</sup> These topics will be covered in more detail in the next chapter. However, the importance for the MNCs to have a TV station like Globo, where they could easily control and manipulate, was the main reason for the military’s final decision.

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<sup>293</sup> Ibid.

<sup>294</sup> Ibid.

<sup>295</sup> Ibid.. p.232.



*The Final Decision: A Slap on Globo's Hands, but keep the money and the "technical assistance"*

*After the 7 of September 1822, day of our independence, this is the most important battle. If we lose it, Brazil will also lose its position as an independent nation. The President of the Republic, which is the supreme commander of the armed forces...Marechal Castelo Branco, will not allow in any hypothesis that the present process of de-nationalization to become any more developed than already is. João Calmon.<sup>296</sup>*

The CPI which was set up after Calmon's denunciations to investigate the agreements between Time-Life and Globo reported their findings on May, 1966, and it stated that "a whole range of economic and administrative arrangements nullify any denial that Life-Time is not participating, perhaps indirectly, in the orientation and administration of TV Globo."<sup>297</sup> The group gave TV Globo ninety days to adjust its contract to the letter and spirit of the constitution.<sup>298</sup> On June 17, 1966 on an article on the *O O Estado de São Paulo*, entitled "Time exposes actions in the Country", Time and Globo tried to defend their interest against the ruling of the CPI.<sup>299</sup> Time-Life sent a communicate directly to the president of the CPI making it clear that it had a representative in Brazil, Joseph Wallach, because of a rental contract with Globo. In relation to the injection of money, it went on to state that the money could have been sent straight to Roberto Marinho, but it was done through Wallach because in order for the remittances to be registered in the name of Time-Life, "Mr. Wallach was authorized to receive them."<sup>300</sup> The article also stated that others would be called to

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<sup>296</sup> Calmon. (AN075) p.30.

<sup>297</sup> Dulles. p. 291. Also see, (AN 2144)

<sup>298</sup> Arquivo Nacional. Fundo Instituto de Pesquisas e Estudos Sociais. Rio de Janeiro, 2004. (AN 2144) Unknow newspaper (correio or estado)

<sup>299</sup> *O Estado de São Paulo*, June 17, 1966. (AN-2155)

<sup>300</sup> *Ibid.* (AN-2156)

answer questions among them Rubens Amaral, ex-director of Globo and Walter Clark, the director at the moment.<sup>301</sup> Furthermore, later, another “report of the congressional commission, issued on August 1966, called the contract contrary to the constitution and asked the executive branch to punish Globo.”<sup>302</sup> It seemed to be the end for the Globo-Time-Life contracts.

On August 12, 1966 o *Correio da Manhã*, reported that the CPI received more information on the Time-Life group.<sup>303</sup> In the article, Lacerda stated that “Time-Life is a folding screen (*biombo*) of groups interested in taking over the national economy and expected to achieve this goal with the help of TV Globo and the military.”<sup>304</sup> He also denounced that an order was given to CONTEL (*Conselho Nacional de Telecomunicações*) in order to vote in favor of Mr. Roberto Marinho in the contract with Time-Life and that the president of the republic was procrastinating on his decision.<sup>305</sup> Furthermore, he stated that this relationship between Globo and Time-Life had been going on for a long time and cited the nomination of Claire Luce, owner of Time-Life as ambassador to Brazil as part of the evidence.<sup>306</sup> On that same day, August 12, Lacerda also appeared in *O Estado de São Paulo*, affirming that “the organizations led by Mr. Roberto Marinho belongs to foreign economic groups, which is therefore, infringing upon the law and the constitution, leaving only two alternatives: the removal of Globo’s concession or to concede all other TV stations to

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<sup>301</sup> *O Estado de São Paulo*, June 17, 1966. (AN-2156)

<sup>302</sup> *Jornal do Brasil*, August 23, 1966.

<sup>303</sup> *Correio da Manhã*, August 12, 1966. (AN-2175)

<sup>304</sup> *Ibid.* (AN-2176)

<sup>305</sup> *Ibid.* (AN-2176)

<sup>306</sup> *Ibid.* (AN-2180)

have the right to receive the same favors from foreign groups.”<sup>307</sup> In the same article Castelo Branco is quoted saying that he “liked both options, even though, he accepted none.”<sup>308</sup> The CPI after its deliberation again on September 23, found that the constitution had been violated because “Time-Life is the proprietor of the building; rents it to Globo; gives technical and financial assistance to Globo. Time-Life is a hidden partner, in its legal sense.”<sup>309</sup> After the verdict it asked for punishment to be carried out. The main problem was that, even though the CPI was concluded its members had divergent opinions on many issues, even though they agreed that the contracts were illegal.<sup>310</sup> Nevertheless, the CPI asked for punishment.<sup>311</sup> However, after the CPI was concluded it would be up to CONTEL, based on law no. 4117 of August 28<sup>th</sup>, 1962, not to the Justice Ministry to allow TV Globo to present its defense and come to a final judgment.<sup>312</sup> This was going to drag on for the remainder of 1966 and beginning of 1967.

It was only six month later, on March 11, 1967 when Castelo Branco asked, Justice Minister Mem de Sá to set up yet another commission to bring the case to a close. The three men thus selected to arrive at a final decision were the prosecuting attorney of the Republic, a lieutenant colonel on behalf of the National Security Council, and a representative of the Central Bank. After Mem de Sá had been replaced by Carlos Medeiros Silva, “the commission, by a two-to-one vote, decided

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<sup>307</sup> *O Estado de São Paulo*, August 12, 1966. (AN-2182)

<sup>308</sup> *Ibid.* (AN-2182)

<sup>309</sup> *O Estado de São Paulo*, September 23, 1966. (AN-2202). Also, see *Correio da Manhã*, September 23, 1966. (AN-2206)

<sup>310</sup> *Correio da Manhã*, September 23, 1966. (Conclusao e Nota AN-2210)

<sup>311</sup> *Correio da Manhã*, September 24, 1966 (AN 2215)

<sup>312</sup> *Correio da Manhã*, September 23, 1966. (Nota AN-2210)

that the TV Globo- Time-Life contract was legal...Castelo took steps to provide Brazil with tighter legislation that would allow no repetition of the case. Marinho [or Globo], after enjoying four more years of the exclusive arrangement made possible by the lack of retroactivity of the new legislation, reached an agreement with Time-Life for terminating the much attacked contract.”<sup>313</sup> It seems that Lacerda’s accusations were true after all. Thus, by passing a law prohibiting the repetition of the Globo-Time-Life example and preventing other companies from acquiring foreign capital and technology, President Castelo Branco, made Globo the only company to have had the privilege of receiving such “help”. As it can be seen, it took almost a year for action to be taken after the CPI found Globo and Time-Life guilty demonstrating that Lacerda was right in accusing the president of procrastination, but most importantly that CONTEL, as Lacerda had mentioned, decided to change the verdict because it was ordered to do so. On March 11, 1967 Castelo Branco and CONTEL ruled that there was no foreign intromission, because if there was, the president of CONTEL, Commander Euclides Quandt Oliveira, stated: “the medicine to be applied would have been different: the removal (*caçassão*) of the concession.”<sup>314</sup> The president had finally resolved the problem of liking both options, but accepting none, because the reality was that he did not like either, and for this reason he decided not to remove Globo’s concession or allow the competitor to receive foreign help. This was a victory for Globo, Time-Life, the military and in turn to the US and MNCs.

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<sup>313</sup> Dulles. p. 291.

<sup>314</sup> Herz. p.189.

For such reason, this arrangement immensely helped Globo because no punishments were imposed on the station therefore allowing Globo to have a start that would not be possible for any other TV station. In other words, Globo had broken the law, benefited immensely and the rest of the competitors were left many years behind because of the lack of capital infusion into their coffers. With the technical assistance and capital that Globo received from Time-Life, Globo was able to purchase its new location, build a new studio and have the newest and most up to date equipment which were purchased and imported from the US with tax exemption and much favored exchange rates by the military government.<sup>315</sup> A feat never before seen in the country, stated João Calmon. But besides the equipment there was also the personnel which as one employee of Globo put it: “In the first year, we worked on the model of the things we had learned from the Americans... Globo was inspired on a station from Indianapolis, the WFBM. And the engineer from that station was responsible to build everything, we did not know anything.”<sup>316</sup> This again seems to follow the pattern established by the ESG in its own formation where it was developed based on the National War College in Washington<sup>317</sup> as mentioned in the previous chapter. These arrangements, with Time-Life and the military, were the main reasons why Roberto Marinho, owner of Globo, could later boast that “he was a kind of Stalin of the communication in Brazil. If you did not agree with him he would send you to Siberia. The Siberia of ice, the Siberia of oblivion.”<sup>318</sup> Tv Tupi, João Calmon, Carlos Lacerda,

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<sup>315</sup> João Calmon. Arquivo Nacional do Rio de Janeiro. PH.O.DOT 6573 1964 1972. Depoimento (Interview). (AN060-061)

<sup>316</sup> Mattelart. *Carnaval*, 1987. p.40.

<sup>317</sup> *Estado de São Paulo*, July 1 1979. p.12

<sup>318</sup> Hartog. *Beyond Citizen Kane*. Interview with Leonel Brizola.

seemed to be all sent to Siberia, or oblivion, and so was the military dictatorship in its time. It seems that the same powerful force which forced Jânio Quadros<sup>319</sup> to resign and removed Goulart from power were now behind Globo, the new imperialist tool and symbol for the United States in the same way as the sword and the cross were the symbol of the imperialists of the past.

This arrangement came about because the military “needed Globo as an anesthesia to be applied to the masses along with one of the most brutal regimes in the entire Brazilian history,”<sup>320</sup> and at the same time it would be used to expand the market for American MNCs, which could be seen as part of the anesthesia or the reason for its need. The relationship between Globo, the military dictatorship and American corporations becomes clearer by the statement of Higinio Corsetti, the dictatorship’s Minister of Communication, when he pointed out that “Globo was the only network able to follow the government guidelines” and “that the best of Brazilian television was the *telenovela*.”<sup>321</sup> Globo was the main producer of the genre and multinational corporations the largest sponsors. No wonder that, *telenovelas* have, since their inception, been performing the much needed role of a “massive pacifier to most, while selling durable goods to the wealthy few.”<sup>322</sup> As pointed out by Amaral and Guimarães, the formation of Globo was “not constructed

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<sup>319</sup> Fausto. p.242

<sup>320</sup> Kaarle Nordenstreng and Herbert I. Schiller. “Beyond national sovereignty: international communication in the 1990s.” *Communication and information science series*. Norwood, NJ : Ablex Pub. Co., c1993. p.121.

<sup>321</sup> Kehl. p. 290.

<sup>322</sup> Nordenstreng. p.122.

on the margins of the state, but on its shadow.”<sup>323</sup> For such reason it is no wonder that Globo remains the biggest and most powerful TV station in Brazil to this day and the telenovela remains its main genre. The role of the telenovela as a tool for fostering consumerism American style will be further analyzed in the next chapter.

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<sup>323</sup> R. Amaral and C. Guimarães. *Media monopoly in Brazil*. *Journal of Communication*, vol. 44, no. 4, pp. 26-38, Autumn 1994. p.32.

*Globo and the Military - Deeper Connections*

***TV Globo inserted itself perfectly in the new economic model that the post 1964 governments began to implement. The political role played by Globo was a complementary function to its economic role. (...) the essential function of TV Globo was to make the mediation between the multinationals' financial-industrial interests and their associates with the national market that constitutes a concentration of income. René Armand Dreifuss.<sup>324</sup>***

In order to better understand the relationship between Globo and the military one could look at the direct connection between the Globo high ranking personnel and the military. The connections between Globo and the military are made clearer by the pronouncements of Walter Clark, the person responsible for marketing at Globo,<sup>325</sup> while speaking to the military. In this context, two aspects stood out: the content of the pronouncements and the frequency in which the Globo personnel spoke to the military especially at the ESG. In a pronouncement in 1972, Clark associated the history of Globo to the 1964 regime when he said to the Research Center of the Military Ministry: “Without any doubt the TV station that I direct benefited with the coincidence of being planned and inaugurated in the 1964 period, when the country took a new path. We can include ourselves in the called “Brazilian Miracle”... that today is changing the Brazilian model.”<sup>326</sup> Note that this was the same “miracle” that was earlier described as the moment when “the overall domination of foreign capital in key sectors of the economy became apparent”<sup>327</sup> and it was a myth created by an

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<sup>324</sup> Herz. p. 201.

<sup>325</sup> Kehl. p.175-176. Clark was also responsible to integrate the “tripod” which supports the network, as he defined: production, programming and administration. Together Walter Clark, Boni and Joseph Wallach were the most important people at Rede Globo besides Roberto Marinho, the owner.

<sup>326</sup> Kehl. p.203.

<sup>327</sup> Alves. p.279.



American advertising agency on that same year, 1972.<sup>328</sup> Another example, came in a speech at the ESG in 1974 when he said that: “Political motivation, formation of a *national want*, are impossible duties without an ample social system of telecommunication, *free* and supported in all mediums, and all vehicles.”<sup>329</sup> With such speech to the military it becomes clear that Globo was important because it could be seen as “free” and part of civil society, but the military was in control behind the scenes, together with foreign interests, evidenced by the fact that the people from Globo were always speaking to the military. As mentioned by Eugênio Bucci: it was necessary for the *Jornal Nacional*, and Globo for that matter, to be “a product of a private television station, a representative of the civil society.”<sup>330</sup> This fact would give credibility to the content being put forth by Globo, if one did not know that a private television station is mainly “owned” by its advertisers, which to this day does not seem to be common knowledge. However, since private television was, and is, mainly owned by the advertisers, it seems that the creation of a national want was directly related to a want for MNCs goods or the goods from the advertisers to be sold through Globo.

However, no other speech stood out as the proof of the direct contact between Globo personnel and the military than when Clark in 1977 spoke to a military group in Minas Gerais about how to carry on the triple duty of disciplining the population, attending to its ideological demands and transforming it into a propeller for the economy. Clark said: “This is the most important aspect of communications in a

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<sup>328</sup> Mattelart. *Multinational*, 1979. p.239.

<sup>329</sup> Kehl. p.204. (Italics mine).

<sup>330</sup> Bucci. p.19.

system of production: To transform the population into an *active consumer market*, generating the *disposition to consume*, relating each item, product or service to the social level that it is destined for, targeting simultaneously all levels and creating more agility in the productive mechanism.”<sup>331</sup> Clark knew the potential that television had to do exactly what he was proposing but he felt the need to expose his ideas of how to create a consumer market through communications, (i.e. television) to the military demonstrating that even though the social system of telecommunications was “free” it was still a good idea to brief the military on its intentions, even if the intention was to expand the market for MNCs. The military not only did not have a problem with that, it actually wanted to help in the creation of Globo for that exact reason. It seems that Globo, the military, the US and MNCs had the same goal: selling goods, or the creation of a consumer market and culture. This in turn would lead to consumer culture imperialism.

Moreover, as Boni pointed out, “The secret of television is the same as other companies that produce to large consumption. It is the right positioning in relation to the market and to deliver the right product, capable of gaining the confidence of the consumers. In other words, with a *good strategy of marketing you create the habit*, which is the consequence not the cause.”<sup>332</sup> Boni clearly demonstrated what the goal of Globo was to the military: to create a consumption habit in the Brazilian population. Furthermore, Clark following the reasoning in his speech to the military in 1972 said that: “it was at Rede Globo that the professionalism took control over

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<sup>331</sup> Kehl. p.205. (Italics mine)

<sup>332</sup> Ibid. p.186. (Italics mine)

TV. There was, of course, a happy adequacy to the historical moment. Globo organized itself in the moment that the advertising market had its decisive push. And [Globo] knew how to take advantage of that opportunity.”<sup>333</sup> As it can be seen, by the statements above, for some of the main protagonists in the Globo organization it was crucial to have a marketing strategy to create the habit of TV consumption which would in turn be used to promote the consumption of products that would “stimulate” the productive mechanism. In other words, this would help the multinational corporations, which controlled advertising and had a great power to influence Globo, but would also help the military on the triple duty of disciplining and attending to the ideological demands of the population, at the same time that it propelled the economy by creating an active consumer market.

In addition, the power of multinational corporations and advertising agencies to exert control over the media in general, but over television and Globo more specifically, could be further examined by the data on advertising expenditure and the amount which was in the hands of these groups in the period. According to *The Nation* in 1967, “the two biggest advertising agencies in Brazil are J.W. Thompson and McCann-Erickson. Four American agencies in Brazil (there are eight) handle an estimated 37 percent of all agency billings in the country. It would be naïve to suppose that this formidable foreign advertising apparatus does not exercise an implicit and sometimes explicit, editorial influence.”<sup>334</sup> This great share was part of an ever expanding market in which television became the main player. The data

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<sup>333</sup> *Briefing Magazine*, September 1980, No. 25. p.42.

<sup>334</sup> *The Nation*, May 29, 1967.

shows that advertising expenditure in Brazil went from 280 million cruzeiros (the Brazilian currency at the time) in 1965 to 8.200 million in 1975 of which 32.8 percent and 53.9 percent went into television in the respective years.<sup>335</sup> Moreover, in 1977 of the ten largest advertisers in Brazil, Rede Globo received 85 per cent of all investments.<sup>336</sup> The raw data demonstrates that to a large extent the advertising expenditures on television were mostly going to Rede Globo. Paulo Afonso Grisolli, director of the “special cases” and series for Rede Globo captured the mentality of television production when he said that: the ethical and social commitment of a television enterprise does not have to be any greater than a pasta factory.<sup>337</sup> It can be seen that television personnel would be inclined to do whatever was needed to sell goods, since in their opinion, as was the case with the advertisers and their agencies, this was the main role of television. To them the control of public opinion by these same MNCs was just a side effect to the main goal of selling goods.

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<sup>335</sup> Mattos. *Advertising*, 1984. p.212-213.

<sup>336</sup> Kehl. p.212.

<sup>337</sup> *Ibid.* p.209.

## Conclusion

In the early 1960s, the US government, in concert with US corporations, made use of its access to the Brazilian media to spread scare propaganda about the communist threat posed by the Goulart government and its supporters and to promote certain political figures and organizations while denouncing others. And “After the 1964 coup, this access was used to promote the image and the programs of the new military regime”<sup>338</sup> which were, for the most part, security and development. These goals were, largely, in perfect alliance with the interests of the United States and the MNCs. With Globo leading the TV stations in Brazil and on the military government’s list of “friendly” stations the success of the campaign was assured. This meant that the military could count on Globo, and Globo could count on the government, and both could count on their imperialist masters from the US government and MNCs. It seems clear that the monopoly acquired by Rede Globo only took place because of the close alliance with Time-Life, one of the most conservative groups in the United States which was owned by Henry Luce<sup>339</sup> the promoter of “The American Century”. However, it seems that it was US advertising

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<sup>338</sup> Black. p.110. The Senate Intelligence Committee noted that after the 1973 coup in Chile, “The goal of covert action immediately following the coup was to assist the junta in gaining a more positive image, both at home and abroad ... (*Covert Action*, p. 187)

<sup>339</sup> It is important to note, as did Sergio Caparelli in *Televisão e Capitalismo no Brasil*, that “the articulation of the interests in the case Globo-Time/Life seems to be connected to the State Department in the United States, and even, to President Eisenhower, in power at the time. Because while the negotiations between Globo-Time/Life lasted, president Eisenhower appointed Claire Luce as the North-American ambassador to Brazil. So, Claire Luce that had been ambassador to Italy, was the wife of Henry Luce, the owner of Time/Life.” p.28-29. Also, from February to May 1959 *O Globo* newspapers gave special attention to the diplomatic career of Mrs Claire Luce which suggests and obvious interest in cooperating with the US media group in television broadcasting arena. In, Sousa, Helena. *The re-export of the US commercial television model time-life/Globo/SIC: replicating business strategies*. <http://www.bocc.ubi.pt/pag/sousa-helena-globo-sic.pdf> p.03.

agencies and multinational corporations' capital investments that assured Globo's leading position to the end of the populist phase of television development in Brazil.

At this moment, the new ideology of materialism and consumerism, two of the main representations of the "American Century", were the preferred methods for US imperialist expansion in Brazil under the disguise of the "American way of Life", and Rede Globo was their main tool. Such expansion and its results could be observed in a study, based on interviews, carried out by Omar Souki Oliveira, from the *Universidade Federal de Minas Gerais* (Federal University of Minas Gerais) in 1988.<sup>340</sup> In his study, Oliveira analyzed the relationship between media exposure and consumer patterns as an "attempt to clarify the role of the media in the process of cultural and economic dependency."<sup>341</sup> Oliveira cogently argued that "the power of multinational corporations is expanded through advertising, which stimulates economic and cultural dependency. The consumer patterns of industrialized nations are projected inside the homes of underdeveloped regions showing a future dominated by Western technology."<sup>342</sup> He concluded that "television viewing was positively associated with preference for industrialized products as compared with traditional products" and also that "seventy eight percent of the sample pointed out TV Globo as their favorite network."<sup>343</sup> Based on such research it can be seen that for the United States controlling Rede Globo would be a way to increase its profits exponentially because the audience/consumers would be directly targeted. As Black

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<sup>340</sup> Omar Souki Oliveira. "Brazilian Media Usage as a Test of Dependency Theory." *Canadian Journal of Communication*, vol. 13, no. 3/4, Summer 1988.

<sup>341</sup> *Ibid.* p.18.

<sup>342</sup> *Ibid.*

<sup>343</sup> *Ibid.* p.20.

pointed out, “As the military regime moved toward harsher measures to repress free expression, the most significant form of US influence transmitted through the media appeared to be the promotion of consumerism, and thus the glorification of materialism.”<sup>344</sup> In other words, with the military having a tight control over the media, the US used television to further inculcate the ideology of consumerism in the Brazilian population and Globo appeared as the driving force during the military government, but also extending such directions to the present day. In conclusion, it is crucial to point out that Brazilians were enthusiastic about television, and Globo for that matter, because this new product, which was in itself a clear mark of modernity, mainly because it was an American product, made Brazilians, or consumers, more receptive to the consumerist message being promoted by Globo, which would lead to an increase in profits for the US and MNCs. For such reason we now turn to the topic of consumerism, advertising and their relationship to Globo, but also to the broader context in which those relationships were being developed.

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<sup>344</sup> Black. p.110.

### III. Homogenizing the Nation in the *Cultura Zona Sul*

In *Dancing Days*, a 1978 telenovela by Gilberto Braga, the main plot has Julia (Sonia Braga), who in the beginning appears to be a very ugly and poor woman coming out of a detention center. However, with the development of the story she transforms herself into a “sophisticated panther (*pantera*), very chic and truly liberated in the most *in* circles of Rio de Janeiro.”<sup>345</sup> This transformation was achieved through the sponsorship of a millionaire lover who pays for her new expensive clothes, international trips, cars and apartments.<sup>346</sup> As it could be seen, the consumption of luxury products was a clear way to make someone ugly into a beautiful “panther”. It was this model, of a consumer culture, that would be the most pervasive feature of the telenovela in Brazil. The formation of Rede Globo, and with it the consolidation of the telenovela as the main genre/program for television, allowed for the development of a product that could “enlighten” Brazilians on a national scale, but also in a very subtle way, on how and what to consume. This in turn created a homogenizing mechanism that would allow for the development of a consumer culture based on the tastes of the Brazilian elite, which mainly followed the standards set by American tastes, styles and ideology, because of the emulation process which will be thoroughly discussed later in the chapter. It is interesting to note that the title of the telenovela, *Dancing Days* and not *Dias Dançantes*, the same title but in Portuguese, in itself carried the main marker of this new imperialism: the English language. Furthermore, the ending scenes

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<sup>345</sup> Kehl. p.308.

<sup>346</sup> Ibid. p.309.



of *Dancing Days*, depicted a large fancy party with all the characters dressed in their gala outfits, dresses for the ladies and suit and tie for the gentlemen, and was recorded in the salons of the most famous and luxurious hotel in Rio, the Copacabana Palace.<sup>347</sup> In this telenovela, the main arguments of this chapter are clearly depicted which are the creation of a model of consumption where the lives of the rich Brazilians, who are mostly white, are emulated by the rest of the population in order to consume the products being used and advertised.

Furthermore, *Dancing Days* opened up the gates for the use of a new and modern type of advertisement in the form of merchandising where the products were simply used as part of the story. For example, instead of the main character drinking a soda without a brand, he or she would be holding a Coke. But advertisement was also used in more direct ways through direct advertisement in the telenovela and its commercial breaks. It is also important to point out that all of the main actors and actresses were white, in order to accurately depict the elite, demonstrating the influence of race in the development of this consumer culture. In this example, the dual character of this telenovela, which is in itself an export product to be used and emulated throughout the Americas, and the world, in order to further spread the ideology of consumption: is to get the populations to consume the products being advertised while at the same time perpetuating a racist ideology where the “ideal” goal is to get as close as possible to whiteness. And if one was not white by birth, as it was and is the case with the majority of Brazilians, one could get close to the ideal model by consuming as many products as possible such as cars, electro domestics, beauty

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<sup>347</sup> Ibid.

products and hygiene products to name just a few. This thesis argues that the connection between the military, Globo, advertising, the US and multinational corporations had a political, economic and ideological component which led to the control of Brazilian affairs by the US. This ideology of consuming the newest products in order to be like the elite and in turn getting close to the white model was, and still is, very pervasive throughout the Americas, and arguably at the present moment throughout the world.

This model was also very pervasive in the *Boletim J. Walter Thompson (Boletim JWT)*<sup>348</sup> which will be used in this chapter to demonstrate the connection between television programming, advertisement, advertising agencies and the role of multinational corporations in this process which I call: “Consumer Culture Imperialism.” The *Boletim JWT* was photocopied and sent to me by Duke University and is housed in the Rare Books, Manuscripts, and Special Collections Library. I have the period between December 1964 and December 1968 among other dates. This is a compilation of the Inventory of the J. Walter Thompson *Company Newsletter Collection, 1910-2005 - International Newsletter Series, 1929-2004* and includes newsletters published by JWT's international offices. Whether or not JWT maintained more than one office in a particular country, usually one newsletter covered the market news of the whole country or major regions as well as the specific news of the offices (for example, *The Commodore's Log* of Canada, reporting from the Montreal, Toronto,

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<sup>348</sup>*Boletim JWT. Orgão Informativo Mensal da J. Walter Thompson – Brasil. J. Walter Thompson Company. Newsletter Collection, 1910-2005 - International Newsletter Series, 1929-2004. Duke University, Rare Books, Manuscripts, and Special Collections Library.*  
<http://library.duke.edu/digitalcollections/rbmscl/jwtnewsletters/inv/detailed/3/>

and Vancouver offices, and *Boletim JWT* of Brazil covering the São Paulo and Rio de Janeiro offices). In this chapter, a close analysis of the Boletim will be carried out in order to further demonstrate how pervasive this consumer culture imperialism was in Brazil at this period through the prism of advertising and advertising agencies. But most importantly, how the pages of the Boletim clearly demonstrated the emulation process described in Veblen's theory will be analyzed.

However, in order to better understand the connections between the military regime, Rede Globo, the United States, advertising, advertising agencies, consumerism and multinational corporations one needs to acknowledge that "Consumerism is the ideological outcome of advertising discourses whose purpose is not only to sell products and services but also to promote a lifestyle that would require their acquisition. To a great extent the trans-nationalization of culture means the internationalization of consumerism."<sup>349</sup> Based on this statement the question of how such an enterprise affected the nations receiving such ideology arises. Furthermore, if we accept that "The development of communication systems in the non-communist countries is in reality the expansion of the telecommunication system of the United States of America,"<sup>350</sup> it is logical to question if such expansion gave the United States some control over the receiving nations. Moreover, according to Tomás Alberto López-Pumarejo, "Consumerism is, thus, the result of the need to create the mass market corresponding to this industrial transformation [in the United States]" and such need was "Attuned to the American Dream, [in which] consumerism was fashioned to

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<sup>349</sup> Tomás Alberto López-Pumarejo . *Transnational television in national TV production: the case of Brazil*. Thesis (Ph.D.) - University of Minnesota, 1991. p.51.

<sup>350</sup> Ibid.

be the embodiment of a societal will to grow more, accumulate more, and produce more in order to earn more and buy more.”<sup>351</sup> Such statements begin to reveal that this ideological development, consumer culture imperialism, and its implementation on other nations, such as Brazil, would have a major impact on these nations. The question is, to what extent and how? How much control did the US achieved with this ideological shift?

According to Amaral and Guimarães, the Globo network, created with the help of the military government, Time-Life, US corporations and adverting agencies in order to guarantee national unity led to the massification of the ideology of national security but “at the cost of a *brutal cultural homogeneity* [which] imposed its structures as a national model.”<sup>352</sup> A national model, which could be argued, was aligned with the American ideology of consumerism in which “the culture of having, or, more precisely, the culture of having what the other does not have, comes into being through the advertising effervescence. The desire to consume equalizes the audience and the ability to consume that of which others cannot consume is what differentiates the individuals.”<sup>353</sup> This pattern was also observed earlier in the Rio de Janeiro elite’s ideology and culture of the Rua do Ouvidor and its fetishism with English and French products,<sup>354</sup> which at this point was been transformed to suit the new imperialist culture, or the American Way of Life. In this culture, it has been said

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<sup>351</sup> López-Pumarejo p.51.

<sup>352</sup> Amaral. p.32. (*italics mine*)

<sup>353</sup> Bucci. p.37.

<sup>354</sup> Needell. p.163-164.

that, being a convinced consumer is an attribute that precedes citizenship itself.<sup>355</sup> This new model in Brazil has been described as the *Cultura Zona Sul*.<sup>356</sup> Armand Matterlat in, *O Carnaval das Imagens*, asserted that: “Chained to the economic and social determinations of a project of integration around a pole of modernization and consumption, the Globo model favored, in the telenovelas, a model of representation of the Brazilian society centered in one area of Rio. It highlighted the axis of the Ipanema beach- *Zona Sul*, the bourgeoisie sector of town, in a violent contrast with that Rio-*Zona Norte*, which was the focus of Nelson Pereira dos Santos’ film in 1957.”<sup>357</sup> It is interesting to note that films, even though more expensive to produce than television, were embraced and used by Nelson Pereira dos Santos. Nelson is “considered to be the “mentor” and “conscience” of *Cinema Novo* (New Cinema), the movement that fundamentally transformed the theory and practice of film in Brazil and Latin America, and he encapsulated many of its ideals in his works.”<sup>358</sup> The *Cinema Novo* was developed with the intention “to portray the lifestyles of the country's most disadvantaged populations.”<sup>359</sup> For such reason, it could be argued that the implementation of Globo and the development of the telenovelas were in part a conscious decision to halt the further dissemination of this form of film making which made *A Caça* (The Prey) into heroes and *Os Caçadores* (The Hunters) into villains, a

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<sup>355</sup> Bucci. p.37.

<sup>356</sup> Ramos.

<sup>357</sup> Matterlat, *O carnaval*, 1987. p.113.

<sup>358</sup> Encyclopedia.com. <http://www.encyclopedia.com/doc/1G2-3406801345.html>

<sup>359</sup> Nelson Pereira dos Santos is rightly considered the father of Brazil's *Cinema Novo* movement. With his first two films, *Rio 40 graus* (1956) and *Rio Zona Norte* (1957) influenced by Italian neorealism, he started to sow the seeds of a film industry with a social conscience, resolving to portray the lifestyles of the country's most disadvantaged populations. *Film Reference* web site <http://www.filmreference.com/Films-Vi-Wi/Vidas-Secas.html>

depiction that was the very opposite of what would be produced and disseminated by Globo. In a time of severe repression and prohibition, the creation of Globo, and its telenovelas, was an attempt to replace this new form of depicting the lower classes in a positive light with one which presented them as caricature, or worse, as “the internal enemy”<sup>360</sup> that should be hunted. For such reason, when one confronts the model delineated by this essentially coercive logic defined by the necessity to allow the market forces to operate freely, one can have an idea of the tension that invaded all the mass communication systems in Brazil. From internal enemy, this coerced population was converted into a coveted consumer audience that should be adulated<sup>361</sup> in order to sell more products for the MNCs which at this time were mostly American.

Consequentially, the telenovela still attends to language codes, tastes and ambitions of the middle class while the working class is still depicted as a caricature. What is projected as authentic are the values of the bourgeoisie, which sends to the working class the message that it is necessary to learn to live watching, without having<sup>362</sup> at least for the larger items.

As a result, it is expedient to analyze the topic of consumerism and consumer culture within the context of the development of Brazilian television, more specifically Rede Globo, and its connections with the major American advertising agencies and their main clients, multinational corporations, but also in relation to the overall expansion of United States’ imperialism and the new forms of imperialist control. The main argument of the chapter is that, television, and in turn Rede Globo because of its

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<sup>360</sup> Mattelart, *O carnaval*, 1987. p.49.

<sup>361</sup> Ibid. p.50.

<sup>362</sup> Ibid. p.113

virtual monopoly, played a pivotal role in the Brazilian economic development after the 1964 military coup because it was directly connected, and subservient, to the American advertising agencies and multinational corporations. Most importantly it followed Veblen's theories regarding conspicuous consumption and emulation. The main argument of this chapter is to reveal that the economic model applied by the military was in the United States' and its corporations' best interest but not in the best interest of the Brazilian population, with the exemption of the elite which was directly connected to the United States and its interests. The elite, because it was able to participate in the consumption, gained from such model and for this reason assisted with its accomplishment and was therefore controlled by the United States and its corporations. This, as it will be seen, was in line with the definition of imperialism given by Hugh Seton-Watson in his book, *The New Imperialism* which asserts that: "the irreducible and central meaning of the word is the domination of one nation by people of another."<sup>363</sup> Was this imperialism through consumerism? Even though Globo was not the first attempt to create a control mechanism in order for an imperial power to be in charge of Brazilian affairs, it is nevertheless the one which still plays the major role in Brazil to this day because by homogenizing the culture it has created a consumer society driven by the same tastes, desires and wants. And since "television viewing was positively associated with preference for industrialized products as compared with traditional products" and also that "seventy eight percent of the sample pointed out TV Globo as their favorite network,"<sup>364</sup> as pointed out earlier, it becomes clear what products would be most wanted by Brazilians: the industrialized, read

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<sup>363</sup> Seton-Watson. p.09.

<sup>364</sup> Mattelart, *O carnaval*, 1987. p.20.

American goods, advertised by Globo. Moreover, since as described by Colin Campbell, the very essence of consumerism is that it is “an activity which involves an apparent endless pursuit of wants”<sup>365</sup> or its insatiable nature, an examination of what impact this ideology had, and has, in Brazil is needed because if the consumer culture imperialism could be fully implemented then the dependency would be perpetuated indefinitely. This takes place because there is an endless process of replacement which ensures that “when one want is fulfilled, several more usually pop up to take its place.”<sup>366</sup> And for the most part in Brazil these wants, which were, and are, seen as needs, because of the pressures of television and advertisement were, in the period discussed, and are today, created or advertised by Globo. This process was carried out by the production and advertising of new goods which created this endless process of wants to all Brazilians in the same model as the American Way of Life did to Americans. Lastly, it is also crucial to point out that the process described in this chapter for Brazil could easily be applied to many other nations throughout the world

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<sup>365</sup> Colin Campbell. *The Romantic Ethics and Spirit of Modern Consumerism*. New York: Basil Blackwell ltd, 1987. p.37.

<sup>366</sup> Ibid.



*Consumer Culture Imperialism: The Role of Consumerism and Advertising*

*For some, the market cult is the monotheism of our time. For others, consumption is what gives meaning to the life of the individual. What appears to be less arguable is that advertising (its immediate values and its universal and shallow language) is something much more ample than the thirty second adds compressed in between the blocks of the TV shows: in some terms, advertising is the celebration of consumption as the (only) way for human realization, and, in others, is the ritual that contextualizes the existence of the individual according with desires of consumption.<sup>367</sup>*

Consumerism and advertising seem to be complementary words, and at times even synonyms. For such reason they have been debated and defined by many authors. Tomás Alberto López-Pumarejo argues that, “Consumerism is the ideological outcome of advertising discourses whose purpose is not only to sell products and services but also to promote a lifestyle that would require their acquisition. To a great extent the trans-nationalization of culture means the internationalization of consumerism.”<sup>368</sup> For Alan Wells,

consumerism means the increase in consumption of the material culture of the developed countries. It embraces the local manufacture and marketing, as well as the importation, of modern consumer goods prevalent in rich-country markets - household durables, automobiles, and fashionable products for the body and home. The production of these goods usually requires sophisticated, non labor intensive technology. Final marketing demands advanced packaging, considerable product differentiation, and the exhortation of advertising that are necessary to induce demand.<sup>369</sup>

As it can be seen, it does not take much to see that consumerism is directly related to the patterns of consumption prevalent in the developed nations and the advertising involved in sponsoring such consumption is of crucial importance.

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<sup>367</sup> Bucci. p.36.

<sup>368</sup> López-Pumarejo. p.51.

<sup>369</sup> Alan Wells. *Picture Tube Imperialism? The Impact of U.S. Television on Latin America*. New York: Orbis Books, 1972. p.43.

For such reason, Noreene Zinfandel Janus stated: “That advertising promotes new consumption habits is scarcely questioned; both in favor and against the growth of advertising in the Third World countries agree that advertising accomplishes one basic function: the promotion of *new consumption habits*.”<sup>370</sup> This role is clearly reflected in the words of a Brazilian executive who observed advertising during the post-1964 Brazilian development process when he stated that: “In the midst of an era of industrialization, advertising is helping to give new dimensions to the Brazilian domestic consumer markets, promoting an expansion so essential for the placement of *new products to be incorporated into the population’s habits*.”<sup>371</sup> The problem was that advertising and the new products only promoted consumerism and in turn people developed a taste for consumer goods inappropriate for the people’s level of development.<sup>372</sup> As the executive said, the importance of advertising was the creation of new habits for the new products; however, this new situation did not necessarily benefit the Brazilian population in any clear way. What it did, and still does, was to create “wants” which began to be perceived as “needs” because of the power of advertising.<sup>373</sup> It is also important to acknowledge, as did John J. Kochevar, that

Advertising is mass communication designed to inform people about products and encourage their consumption. Although advertising has existed in one form or another for a long time its development as a major economic force is now uniquely identified with the United States. The advertising industry in the United States experienced rapid internal growth during the 1940s and 1950s and during the 1960s and

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<sup>370</sup> Noreene Zinfandel Janus. *The Making of The Global Consumer: Transnational Advertising and The Mass Media in Latin America*. Thesis (Ph.D.) – Stanford University, 1980. p.13. (Italics mine)

<sup>371</sup> Ibid. (Italics mine)

<sup>372</sup> John J. Kochevar. *The Effects of Advertising in the Developing Nations*. Presented at the Annual International Communication Association Conference, Acapulco, Mexico, May 1980. p.1

<sup>373</sup> Ibid. p.5

1970s expanded into a number of foreign markets. Today (1978), 36 of the World's 50 largest agencies are American.<sup>374</sup>

Note that the year was 1978, the year in which *Dancing Days* was showing on Globo. It was in this period, the 1960s and 1970s, that Brazil became a key place for the further expansion of the advertising agencies together with multinational corporations which they served in alliance with the new military regime that was helped and financed by the United States, as it was seen in previous chapters, in order to take power. The military in turn, followed a development model which served the interests of the groups which helped their acquisition of political power: The United States and the multinational corporations. The lines for the consumer culture imperialism were being clearly implemented on the ground and the United States was behind it in every step of the process.

It was in the middle of the 1960s, when the role which advertising and the United States played in this new phase of Brazilian development became clearer. Again, in this new phase, the major problem with the Brazilian development model was that it was based on foreign capital which was mainly American because, as seen earlier, it was the government policy to promote US capital in Brazil.<sup>375</sup> As stated in the *New York Times*: "The economic model pursued by the military became increasingly beneficial to multinational corporations. This was particularly true after the period of the "economic miracle,"<sup>376</sup> when the overall domination of foreign

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<sup>374</sup> Ibid. p.1

<sup>375</sup> Capparelli, *Televisão*, 1982. p.60. Also see, Mattos. *A Televisão*, 2000. p. 102.

<sup>376</sup> *New York Times*, February 16, 1993. The "economic miracle" took place in the 1960s and 1970s.

capital in key sectors of the economy became apparent.”<sup>377</sup> It is no coincidence that the campaign to promote the myth of the economic miracle was launched from New York, on a world scale by the Kenyon & Eckhardt agency in 1972. Again, demonstrating that the myth of the economic miracle was just that, a myth created by an advertising agency<sup>378</sup> in order to further create the environment for the establishment of the consumer culture which would lead to imperialism through consumerism in Brazil. The economic miracle created the means for some Brazilians to consume based on the myth of an economic growth, which would simply circulate the profits back into the MNCs and therefore the US. Another example, of the control of the United States and its multinational corporations appeared, on May 12, 1967 when a report affirmed that “The closing months of the administration of Marshal Humberto Castelo Branco were punctuated with the laments of Brazilian business that the country was being sold out to the US and other powerful overseas economic interests.”<sup>379</sup> John P. Dickenson also noted that: “The post-1964 governments made many concessions to foreign investors, who, together with the local industrialists, stimulated both television and consumerism chiefly by means of television advertisement.”<sup>380</sup> The military had clear intentions of sponsoring economic development through consumerism. The importance of advertisement on television would in turn lead to the domination of television by the multinational corporations and their advertising agencies.

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<sup>377</sup> Alves. p.279.

<sup>378</sup> Mattelart. *Multinational*, 1979. p.239.

<sup>379</sup> *Latin American Weekly Report*, May 12, 1967.

<sup>380</sup> John P. Dickenson. *Brazil: Studies in Industrial Geography*. England: Westview Press, 1978.

Moreover, the expansion of foreign capital was also clearly noted overall in the area of communication by Sérgio Caparelli when he affirmed that “the expansion of capital in the post-1964 suffer a reorganization which started with international investments, mainly North American.”<sup>381</sup> Again it is important to highlight that, the first multinational corporations (such as Ford, Armour, IBM, Firestone, and others) were established in Brazil before 1939. After 1964, multinational corporations practically controlled the engineering, electrical, vehicle, and pharmaceutical industries in Brazil.<sup>382</sup> It is crucial to point out again, that General Motors, established assembly operations in São Paulo in 1925. Soon after, GM and J.W. Thompson “signed an agreement that would make J.W. Thompson the first major US advertising agency to open offices in Brazil.”<sup>383</sup> In sum, by the mid 60s, the formation of a television station with the dimensions of Globo became important in order to expand the possibilities for the sale of goods being produced by these multinational corporations which had already been established in Brazil for almost four decades but also goods from MNCs from abroad. As it would be expected, with the coming of J.W. Thompson other North American agencies followed such as McCann-Erickson.

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<sup>381</sup> Caparelli. *Televisão*, 1982. p.60.

<sup>382</sup> Dickenson.

<sup>383</sup> Woodward. p.257. J.W. Thompson was, and still is, a major American advertising company and still maintains a heavy presence in Brazil as it will be seen later.

*Is Modernity simply another word for Consumption or vice versa?*

*Boletim JW Thompson: As Modern as Consumption Can Buy*

***One of the main objectives of the second Plano Nacional de Desenvolvimento (National Development Plan) is to expand the frontier of the consumption market. The role of the television network is to reach all the potential segments of the market, revealing the advent of modernity in all its ramifications.***<sup>384</sup>

The takeover of the Brazilian advertising market by American advertising agencies had its beginning in the 1930s, however, in the middle of the 1960s after the military coup, one of the primary roles played by J.W. Thompson (JWT), and other American advertising agencies, was to provide the training which created a new group in Brazilian society, “a group of Brazilian advertising men who formed part of a larger professional-managerial elite that looked increasingly to the United States as a model for their own country.”<sup>385</sup> This again follows the same model implemented by the US in the ESG, described in chapter one, in the formation of the military and civilian personnel and also at Globo on its formation by the technical assistance received from Time-Life, described in chapter two. This model becomes very clear when one takes a closer look at the *Boletim JWT* which was the internal monthly informative paper for J. Walter Thompson in Brazil (*Orgão informativo mensal da J.W. Thompson – Brasil*).<sup>386</sup> In the *Boletim*, the formation of this group is depicted as a positive force for Brazilian development exactly because of their “modern” ideas and their direct contact and emulation of the United States as their model, which will be

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<sup>384</sup> Mattelart. *Carnaval*, 1987. p.46-47.

<sup>385</sup> Woodward. p.258.

<sup>386</sup> *Boletim JWT. Orgão Informativo Mensal da J. Walter Thompson – Brasil*. J. Walter Thompson Company. Newsletter Collection, 1910-2005 - International Newsletter Series, 1929-2004. Duke University, Rare Books, Manuscripts, and Special Collections Library.

analyzed later in light of Veblen's theories of conspicuous consumption and emulation. Nevertheless, it is important to highlight that this group, between 1964 and 1968, was not just still working directly for the multinational corporations from the 1930s, such as Ford, Armour and Firestone among many others, but that these corporations remained prominent as their main clients based on the corporations' constant appearance on the *Boletim JWT* as the most important customers of J.W. Thompson.<sup>387</sup>

Even though the *Boletim JWT* was an internal publication for the Brazilian division of the American company, in the first volume, which I was able to access, from December 1964, nine months after the military coup, brought the title *O Primeiro Dia do Segundo Século* (The First Day of the Second Century). It described how “the first edition of this new phase of the Boletim JWT coincides with two fundamental facts in the life of our company: the celebration of its foundation, a 100 years ago, in the United States, and the nationalization of Thompson in Brazil.”<sup>388</sup> As it will soon be clear, the nationalization of JWT really meant the spread of the American way of advertising with trained Brazilian personnel to carry out the development of the consumer culture in Brazil in the *Zona Sul*/American style, the same one promoted by Globo. With the combination of Rede Globo and a “nationalized” JWT, Brazil was ready to embrace the American Way of Life, in its “Brazilianized” version. As it was also true in the case of the telenovela, as it will be seen later, it was more profitable to have a more “Brazilianized” version of the consumer culture because in this way it

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<sup>387</sup> Ibid. December, 1964 to December 1968.

<sup>388</sup> Ibid. December, 1964. No.1. p.1.

was easier for a larger percentage of the population, or consumers, in Brazil to relate to the model and in turn desire the products being advertised. In the second page, there is a picture of a beautiful white baby, again white, the chosen one to represent the ideal baby Johnson & Johnson in Brazil. It is not very difficult to imagine what this new JWT, together with Globo and the military would look like; they would be working for *Sua Excelência* (Your Majesty) the white baby of Johnson & Johnson, since that is how he was called in the article.<sup>389</sup> Brazil was now officially under a new ruler: the American Multinational Corporations (MNCs).

However, an even more telling example of this connection appears on the next page. It described the new slogan campaign which JWT was preparing for the *Conselho Nacional de Propaganda* (National Council for Propaganda). The national campaign was called *Exportar é a solução* (To Export is the Solution). It described how it was launched on November 23, with the presence of the Minister of Planning, Roberto Campos and the director of CACEX (Carteira de Comércio Exterior do Banco do Brasil S.A.), Mr. Aldo Franco, in a cocktail party, in the Terrazza Martini, in São Paulo. “Renato Castelo Branco, president of the Council, in the opportunity gave an interview to the press explaining the objectives of the campaign, which envisions the creation of an export mentality in the Brazilian people.”<sup>390</sup> Here we have, Roberto Campos, the Minister of Planning, a civil representative of the government with direct ties to multinational corporations, Aldo Franco representing the Brazilian bank, and Renato Castelo Branco president of the Council, which was a governmental

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<sup>389</sup> Ibid. December, 1964. No.1. p.2.

<sup>390</sup> Ibid. December, 1964. No.1. p.3.



institution, and also at the same time the president of JWT in Brazil.<sup>391</sup> Nothing could be more representative of this new model in Brazil. All the “national” powers getting together to help Brazil export, but export what? The answer seems to be right on the same page with the title: *Ford Usa o Silêncio Para Fazer Barulho* (Ford Uses Silence to Make Noise).<sup>392</sup> Maybe Ford, among other MNCs that had been established in Brazil for many years, would be the main beneficiaries of such campaign. The more Brazilians exported the more income they would have to buy Ford vehicles, but at the same time, Ford could use this new effort to find better treatment to export their cars and parts manufactured in Brazil since 1929. Remember that it was General Motors, another American vehicle manufacturer, which brought JWT to Brazil in the first place.<sup>393</sup> It is very interesting how this new development model came together in the first month of the new “Brazilianized” JWT.<sup>394</sup>

The next edition of the Boletim, January 1965, had as the topic of its first article a party given by JWT to its employees where 250 people enjoyed themselves in a posh nightclub in São Paulo called *Bambu*.<sup>395</sup> This type of posh parties was a common theme for the Boletim JWT in a clear display of what Veblen described as conspicuous consumption. Note that the Terrazza Martini, where the event of the previous article took place was also one such place. This was the model that JWT was “teaching” their employees which in turn would embrace this ideology on their own lives, but most important, use it in their advertising campaigns. This was again another

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<sup>391</sup> Ibid. April, 1965. No. 5. p.1.

<sup>392</sup> Ibid. December, 1964. No.1. p.3.

<sup>393</sup> Woodward. p. 257.

<sup>394</sup> *Boletim JWT*. December, 1964. p.3.

<sup>395</sup> Ibid. January, 1965. p.1.

instance of an elite group reproducing their image for the rest of the nation which would in turn lead to emulation, just like the authors of Globo's telenovela imprinted their middle class assumptions, realities but most importantly "modern" values into their writing.<sup>396</sup> However, JWT represented all of that and much more, since the next article (below on the same page) described one more party on another posh club, the *Clube Americano* (The American Club), which in itself is a very telling name, in order to celebrate the second century of JWT and its nationalization.<sup>397</sup> It seems that Globo, as a public opinion machine seen as part of civil society, and JWT a great creator of news<sup>398</sup> and seller of goods was all the United States needed to control Brazil by creating the illusion of the American Way of Life in its "Brazilianized" version. But in order for this to take place, they would first create this new business elite fond of posh parties where they drank Champagne and displayed their new suits and ties, the quintessential European garment among other ways to display wealth which would lead to the emulation pattern described by Veblen. It is important to note, that the same model was clearly depicted in *Dancing Days*, the Globo telenovela described in the introduction to the chapter where the final scene took place on the salons of the posh Copacabana Palace and all the participants dressed in their gala garments in the same way as the JW Thompson personnel. It seems that this ideology was very pervasive at that period. In the February Boletim, the final article demonstrated that in 1964 JWT had earned \$496,1 million dollars worldwide and again was the leading

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<sup>396</sup> Mattelart. *Carnaval*, 1987. p.114. *Tribuna da Bahia*, August 17, 1985.

<sup>397</sup> *Boletim JWT*. January, 1965. p.1.

<sup>398</sup> *Ibid.* December, 1968. p.3.

advertising agency in the world.<sup>399</sup> If JWT was making such large sum in one year, one can only imagine how much the MNCs which hired them were making on a global scale. And for such reason, Brazil was becoming a more important market for JWT and MNCs day after day.<sup>400</sup>

Nonetheless, it was the article on the March edition, which sealed the connection once and for all between the advertising agencies, MNCs and the military government. JWT was hired by Fleishman Royal to create a campaign for the celebration of the 400<sup>th</sup> anniversary of the city of Rio de Janeiro. JWT created a 3 ton cake which took three month of preparation.<sup>401</sup> This was another great way for JWT to promote the MNC. They created a campaign in which Royal Fleishmann was seen not as an advertiser but as a donor to the city of Rio de Janeiro, however, at the same time their objective was achieved in an even more effective way: Fleishmann Royal brand was advertised.<sup>402</sup> And advertisement most likely will reflect in larger profits. Here we see JWT and Fleishmann Royal doing the “patriotic duty” of celebrating a civic holiday which would in turn look good for the military government. As the public relations department at JWT-Brazil asserted, the best propaganda is in the “difficult art to create the news.”<sup>403</sup> It seems that nothing could be better to create “news” than a 3 ton cake at the Maracanãzinho (a large indoor sports facility, next to the Maracanã soccer stadium in Rio de Janeiro) to be distributed to the public. Since the masses could not readily yet participate on the new “modern” consumption patterns being

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<sup>399</sup> Ibid. February, 1965. p.4.

<sup>400</sup> Ibid. June 1967. p.1. (Renato Castelo Branco- “*Thompson vai muito bem*”- Growth 10% a year)

<sup>401</sup> Ibid. March, 1965. p.1.

<sup>402</sup> Ibid.

<sup>403</sup> Ibid. December, 1968. p.3

advertised by JWT and Globo at least they would feel better by getting a symbolic, and at the same time real, slice of the cake. Fleishmann Royal had its brand all over the news on radio, TV and newspapers without having to pay any extra for it. It would be in such subtle ways, on top of the traditional advertising that JWT would introduce and make American consumer culture into its “Brazilianized” version. In this endeavor, Globo would be of great help in order to bring the “news” to the entire nation, most of it, initially through the *Repórter Esso* (Exxon Report) which later became the *Jornal Nacional*. This apparatus together with the military and the MNCs themselves were the main tools for the control of Brazil.

Moreover, the examples of the creation of this new business elite are abundant in the Boletim. The most telling one, on the cover article for April/ May 1965, described another party this time in the salons of *Fasano* in São Paulo, another posh establishment. However, this time around the party was for the ex-employees of JWT to celebrate the 100 years of the “mother company”, or a tribute to the “alma mater” as the article described.<sup>404</sup> This celebration was to commemorate not only the 100 years of JWT, the “mother company”, which almost sounds like mother country, in relation to Globo and its logo being the new sword and the cross described in chapter two, but to do that with all the ex-employees which now worked for other agencies and corporations. In his speech, Renato Castelo Branco, highlighted how JWT had contributed to the training of all this personnel in the area of advertising in Brazil and affirmed that “rare were the agencies which did not have a Thompsoniano (a “Brazilianized” word which meant someone trained by JW Thompson) working for

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<sup>404</sup> Ibid. April-May, 1965. No.5. p.1.

them.”<sup>405</sup> He emphasized how even after leaving JWT these personnel were still connected to their “alma mater.” Mr. Said Farhat, ex-employee of JWT, speaking in the name of all ex-employees, stated that: “the spirit more than that of a family clan, that unite for the rest of our lives all the veterans, the ones that never left [JWT] with the ones that returned and the ones which passed through.”<sup>406</sup> As it can be seen, these loyalties to JWT, and the American consumer culture sponsored by it, together with the techniques learned there would permeated every other advertising agency in Brazil because there would always be a Thompsoniano in each one of them. This was but another form to spread the ideology of JWT, or the ideology of consumption American style, throughout the advertising community. In other words, even when Brazilian agencies were created their personnel had already been trained by the imperial apparatus at JWT just like Globo had been trained by the imperial apparatus of Time-Life and the military by the imperial apparatus of the American military. It seems that a pattern becomes clear when one scrutinizes the Boletim JWT with a critical eye for the development of a new approach to control Brazil or “Consumer Culture Imperialism.”

Additionally, an article published on the same Boletim is very telling of the enterprise as a whole. Another MNC which had been “nationalized” was Corning Glass Works from New York which now became *Vidros Corning Glass Brasil S.A.*<sup>407</sup> The headquarters in New York already used the services of JWT and now it was the time for the Brazilian branch to do the same. This was the company which produced

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<sup>405</sup> Ibid.

<sup>406</sup> Ibid.

<sup>407</sup> Ibid. p.2

the first light bulbs for Thomas Edison in 1879.<sup>408</sup> This company had been selling bulbs for TV picture tubes for many years, but according to the Boletim it was taking a further step into the Brazilian market and hired JWT-Brazil to carry their advertising campaigns, again following the footsteps of other MNCs such as Ford and General Motors. Interesting enough, on March 18, 1965 a year after the overthrow of João Goulart, and the same month of the above mentioned Boletim, *The Wall Street Journal* reported that “Corning Glass Works plans to build a plant near São Paulo, Brazil to manufacture picture tubes. The company would say only that the plant will cost “less than” \$10 million.”<sup>409</sup> Here we have the real reason behind the “nationalization” of Corning Glass, again following the footsteps of other major MNC, such as Ford, GM and Exxon: to manufacture their products in Brazil as a “Brazilian” company. It is interesting to note that the article described *Corning Glass Brazil S.A.* as a subsidiary of Corning Glass Works,<sup>410</sup> not a Brazilian company, even though it had been “nationalized.” Why was Corning Glass interested in investing \$10 million in a plant in Brazil to manufacture picture tubes? The enterprise of making TV picture tubes could only require this large investment because the demand was on the rise and everyone could see the potential that TV would have in this continental nation. The growth of TV sets purchased in Brazil can be seen on Table 1 which further demonstrates this trend.

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<sup>408</sup> Ibid. p.2

<sup>409</sup> *Wall Street Journal* (1889-Current file), Mar 18, 1965. “Corning Glass to Build Plant in Brazil to Make Bulbs for Picture Tubes.” By a WALL STREET JOURNAL Staff Reporter; ProQuest Historical Newspapers The Wall Street Journal (1889 – p.8) ProQuest\_108428404.pdf

<sup>410</sup> Ibid

Furthermore, in *The Wall Street Journal* article it was also mentioned that “Industry sources say 350,000 sets were sold in Latin America in 1964, nearly a 100% increase from 1963. Corning said it was projecting 10% growth rate for the next 10 years.”<sup>411</sup> This was the same growth JWT had in Brazil between 1961 and 1966 and it was expected to continue.<sup>412</sup> This growth would become even more profitable after 1964 when the electronics industries produced a large number of TV sets for the growing internal market. “The sale of Black-and-white TV sets grew 241% between 1967 and 1979, and the sale of color TV sets grew 1479% between 1972 and 1979. A credit policy was introduced by the Brazilian government in 1968 that allowed purchasing a TV set in 12, 24 and 36 months. The Brazilian television audience thus increased at the same time that it became the national advertising medium through which the industries could advertise their consumer goods.”<sup>413</sup> As it can be seen, the sales of TV sets were growing exponentially, especially after the government created a credit policy specifically targeting this new product. Corning Glass was investing on a guaranteed market since it was the government goal to expand the consumption of TV sets in order for the consumption of other products to be further expanded. It is also important to note that TV sets besides being a consumer product to be purchased from the multinational corporations was also becoming the main medium used by the MNCs, mostly through Globo, to advertise and sell all the other products that in the same way as TV sets were being either produced by multinational corporations in

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<sup>411</sup> Ibid.

<sup>412</sup> *Boletim JWT*. June, 1967. No.20. p.1.

<sup>413</sup> Mattos. “Advertising”, 1984. p.215

Brazil for sale on the Brazilian market or imported by the same or other multinational corporations.

At the same time, it is important to highlight that this process could only be possible if there was a television station that would appeal to the people in order to buy, the TV sets and all other products, and Globo as it was seen earlier, was that station because it was under the control, influence and training, in the same way as the military and JWT, of Americans. At this moment it was important, in order to get people to buy more TV sets and in turn spend more time watching Globo, that JWT which was already very important to MNCs, would become even more important. JW Thompson had the duty of not only getting people the idea that they should buy a TV monitor, but that they should also buy most of the American products manufactured by Multinational corporations, such as Ford, Johnson & Johnson, Gessy Lever, Corning Glass, Fleishmann Royal among many others, as it is clear from the Boletim. JWT was the final connection in a line set up to create a consumer culture in Brazil on the emulation of American tastes. In such culture, people would be “trained” to want to buy more products from MNCs because to do so was seen as modern as demonstrated by the national elites. This national elite was in fact a comprador bourgeoisie which was involved in the cultural aspects of this new ideology. These facts demonstrates how the opening of the Corning Glass plant in São Paulo, the formation of Globo, the military government and the infamous JWT shared, and still do share, an interest in the unification of Brazil through consumption. In other words, Corning Glass hired JWT to make their propaganda which contracted Globo to expose



Corning Glass, or any other MNC for that matter, with TV advertising or the creation of “news”. As it was said earlier, in the example of the giant cake, again, the best way was to make Corning Glass to become “news” such as was just demonstrated in the “plan” to open the plant.<sup>414</sup> In the same way that Corning Glass got coverage for its new plant in the US, it also had the same impact on the media in Brazil. As it can be seen, the Boletim provides an excellent way to demonstrate how this effort, to create a consumer culture American style in Brazil, would be carried out through the relationship between Globo, Corning Glass, a very specific MNC (but representative of MNCs in general), the military and J.W.Thompson, a representative of American advertising agencies, but also the main one. The connections do not seem to have an end, and maybe it is because it has not ended to the present moment.

Nevertheless, on the same Boletim another article directly connected the ideas of emulation and status symbol to a product from a MNC. This time it was C.A.V.do Brasil Auto Peças Diesel. Another “nationalized” MNC, which was said to be “the largest producer of pumps, injection tips and oil filters with the supervision of Joseph Lucas do Brasil.”<sup>415</sup> As it can be seen, two more MNCs had their Brazilian branches “nationalized” at that moment, indicating a common theme for the Boletim in the period. However, the most interesting fact about the article was the way JWT developed their campaign. The main idea was to question: “What do the Rolls Royce of the King and the tractor of José Yoshida [a generic name] have in common? The answer: both have components produced by Lucas, in Brazil represented by Joseph

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<sup>414</sup> *Boletim JWT*. December, 1968. p.3.

<sup>415</sup> *Ibid.* April-May, 1965. No.5. p.3.

Lucas do Brasil and C.A.V.”<sup>416</sup> In this ideology, if you cannot have the Rolls Royce of the King, which seems to be the final goal of this consumer culture ideology been created in Brazil, at least you can have the same components in your tractor or cargo truck. In this way, the farmer and the truck driver felt included in the consumption and would be willing to produce more and maybe even export more, according to the government’s plans, as seen earlier. Most importantly, the common Brazilian felt that he was almost royalty for having the same parts as the ones used in the vehicle of the King. This is again part of the emulation process described by Veblen, which will be further developed and explained in the next segment. Nevertheless, this emulation could go even further because of the pressures from advertisers, through many means. Such pressures “create needs” for other products that in turn could lead the farmer or truck driver to buy C.A.V./Lucas’ products, to produce more, sell more, but only to go back to the “internal market” and buy more products made by the MNCs because that was the way to feel included in this new consumer culture.

Talking about exporting more, the cover article for the June Boletim, 1965 was “Cr\$ 300 Milhões em Propaganda Grátis” (300 million *cruzeiros* in free advertisement).<sup>417</sup> The winner of this gift was no one other than the government of Brazil for the national campaign that the *Conselho Nacional de Propaganda* (National Council for Propaganda), *Exportar é a solução* (To Export is the Solution), as seen earlier, was helping with. In the occasion, Renato Castelo Branco, gave the Minister Roberto Campos, the synthesis of the work so far carried out by the campaign. In this

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<sup>416</sup> Ibid.

<sup>417</sup> *ibid.* June, 1965. No.6. p.1.

occasion the Minister, was made aware that the space and time ceded by the media for the campaign had exceed 300 million *cruzeiros* in advertising for newspapers, TV, radio, magazines and other media outlets for the campaign which had been reaching its goals.<sup>418</sup> This “solemn event” took place, again at the *Clube Nacional* (National Club) and besides “the cameras of TV and reporters from all the newspapers in São Paulo” there were also the presence of the president of Walita, the director from Nestlé and the advertising director for Exxon.<sup>419</sup> The depiction of the ceremony and all the people involved together with the type of party, the dress code of the people and their position in society, it seems that these were the same people pointed out as The Hunters in the introduction pictorial, *A Caçada*. As a matter of fact, many of the pictures present at the Boletim could have as easily appeared in that section of *A Caçada*. However, in the four years of the Boletim which I had access to, not even one person depicted in the Boletim’s pictures had any resemblance to the individuals depicted as *A Caça* (The Prey). What an interesting coincidence.

Indeed, it is also really interesting how Roberto Campos, Renato Castelo Branco and the directors of major MNCs were always participating in the same events, month in and month out, starting in 1964. It seems that, the goal of the export campaign had more to do with the interest of these folks than the producers in Brazil, since, if they were represented at all in these events, they were not important enough to deserve mention by the Boletim. Again, if the representatives of the Brazilian producers had been depicted they would most likely resemble the majority of

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<sup>418</sup> Ibid.

<sup>419</sup> Ibid.

Brazilians, the masses or *A Caça* (The Prey). At the moment when the government started to get free ads, through a council presided by the president of a MNC, JWT, with the work being done by JWT, with free time and space being ceded by the major media outlets and at the time when Globo began to receive a major share of the advertising revenue,<sup>420</sup> one needs to wonder: what kind of return were they expecting? It seems that they would be paid back by a growth of the export of their own goods being produced in Brazil at a cheaper price than at the mother country, but also by the growth of the Brazilian internal market. That would be the case because if Brazilians began exporting more and acquiring more capital, they could then use it in the purchase of MNCs products being sold in the internal market. Such products ranged from toothpastes to TVs and cars, since the market tried to always have some item for every budget. It seems that the capital being invested in the campaign would be repaid in a not very distant future. For such reason, everyone was just smiles in the picture of that “solemn event.”<sup>421</sup>

It seems that the Boletim for next month, July 1965, had the final answer to the above mentioned question. In the first page article, under the title: *Conselho estimula Consumo* (The Council Stimulates Consumption), the Boletim brought the news that the *Conselho Nacional de Propaganda* (CNP) and JWT were starting a new campaign to stimulate consumption. As stated by the president of the Council, Renato Castelo Branco, the campaign “is the interpretation of a national sentiment in the country and

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<sup>420</sup> Kehl. p.212. By 1977 of the ten largest advertisers in Brazil Rede Globo received 85 per cent of all investments.

<sup>421</sup> *Boletim JWT*. June, 1965. No.6. p.1.

of multiple sectors of the national life – producers, distributors and consumers.”<sup>422</sup> It goes on to mention that the campaign has being advertised by newspapers, radio, TV and billboards free of charge, with the collaboration of these institutions, in the same way as the export campaign. According to Renato Castelo Branco, “the CNP presented to Roberto Campos the general orientation of the campaign and “that authority did not see any inconveniences for the circulation of the campaign.”<sup>423</sup> It seems that after the campaign for export, which was also described in this edition of the Boletim right below the new campaign, as an example of success, the CNP, JWT, Roberto Campos and the MNCs were ready to start another campaign to help themselves. JWT and Roberto Campos’ close affiliates, as seen earlier, MNCs, but also Globo, because of the advertising revenue, would make larger profits with this new campaign which in itself represents the main argument carried out here: that the main goal was the creation of a consumer culture in the model of the United States or consumer culture imperialism. It is not surprising that the main article in this page was for the New Ford Galaxie, which was going to be manufactured in Brazil starting in 1966, after Henry Ford II authorized “new investments in Brazil to the amount of 30 million dollars.”<sup>424</sup> This seems to be the final proof of what were the real intentions of the *Conselho Nacional de Propaganda* and JWT, and therefore MNCs, and Globo (as representative of the media in general) when they sponsored such campaigns. This new campaign even carried the word consumption as the goal to be achieved in Brazil. This does not seem to be very different from President Lula in 2008, going on national

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<sup>422</sup> Boletim. July, 1965. No.7. p.1.

<sup>423</sup> Ibid.

<sup>424</sup> Ibid.

television, on free time, and with most people seen it through TV Globo, asking people to consume. It seems very clear that this consumer culture project still present in Brazil today, strong and growing.

Furthermore, in order to get a more detailed picture of the role of television and Globo, it is important to highlight that between 1962 and 1975 the percentage of advertising revenue going to TV went from 24.7 to 53.9<sup>425</sup> which coincided with the rise of Globo and the growth of its share of the advertising revenue. The table below describes the expenditure by medium in a yearly basis:

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<sup>425</sup> Mattos. "Advertising", 1984. p. 213.

**Table 2: Percentage of Advertising Expenditures by Medium**

<u>Year</u>	<u>Television</u>	<u>Newspaper</u>	<u>Magazines</u>	<u>Radio</u>	<u>Other</u>	<u>Totals</u>
1962	24.7	18.1	27.6	23.6	6.5	100
1963	32.9	16.6	21.9	23.0	5.6	100
1964	36.0	16.4	19.5	23.4	4.7	100
1965	32.8	18.4	25.6	19.5	3.7	100
1966	39.5	15.7	23.3	17.5	4.0	100
1967	43.0	14.5	22.0	15.5	5.0	100
1968	44.5	15.8	20.2	14.6	4.9	100
1969	43.1	15.9	22.9	13.6	4.5	100
1970	39.6	21.0	21.9	13.2	4.3	100
1971	39.3	24.8	17.0	12.7	6.2	100
1972	46.1	21.8	16.3	9.4	6.4	100
1973	46.6	20.9	15.6	10.4	6.5	100
1974	51.1	18.5	16.0	9.4	5.0	100
1975	53.9	19.8	14.1	8.8	3.4	100
1976	51.9	21.1	13.7	9.8	3.5	100
1977	55.8	20.2	12.4	8.6	3.0	100
1978	56.2	20.2	12.4	8.0	3.2	100
1979	55.9	20.1	13.0	8.5	2.5	100
1980	57.8	16.2	14.0	8.1	3.9	100

Sources: Propaganda (July-August 26, 1981): 4; Meio and Mensagem (June 1961):31.<sup>426</sup>

<sup>426</sup> Ibid. Note: The data in this table on advertising expenditures were obtained only from advertising agencies, and does not include advertising that was purchased directly by the advertiser from the media.

By 1977 of the ten largest advertisers in Brazil Rede Globo received 85 per cent of all investments.<sup>427</sup> This was also the time in which advertising revenue went from \$10 million dollars in 1959 to \$1,920 million dollars in 1980.<sup>428</sup> As noticed by Sérgio Mattos, with the escalation of foreign investment and augmented production of goods in Brazil, multinational corporations became television's biggest source of revenue. "Between 1976 and 1979 Brazil ranked fourth (behind the United States, Japan, and the United Kingdom) in television advertising expenditures. The growth of TV advertising expenditures contributed to the growth of the Brazilian television industry, but also created a dependency on advertising, advertisers and on advertising agencies."<sup>429</sup> Such domination becomes even more pronounced after the examination of the Boletim JWT because it clearly demonstrates the far reaching powers of this apparatus. The profile of the advertising revenue in Brazil is revealing of its social structure. "Our market is very small (*nanico*) and concentrated, encompassing only one in three Brazilians in the consumption profile of goods and services advertised by propaganda."<sup>430</sup> Nevertheless, one third of eighty million, the Brazilian population at the time, still a sizable market, many times the size of some of the smaller European nations. When a country like Brazil which had, and still has, such an income disparity began to receive so much investment in advertising one has to ask: why so much was being invested? The answer was that there were large profits to be made, at least by, the MNCs, JWT and Globo.

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<sup>427</sup> Kehl. p.212.

<sup>428</sup> Mattos, "Advertising", 1984. p.213

<sup>429</sup> Ibid.

<sup>430</sup> Mattelart. *Carnaval*, 1987. p.43.



*Advertising Agencies and MNCs: From Direct to Indirect Control of Television, but Control Nevertheless*

***J. Walter Thompson and McCann Erickson are prototypes of the imperial model principally because of the character of their international insertion. Even if 96% of the personnel in the international service of these companies are natives of their own countries, these agencies are in almost all cases full owners of their subsidiaries.***<sup>431</sup>

In 1981, J.D. Straubhaar<sup>432</sup> asserted that both “multinational advertiser and multinational advertising agencies greatly influenced the development of Brazilian television (until the late 1960s)... [For example,] Colgate-Palmolive hired Brazilian writers to adapt specific US TV programs that they wanted to sponsor in Brazil in the early 1960s. Until the late 1960s advertisers sometimes paid technicians and actors when TV stations could not or did not.”<sup>433</sup> However, this direct sponsorship was later changed for an indirect one. An excellent and telling example, of an adapted and indirectly controlled program by MNCs was Sesame Street which became *Vila Sésamo* in Brazil. A show which taught the Brazilians kids, but also adults, among other things, about hygiene.<sup>434</sup> Because nothing could have more to do, and sell products, for Colgate-Palmolive, Kolynos-Vaness or Procter and Gamble than hygiene, this MNCs were eager to sponsor such programming. However, this time around their control was going to be indirect, through TV Globo. This show, stated the *Los Angeles Times* in 1973, was the first time that Sesame Street was done by a foreign country, but it guaranteed that the children in Brazil “watching *Vila Sésamo*

<sup>431</sup> Mattelart, *Multinational*, 1979. p.256.

<sup>432</sup> J.D. Straubhaar. “The Transformation of cultural dependence: the decline of American influence on the Brazilian television industry.” Ph.D. thesis, Tufts University, 1981. In Mattos “Advertising”, 1984. p.214.

<sup>433</sup> Mattos. “Advertising”, 1984. p.214.

<sup>434</sup> *Los Angeles Times (1866-Current File)*; Jan 7, 1973; “Brazil Builds Own ‘Sesame Street on TV.’” ProQuest Historical Newspapers Los Angeles Times (1881-1986) p.F2. Proquest\_603500212.pdf

see about what their American counterparts see when they tune into Sesame Street.”<sup>435</sup>

This was depicted as a positive achievement for the Brazilian children, because they would finally have a chance to see “modernity” first hand. The article goes on to say that “Brazil’s Globo Television Network put up \$1 million to finance *Vila Sésamo* making it the most expensive Brazilian television production ever.”<sup>436</sup> But the money was not a problem for Globo because it could count with a group of advertisers such as, Johnson & Johnson, Colgate-Palmolive, Gessy-Lever,<sup>437</sup> among others, which would most likely be working with JWT or another major American advertising agency, and would be more than happy to advertise for such show. This was a known fact because after the period of direct control from advertisers and their agencies, the TV stations, and Globo with its marketing and polling departments was the replica *per excellence* of this model, would have made an assessment with the advertisers and advertising agencies on their opinion and more important willingness to advertise in such a program. As it was explained by Mattos, Globo, and other TV stations, conducted a preview of their new potential programs.<sup>438</sup> These previews were organized by the TV networks each year and they invited advertising professionals. “The networks use the admen as barometer, utilizing their reactions and suggestions to decide what programs to broadcast, at what time and to find out which programs will be easier to sell to an advertising sponsor. This working of market forces is an indirect influence of advertisers and ad agencies on TV program content decision.”<sup>439</sup> Again,

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<sup>435</sup> Ibid.

<sup>436</sup> Ibid.

<sup>437</sup> *Boletim JWT*. October, 1965. No.10. p.1. (Gessy Lever film for TV soap ad- white girl, light eyes)

<sup>438</sup> Mattos. “Advertising”, 1984. p.214.

<sup>439</sup> Ibid.

this was, and is, one of the subtle and indirect ways to control the programming of a TV station in Brazil, and in turn, controlling what Brazilians watch which is another way to control public opinion. If the admen said, no one is going to advertise on Sesame Street, Globo would not have invested one million to create its own *Vila Sésamo*. But the program was approved, since someone would advertise on it, and in this way, Brazilians would from the comforts of their homes, or the comforts of the public television set on the street, which was not uncommon in Brazil at this time, be socialized in the modern ideas of hygiene and consumption, through TV shows, such as Sesame Street. But this would be followed, inevitably, by the pressures of advertisements which created the “need” for Brazilians to buy the new toothpaste or soap in order to become “modern”. This trend would begin at a very young age since “by mid-november the series had reached an estimated 300,000 children in São Paulo, South America’s largest city of 6.5 million.”<sup>440</sup> Here we have at least 300,000 potential new consumers only in the city of São Paulo alone, not counting the rest of Brazil, which were by this time receiving the Globo signal ready to enter modernity, or a consumer culture, through the ideals and ideas of *Vila Sésamo*, Globo, advertisers and their agencies.

Even though it seems to be clear as Straubhaar argued that the advertisers and advertising agencies had direct control over TV programming up to the 1960s, it could also be argued that they lost control over TV programming after this period. However, the opposite seems to be true because instead of losing control completely, what

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<sup>440</sup> *Los Angeles Times (1866-Current File)*; Jan 7, 1973; “Brazil Builds Own ‘Sesame Street on TV.’”

happened was that they simply switched to a more indirect control.<sup>441</sup> Sergio Mattos suggested that “even without directly suggesting the kind of program that they want, advertisers and advertising agencies may still have considerable power over television programming decisions.”<sup>442</sup> The example of Sesame Street is a point in case. In other words, it was not that they lost control; it was simply that now they were pulling the strings from behind the scenes in more subtle ways, similar to what Time-Life did after breaking the contracts with Globo but leaving its “experts” such as Joe Wallach to “help” with the development of the TV station and the United States military by leaving their advisor at the ESG. Again, if one reads between the lines, a large amount of new evidence seems to point to a very tight control by the MNCs of every branch of the Brazilian life in such subtle ways that seems almost not to be present at first look. This was the new imperialist model based on consumerism taking hold or consumer culture imperialism.

Moreover, this seems to be the moment when hygiene and modernity became united in Brazil because of the pressures from MNCs in alignment with the military government, Globo and JWT. In Brazil, one could almost argue that hygiene “whitens”, because with so many hygiene and beauty products in the market there is always another product to make you more beautiful, and in modernity beauty is related, as everything else, to whiteness. It is no wonder that at this time the number one

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<sup>441</sup> E.G. McAnany. “The logic of cultural industries in Latin America: the television industry in Brazil.” in V. Mosco and J. Wasco (eds.) *Critical Communication Review*, Vol.02 Norwood, NJ:Ablex., 1982. In Mattos. “Advertising”, 1984. p.214..

<sup>442</sup> Mattos. “Advertising”, 1984. p.214.

advertiser in Brazilian television was: toiletries<sup>443</sup> and in the Boletim JWT many examples of this phenomenon can be found. Besides the baby Johnson, which appeared every year in the Boletim, there was also an article on October 1965 for Gessy-Lever's soap: LUX.<sup>444</sup> In it there is a picture of a beautiful white woman happily washing her face with a white LUX soap. The picture for the Brazilian ad was said to be better than the one for the JWT campaign in the United States by the American representatives of Gessy-Lever stated the article. It seems that the Brazilians got the idea of what a beautiful photography was but most importantly, that they had a good idea of what model of beauty a person ought to have in order to appear in such ads, be it in Brazil or the US, and anywhere else in the world for that matter. It seems that this was to be a universal model of beauty imposed by the US and MNCs. The article goes on to say that this campaign also included TV commercials which would be most likely shown at Globo with the high probability to be included in programs such as *Vila Sésamo* which dealt with hygiene.<sup>445</sup> Here we clearly see how the MNCs through JWT and television would benefit from the new model of consumption based on hygiene which for the most part was connected to whiteness and modernity.

However, another article in the Boletim on April 1966, further demonstrates the connection between beauty, whiteness, telenovelas, advertising, MNCs and consumerism. The title of the article read: *Amor Vencendo de Cara: Pond's na TV* (Love Winning Hands Down: Pond's on TV) and announced the new campaign JWT

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<sup>443</sup> Ibid.

<sup>444</sup> *Boletim JWT*. October 1965, No.10, p.1.

<sup>445</sup> Ibid.

was creating for Pond's through this new telenovela.<sup>446</sup> In the article, the picture presents the four main characters of this telenovela on which the main plot took place, of all possible places, in a beauty salon. They were all white Brazilian beauties, but their characters were said to be completely different in their "emotional and economical point of view." They are also said to be from "different social classes and background, therefore confronting different problems", but nevertheless, they all carry the mark of modernity: whiteness, which was directly related to their involvement and use of beauty products, since they worked on a beauty salon and the telenovela was sponsored by Pond's. The important aspect of this article was that it directly connected the MNCs, Pond's and JWT, with the formation of this new ideology of consumption based on American consumption patterns where whiteness played a major role in getting people to identify and buy certain products. As it was highlighted, the message seems to be that even though the beauties were from different social classes, they all could afford to be beautiful, and therefore white, thanks to Pond's products. This ideology seems to go hand in hand with the new consumer culture being created in Brazil at the time.

And finally on June 1966, the *Boletim* hit the topic of hygiene and modernity on the head. The article for the new Johnson & Johnson product: Modess (women's menstruation pads). The ad showed young and beautiful white people having fun, playing music, bowling (a very American pastime) and, of course, partying in their elegant garments: long dresses, for the ladies and suit and ties, for the gentlemen.<sup>447</sup>

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<sup>446</sup> Ibid. April, 1966. No.15. p.1.

<sup>447</sup> Ibid. June, 1965. No.17. p.1.

The ad went on to state that the previous ad campaign for Modess carried the slogan “*Em 1878 Usava-se Isso* (In 1878 this was used)” where a rag was shown as the proper way to deal with menstruation. This was not any rag, but a pretty old looking one. The idea was that using a rag was an inappropriate way to deal with menstruation, even though it had been used for generations, because it was antique and backwards. Therefore, a new way, a modern and disposable one, because in that way consumerism would be assured forever, was going to be presented to Brazilian women. The article begins by stating that “The consumer to be reached is the women between 12 and 45, but we try *to form*, among the young ladies of 15 and 16 years old, *the habit to start right*, using a *hygienic* and comfortable *product*.”<sup>448</sup> It becomes clear, as stated by Globo’s programming director, Boni, and many others, as seen in an earlier chapter, that the key was to “create the habit, which is the consequence not the cause.”<sup>449</sup> The idea of creating the habit was also in vogue within the military. Furthermore, it has also been stated that “The audience – it was constantly repeated at Globo – is a habit.”<sup>450</sup> But this was not just any habit, it was the “right” habit which would be directly related to the consumption of MNCs products, that in turn, was connect to a new or modern form of hygiene.

The article went on to say that the TV ad with the guitar player (which featured a beautiful white young model) alerted that: “A good program could coincide with one of those days... and you cannot be out of tune. Be in all events; *feel modern, free, confident*.” The article further states that another TV ad carried the slogan: “Be in

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<sup>448</sup> Ibid. (Italic mine)

<sup>449</sup> Kehl. p.186.

<sup>450</sup> Ibid. p.176.

steps with *the modern life*.<sup>451</sup> As it can be seen, Brazilians in order to feel “modern” and in “steps with modern life”, should buy the modern products advertised by JWT for MNCs, since that was the only way to be free, but also be in steps with hygiene models imported from the United States which could be equated with modernity itself. This was the creation of a habit of consumption where people could feel free through the consumption of MNCs’ products and it could be achieved even in a time of an strict and oppressive military dictatorship. It seems pretty clear that in this period, the new white Imperialism was from the United States and its MNCs and it made use of concepts such as hygiene and modernity to achieve their goals of creating a consumer culture in Brazil in the models of the American Way of Life.

It was no coincidence that the model baby Johnson & Johnson has always been a white one, and when the first Brazilian version was chosen in 1964 it was a white baby. However, Brazilians may have expected a change, when on December 1966, the *Boletim* announced that the new winner of the Baby Johnson competition for that year had been picked for the first time among babies from all over Brazil. Having knowledge of the diverse racial configuration of the country, many expected a different result, but again no surprises: a white baby with light eyes was the winner.<sup>452</sup> This was another way, just like Globo, to create a national identity, through JWT, television and MNCs advertising in which Brazil was going to be united under a white baby model and the culture of consumption which led to the consumer culture imperialism described throughout this thesis.

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<sup>451</sup> *Boletim JWT*. June, 1965. No.17. p.1. (Italic mine)

<sup>452</sup> *Ibid.* December, 1966. No.19. p.1.



In conclusion, it was no coincidence that the people which looked like The Prey, in *A Caçada* never appeared in the ads for the MNCs, the Globo shows (unless to be depicted as caricature) or the *Boletim* because since they were being hunted, as described in the pictorial, the goal was to pretend that they were almost extinct, and make sure that if they appeared, proving their resilience, they would be made fun of, in order for the entire nation, via Globo, to understand that this was the opposite of modern. Modernity could only be found in whiteness and in a mixed nation like Brazil, whiteness for all could only be hoped for by constant consumption of MNCs products. And maybe, just maybe, if they hid The Prey from the public eyes enough and made fun of them enough, they would disappear on their own, or would be brought into the fold of modernity through the use of MNCs products (through small goods such as toothpastes, brushes, toiletries, shampoos, or even cars, TVs, fridges, because they were a mark of modernity). But also through TV programs, such as *Vila Sésamo* and the telenovelas, which would “educate” these people on how to properly behave and, most importantly, how and what to consume. All of this enterprise was carried on with the important help of JWT and its own ideas of modernity acquired from a century in business all around the world, but mostly in the United States. Was this the American Century proposed by Henry Luce?

Nevertheless, the article for the baby Johnson competition for 1966 also hinted at the power of JWT and MNCs, and therefore the media, which at this time already meant TV Globo, to indirectly control political outcomes when it mentioned that when the baby Johnson 1966 went home after the ceremony, Mr. Edgar Pereira, the father,

was invited to run for a government position.<sup>453</sup> If JWT and Johnson & Johnson could almost assure the father of the new Majesty a government position indirectly, simply because of the news coverage he received, in the same way that Johnson & Johnson received news coverage because of the baby campaign, imagine if they really wanted to put someone in government, like a mayor, a governor, or the president. What kind of power would they be able to gather and who would be able to stop or match them? If one remembers the power that MNCs were able to acquire through IPES and IBAD, one can have a good idea of what JWT and advertising could, and would do, together with the even more powerful media outlet: Rede Globo. It is interesting to note that on January 1975, “J. Walter Thompson’s first covert mission for the North American State was revealed in front of the US Senate. From the beginning of the Second World War, J. Walter Thompson agreed that its representative in Uruguay should combine his advertising functions with the function of being the FBI’s principal agent in Latin America.”<sup>454</sup> If Uruguay, why not Brazil? With the previous knowledge of the role played by MNCs in IPES and IBAD,<sup>455</sup> it would be plausible that JWT and in turn Globo would be manipulated for the achievement of the same goals: the control of Brazil by the United States. But at this time, most of it would be carried out in disguise through the consumer culture imperialism.

However, the case of JWT’s involvement in direct politics is a matter for another investigation. For now, it suffice to say that, the relationship between whiteness, hygiene, multinational corporations, advertising and television is a very

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<sup>453</sup> Ibid

<sup>454</sup> Mattelart. *Multinational*, 1979. p.253.

<sup>455</sup> Chapter I. Owned the candidates that sponsored.

interesting dynamic and a phenomenon that should be further analyzed in Brazilian studies. Since it is a common saying in Brazil that “money whitens”, what better way to whiten yourself than to directly make yourself “whiter” by following hygienic standards set up by the United States through its MNCs which, as demonstrated above, had, and still have, a lot to gain from people’s decision to buy the next product. By watching Vila Sésamo on Rede Globo, sponsored by MNCs on ad campaigns created by JWT and consuming the toiletry products advertised on it, the Brazilian population would be brought into modernity, and almost as a side effect, the MNCs would say, the new model would bring them a great amount of profit which could then start the cycle again with more advertising. It is interesting how much you can extract from the Boletim when one decides to read between the lines.

The examination of the Boletim JWT only serves to strengthen the argument for indirect influence and control of TV because besides demonstrating the power of MNCs and their direct interests being catered for by the government and JWT alike, in the same way that a ruler may expect to be treated, it also demonstrated how this new ideology had been created and disseminated among advertising personnel which would inevitably extend to the type of work they did at the period, but could be argued, still do to the present day. This work would be the one learned from the “alma matter”: JWT. In other words, as the Brazilian saying goes: *A Propaganda é a alma do Negócio* (Advertising is the Soul of the business) and in the business of advertising to sell goods, for MNCs, seemed to be itself the Soul of the business.

*MNCs Expansion: A Common Plague*

Nevertheless, these new expansion of multinational corporations which was taking place in Brazil was also taking place in other nations, although Brazil was a shining example. The expansion of multinational corporations was part of a broader process and it was clearly noted by Frederick Stirton Weaver when he stated that: “the term came into common use after World War II and referred principally to the TNC (Transnational Corporations) of Modern Times: manufacturing firms whose direct investments in a foreign nation produced consumer goods for the domestic market of that foreign nation – for example, a US automobile manufacturer made autos in Brazil to sell to Brazilians.”<sup>456</sup> The new model of multinational corporations was one in which the creation of new consumer markets for the new locally produced American consumer goods was the central goal. That was so because “Modern Times TNCs were not primarily seeking cheap labor nor were they looking for resource-based export possibilities; they sought actual and potential markets for modern consumer goods by establishing production facilities in those markets.”<sup>457</sup> The TNC form of imperialist expansion grew rapidly during the 1950s and 1960s, and in the mid-1970s, over half of the world TNC investment was from the United States.<sup>458</sup> By 1971, foreign production of US TNCs was almost four times the value of US exports, and between 1957 and 1974, the proportion of total US corporate profits from overseas

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<sup>456</sup> Frederick Stirton Weaver *Latin America In The World Economy: Mercantile Colonialism To Global Capitalism*. Boulder, CO: Westview Press, 2000. p.111.

<sup>457</sup> Ibid.

<sup>458</sup> Ibid. p.112.

operations rose from 8.6 to 26.9 percent.<sup>459</sup> Moreover, of the “nine largest manufacturing firms in the United States for which data is available, profits derived from foreign operations averaged well over 50 percent of total profits.”<sup>460</sup> As it could be seen, the enormous profits that could be made by American corporations abroad was the reason why they began to be called multinational and expanded production abroad.

Most importantly, based on the above discussion, one needs to clarify the use of the term multinational (transnational) corporations because some scholars would argue that the multinational corporations are just that “multinational” and not belonging or controlled by any one country. However as Susanne Jones has affirmed:

The term Multinational is totally misleading if the term is taken to imply that ownership and control are shared equally by capitalists (or “managers”) of different countries. On the contrary, in those decisive respects we are dealing with national corporations. (This confusion is by no means accidental, but rather the result of deliberate and conscious campaign on the part of the corporate elites to mystify the nature of their operations through the multinational mystique. The multinational corporation is multinational (or “international” or “transnational”) in that (1) it has direct investments in a number of foreign countries; and (2) it has genuinely global perspective: its management makes fundamental decisions on marketing, production, and research in terms of the alternatives that are available to it anywhere in the world.<sup>461</sup>

Furthermore, according with *Business Week*, the term “multinational” is a “demarcation line between domestically-oriented enterprises with international

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<sup>459</sup> Ibid.

<sup>460</sup> Ibid. p.111-112.

<sup>461</sup> Susanne Jones. “Dependency and imperialism: the roots of Latin American underdevelopment.” *NACLA newsletter*. Vol. 4, no. 3 (May/June 1970). p.14.

operations and truly world-oriented corporations.”<sup>462</sup> For these giants, the United States is but one of many markets and production sites. No wonder that according with the Centre on Transnational Corporations “the transnational [advertising] agencies have relocated to the developing nations in order to provide their clients with service on a world-wide basis, and because they expect a major expansion in these markets in coming years.”<sup>463</sup> In other words, the multinational corporations, which at this moment were American corporations, were taking over the developing nations’ markets from the inception with the help of the advertisement agencies in order to secure the market at that moment, but most importantly to nurture it for a more lucrative future. This point will become clearer later in the chapter when the Brazilian case is more thoroughly examined.

As it can be seen, the multinational corporations were, at this moment, really American corporations expanding abroad. Within this context, and based on the above discussion, Brazil followed a dependent development model which was dominated by these very multinational corporations through their massive investment of capital. Therefore, if one considers that from Hobson onwards, imperialism has been defined as a combination of economic expansion and political domination, the Brazilian case begins to resemble the imperialist model.<sup>464</sup> In other words, “Simply put, imperialism is a system of capital accumulation based on the export of capital from advanced countries to less developed regions (or more precisely, center capital’s acquisition of

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<sup>462</sup> *Business Week*, April 20, 1963, p.63. In Jones, p.14.

<sup>463</sup> Kochevar. p.02

<sup>464</sup> Peter Evans. *Dependent Development – The Alliance of Multinational, State and Local Capital in Brazil*. New Jersey: Princeton University Press, 1979. p.16.

control over the means of production in those regions) accompanied by the utilization of political and military resources to protect and maintain the means of production over which control has been acquired.”<sup>465</sup> In the Brazilian case, all of the characteristics seem to have been present because with the military coup the government and military, which were the same, were protecting and maintaining the means of production for the United States. That was so because it was the United States government, military and corporations which sponsored the military coup and in turn played a larger controlling role in Brazilian affairs. There was no need for direct military or political intervention by the United States since the Brazilian military, as it was demonstrated earlier, allowed the United States to be in control. This type of control was to be expected since this was a government in which the foreign minister believed that “what is good for the United States is good for Brazil.”<sup>466</sup> Based in such ideology it could be said that, the development model adopted after 1964 heightened the dependency on foreign technology, enlarging the dependency on television in relation to the advertising of multinational corporations which invested in the country and became its largest advertisers.<sup>467</sup> In sum, television and advertising were major sites to observe the United States’ imperialism take over in Brazil.

Therefore, as observed by José Marques de Mello, the Brazilian television model follows the dependent development model and it is culturally, technologically

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<sup>465</sup> Ibid.

<sup>466</sup> *Latin American Weekly Report*, May 12, 1967.

<sup>467</sup> Mattos. *Televisão*, 2000. p.46.

and economically dependent.<sup>468</sup> So, besides entertaining and instructing, “television favors the capitalist objectives of production, and gives an opportunity to new alternatives for capital because it works as a medium for valuing the consumption goods produced by advertising them. Besides amplifying the consumer market of the cultural industry, television acts as an instrument to maintain the dominating class and ideology.”<sup>469</sup> This dominating class and ideology are in turn clearly dominated by the United States. This domination could be seen in Otto Lara Resende’s,<sup>470</sup> testimony to Funarte - *Fundação Nacional de Arte* (National Foundation for the Arts), when he asserted that: “The Globo model is the model of an American network, even in advertisement. Everything, even the language, is American, the determination that a documentary has 40 minutes, because the normal spectator lasts 12 minutes for each segment. All of it comes researched and timed from the United States. The technology is American. This is the big “enlatado”<sup>471</sup> in the Brazilian Television... Everyone is a pensioner of someone else’s scientific and technologic discoveries and professional practices. *Total Dependency*.”<sup>472</sup> The dependency was total and that overarching dependency was the real “enlatado” in Brazilian television. In other words, the imported programs were the small “enlatados” while the entire overarching

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<sup>468</sup> de Melo. p. 225. Again it is important to highlight that “Dependency theory,” according to Fernando Henrique Cardoso one of the main theorists in the field and also ex-president of Brazil, “was what people called imperialism when they did not want to lose their Ford Foundation grants.” In, Ronaldo Munk. *Contemporary Latin America*. New York: Palgrave Macmillian, 2008. p.67.

<sup>469</sup> de Melo. p.225.

<sup>470</sup> Otto Lara Resende was a director consultant to the presidency of Globo, together with Colonel Paiva Chaves. This is based on a testimony given to the research group from NEP/Funarte in 1981.

<sup>471</sup> The term “enlatado” is normally used in the television context to refer to imported programs and films from the United States. Some examples are Dallas, Novak, and other American series but also Hollywood movies. See Sergio Mattos. *The Impact of the 1964 Revolution on Brazilian Television*. Texas: V. Klingensmith Independent Publisher, 1982. p. 20.

<sup>472</sup> Mattos. *Televisão*, 2000. p. 182. (Italics Mine)



technological, scientific and professional aspects were to be acknowledged as the important “enlatado” because they were the factors behind the overall domination. Moreover, as stated by Caparelli, it is also important to note that “Starting in 1964, with the entrance of foreign capital, the choice of television to advertise consumer goods, now manufactured in Brazil, begins to take some importance, benefiting the Globo cartel.”<sup>473</sup> It is here that the confluence between foreign capital, the multinational corporations, the advertisement agencies, the dependent development model and Rede Globo become more intertwined than ever. This is also the point in which the interests of the multinational corporations began to have a major impact on the formation of television in Brazil. These connections will be further examined later in the chapter.

However, it is of crucial importance to highlight the central role played by television at this decisive moment in the history of the world because television itself has been called a breakthrough in international advertising and the greatest selling tool ever devised, now available in the global scene. Both advertising agencies and media executives are well aware of advertising advantages offered by the global expansion of television. D.W. Coyle, a former president of ABC International Television, explained this function:

What does this (growth in international television) mean to the international advertiser? It means that the selling power of television is his to use right now in the world’s key market areas. It means that the most effective, efficient advertising medium in history is no longer a localized phenomenon. It means that the advertiser who views the global arena as his province must become fully aware of the vast

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<sup>473</sup> Caparelli. *Televisão*, 1982. p. 32.

possibilities opened to him with television. For television is more than a window on the world – it is a door to global merchandising success.<sup>474</sup>

It becomes clear, that television was the perfect tool for “the advertiser who views the global arena” which, at that moment, was only the multinational corporations because they were the ones in the position to see the global arena and had the capital to take advantage of it. At this moment, the MNCs saw the entire globe as their market and by using and dominating television they escalated their dominance and control to new levels. This new control was to some extent based on theories that people would engage in a type of consumption which was conspicuous and based on emulation. In order to analyze this claim, we now turn to the theories of Thorstein Veblen which deals with these topics.

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<sup>474</sup> Janus. p.39.

*Veblen's Theories: Conspicuous Consumption and Emulation in the Development of Globo and its Programming*

***If consumer demand was the key to the Industrial revolution, social emulation was the key to consumer demand. By the eighteenth century nearly everyone in England and the Scottish Lowlands received money income, and nearly everyone was prepared to spend large part of it in 'keeping up with the Joneses'.<sup>475</sup>***

In accordance with the interests of the multinational corporations a new ideology of consumption, to some extent based on already established patterns, was being introduced in Brazil. For such reason, the main claims pursued here are related to the theories of Thorstein Veblen on *The Theory of the Leisure Class* regarding conspicuous consumption and emulation.<sup>476</sup> These concepts are going to be used in order to demonstrate how the creation of television and in turn Globo, because of the virtual monopoly obtained soon after the military coup, fit into this theoretical model. This process led to the expansion of the Brazilian consumer market which directly benefited the multinational corporations and in turn the United States, as already seen above. According to Veblen, conspicuous consumption is another way that the wealthy can demonstrate to others how wealthy they are. The practice of conspicuous consumption establishes the standards regarding what goods to buy. It is the practice of consuming goods not because they meet physical needs or provide comfort, but because they show that one can afford to buy them.<sup>477</sup> This trend, as described earlier, was also seen at the Rua do Ouvidor in the end of the nineteenth century Rio de

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<sup>475</sup> Campbell. p.19.

<sup>476</sup> Thorstein Veblen. *The Theory of the Leisure Class*. New York: Augustus M. Kelley, 1899/1981.

<sup>477</sup> McCormick. p.108.

Janeiro's Belle Epoque.<sup>478</sup> In *The Birth of Consumer Society: The Commercialization of Eighteenth Century England*, the authors argued that this process, which they called "the consumer society" began in 18<sup>th</sup> century England at the moment of the Industrial Revolution.<sup>479</sup> I will argue that the same process was in full swing in the 1960s in Brazil because it was at this moment that the country was beginning to launch its own "Industrial Revolution". And with every industrial revolution there will be a consumer revolution to consume the new products being manufactured. As pointed out by Campbell: "that upheaval which went under the title of the Industrial Revolution had to be regarded as centering upon a revolution in consumption as well as production."<sup>480</sup> For such reason, consumption, but more specifically consumerism, and the role that this new consumer culture imperialism played in Brazil will be further analyzed in this thesis.

Considering that conspicuous consumption is a way to display wealth. Buying only necessities cannot accomplish that objective, so money is spent on other things. The more extravagant and less useful the goods, the better they are at demonstrating wealth. For this reason, Veblen asserted that, "unproductive consumption of goods is honorable, primarily as a mark of prowess and a perquisite of human dignity; secondarily it becomes substantially honorable itself, especially the consumption of more desirable things."<sup>481</sup> Therefore buying things that others cannot afford gives one status. This was clear in Brazil where only the elite could afford the new and larger

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<sup>478</sup> Needell.

<sup>479</sup> Neil McKendrick, J. Brewer and J.H. Plumb. *The Birth of Consumer Society: The Commercialization of Eighteenth Century England*. London: Europa Publications, 1982. p.265-335.

<sup>480</sup> Campbell. p.8.

<sup>481</sup> Veblen. p.69.

products being offered on television's commercials such as vehicles, home appliances or even television. In Brazil, "The wealthiest 1% of the population holds as much of the total earnings as the poorest half."<sup>482</sup> This national model, could be argued, was aligned with the American ideology of consumerism in which "the culture of having, or, more precisely, the culture of having what the other does not have, comes into being through the advertising effervescence. The desire to consume equalizes the audience and the ability to consume that of which others cannot consume is what differentiates the individuals."<sup>483</sup> This was the consumer culture ideology, or consumerism, based on conspicuous consumption, which was being fully developed after the 1964 coup and made use of television in order to expand the Brazilian market albeit only a few were able to partake in such expansion. This trend was also clearly depicted in the *Boletim JWT* and the Globo telenovelas with their posh parties and extravagant spending. Even though different from the developed nations, where a larger percentage of the population was able to participate in the consumption, Brazil still brought in large profits to the MNCs because of its size and large population.

This process was also directly tied with Veblen's emulation theory regarding consumption because according to Veblen, the members of "the leisure class establishes the standards that the rest of the people emulate to the best of their ability. They do so out of fear of being ostracized for being out of step with social conventions

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<sup>482</sup> Omar Souki Oliveira. "Brazilian Soaps Outshine Hollywood: Is Cultural Imperialism Fading Out?" in Kaarle Nordenstreng and Herbert I. Schiller eds. *Beyond National Sovereignty: International Communication in the 1990s*. New Jersey: Ablex Publishing Corporation, 1993. p.121.

<sup>483</sup> Bucci. p.37.

and habits of thought.”<sup>484</sup> Veblen’s argument is that humans are instinctively concerned about their status, so they pay close attention to the behavior of high-status individuals. The demeanor of the highest ranked people “is accepted as an intrinsic attribute of superior worth, before which the base-born commoner delights to stoop and yield.”<sup>485</sup> It has been argued that: if consumer demand was the key to the Industrial Revolution, social emulation was the key to consumer demand and by the eighteenth century nearly everyone in England and the Scottish Lowlands received money income, and nearly everyone was prepared to spend large part of it in ‘keeping up with the Joneses’.<sup>486</sup> Based on such tendencies how could the rich and famous not be objects of emulation? It was with the certainty of the emulation process in mind that the MNCs through the advertising agencies using the new medium of television, which in the beginning was a symbol of the leisure class itself,<sup>487</sup> but also created the possibility of a global consumer market, targeted the Brazilian population in the process of conspicuous consumption and emulation in the 1960s. This phenomenon could be clearly seen in Globo’s programming but also in the *Boletim JWT* and the personnel depicted in it. Wells explains that “The widespread desire to participate in this “modern” material culture is apparently induced by the mass media, and by direct emulation of those who have been able to translate their desires into actual

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<sup>484</sup> Veblen. p.53.

<sup>485</sup> Ibid.

<sup>486</sup> Campbell. p.19.

<sup>487</sup> Joseph Straubhaar. *Cultural Capital, Media Choices and cultural proximity in the Globalization of Television in Brazil*, Latin American Studies Conference, Chicago 1998. He stated that “television sets has emerged as the number one consumer purchase for much of the world’s populations, including much of the world’s poor. p.6.

participation.”<sup>488</sup> This pattern was clearly seen in Brazil in the 1960s and 1970s but can also be seen in the present moment with Lula encouraging such patterns.

Furthermore, Galbraith for example, has pointed out that

Considerable extremes of wealth and income continue to exist in nearly all of the less developed lands. These can create a strong drag on demand in the direction of higher-priced or luxury products. And this tendency is especially insidious for many of these products are commonplace in the standard of living of the more advanced countries and equally so, and for that reason, in the consumption habits of the upper-income minority of the poorer country. To the extent that high incomes of the minority draw development resources into privileged consumption, social differences are widened and to the strains associated with poverty may be added those associated with obvious differences in well being. People may come to sense that economic development is not for the many but for the few.<sup>489</sup>

These few are the ones which acquired “cars and appliances, that demonstrated purchasing power.”<sup>490</sup> In turn, they produced the model to be followed, or emulated, by the rest of the population which could not afford to make such purchases but desired to do so. These products were produced by the multinational corporations that had built factories in Brazil such as General Motors, Corning Glass, Singer and Ford, all of which, among many others, were clients of J.W. Thompson in Brazil<sup>491</sup> or were imported from abroad by other MNCs. But most importantly, many of them helped with the 1964 military coup, and in turn the creation of Globo. The process of conspicuous consumption and emulation were part and parcel to the development of consumerism American style in Brazil or the consumer culture imperialism.

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<sup>488</sup> Wells. p.43.

<sup>489</sup> J.K.Galbraith. *Economic Development*. Cambridge, Mass.: Harvard University Press, 1964. p.7.

<sup>490</sup> Straubaar. *Cultural*, 1998. p.10.

<sup>491</sup> *Boletim JWT*. April-May, 1965. No.5 (Corning Glass), July,1965. No.7 (Ford), September, 1965. No. 9 (Singer).

However, based on the ideas laid out above one needs to consider how the ideology of conspicuous consumption and emulation helped the development of consumerism throughout the world. In Brazil and other developing nations consumerism ought to be seen as a social concept, the result of social and interpersonal influences and it has been clearly encouraged in much of the Third World by Western commercial pressures,<sup>492</sup> as seen in the case of Globo and the *Boletim JWT*. The United States and Europe are happy to trade (or dump) their “surplus” consumer goods, and where permitted, will initiate advertising drives to attain their purpose. The large consumption of Hollywood films and other Western dominated mass communications (for example radio, TV, and printed advertising) abroad further helps to induce needs for “modern” products. “Although only an elite few can actually consume in the Western manner, the desire to do so is widespread, both because of the outside influences and in *imitation* of the *Westernized domestic elite*. Much import substitution should therefore be seen as a corollary of consumerism rather than of industrialization, since it is designed to maintain and increase this type of domestic consumption.”<sup>493</sup> This situation was clearly apparent in the Brazilian case and demonstrated through the examination of Globo and the Botletim JWT.

For such reason, Wells asserted that consumerism is the reproduction of the developed country’s patterns and lifestyles in the modern sectors of underdeveloped countries, or the elites. “These sectors- usually having an urban locale – may range from outright satellites of foreign “industrial” economies to benign stimuli for local

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<sup>492</sup> Wells. p.44.

<sup>493</sup> Ibid.



imagination. But in the former and more common case the modern sector is clearly linked to the outside rather than to the countries' domestic economy."<sup>494</sup> As it can be seen, the need to sell more goods led to the expansion of a consumer culture and market, or consumerism, to the developing nations in turn creating national elites with the lifestyle of consumption equal to their Western counterpart (American). This process was problematic because it followed an imitation process and also exacerbated internal divisions. However, the major setback was that this process was directly related to emulation based on the consumption of manufactured goods some produced by multinational corporations in Brazil, and other imported from abroad which led to the control of the Brazilian internal markets by the multinational corporations. This process was also following the earlier model described in the Rio de Janeiro Belle Epoque where the emulation of British and French models were now replaced by the American model.

In addition, as pointed out above, import substitution was a corollary of consumerism rather than of industrialization and had the intention of maintaining and increasing the consumption of manufactured goods now manufactured in the receiving markets. That is so because the new industries created in Brazil were for the most part manufactures of consumer goods and not core industries producing necessary materials for the further development of the country. This pattern was clearly depicted in the type of MNCs which appeared in the *Boletim JWT* and the ones which advertised on Globo but also sponsored the coup through IPES and IBAD. For such reason, it is important to understand that US market conditions gave multinational

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<sup>494</sup> Ibid. p.56.

corporations strong incentives to invest in the larger Latin American economies and import substitution industrialization's protectionist policies complemented and heightened incentives for multinational corporations to supply local markets by local production rather than export.<sup>495</sup> Despite some restrictions, multinational corporations constituted in the 1970s over 40 percent of the manufacturing sector in Brazil.<sup>496</sup> In sum, the import substitution industrialization development plan in the end benefited the very corporations that it was suppose to replace by substituting importation by national production. What happened in reality was that instead of importing the goods from MNCs, these countries now, and Brazil was but one example, allowed the corporations to manufacture such products, with incentives within their borders, as it was demonstrated in the *Boletim JWT* section. Most importantly, in Brazil these arrangements led to the domination of the internal market by these multinational corporations.

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<sup>495</sup> Weaver. p. 130.

<sup>496</sup> Ibid. p.131.

*Television Programming in Brazil: Conspicuous Consumption and Emulation Model*

*The telenovelas from Globo had a heavy impact in the development and spread of a pattern of behavior that should have been modern. It could be said that there was an attempt to impose a cultural model, a social model that were identified with the development model of Brazil... This cultural model was the model of a consumerist society, where the modern was translated into consumption. Luiz Gonzaga Motta, sociologist.<sup>497</sup>*

*The author of a telenovela in Brazil is also a part of the elite, of a middle class, and as such ends up reflecting its own values.<sup>498</sup>*

In order to describe how the process of conspicuous consumption and emulation worked in the Brazilian case one needs to examine the development of television programming and its direct relation to the multinational corporations, advertisers and the programs being offered at each moment. The Brazilian television model was one that first used “*enlatados*” or canned shows from the United States. These ranged from American series such as Dallas, Novak, Rin-Tin-Tin and Beverly Hillbillies to Hollywood movies.<sup>499</sup> At this stage, the emulation process occurred from the Brazilian elite towards the American elite. That was the case because the Brazilian elite whenever watching an American program saw it as modern and in turn emulated that model as the desired goal to be achieved. For such reason, American “*enlatados*” besides being cheaper at the time, would appeal to a larger audience among the Brazilian elite which was the only group with access to TV at that time. However, with the popularization of television in the popular phase of television (1964-1975),<sup>500</sup> the creation and further development of telenovelas had the intention

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<sup>497</sup> Mattelart. *Carnaval*, 1987. p.114. *Tribuna da Bahia*, August 17, 1985.

<sup>498</sup> Ibid.

<sup>499</sup> Sergio Mattos. *The Impact of the 1964 Revolution on Brazilian Television*. Texas: V. Klingensmith Independent Publisher, 1982. p.20.

<sup>500</sup> de Melo. p.230.

of shifting the emulation process from the elite in Brazil towards the lower classes. At this moment, the goal was to get the lower classes to emulate the Brazilian elite and their consumption habits, which had in turn, been acquired through “*enlatados*” and American films. This I termed the “Cascade Emulation Process” and it was seen as the way to incorporate the lower classes in the overall process of emulation and consumption. The argument that Brazilian television programs have been “Brazilianized almost beyond recognition”<sup>501</sup> or that Latin American telenovelas are “a sort of reversed imperialism”<sup>502</sup> carried out by some scholars, ignored the cascade emulation process. For this reason, these arguments did not consider the fact that after Brazilian television became less dominated by American programs, in other words, after the telenovelas took a larger portion of the television market, this change only occurred because the emulation effect was being spread to a larger percentage of the population. Therefore, it was now more profitable for the multinational corporations to fund such enterprises directly and indirectly in order to enlarge its potential markets by appealing to a larger audience. Even though these scholars were right in detecting the shift, they failed to recognize the reasons for such a shift to have taken place at that moment. It was a “Brazilianization” of programs not for the benefit of the audience but to the profit of the advertisers and therefore American multinational corporations. These “Brazilianization” seemed to be occurring simultaneously in many facets of Brazilian life but all of them point out to the benefit for MNCs and the United States. In sum, the programs shifted but the goals of expanding the markets for the

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<sup>501</sup> Joseph Straubhaar. “O Declínio da Influência Americana na Televisão Brasileira.” *Comunicação e Sociedade*, (9) 1983, 61-77. p. 77.

<sup>502</sup> Everett M. Rogers and Livia Antola. “Telenovelas: A Latin American success story.” *Journal of Communication*, 35 (4), 24-35.

multinational corporations were maintained. Therefore this was not a sort of reversed imperialism; it was the same old imperialism under a new disguise. These same “Brazilianized” telenovelas were, and still are, used to transmit the consumer culture imperialism not only to Brazilians but to other nations in Latin America and the world.

For such reasons, it is crucial to understand as it was stated by Sérgio Caparelli that: “Each television viewer is being sold, as an audience by the owner of the television channel to the advertiser. This means that the audience is transformed into a product to be sold within a specific market. And a product of maximum importance.”<sup>503</sup> Or as Noreene Zinfandel Janus put it: “in a commercial broadcasting system, the paying customer to whom the market responds is not the viewing audience but rather the advertiser. In turn, the viewing audience is not a customer in the market but, rather, the product being sold. The advertiser is buying an audience, and the bait for attracting the audience is a program.”<sup>504</sup> In short, as Melody describes, “the operation of all aspects of broadcast system is uniquely conditioned to the needs and requirements of advertisers.”<sup>505</sup> Tuchman makes the same point, when she argues that “the programming of all networks and stations are dominated by the search for corporate profits realized by selling audiences to advertisers.”<sup>506</sup> As it can be seen, what occurred in this process was that “in the continuous search for a larger audience, in which the producer creates the consumer, the roles are inverted. It is not the audience that, indirectly, buys the program being watched, but the audience is sold to

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<sup>503</sup> Caparelli. *Televisão*, 1982. p. 76.

<sup>504</sup> Janus. p.33.

<sup>505</sup> Ibid. p.35.

<sup>506</sup> Ibid.

the advertiser: the true product of television sells people to advertisers. The programs are only *fillers (enchimento)*.<sup>507</sup> Therefore, looking at it from this perspective, each program, foreign shows and films, performed their role in acquiring an emulating audience, to be sold to the advertisers. The type of program only mattered as long as a large audience was acquired for the advertiser. In reality, what truly matters is what is being advertised, and sold, and for such reason at that moment the telenovela “bait” was more profitable for the advertisers because it expanded their audience or markets exponentially in Brazil, not to mention the expansion to many other countries.

The domination mentioned by Tuchman above was accomplished because of the commercial nature of the enterprise which has been imposed upon the developing nations. This imposition has been seen as inevitable since as a vice-president of Time-Life Broadcast stated, “The various underdeveloped countries are having to permit commercials because they can’t afford a television system otherwise... A man setting up a commercial station abroad has to be pretty sure he knows how to compete – and we have more knowledge in this field than anyone else in the world.”<sup>508</sup> This statement demonstrates that, for countries such as Brazil, commercial television was the only possible path and Americans were the ones to help them because of their knowledge. For such reason, Paul Baran for example saw “advertising as an integral part of the capitalist system in its monopolist phase, in the same way as the large corporation.”<sup>509</sup> In other words, commercial television, the sale of audience, advertising and monopolist capitalism went hand in hand in order to facilitate multinational

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<sup>507</sup> Caparelli. *Televisão*, 1982. p. 85. (Italics mine.)

<sup>508</sup> Wells. p. 94.

<sup>509</sup> Caparelli. *Televisão*, 1982. p.76.

corporations' control of the internal market in developing nations such as Brazil leading to this type of consumer culture imperialism.

Moreover, it was exactly because of the above mentioned reasons that in 1963, the audience hours index for the telenovelas was 2% versus 25% for US series. But the situation changed in 1977: as telenovelas leaped to 22%, US series declined to 17%.<sup>510</sup> This shift occurred because it was in the best interest of the advertiser to do so and would allow for a larger audience, therefore, a larger potential consumer market for their products. In this way, the United States and its corporations, which intended to control the market for the sale of their goods, benefited because the foremost influences of programs imported from the West has never been so much their foreign source, but the institutionalization of a model that asks for whatever programs might attract the size and kind of audiences required by advertisers. "And for many Latin American scholars the telenovela phenomenon is far from representing a reaction against an imported worldview. On the contrary, it exemplifies the creolization of US cultural products. It is the spiced up Third World copy of Western values, norms, patterns of behavior, and models of social relations."<sup>511</sup> The overwhelming majority of Brazilian telenovelas have the same purpose as their US counterparts, and that is to sell products to an expanding market.

Since telenovelas concentrates their stories on a glamorized version of "Brazilian reality", they have better chances of capturing larger domestic audiences

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<sup>510</sup> Oliveira. "Brazilian Soaps", 1993. p.119. Also see, Straubhaar, "Declínio", 1983, p.66.

<sup>511</sup> Ibid.

than imported shows.<sup>512</sup> They do so, but not to raise levels of cultural awareness or to promote consciousness about the country's needs. Thus from a qualitative, and in-depth study of the genre and its role within Brazilian society, we may draw conclusions that are just the opposite of those suggested by Western scholars which argued for reversed imperialism.<sup>513</sup> This pattern of "creolization" of US cultural products is very similar to what was happening at JWT-Brazil. "According to *Veja* magazine [in the 1960s], it was possible to notice that 16 out of 24 soap-operas produced and broadcast in the country, had sponsorship of multinational companies: Gessy Lever, Colgate-Palmolive, Kolynos- Van Ess."<sup>514</sup> These corporations counted on the emulation process to take place in order for their products to have a broader appeal in the Brazilian market based on the idea that if the lower classes saw the elite characters using such products, and also the real elite, they would also want to acquire such products. This emulation would lead to consumption and increased profits. Based on the above discussion, it appears that the explosion of telenovelas and the decline of American imports (decline but not disappearance) demonstrate the need to switch the level of discussion from quantitative analysis to deeper layers and examine the consistent use of television as an "effective purveyor of domestic and transnational products."<sup>515</sup> It is the Cascade Emulation Process which is clearly observed in this development where the working class (25 to 35 percent of the population), emulated the middle class (15 to 20 percent of population), which in turn emulated the upper middle class (8 to 10 percent of the population) which then emulated the elite (3 to 5

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<sup>512</sup> Ibid.

<sup>513</sup> Ibid. p.119-120.

<sup>514</sup> de Melo, p.227.

<sup>515</sup> Oliveira. "Brazilian Soaps", 1993. p.120.



percent of the population).<sup>516</sup> The elite in turn emulated, and still do, the American elite and their consumer habits and lifestyle closing the emulation cycle or process. The switch to telenovelas opened up new horizons in Brazil and abroad for the expansion of MNCs' bottom line profits in ways never considered possible before and this was the main motive for the change and not reversed imperialism.

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<sup>516</sup> Straubhaar. *Cultural*, 1998. p.10. For the percentage of class division and rank.

*Emulation, Conspicuous Consumption, Telenovelas and Rede Globo*

The process of emulation occurs because the telenovela promotes the culture from the Rio and São Paulo elites who live far removed from the rest of the country. “The lifestyles of these people resemble more those of wealthy Americans than the daily ordeal of the average Brazilian. The diversity presented in Globo’s programs, in general, reflects the differences found within a selected group, who has strong consumption habits. But from the point of [view of] the dominant classes it is important to educate the new consumption markets, and create new habits for rural and urban populations.”<sup>517</sup> In the Brazil *carioca* of Globo, people all over Brazil are told “what should be and how it should be. How to talk, what to listen to, how to behave, what to consume...”<sup>518</sup> As emphasized by Roberto Ramos, in *Grã-Finos na Globo – Cultura e merchandising nas novelas*: “The circumstances of the stories change. However, they all have the same theme, organized by the same stereotypes, scenery and life. It is the *Cultura Zona Sul*.”<sup>519</sup> As it can be seen, the wealthy few are depicted in the Globo programs in which they demonstrate their tastes and capacity to consume in turn “educating” new consumers. This education is what has been described here as the process of emulation where the lower classes are always trying to be, or to acquire, what appeared on television and was purchased by the elite. The domain of the telenovela genre in particular is “restricted to the needs of those who can buy; therefore, it emphasizes lifestyles that suit the industrial mode of production,

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<sup>517</sup> Oliveira. “Brazilian Soaps”, 1993. p.128.

<sup>518</sup> Valério Cruz Brittos and César Ricardo Siqueira Bolaño, orgs. *Rede Globo: 40 anos de poder e hegemonia*. São Paulo: Paulus, c2005. p.32.

<sup>519</sup> Ramos. p.80.

and denies space for autonomous cultural manifestations.”<sup>520</sup> In this emulation process, the dominant classes define what is good and what is not. Social change is then unthinkable outside the limits pre-established by the genre which now shapes the national conscience and the audience has been conditioned to watch. As Roberto Ramos pointed out, “The first step was suggestion. Repeated over and over, it became persuasion, and with time, persuasion turned into imposition.”<sup>521</sup> Because emulation is such a powerful tool, the Brazilian telenovelas have been so successful. The lower class Brazilian feels the need, or the imposition, following Veblen, “out of fear of being ostracized for being out of step with social conventions and habits of thought,”<sup>522</sup> which for them, is contained in television overall but in the telenovela more precisely, to emulate and whenever possible to imitate the patterns depicted on television. In sum, “The general direction offered by the telenovela is that the uneducated non-consumer will become an educated consumer.”<sup>523</sup> And such transformation would greatly benefit the advertisers, or MNCs, by expanding their market.

For this reason, in most Brazilian telenovelas the American lifestyle portrayed by Hollywood production reappears with a “Brazilianized” face, but a very specific one. At this moment, the programs did not have “wealthy Anglo-Saxons anymore, but rich white Brazilians enjoying standards of living that would make middle-class

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<sup>520</sup> Oliveira. “Brazilian Soaps”, 1993. p.128.

<sup>521</sup> Ramos. p.56.

<sup>522</sup> Veblen. p.53.

<sup>523</sup> Omar Souki Oliveira. “Brazilian Media Usage as a Test of Dependency Theory.” *Canadian Journal of Communication*, vol. 13, no. 3/4, Summer 1988. p.124.

American envious.”<sup>524</sup> This again seems very similar to the process taking place at JWT-Brazil where there was no more Anglo-Saxons directly running the business but white Brazilians trained, and supervised, by them. As Wells has argued “it is not the foreignness of the US influence nor the spread of the television medium itself, but rather the program content, the linkages with manufacturing firms, and the strong commercial nature of the medium that make it a powerful mechanism for the promotion of consumerism.”<sup>525</sup> As it can be seen, the shift from the *enlatados* to Brazilian made production was clearly a quantitative but not a qualitative shift and that was the case because the process of emulation in order for the continual process of conspicuous consumption to take place relies on this fundamental dynamic.

Nevertheless, although television reaches the entire nation, “only approximately 20% of the population may ever achieve the levels of consumption and social mobility shown in the stories.”<sup>526</sup> Again, because of the small percentage of the population which can actually consume one may be inclined to ask: why would advertisers want to invest in such a market? The answer is simple. It is because even though the percentage is small twenty percent of 150 million people still a size market that corresponds to some of “the wealthiest markets in the West, such as Canada and Scandinavia.”<sup>527</sup> However the remaining 80 percent, who can not partake of television’s abundance, are left with the impression that prosperity may some day be attained. So instead of distributing wealth and real consumption power, the medium in general, and the telenovela in particular, become a “large supermarket chain which

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<sup>524</sup> Oliveira. “Brazilian Soaps”, 1993. p.129.

<sup>525</sup> Wells. p 122.

<sup>526</sup> Oliveira. “Brazilian Soaps”, 1993. p.125.

<sup>527</sup> Ibid.

distributes symbolic goods...it also distributes income symbolically, and at an imaginary level realizes the dreams and promises of the Brazilian 'Miracle'."<sup>528</sup> As such, the role of the telenovela is to sell goods to those that can buy and for those that cannot buy, it represents a possibility to escape the frustrations of everyday life and to move towards a life full of mysteries, suspense, love and passion, where everything ends up well.<sup>529</sup> All of this, while at the same time creating the illusion that the achievement of the consumer goods advertised may be attained one day, in this way maintaining Brazil within the ideology of consumer culture imperialism.

The main problem with such state of affairs for countries in the "development process" is that "advertising carried out by the mass media serves to stimulate consumption by the wealthy minority and to prevent savings (and thus the formation of economic surplus) which could be used by this wealthy minority to promote the development of the country; and in the poor and peasant sectors, such advertising only serves to provoke desperation and frustration."<sup>530</sup> In other words, the potential economic surplus indispensable for accelerated economic development can not be realized because advertising (and the activities that sustain it) is constantly creating the "needs" underlying the wealthy wasteful society, encouraging unproductive labor and the waste inherent in the production of superfluous goods, and contributing to unemployment by distorting the production process and the distribution of purchasing power.<sup>531</sup> Furthermore, advertising in peripheral countries, such as Brazil, was

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<sup>528</sup> Ibid.

<sup>529</sup> Ramos. p.54.

<sup>530</sup> Janus. p.19

<sup>531</sup> Ibid.

associated with a dependent development model, which allowed and even encouraged the expansion of multinational firms as was seen above. Such policies would be in agreement with Janus' statement that: "It is therefore, no coincidence that, while advertising has grown rapidly in most parts of the world, it has boomed in precisely those countries following a development model characterized by private ownership and control over industry, open doors to foreign investment, rapid production of consumer goods, a "consumer society" for middle and upper levels of the population, very uneven distribution of income, and unemployment, illiteracy, and marginalization of the rural and poor."<sup>532</sup> Moreover, a strong presence of transnational firms, closely linked with the largest and most powerful advertising agencies which made use of advertising as a tool to further their own interests was, and is, very common in this type of development model. All of which were present in Brazil in the 1960s and 1970s. In sum, according with Janus: "Advertising helps to create and maintain monopoly conditions whereby the largest and most powerful corporations may dominate the market and drive the smaller, often local, competitors out of business; adjust international consumption habits to the logic of transnational production; promote a worldview that ensures the legitimacy of the transnational firm and reduces the chance of social protest; and convert local mass media into predominantly advertising channels."<sup>533</sup> Based on the evidence laid out in this thesis, one is inclined to agree with this argument.

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<sup>532</sup> Ibid. p.21.

<sup>533</sup> Ibid.

Moreover, for those who are not able to break the limitations of poverty, telenovelas provide the chance to experience the daily emotions of belonging to a different world. Real boundaries are overcome by fantasy, and the habituation once born out of sheer escapist necessities becomes a conditioned reflex, which is wisely manipulated by expert merchandisers.<sup>534</sup> In fact, a closer look at a Brazilian telenovela gives the observant viewer the impression of being on a shopping center because everything is on sale. The couch where the characters sit, the suits they wear, the scotch they drink, the paintings on the wall, light fixtures, carpet, lamps, and so on, are being advertised. When the characters move outdoors it becomes time to promote sunglasses, cars, stores, and even banks. This procedure is labeled *merchandising*. Merchandising is officially permitted in Brazil and works wonders for both TV stations and advertisers. There is not the slightest attempt to disguise commercial television's ultimate purpose. "The medium has been transformed into a wall-to-wall advertising (in a country where 88% of the population is either illiterate or precariously educated)."<sup>535</sup> As it can be seen, Brazilian television, and the telenovelas more specifically, are a great way for goods to be advertised and increase the profits of multinational corporations which is the main component of the consumer culture imperialism described in this thesis. For this reason, three years after the implementation of television in Brazil of the ten largest advertisers in television seven were foreign companies: Esso Standard do Brasil, Gessy-Lever, The Sidney Ross Co., Lever Brothers, The Shell Brazil Limited, The Coca Cola Export Company, The

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<sup>534</sup> Rosa Maria Bueno Fisher. *O Mito na Sala de Jantar: Leitura interpretativa do discurso infanto-juvenil sobre a televisao*. Porto Alegre: Editora Movimento, 1984. p.46.

<sup>535</sup> Oliveira. "Brazilian Soaps", 1993. p.126.

Johnson & Johnson, The Gillete Safety Razor Co. and Nestlé.<sup>536</sup> In 1980 of the ten largest advertisers nine were foreign corporations.<sup>537</sup> All of which were represented by one of the major American advertising companies J.W. Thompson or McCann Erickson.<sup>538</sup> As it can be seen, the rise and dominance of television in its “populist phase” went hand in hand with the rise of advertising in which US agencies representing US corporations played a major role and as such increased foreign control.

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<sup>536</sup> Sérgio Caparelli and Venício A. de Lima. *Comunicação e Televisão – Desafios da Pós-Globalização*. Sao Paulo: Hacker Editores, 2004. p.86.

<sup>537</sup> Ibid.

<sup>538</sup> Ibid.



### *Conclusion*

It is the main argument of this research to demonstrate that although the Globo-Time-Life agreement could be clearly seen as the beginning of American control over Brazilian television it was nevertheless not the end. Even though Time-Life eventually abandoned its agreement with Globo the control was maintained through the power of advertisers which were mainly multinational corporations. In other words, the Globo-Time-Life agreement was the beginning of the control, but the end of the agreement was not the end of the control. This conclusion is in accordance with Janus's argument for the rest of Latin America which relates to the three major US networks: ABC, NBC and CBS. He said that in 1980 the major networks "no longer maintain outright ownership of Latin American television stations. They are therefore no longer in a position to directly control broadcasting operations. This control is, however, exercised in different forms, one of the most important of which is advertising. The trans-nationalization of advertising has grown in influence during the time in which the direct link between the US and Latin American broadcasting was declining."<sup>539</sup> The power of the advertisement agencies is clear to this day in Brazil. According to Sérgio Caparelli and Venício A. de Lima in 2001, of the ten largest advertising agencies (in profits) which worked in Brazil only three were Brazilian. "The other seven, besides being foreign agencies, belonged to three mega international holdings. In this way, McCann Erickson (1<sup>st</sup> place) and Giovanni FCB (8<sup>th</sup> place) are part of the Interpublic Group of Companies, Inc. with the main office in New York; J. Walter Thompson (2<sup>nd</sup> place), Ovyl & Mather (3<sup>rd</sup> place) and Young & Rubicam (10<sup>th</sup>

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<sup>539</sup> Janus. p.44.

place) belong to WPP Group with the main office in London; and AlmapBBDO (5<sup>th</sup> place) and DM9DDB (6<sup>th</sup> place) belong to Omnicom Group with the main office in New York.”<sup>540</sup> As the data demonstrates, the concentration is becoming even more accentuated in the present moment and the dominance by foreign companies more prominent. Another aspect which these authors pointed out is the maintenance of Globo’s virtual monopoly of the television medium to the present moment.<sup>541</sup> In 2002, Globo had an audience of 51% between 6 p.m. to 12:00a.m., and a participation of 78% of the total advertisement investment.<sup>542</sup> For such reason, this research is of critical importance in order to understand the root of this situation that still has very damaging effects on the Brazilian population to the present day. Barbero affirmed that the television transformed “the masses into people and the people into a nation.”<sup>543</sup> I would carry that further and affirm that the nation was in turn transformed into a consumer, not of any kind, but a consumer of American goods following the emulation and conspicuous consumption model, which was at the basis of the American Dream, but for Brazil it has been more like a nightmare.

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<sup>540</sup> Caparelli. *Comunicação*, 2004. p.25.

<sup>541</sup> Ibid. p.44-50.

<sup>542</sup> Ibid. p.84.

<sup>543</sup> Ibid. p.95.

## Conclusion

“The United States and Brazil signed an agreement on Monday, [April 12<sup>th</sup>, 2010] to bolster military ties, but Brazil's Defense Minister Nelson Jobim did not offer any hint about a key defense contract sought by U.S.-based Boeing Co.”<sup>544</sup> stated *The New York Times*. This article was in respect to a military cooperation agreement signed by Brazil and the United States. As it was seen in the first chapter, the US has for many years tried to maintain the Brazilian military closely allied with the US and it seems that in 2010 this goal remains the same. That is so because, as it was seen earlier, it is crucial to maintain the Brazilian military as a purchaser of US materiel for various reasons besides the initial purchase, such as parts, technical assistance and most importantly personnel training. In the present, as in 1964, the US pressure came to bear at a moment in which some large equipment purchase was on the table. For Goulart, it was this desire to open up the possibility for Brazil to purchase from whoever had the best product at the best price which provided the US with another excuse to directly help, fully support and approve his removal.

In 2010, when “Brazil is in the final stages of picking a company to manufacture 36 jets, a contract worth more than \$4 billion”<sup>545</sup> and a deal that could eventually rise to more than 100 aircraft, the US made sure to sign a military agreement with Brazil after 50 years. As the article stated, “U.S. officials have said a

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<sup>544</sup> *New York Times*. April 12<sup>th</sup>, 2010. “U.S. And Brazil Sign Defense Pact, No Decision on Jets” <http://www.nytimes.com/reuters/2010/04/12/us/politics/politics-us-usa-brazil-defense.html>

<sup>545</sup> *Ibid*.

victory by Boeing could bring the US and Brazilian militaries closer together.”<sup>546</sup> It does not take much to figure it out what is the main reason for the “cooperation” agreement. It becomes clear that US imperialism, in a much more subtle and diplomatic way is still making its weight felt in Brazil and the rest of Latin America in the military front.<sup>547</sup> However, this pressure comes also at the same time at the economic and consumer level when the purchase of a large product from an American multinational corporation is directly involved. In the early 1960s, the US stopped Goulart’s deal with Poland for the purchase of helicopters on the grounds that Brazil, because of its military agreement with the US, could only purchase such equipment from the US, as seen in chapter one.<sup>548</sup> In 2010, even though the language has changed, the intentions for signing the agreement seem to be the same: as a point of pressure for Brazil to purchase the American jets instead of someone else’s. The clear pressure for the Brazilian military and government to purchase the Boeing jets seemed to follow to a great degree what was present in Brazil in 1964 but adapted to its time, because of the end of the Cold War. The American clear pressure for the Brazilian military to be allied with the US would be of less interest if it was not directly connect to the power and influence of a powerful American multinational corporation such as Boeing.

It is important to remember that the president of Brazil at this moment is Lula, the ex-union leader, and the president of the US, is Barack Obama, the first African

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<sup>546</sup> Ibid.

<sup>547</sup> A similar accord with Colombia last year that allowed increased use of Colombia military bases by U.S. troops raised eyebrows in the region. Venezuelan President Hugo Chavez called it part of a plot for invasion.

<sup>548</sup> Bandeira. *Presença*, 1973. p.433.

American president. However, it seems that in the world of US imperialism it does not matter who the president of either nation is because the true rulers are the US multinational corporations. It seems that the American attempts to control Brazil and make it a purchaser of American products, and that does not limit itself to military equipment, has remained the same throughout all these years.

The United States had been involved in influencing and controlling Brazil, at least, since World War II. In 1964, the main tools were the *Escola Superior de Guerra* (ESG), IPES and IBAD which were sponsored by the United States government, American institutions such as the CIA and multinational corporations. At that moment, the main objective was to influence the military personnel, but also civilians, to be in favor of United States' interests in Brazil, which does not seem very different from what is happening in 2010. However, with the end of WWII, and the shift into the Cold War articulations and environment came the 1964 military coup which was directly assisted and supported by the United States as it was seen by the statements of President Johnson and other American officials at the time. Moreover, the control was further enhanced by the Brazilian military government which had direct connections and financial support from the United States. The military government carried an economic policy that made the penetration and domination of the Brazilian economy by American MNCs a desirable achievement for the development of Brazil but in reality it only allowed for large profits to be made by the US and MNCs. This was clearly a dependent development model which benefited the

US and MNCs but not the population of Brazil, specially the lower classes or The Prey.

It was in this context that television was consolidated and expanded in Brazil. This “economic model clearly mirrored the interests of the industrial and financial bourgeois associated with the transnational capital. Nobody was able to see that, beyond any political project, Rede Globo inserted itself perfectly in the economic model which the post-1964 government began to implement. The political role of Globo was a complementary function to the decisive economic role.”<sup>549</sup> The essential function of Rede Globo was to do the mediation between the interests of the multinational corporations and the national market that was constituted with the concentration of income. “Rede Globo would occupy a prominent place in the Brazilian economy, offering functionality to the economic model of capitalist deepening (*aprofundamento*), following the expression of Guillermo O’Donnel.”<sup>550</sup> As it can be seen television, which in Brazil meant Globo, were two very important components of this new economic model dominated by the US and MNCs and clearly depicted in *A Caçada*, which I call: Consumer culture imperialism.

The establishment of Rede Globo with the financial and technical support of Time-Life appeared as another site in which US imperialism became active in Brazil because of the monopoly acquired by Rede Globo. Globo was formed with the intention to support the military regime and the development of an advertising apparatus in order to promote the sale of products from multinational corporations in

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<sup>549</sup> Herz p.200.

<sup>550</sup> Herz. p.200-201.

Brazil, but soon also elsewhere in the world because of the popularity achieved by the telenovelas produced by Globo. The telenovelas followed the American formula, but were transformed into a “Brazilianized” version because in this way it had more appeal in Brazil and abroad, and therefore, were able to sell MNCs products more efficiently. As expressed by Daniel Herz, the available data evidently demonstrates, that Rede Globo appeared perfectly integrated to the block of power that installed the capitalist economic development model after 1964. “Rede Globo gave functionality to this emerging block of power. In the point of view of the economy, on the one hand, it was constituted as a large instrument for the creation and stimulation of a unified market, generated primarily by a concentration of wealth and, on the other hand, acted as a catalyzing agent of the important market for electro-electronics, which the production was dominated by the multinational corporations.”<sup>551</sup> Globo became a crucial component of the new economic model delineated by the military because it was the main instrument for the sale of MNCs products in the Brazilian market.

The connections between Globo, Time-Life and the military government were even more significant because of the way in which all of them, in one way or another, made Brazilians affairs more easily controlled by the the United States. However, it was the advertising agencies and American multinational corporations which had a crucial role in this imperialist enterprise. By controlling the advertising market and spreading the ideology of consumerism based on the model of the American Way of Life, which was also being sponsored by Henry Luce, they would make sure that the United States’ imperialism in Brazil would be succesful. The ideology of

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<sup>551</sup> Herz. p.205-206

consumerism, American style, is very pervasive in Brazil today and also the monopoly of Rede Globo demonstrating that there is something to be analysed in these process.

In sum, the United States was heavily inclined to control Brazil from the time of WWII and it made every effort to hide its intentions from the public eye in order not to be accused of trying to control Brazil, which would be seen as an imperialist action. However, time has demonstrated that even though the efforts to hide such a position were many it is still possible for historians to find evidences which point to this pattern of American behavior in Brazil, but also elsewhere in the world. It also needs to be highlighted that all of this was achieved only because there were always groups of Brazilian nationals, the comprador bourgeoisie, willing to help in such control in order to reap some benefits. The US was able to control Brazil because the Brazilian elite, realizing that it could itself benefit from this model, internalized the ideological, political and, most important, economic models put forth by the US and multinational corporations. Finally, there is a clear and long tail of the history of US imperialism in Brazil and this project only engaged in a small description of what could later be a much more in depth analysis of this process

As it can be seen by the discussion above, the United States had a clear interest in controlling Brazil after the Second World War. This control was brought about in a combination of economic, political, diplomatic, military, technological, but most important through the ideological mechanisms of modernity. In this language, modernity was equalized with American, as it has been done by prior imperialists.<sup>552</sup>

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<sup>552</sup> Needell.



The idea, as was the case with prior imperial powers, was to create a set of beliefs, or myths that are later, through many different means, but having the mass media as its main force, which in the 1960s meant television, disseminate such ideology. In this context, the media and advertising “among other formulae which sound undoubtedly positive all carry the message that there is no alternative to the American capitalist model of organization.”<sup>553</sup> If one accepts the definition given by Susantha Goonalake that cultural imperialism is “an imposition of a cultural package against the informed will of the recipients,” then capitalism is the most aggressive of cultural imperialists.<sup>554</sup> In the case of US imperialism in Brazil, the control was carried through the ideology of the American Way of Life with consumerism as its chief motivator which made it easier for the Brazilian elite to accept the arrangement in order to maintain the status quo and therefore maintain the strategy from previous imperialists which greatly benefited them. This arrangement is what today maintains 10% of the population with 50% of the wealth while the poorest 60% can only achieve 10%.

Moreover, based on the active role played by the United States to maintain Brazil in its “sphere of influence” it automatically allow for the dissemination of the ideology of consumerism as the highest achievement in modernity. For such reason, Brazilians, and all other populations which are bombarded everyday through the mechanisms of mass media, that up to the moment is controlled by the United States, are in risk of being influenced to perceive the acquisition of material goods as the

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<sup>553</sup> Hamm. p.25.

<sup>554</sup> Ibid.

highest achievement in modernity and for such reason believing the American Way of Life to be the utmost achievement. Once the elite has been indoctrinated in this ideology and began to use the products being advertised, it is time to further expand the consumer market to the lower classes through the Cascade Emulation Process. In this process telenovelas and advertising played, and still play, a major role. The indoctrination of the elites in the “developing” nations has been, throughout history, one of the most effective controlling mechanisms in the achievement of control over foreign nations. In such a way, at least there is a façade of independence and self government which would otherwise lead to revolts that would have to be repressed with force. In that case, an imperialist move in the classical sense would have to occur if control was to be maintained. However, in the case of Brazil in the 1960s, because this type of indoctrinated elite which was easily controlled by the US was not in power, the US created the communist threat in order to have a reason to intervene. It was this created threat which led to the 1964 coup. This thesis demonstrated how even though the US did not use the most visible controlling weapon for a imperialist power, direct military take over and control, it did nevertheless acted in a imperialist manner because through various means it maintained control over Brazilian affairs.

It is of utmost importance to note that the point of this thesis is to demonstrate that the imperialist era was not over with the last imperialist war. The independence of colonial nations in a way never really occurred and the colonial project still with us to the present day in the form of the capitalist system. In this system, there is simply a new imperialist who has as its most fundamental idea that it could be controlling

without been imperialist because they have a façade of democracy and aid, exemplified by the new military agreement, among others means of control. The many areas in which the United States acted in Brazil openly, secretly and most importantly subtly through the advertising and merchandising of products demonstrate that control can be achieved by many different means and consumerism can be seen as the most efficient control mechanism devised to this day.<sup>555</sup> The church, throughout the times could only offer something later in heaven, but consumer culture imperialism offers the people something material now, even if only to a small percentage of the population while the rest of the world dreams of such achievements. The problem is that this achievement comes with a price tag: the sovereignty of the nation, which becomes controlled by the interests of the US and MNCs.

Furthermore, the remainder of the population which was, and is, not able to participate in the consumption, waits for the day in which they will have the chance to engage in modernity and consume. Until then they are The Prey or *O Alvo* (The Target) waiting to be destroyed by the forces of modernity as seen in the pamphlet *A Caçada*. This thesis was written because “*Todos os dias tem sido dias dos caçadores. É preciso fazer chegar o dia da caça*” (Every day has been hunters’ day. It is necessary to make it be the prey’s day for justice to be made) as stated in the final words of *A Caçada*.<sup>556</sup> Herbert Marcuse once said that change would only come about with “the restoration of individual thought now absorbed by mass

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<sup>555</sup> Adam Curtis. *The Century of the Self*. United Kingdom: BBC, 2002.

<sup>556</sup> Spada. Final page.

communication and indoctrination”<sup>557</sup> and for such reason the role of Globo, as the main mass communication outlet in a continental nation as Brazil, but also spreading its tentacles throughout the world with its “Brazilianized” version of the consumer culture, in such a way that it becomes more acceptable for the further expansion of the consumer culture imperialism to the rest of the world, needs to be researched, analyzed and understood at a deeper level.

This “Brazilianized” version of the consumer culture imperialism, through the Globo telenovelas, is at this very moment kicking at the doors of consumers in the four corners of the globe, including communist China and Cuba, and saying: look how much fun, come consume with us. If you do, you are going to be modern. The effects and control achieved by the US and MNCs through this process of consumer culture imperialism has to be further questioned and researched for other regions in order for a more holistic understanding to be achieved. I hope that the analysis above, on the Brazilian case, will open the doors for such developments to take place and with it the liberation of the world from the desires which are perceived as needs because of the apparatus of consumer culture imperialism.

Today, two Brazilian bands clearly describe the situation in Brazil through their lyrics. Tribo de Jah, a band mainly formed of poor blind members from Maranhão, in one of their songs titled *O Consumismo é o Abismo* (Consumerism is the Abyss) affirm that: *O consumismo é o abismo entre o que se quer e o que se pode ter.*

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<sup>557</sup> Herbert Marcuse. *One-Dimensional Man*. 2<sup>nd</sup> ed. Boston: Beacon Press, 1991. p 04.

(Consumerism is the abyss between what one wants and what is possible to have).”<sup>558</sup>

As it can be seen, as was the case with *A Caçada*, Brazilians are still very aware of the situation that is taking place in their country, but also throughout the world, where the ideology of consumerism American style is now being further spread under the guise of globalization as the only alternative for the entire globe to follow.

For such reason, for the specific situation of Brazil, the band Ponto de Equilíbrio, pointed out very clearly that in Brazil we now no longer suffer from a military dictatorship but from a “*ditadura da televisão: criando as regras e contaminando a nação* (Dictatorship of television: creating the rules and contaminating the nation).”<sup>559</sup> It is this dictatorship of television, which clearly in Brazil means Globo, that it was analyzed here. In a nation, where the leftist president is pleading for the population to engage in consumerism and buy products that they do not really need simply to help the economy, and therefore multinational corporations, such as General Motors and Ford, which are in serious economic trouble, by buying new automobiles, but also televisions and other products, clearly demonstrate that the foundations for this consumer culture imperialism model need to be thoroughly researched and analyzed because of the problems that it has created. This is necessary in order for a better understanding and therefore a solution to be achieved in the near future for the liberation from such desires from this consumer culture imperialism. And for this reason, I hope that this thesis will be a guiding light for the type of questions that should be asked at the dawn of the twenty first century.

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<sup>558</sup> Tribo de Jah. “O Consumismo é o Abismo”. *Além do Véu de Maya*. Dubas Musica, 2004. CD.

<sup>559</sup> Ponto de Equilíbrio. “Ditadura da Televisao”. *Reggae a Vida Com Amor*. Deckdisk Brasil, 2006. CD.

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