

THE POLITICS OF OLIGARCHY:
THE PERSISTENCE OF TRADITIONAL ELITES IN CONTEMPORARY BRAZIL

by

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To my father,

who inspired my goals

and to Tony,

who gives them purpose and makes their realization
possible

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ABSTRACT

This dissertation charts the persistence of the traditional political elite in the state of Minas Gerais, Brazil, through the twentieth century, focusing primarily on the period of authoritarian rule from 1964 to 1982. Contrary to interpretations of Brazilian politics which claim that regional oligarchies were ousted from national and state ruling coalitions by the military and their places taken by technocrats and native and foreign capitalists, this work suggests they retained power. The persistence of this elite during a period of explosive industrial growth and in a regime ostensibly committed to promoting technical competence in government and dispensing with them is explained by the nature of the political relationships which emanate from a state capitalist economy. Traditional elites shifted their power base from land into the state, transforming themselves into a political class whose political dominance rested on their manipulation of state resources.

Industrialization fueled by state and foreign investment is demonstrated to have had little impact on the structure of state power. The local bourgeoisie was weak and largely uninvolved in dynamic growth sectors. The organization of the economy along state capitalist lines privileged state elites and enhanced the state's resource base for its clientelistic operations. State-based political clientelism thus became the dominant form of political organization in Brazil. A growing segment of the population left behind in the "economic miracle" were represented by territorially-based politicians whose access to state resources and political networks enabled them deliver state benefits to state clients and marshal support for the authoritarian regime.

The persistent grip of traditional political elites on state politics in Minas Gerais is demonstrated through an analysis of elite office holding from 1956 to 1982. Political elites were supplanted in the executive branch of the state by technocrats after 1964 only briefly, most notably in economic ministries, and oligarchs who occupied powerful public office before the 1964 coup d'etat largely succeeded in attaining high posts after it.

Political centralization and the monopoly of power associated with bureaucratic-authoritarianism precluded a rival elite from supplanting traditional political elites in the state. The appointment of executive positions and the formation of a hegemonic government party organized by the traditional elite confined political competition to oligarchical ranks. A network of political alliances among traditional local and state factions upheld the oligarchical political system.

Finally, the implications of traditional elite persistence for Brazilian democratization is discussed. The traditional political elite of Minas Gerais has survived the transition from an authoritarian to a quasi-open 'democratic' regime. How political competition will affect the prospects for oligarchical survival will depend upon the extent to which this elite can shape the new regime.

Thesis Supervisor: Dr. Suzanne Berger

Title: Ford Professor of Political Science

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talk about their families, government policies, and politics in their communities, state, and nation enabled me to understand their country.

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contains the findings of this research.

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Glossary of Abbreviations and Portuguese Terms

AÇOMINAS - Aço Minas Gerais S.A.

ARENA - Aliança Renovadora Nacional (National Renovating Alliance).
Pro-government political party, 1965-1979.

bancada - A state's delegation of representatives to the Chamber of Deputies.

BDMG - Banco de Desenvolvimento de Minas Gerais (Minas Gerais Development Bank).

BEMGE - Banco do Estado de Minas Gerais (Bank of the state of Minas Gerais).

BNDE(S) - Banco Nacional de Desenvolvimento Econômico (e Social)
(National Economic Development Bank, recently renamed National Economic and Social Development Bank).

BNH - Banco Nacional de Habitação (National Housing Bank).

bóia-fria - Temporary agricultural laborer who resides in an urban area and commutes to the fields.

cabo eleitoral - Political ward boss.

café com leite - (café au lait). Political alliance between states of Minas Gerais and São Paulo during Old Republic.

câmara municipal - City council.

Carioca - Resident of the city of Rio de Janeiro.

cassados - Citizens stripped of political rights and elected mandates by the military regime.

CDI(MG) - Companhia de Distritos Industriais (Industrial Districts Company), not to be confused with the CDI/MIC, Conselho de Desenvolvimento Industrial (Industrial Development Council), a national government agency of the Ministry of Industry and Commerce.

CEMIG - Centrais Elétricas de Minas Gerais, state of Minas electric company.

COHAB - Companhia de Habitação, state of Minas housing agency.

coronel, coroneis - Local political bosses.

coronelismo - Rule by local bosses.

cruzeiro - Brazilian unit of currency until 1986.

CVRD - Companhia Vale do Rio Doce (Rio Doce Valley Company). A federal state enterprise primarily involved in iron mining.

DER - Departamento de Estradas e Rodagem (Highway and Road Department).

diretório - The governing body of a political party from which members of the executive commission are elected.

ESG - Escola Superior de Guerra (Superior War College).

Estado Novo - (New State). Vargas dictatorship, 1937-1945.

fazenda - A large farm.

fazendeiro - A large landowner, but not synonymous with latifundiário.

FIEMG - Federação de Indústrias do Estado de Minas Gerais (Minas Gerais Federation of Industries).

FL - Frente Liberal (Liberal Front). A dissident group within the PDS that emerged in 1984 to support direct elections and then Tancredo Neves' candidacy in the electoral college.

FPE - Fundo de Participação de Municípios. Federal revenue sharing fund for municipalities.

FPM - Fundo de Participação de Estados. Federal revenue sharing fund for states.

FRIMISA - Frigoríficos Minas Gerais S.A.

Gaúcho - Resident of the state of Rio Grande do Sul.

IBAM - Instituto Brasileiro de Administração Municipal (Brazilian Institute for Municipal Administration). An independent agency which assists municipal governments.

IBGE - Fundação Instituto Brasileiro de Geografia e Estatística, the official census body.

ICM - Imposto sobre a Circulação de Mercadorias ("Tax on the Circulation of Merchandise"). A value-added sales tax which is the main source of state revenue.

INDI - Instituto de Desenvolvimento Industrial (Industrial Development Institute).

legenda - A party slate.

- MDB - Movimento Democrático Brasileiro (Brazilian Democratic Movement).
Opposition party, 1965-1979.
- METAMIG - Metais de Minas Gerais S.A.
- Mineiro - Resident of the state of Minas Gerais.
- município - The Brazilian municipality. An administrative unit broader than a city or town. The closest equivalent in the United States is the county.
- Paulista - Resident of the state of São Paulo.
- PDC - Partido Democrata Cristão (Christian Democratic Party).
- PDS - Partido Democrático Social (Democratic Social Party). Pro-government party formed in 1979.
- PDT - Partido Democrático Trabalhista (Democratic Labor Party). Formed in 1979 under leadership of Leonel Brizola.
- PFL - Partido da Frente Liberal (Party of the Liberal Front).
- PL - Partido Libertador. A Gaúcho dominated party, 1945-1965.
- PMDB - Partido do Movimento Democrático Brasileiro (Party of the Brazilian Democratic Movement). Formed in 1979.
- PP - Partido Popular (Popular Party). Formed in 1980, dissolved in 1982.
- PR - Partido Republicano (Republican Party). Near monopoly party during the Old Republic, resurrected in 1945 by Artur Bernardes.
- PRM - Partido Republicano Mineiro (Minas Republican Party).
- PRODECOM - Programa de Desenvolvimento de Comunidades (Community Development Program).
- PRP - Partido Republicano Paulista (São Paulo Republican Party).
- PSB - Partido Socialista Brasileiro (Brazilian Socialist Party).
- PSD - Partido Social Democrático (Social Democratic Party). Pro-Vargas party, 1945-1965.
- PSP - Partido Social Progressista (Social Progressive Party), 1945-1965. Dominated by Adhemar de Barros, strongest in São Paulo.
- PT - Partido dos Trabalhadores (Workers' Party). Formed after 1979 party reform.

PTB - Partido Trabalhista Brasileira (Brazilian Labor Party). Pro-Vargas party, 1945-1964. Reorganized after 1979 by Ivete Vargas, Vargas' grandniece.

SEPLAN - Secretaria de Planejamento e Coordenação Geral. Minas Gerais state planning department.

situação - The "ins".

sublegenda - A party "subticket", introduced by the military regime. Up to three candidates of the same party were permitted to contest the same office awarded under the plurality system.

SUDENE - Superintendency for the Development of the Northeast.

tenente - Lieutenant.

Tenentismo movement - Tenente protest movement of the 1920s against the Old Republic.

UDN - União Democrática Nacional (National Democratic Union). Anti-Vargas party, 1945-1965.

USIMINAS - Usinas Siderúrgicas de Minas Gerais S.A.

Note on Translations

Except where indicated, all translations are my own.

CHAPTER ONE

INTRODUCTION

Traditional Elites in Industrial Society

Students of development, virtually without exception, have regarded urbanization and industrialization as processes that erode the foundations of traditional political domination and undermine the power of the landed aristocracy. In the course of industrialization, industry is expected to supplant agriculture as a national economic priority and generator of wealth, new industrial classes--bourgeois, middle class, and workers--to arise and put forth a democratic political project, and peasant laborers to be offered the opportunity to leave the land and become urban, industrial workers, thereby severing their dependence on their former landlords. Once this process is underway, traditional elites will inevitably disappear as a political force, or at best retain a mere vestige of their former power as the lords of remote corners of backward regions. As their geographical and sectoral domains shrink, so, too, will their residual power. All roads lead, sooner or later, to an inevitable eclipse. Such a formulation has a powerful, commonsensical appeal: agrarian rural politics are conservative, and urban, industrial politics are "modern" and democratic. With the shift of power to the cities, therefore, the defeat of traditional elites is only a matter of time. Indeed, unlimited empirical evidence can be marshalled to demonstrate the conservatism of rural areas relative to urban in national elections. Were this not true, it would be incomprehensible why traditional elites have stacked the electoral systems in favor of the rural areas in virtually all countries of the modern world in which elections are held.

To demonstrate that ruralism and an agrarian economy are props of the traditional order does not, however, prove that the onset of urbanization and industrialization will automatically displace traditional elites. To the contrary, in several countries, economic modernization has not neatly translated into a parallel political modernization. Yet, curiously, the premise that traditional elites will inevitably be eclipsed has never been questioned. The evidence marshalled by Alexander Gerschenkron (1943: vii) attests to the "surprising ability to survive" of the Junkers, who were able to "turn any new situation, grave crises, and threatening adversities to their advantage". Yet, were it not for the redrawing of Germany's borders with Poland and the land reform carried out by the Soviet occupation forces, it is not clear what would have happened to the Prussian aristocracy. Nor does Barrington Moore, Jr. (1966), who traces the role of agrarian lords in establishing modern societies, question this basic premise. That Moore so readily dismisses plantation aristocrats as "defeated" in the United States after the Civil War is surprising in light of the evidence contained in his own discussion that after Reconstruction, southern aristocrats were returned their primary instruments of power: land and the political repression of the black population. Accepting defeat in their contest for control of the central government, and the lost opportunity for westward expansion, they were handed undisputed control of their own states, achieved through the disenfranchisement of southern blacks and the introduction of sharecropping and other coercive forms of labor relations reminiscent of the "second serfdom" east of the Elbe. Indeed, writing in 1949, V.O.

Key, Jr. (1984: 19) rediscovered the dominance of these planter families in the southern states. He found politics in Virginia, for example, to exhibit "characteristics akin to those of England at about the time of the Reform Bill" and classified it as a "political museum piece".

The evidence most damaging to the belief that economic modernization automatically produces changes in the class composition of the elite, however, comes not from the historical examples of "traditional" societies which modernized with "faults",¹ but from those which are presumed to have made the transition smoothly. As Bendix (1970: 302) notes,

The changes of social stratification in the course of industrialization do not present the simple picture of a declining aristocracy and a rising bourgeoisie. In most European countries the social and political preeminence of pre-industrial ruling groups continued even when their economic fortunes declined, and the subordinate social and political role of the "middle classes" continued even when their economic fortunes rose.

Economic processes take longer to play themselves out than believed. The onset of industrialization did not suddenly transform the economy, let alone completely penetrate national territories and politics. In the first industrializers, traditional elites held up "bourgeois democracy" for decades, indeed centuries, after industrialization was well underway. Accounts of "conquering bourgeoisies" have little foundation in fact.² Marx and Engels (1972: 339), in the Communist Manifesto (1848), described a "one hundred year rule" of a bourgeoisie which in its most advanced state, England, had been enfranchised only 16 years earlier, and which had won its first important political battle--

the abolition of the Corn Laws--a mere two years before. Mayer (1981) provides a strong case that the aristocracy remained in place and in power throughout Europe until World War I. Most remarkable, even today, the aristocracy in Britain has by no means been routed, but enjoys an important representation in the British cabinet and Parliament.

This is a study of the resilience of one set of oligarchs, the traditional political elite in the state of Minas Gerais, Brazil, from 1964 to 1982. The traditional Mineiro elite retained its dominance amidst the highest rates of industrial growth in the developing world. Brazil, by the measure of its gross product, is the most "developed" of Latin American countries, and much of its "economic miracle" of the early 1970s was centered in Minas Gerais. This elite survived, moreover, in a regime ostensibly committed to restoring economic and political order by promoting technical competence in government and dispensing with "the politicians of the past". Its survival challenges us to explain the tenacity of this class and the persistence of traditional domination.

Any study which addresses itself to the composition of the elite must answer why men, rather than institutions or processes, merit investigation. If one set of elites is replaced by another, is this important for organization of the political system? Why should it matter if traditional political elites, professional administrators and technical experts, new middle class professionals, or businessmen, occupy appointed or elective office, if they do so under the same conditions of popular ratification?

The argument underpinning this study is that traditional political

elites perpetuate "traditional politics", that is, a pattern of politics in which power is narrowly concentrated, access to decision-making restricted, channels of political representation hierarchically organized, and levels of permissible political competition strictly regulated. In political systems in which traditional elites figure prominently, political parties are more likely to be vehicles of oligarchical control than genuine transmission belts of non-elite interests, and the prevalent form of political representation is apt to be a variant of the patron-client relationship. Elites themselves block the processes which could transform political institutions and arrangements in a democratic direction. Even if new, middle class politicians are incorporated into office-holding, if still under the hegemony of traditional political elites, there is no reason to believe new elites can or will dismantle the oligarchical system.

As the Brazilian political system inches toward democracy, special attention should be paid to the role of the traditional political elite. Its political strength has to date acted as a brake upon a genuine opening of the political system in Brazil as well as in other Latin American countries. If traditional elites can continue to dominate their political systems, then even if current attempts to advance political democratization are successful and democracy formally established, the vast majority of the population will reap neither its political nor material fruits. In Brazil and other contemporary industrializing countries, the fate of traditional elites remains on the agenda of politics.

The Traditional Political Elite

The concept "traditional political elite" identifies a class of dominant elites which does not occupy a single position in the productive structure and whose power does not derive uniquely from economic resources, which may be quite heterogeneous. The diversity of its members cannot be captured by such terms as agrarian elite or agrarian bourgeoisie, nor do such terms illuminate what is common to them. "Agrarian bourgeoisie" may accurately describe a class which controls large land tracts, employs a wage laboring population, has at its disposal at least moderately sophisticated technology, and orients production toward large domestic and foreign markets, but cannot satisfactorily include a lawyer, whose family lands lie fallow, with investments in little more than short-term, savings bank deposits. If this lawyer is a prominent member of the political elite and is descended from a great line of landowner-governors, to view him as a middle class liberal professional would be to overlook the full scope of his power resources, his probable path to local, state, or national prominence, and the ends of his public activity. The entrance of lawyers and other professionals into government does not necessarily imply the replacement of one (agrarian elite) class by another (liberal professional). Members of professional classes, especially lawyers, may be traditional elites, depending primarily on their social origins, family background, and sources of domination.

In this study, the traditional elite is defined as a primarily political class whose power is transmitted through family lineage and

rooted in such sources of traditional domination as landholding and clientelistic networks. Traditional elites may no longer be landed, though all once were. What makes them traditional, even if they divest of landholdings, is the manner in which they exercise dominance: unlike "modern" elites who exploit subordinate classes through the market, "traditional" elites dominate dependent classes outside of the market, usually where the market has not penetrated, where it has been distorted, or where it has malfunctioned. These traditional political elites are "oligarchies" for their numbers are relatively small, their ranks relatively closed, and their power concentrated in the hands of a limited number of families. They dominate political systems in which liberal political rights, plural political representation, programmatic political parties, and open political competition are circumscribed -- systems which could not satisfy any reasonable definition of "modern politics".

For traditional political elites to maintain their grip on their political systems, must they share some political vision or ideological world view? In authoritarian Brazil, traditional political elites infiltrated the ranks of the opposition as well as government backers, and in the interior of Minas Gerais, party label often mattered, and still matters, little. Most old elites in the opposition were as apt to behave in "traditional" ways as did their counterparts who formally supported the regime. But there were and still are cases in which an opposition deputy, or even higher politician, is a genuine democrat, and of oligarchical descent. Are those "traditional political elites" actively committed to defeating the traditional order, then,

"traditional"? If so, does the concept retain any political significance? One premise of this thesis is that this latter group is sufficiently small that no qualifications need be placed on our definition.

The blurry lines of "traditional political elites" has doubtless led many scholars, anxious for a neater categorization, to redraw the limits of this group, and thus define as important elites subsets of our elite which may or may not intersect with non-traditional political elites. Yet, if social scientists have difficulty in identifying "traditional elites", Brazilian society does not. The "traditional families" (famílias tradicionais), "old leaderships" (velhas lideranças), and "conservative classes" (classes conservadoras) are known to all, and remain part of the Brazilian daily lexicon. The task of social science is to explain systematically who they are, why they survive, and how they continue to monopolize power.

The Problem of Traditional Elite Survival

How is it possible for traditional elites to remain in power even while a society is industrializing? One set of explanations attributes the persistence of political power to its grip on economic power. The first basis for such a claim is to demonstrate the proportion of the population employed in agriculture, or the size of landed estates and their importance in the national product or international trade. In this genre, Mayer (1981) argues in a piece of revisionist history that the aristocracy, and agriculture, were more important economically in England, and for a longer time, than commonly believed and described by

Hobsbawn (1969: 106-107). He also argues that the bourgeoisie appeared on the scene later than presumed. While the 'first' industrial revolution took place from roughly 1760 to 1848 in the early industrializers, England and France, it did not really produce a bourgeoisie, nor a modern industrial society. Industry consisted of principally small, single firm, family-owned cottage industries producing such consumer goods as textiles and foods: in Mayer's view, the owners of these firms could hardly be considered bourgeois. Rather, this class emerges only in the 'second' industrial revolution, which commences around 1870, during the stage of the development of what he calls producer industries--iron and steel, railroads, and chemicals--but which are better known as intermediate, capital goods, and consumer durables. Even if the bourgeoisie emerged later than initially believed, we still must account for the continued presence of traditional elites in power long after industrialization "should have" displaced them.

A variant of this explanation, frequently offered for the resilience of the Prussian Junkers, begins to address this problem. Gerschenkron in Bread and Democracy in Germany (1943) demonstrates that the Prussian agrarian elite was able to maintain its dominance by perpetuating the economic strength of traditional agriculture relative to a rapidly expanding industrial sector. It did so by using its power to win pro-agrarian state policies which protected the vitality and profitability of agriculture. While sophisticated analyses such as Gerschenkron's thus reject economically deterministic answers to this question, they nonetheless continue to attribute the longevity of

traditional elites to their landholdings.

A third conception of this theme suggests that a transformation, a "modernization", of the economic power base of old elites might keep them in place and in power. A primary reason usually offered for the retention of power by the English aristocracy, after agriculture had waned, was its turn to commerce and other modern sector economic activities. A similar pattern of divestment accounts for the persistence of traditional elites in Chile, where Zeitlin and Ratcliff (1975) found the agrarian elite to be virtually indistinguishable from the industrial elite.

Ultimately the validity of this category of explanation is largely an empirical question, and certainly one worth pursuing. Yet, it cannot constitute an adequate frame for exploring the general problem of the resilience of traditional elites. It implies that old elites can retain power for only as long as they can postpone a shift of national priority to industry or even unprotected capitalist agriculture, or until they transform themselves into modern sector elites. Yet, what we are compelled to explain is how such traditional elites as the Minas oligarchy flourished, without agricultural protection, in the midst of an industrial explosion without a homogeneous modern sector economic base.

Few conceptual tools are available to help solve this puzzle. The survival of pre-industrial elites in industrial society is often explained as the temporary result of a "lag" between the bourgeoisie's ascendance as a class and the time it supplants the aristocracy in government. Depending on the measures of elite transformation employed,

this "long and theoretically significant lag" (Putnam, 1976: 179) can³ endure up to 100 years. A far more serious affair than a metaphysical generation gap, this "lag" represents no less than a disjuncture between economic and political power, or in the Argentine sociologist Jorge Graciarena's terms (1972: 48-49), the difference between "real power", or the power deriving from the position of a class in the productive structure, and "effective power", or that which accrues to individuals or groups occupying positions of political significance in society.

To explain this lag requires a focus on political variables. The timing of changes in the composition of the elite in transitions from agrarian to industrial society appears to depend on political change, and is only loosely related to the timing of economic change. The extension of suffrage, the organization of political parties as new vehicles of mass representation, and the birth of new regimes by war or revolution, all can be viewed as motors of historical elite change (cf. Putnam, 1976). Left exclusively to economic forces, change would come slowly, if at all. In Britain, which suffered a notoriously long lag, the aristocracy remained in the cabinet long after industrialization was underway because in large part the political system did not change: the middle class rose in an aristocratic system which it did not transform. Various historical studies (Matthews, 1954: 43-45; Putnam, 1976: 180ff) have highlighted the importance in delaying elite transformation of peculiar traits of the British political system, such as the 'apprenticeship' an MP served as a "back-bencher" and junior minister before becoming a member of the cabinet, and too small parliamentary salaries to support a member until he had some other source of income,

preventing many politically ambitious men from standing for Parliament until too late in life to acquire the necessary experience to gain cabinet rank. ⁴ Where political change was sharper, as in Germany from the Imperial to the Weimar periods, so too was the difference in the composition of the cabinet, and this change took place in a briefer time span: the social origins of the Imperial cabinet members were overwhelmingly aristocratic, while under the Weimar Republic, they were almost exclusively middle class, with a small number of laborers (Matthews, 1954: 49). Thus there is nothing inevitable about a lag: a delay in the rise of new classes to political power depends upon the political system within which political office or political power are contested and under which industrialization and economic development proceed. If the political system can hasten or impede elite transformation, then this creates the possibility that traditional elites might use the political system to actively defend their political dominance as well as their wealth.

Traditional elites retained power in twentieth century Brazil through just such a manipulation of a political system which they themselves crafted. The Brazilian oligarchies had their origins in the class of commercially-oriented agrarian and mining elites whose exports ⁵ supplied the world market under Portuguese colonial rule. Organized on a regional basis, they dominated national politics from the time of independence to the Great Depression. Unlike the nobilities of Europe, Brazilian traditional elites, at the pinnacle of their power, were neither sponsored by the Crown, as were the French, Austrian, Prussian, ⁶ and Russian aristocracies, nor was the army commanded by their sons.

Rather, after the overthrow of the monarchy and the establishment of the Republic, the Brazilian oligarchy accumulated more power than it had enjoyed while the emperor exercised the Poder Moderador.⁷ Like the surge in strength exhibited by the landed aristocracy in England after the beheading of Charles I, the regional oligarchs profited from the establishment of a Republic in Brazil which conceded substantial political and fiscal autonomy to the states. The decentralization of power inherent in Brazilian federalism was favorable to the exercise of oligarchical domination and was fashioned specifically to maximize the power of the strongest regional elites. These oligarchies outlived the Old Republic (1889-1930), the "crisis of oligarchical hegemony" precipitated by the collapse of export markets, and the quasi-Bonapartist Vargas dictatorship (1937-1945). They also survived the populist era (1945-1964),⁸ a "democratic" interlude during which there was a reasonably wide franchise, a variety of political parties, and a degree of open political competition.

The specific political factors often highlighted in studies of elite transformation to account for lagged elite transformation do not explain why traditional elites retain power under quasi-democratic conditions. One potentially important answer is provided by Graciarena (1972: 52-53), who in attempting to explain "the greatest paradox of power in Latin America", that is, why the effective power of oligarchical groups in Latin America should be much greater than their real power, identified two pillars of oligarchical domination, which, at least in Argentina, propped up traditional elites after they had entered into unmistakable economic decline: the expedient of military

intervention, and the politics of patronage, whereby non-oligarchical groups could be given a stake in upholding the oligarchical system.⁹ Graciarena's analysis represents a giant step toward understanding the nature of traditional elite perseverance alongside "modernization". In a departure from the usual assumption that oligarchies flourish where states are weak,¹⁰ he squarely located the primary defenses of the oligarchy within the state apparatus.

In Brazil, traditional elites dominated the state during the Old Republic, qua agrarian elites. By the change of regime in 1964, however, they had, in many parts of Brazil, become state elites. This transformation occurred much sooner in Minas Gerais than elsewhere. Their defining characteristic was political; the most important material resources in establishing class dominance were not their fixed assets, which were becoming ever more heterogeneous, but their manipulation of public resources. Through their control of the state apparatus traditional elites developed their most important power base, acquiring the allegiance of local political bosses--the coroneis--in exchange for the dispensation of the public resources at their command. The more secure their state power base, the more prominently they figured in national political power.

Traditional Elites in Bureaucratic-Authoritarian Regimes

In 1964, when traditional elites perceived a threat to their hegemony, they helped to bring about a military coup. The regime which came into power, however, was not unambiguously favorable to the

interests of the traditional political elite. The military did, as hoped, quickly dismantle the populist coalition which had supported the deposed President Goulart, but rather than handing power back to civilian elites, it implanted a "bureaucratic-authoritarian" regime, a term coined by Guillermo O'Donnell (1973) to describe those military regimes which sprang up in the southern cone of South America beginning in the mid-1960s to "normalize the economy" by "deactivating" the "popular sectors", or lower and lower-middle classes, and depoliticizing important policy areas through an emphasis on technical roles and technical solutions. The first, prototypic, bureaucratic-authoritarian regime was established in Brazil.

The antecedents of the bureaucratic-authoritarian regime lie in the change in the military's perception of society. The military in bureaucratic-authoritarianism departed from its previous role in politics, a role captured by Anderson (1967: 96-97):

With the possible exception of Perón, political intervention by the military in Latin America does not seem to have the effect of overhauling the power system of the society. Rather, under military governments in Latin America, holders of important power capabilities in the society are assured that their position in the society will not be endangered, and are permitted some participation in the political process. Certainly, military governments may brutally restrict entrance of other new power contenders into the political arena, and in some nations they are supported by other power contenders for just this reason.

Whether directly serving the oligarchy, or assuming temporary total control in the hands of a single military figure, a caudillo, old style military intervention did not attempt to restructure politics.

In bureaucratic-authoritarianism, the military was understood to be a different political animal. Disgusted with the lack of material progress under the rule of politicians (Skidmore, 1973), military intervention could no longer be assumed to be an expedient for oligarchical domination. Striking out on its own, the military sought to stimulate economic development by revamping the state bureaucracy which entailed placing competent, technically-qualified and experienced personnel in high positions. Thus, not only did it intervene in politics (if one can speak in terms of 'intervention' on the part of a group which was intimately engaged in politics long prior to 1964) to remove the most recent "power-contenders"--the popular classes, and especially the organized working class--but also, it sought to accumulate power unto itself in such a way that "endangered" the position of older power elites. Stabilizing the economy to pave the way for future growth entailed placing technical experts in the state (O'Donnell, 1978: 6). These experts, who are most commonly referred to by their term of opprobrium, technocrats, first implemented stabilization policies, then exercised important economic decision-making power centralized in planning and finance ministries.

For traditional elites, the transition to industrial society under the auspices of bureaucratic-authoritarianism represented a dual threat: they had to face not only the continued shrinking of their economic base and a challenge from new sources of wealth, but also the concentration of power and authority in the hands of the national executive. In such regimes, major decision-making took place outside the political institutions which are believed to serve not only citizens in a

democratic polity, but also traditional political elites in an oligarchical system. In Brazil, the transfer of fiscal authority and economic decision-making to technical elites posed a potential threat to the operation of the oligarchical patronage system. This threat was not lost on several prominent observers (Cardoso, 1973, 1975; Evans, 1974, 1979; McDonough, 1981a, 1981b; Bresser Pereira, 1984). The military appeared to these scholars, at least in the first decade of the bureaucratic-authoritarian regime, to promote a pro-foreign capital, developmental alliance to the detriment of the traditional oligarchy.

State Capitalism and Traditional Political Elites

In fact, traditional political elites responded successfully to the challenges posed by a modernizing, centralizing military dictatorship, and continued to figure prominently in the Brazilian political system. What accounts for the survival of traditional political elites amidst an industrial explosion, and the centralization of political power and fiscal authority which apparently made this development possible? This study suggests the answer is to be sought in the nature of the political relationships which emanate from a state-dominated economy. Brazil since 1964 is an example par excellence of state capitalism: the state's fiscal, financial and productive roles in the economy have grown, eclipsing the private sector, since the change of regime. The extensive state presence in the economy has changed the landscape of the nation's political economy. Private elites do not exercise public authority on the periphery, as they once did when Brazil was more strictly an agrarian society; the state has penetrated most national

territory, and state agents have recovered political authority. But neither is politics separable from the market, as it would be if Brazil had evolved into a liberal capitalist society. As the state economy has grown, it has pervaded social relations. Economic relationships which were once confined to the private realm now intrude into the public, political sphere, politicizing the economy and changing the nature of politics itself. The public economy has become a focal point of political activity: political demands tend to cluster around what the public economy has to offer, and political success depends upon access to state resources.

The opportunities presented by state capitalist development for a political elite rooted in the state are considerable. State positions in such circumstances are not merely honorific, but coveted, and contested, sources of economic and political power. In liberal capitalist societies, the state is one, but not the only or the most important, locus of power in society. ¹³ In contrast, in state capitalism the state's productive and distributional resources advantage its elites vis-à-vis their weaker private sector counterparts. Private elites are ill-equipped to compete for power in a state-dominated system. Decision-making, moreover, is highly centralized within state structures; citizens bring their interests to secretaries and undersecretaries of state over a much wider range of issues than in liberal capitalist society. The concentration and centralization of economic resources and decision-making power in the public sphere and the higher echelons of the state makes traditional elites, as the occupants of state office, important formal and informal power holders

in the political system.

Beyond decision-making on issues of national economic importance, state capitalism, and the politicized economy it engenders, also structures relations of production, and organizes the political system along hierarchical, centralized lines. In Brazil, a modern, state-based political clientelism became the dominant form of political organization and representation for a growing segment of the population left behind in the economic "miracle". These state clients looked to the public economy and the elites who controlled the distributional arm of the state to deliver the state benefits upon which they came to depend. Traditional elites employed this resource base as a source of dominance and power.

Once a form of economic organization such as state capitalism engenders a particular pattern of political organization, political relations assume an independence from economic constraints which enables them to be shaped by, and respond to, political determinants. These relations though brought into being by economic factors can be reproduced politically, even after economic circumstances change. Thus, as the stakes in controlling state power rise, gaining state office becomes dependent upon political resources drawn from both within and outside the state. The central task of analyzing the survival of an oligarchy in a state capitalist system is to identify the political resources which underlie its power and the nature of the integration of political relationships into the state political economy.

Where to begin our investigation? A natural inclination to ascertain who is powerful and why, especially in a centralizing economy

and polity, is to focus on the national executive and bureaucracy, and the bridges between the state and such national political and corporate bodies as political parties and industrial associations. Such a focus, however, is inappropriate for observing the indicators of change or sources of continuity in traditional, oligarchical political systems. It presumes the hypothesized shift in power from decentralized points of the system to a single national center has already taken place.

The dynamic center of oligarchical politics is found on the periphery: traditional political elites ruled Brazil from the states. It is at this level where any study of oligarchical politics must begin. But it cannot end here. An exclusive state-level focus would obscure how meaningful regional power is in a centralizing regime. If "real power" were centralized within the federal state apparatus and concentrated in a few ministries, then the enduring dominance of traditional elites in the states would be largely symbolic and irrelevant for the major decisions governing Brazilian society. With the centralization of power and finance complete, regional elites might be mere pawns of a more powerful bourgeoisie or military, and permitted to rule in their states in exchange for supporting the national regime, in much the same vein as the Byrds of West Virginia and the Longs of Louisiana (cf. Key, 1984). Only by inserting the analysis in a national context, and studying state-national linkages, is it possible to determine whether traditional elites were thus weakened.

At the same time, a pitfall of focusing exclusively upon the higher levels of government is that important, incremental changes in the foundation of the oligarchical system could go unnoticed. The power

base of the regional oligarchies lay in the state political machines which were predicated upon the control of local politics. Traditional Brazilian politics was founded on a brand of political clientelism known as coronelismo. The fiscal dependence of impoverished municipalities on state and federal governments left local elites, and their subjects, little alternative but to support the existing order. Federal funds were appropriated by the more powerful regional oligarchies who, in turn, bolstered the rule of loyal municipal elites with state aid. The coronel, or local political boss, who normally achieved his position by virtue of being an important landowner, gained state benefits for his fiscally-dependent municipality and the delegation of power for himself, in exchange for delivering the votes of his 'herds' to the party or party faction of his political superiors. As Soares (1973: 98) explains:

Even though states do not depend on any one municipality in the same way that the municipalities depend on them ... traditional politics, characteristic of many Brazilian states, resides in oligarchical municipal politics ... and cannot be understood without reference to it. It was precisely the existence of oligarchical politics in tens or hundreds of municípios that made possible the supremacy of traditional politics on the state level, in detriment to a modern politics, based on class interest. The politics of many Brazilian states would be fundamentally different if municipal politics were characterized by a full electoral-political participation of less favored social sectors, if there were not domination by traditional families, and if the political parties represented the interests of different social classes and not the different oligarchical and traditional families.

In Brazil, given the critical importance of local politics to the power

base of non-industrial elites, such transformation or its absence is particularly significant. A regime which changes only at the top does not change.

Thus a local focus is necessary to understand the mechanisms which constitute traditional politics. It is also important to discern the impact of socio-economic change. To study the effects of industrialism when the processes unleashed by industrialization have yet to come to fruition represents a considerable methodological challenge. Yet, we can scarcely afford to wait for 40 to 100 years for these processes to play themselves out before we investigate the direction of change. If an elite transformation is likely to take place as a result of industrialization, even if it takes decades for this change to filter up through the various levels of the political system to the national cabinet, the independent effects of socio-economic change should be visible on the local level. Various studies concur that since elite change originates at the local level, it is at this level of the political system that the early indicators of elite transformation can¹⁵ and should be sought (Putnam, 1976: 181; Frey, 1965: 282).

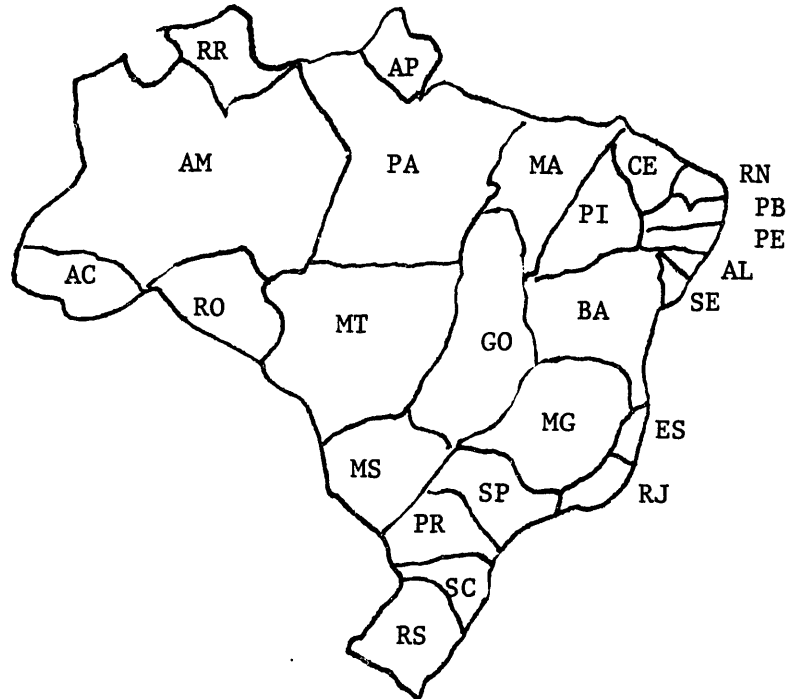
To understand the socio-economic origins of clientelistic politics, to trace the impact of industrialization on the structure of power, and to reconstruct the network of alliances and transactions which uphold the oligarchical political system requires an analysis which bridges the levels of territorial politics. Given the complexity of traditional, territorial Brazilian politics, too many important connections would be lost were this study to focus on a single level of government. Yet, in Brazil, the sheer size of the physical territory, the proliferation of

administrative units, and the nation's economic, political, and cultural diversity pose considerable difficulties for designing research. A regional level comparison permits the testing of only one independent variable and presumes the existence of at least two comparable oligarchies for research. A more promising approach to test the effects of industrialization and political centralization on traditional political elites appears to be to focus on one regional oligarchy, and make use of controlled comparisons of local politics, state-local linkages, and state-national fiscal and political relations.

This study focuses on the politics of the state of Minas Gerais. Minas borders, and serves as a bridge between, the underdeveloped Northeast and the industrialized and Europeanized South (Figure I-1). The northern part of its state is by convention and by statute included in Brazil's Northeast. Its southern residents read São Paulo newspapers and root for Paulista futbol teams. The Minas state political elite stands out as an excellent case for study. It has always been a class more powerful nationally than its economic resources would suggest. During the Old Republic (1889-1930), it negotiated a powersharing agreement known as "governors' politics" with its São Paulo counterpart by which the governors of the two states in alternate election years "chose" the president of the Republic. São Paulo initiated this agreement to protect its coffee production; its coffee riches and infant industry accorded it economic hegemony. Minas, an economic weakling, was able to enter this bargain on equal terms because of its political strength (Wirth, 1977; Schwartzman, 1975). The support of the Minas delegation in the congress, at that time the largest in Brazil, was

Figure I-1

Brazil's States



Key

- | | |
|-------------------------|--------------------------|
| AC - Acre | PA - Pará |
| AL - Alagoas | PB - Paraíba |
| AM - Amazonas | PE - Pernambuco |
| AP - Amapá | PI - Piauí |
| BA - Bahia | PR - Paraná |
| CE - Ceará | RJ - Rio de Janeiro |
| ES - Espírito Santo | RN - Rio Grande do Norte |
| GO - Goiás | RO - Rondônia |
| MA - Maranhão | RR - Roraima |
| MG - MINAS GERAIS | RS - Rio Grande do Sul |
| MS - Mato Grosso do Sul | SC - Santa Catarina |
| MT - Mato Grosso | SE - Sergipe |
| | SP - São Paulo |

essential to enact any program. Minas' leverage was enhanced by its unity; its representatives voted as a bloc. This unity was achieved through tight oligarchical control of state politics. Like the Prussian Junkers, the southern Italian agrarian elites and the southern United States plantation owners, the Minas oligarchy persisted in power long after their economic power "should have" permitted them to do so. But unlike other historical relics in the "living museums"¹⁶ of Latin America, southern Italy, and the southern United States, the Minas political elite was not forced to cede national power in order to preserve local power.¹⁷ The Minas elite continued to exercise national power in the Brazilian political system out of proportion to its economic strength.

Because of its historic political strength, the Minas elite represents in a sense the "most likely" oligarchy to survive such centralization and as such raises possible problems for generalization.¹⁸ Nonetheless it appears to be the best case to test the effects of state capitalist development and political centralization on regional oligarchies. It makes little sense to study the potential for survival of state oligarchies that are presumed to remain in place in their home states because of a lack of development. In the backlands of the 11 states comprising the Northeast of Brazil, old elites rule as they did in the classic formulation of Nunes Leal (1977), and as popularized in novels. These oligarchies are also poor test cases for the effects of political centralization under bureaucratic-authoritarianism because of their historic weakness: they were by and large already subordinate to the central government (in Brazil called

the Union) well before the 1964 coup. Thus we require the presence of industry and a state elite sufficiently strong to have been powerful at the time of the regime change. The other nationally powerful state elite, that of São Paulo, however, is inappropriate for study because its political power may be indistinguishable from its economic strength. This "coffee nobility" remained an economic elite, protecting its power during industrialization at the turn of this century by diversifying from strictly coffee into modern sector commerce and industry. In short, the dominant state elite in São Paulo is not "traditional".

The timing and nature of Minas' economic development also suggests Minas' suitability for our study. Unlike Brazil's two most industrialized states, São Paulo and Rio de Janeiro, Minas experienced extremely rapid industrial growth following the regime change in 1964. Mirroring events on the national level, albeit it a bit belatedly, a state technocracy who came to power in the late 1960s and early 1970s engineered a superlative economic recovery from decades of stagnation. The local miracle produced the highest industrial growth rates of Brazil during the 1970s, approximately an annual average of 16 percent, and made Minas the country's third most industrialized state.

Minas' industrialization serves as a quintessential example of dependent development as defined by Cardoso (1972, 1973), Evans (1979), and others, evidenced by the prominent role of state and foreign capital, the economic sectors which concentrated investment, and the technocracy in the upper echelons of state economic policy-making. In contrast to the industrialization of São Paulo, which might be and has been described as "spontaneous" (Cardoso, 1965), effected largely by

private sector capitalists, that of Minas, even from its origins in the pre-coup period, seemed neatly contrived, stimulated by select state interventions. Beginning in the late 1960s, growth was unambiguously state-directed; Minas Gerais in 1980 had more state enterprises than any other Brazilian state (IBGE, 1980c: xxxvi). It represents the purest case of "state capitalist" development in Brazil. Grossi (1977) has called Minas' growth a "replica" of the larger Brazilian model of industrialization. Paralleling interpretations of the effects of this development on national politics as well, some observers claimed that the regime and its technocracy swept aside "traditional" politicians in Minas (Grossi, 1977: 262-263; Cintra, 1979; L. Andrade, 1980).

To investigate the effects of industry on politics, this study focuses on a sample of local communities receiving new industry. Who controlled state politics is examined through an analysis of elite office holding in Minas from 1956 to 1982, with specific attention devoted to the political fate of those elites who occupied powerful public office before the 1964 coup d'etat, and the extent to which oligarchs were supplanted in the executive branch of the state by technocrats after the 'Revolution' of 1964 and its aftermath.

Why traditional political elites appear and reappear in the higher echelons of state government in Minas Gerais is first examined as the product of the process and timing of industrialization, patterns which created the possibility that traditional elites could retain their political dominance despite economic modernization. In Minas Gerais, a state-led and state- and foreign-financed industrialization did not engender and nurture a bourgeoisie with the strength and interest to

challenge the traditional political elite at any level of the political system.¹⁹ At the opposite end of the class spectrum, few industrial employment opportunities were generated by a capital-intensive industrialization, stunting the growth of an industrial working class. Weak industrial classes almost ensured pre-industrial classes would continue to assume great importance.

At the same time that land was becoming a less valuable asset in terms of its overall economic contribution to domestic product, it was also becoming a less significant political source of domination. Mechanization, crop conversion, and new systems of labor relations led to the expulsion of estate laborers and the shrinking of both the dependent and independent, property-owning small peasant. Ex-peasants, unable to find their way into the modern market, became a seasonally employed agrarian wage labor force who resided in urban areas. They joined other underemployed and undercompensated lower class groups who were dependent in whole or in part on state employment, credit, direct and indirect transfers, and benefits. In other words, they became "state clients". The stakes in exercising control over public resources escalated commensurately with the growth of this amorphous class, together with the proliferation of the state sector relative to both agriculture and private industry. Accompanying this development, traditional elites shifted their power base from land into the state.

Had traditional elites been forced to compete for power with only private assets concentrated in shrinking economic sectors in a dynamic, purer market system, they might have long since been rendered irrelevant. Having at their disposal state resources breathed new life

into traditional political elites. Firmly entrenched in state positions before the onset of rapid industrialization, they were well placed to use the resources of their offices, enriched by the state's extensive penetration of the economy, to preserve their foothold in the state. State resources were distributed, especially for those in the state client sector, on a territorial, not a functional basis. As territorial representatives, traditional political elites could best operate state distribution channels.

Presiding over the pro-government political party, and an extensive network of political alliances which operated within it, afforded these political elites a vehicle for dispensing state patronage. The party was arguably the single most important channel of distribution of state resources. It was also the conduit for regime support. As in the past, high party officials acted as intermediaries between the state and its citizens; in exchange for public works for municipalities and employment for local residents, they secured the votes faithfully delivered by local party branches. Politicians who could make the patronage system work and deliver votes to the regime were as critically important, indeed, more so, for the stability of the state capitalist regime as these same elites, or their fathers, had been to the Old Republic and populist coalition government. In order to secure legitimacy for an authoritarian regime in which popular sectors were dependent directly upon the state, a state elite was needed who could build political consensus through the public economy, converting the distribution of state resources into political support.

How could a rival political elite, able to call upon the same

skills and ability to operate a political party, not present a viable alternative to traditional political elites? Had the state capitalist regime not been authoritarian, such a development might have been possible, and perhaps even likely. But in the authoritarian political system, political centralization and the monopoly of power precluded such a possibility: given the certain outcome of each "indirect" election for national and state executive office, it made no sense for an opposition to organize outside these state-society channels. Inter-party competition became intra-oligarchical competition.

In the perspective suggested by this research, there is reason for profound pessimism for the future of the Brazilian political system. This in turn has implications for the 80 percent of the population for whom economic growth has borne no fruit. The political opening holds out the hope that their numbers might translate into a political weapon with which to combat their misery. Yet, this study, however gloomy, is an account of authoritarian Brazil. While its conclusions do not augur well for Brazilian democratization, they can yet be revised by political events.

Notes

1. Dahrendorf (1969: 49ff) describes Germany's industrialization as "more nationalistic than capitalistic", Germany's bourgeoisie as "a bourgeoisie that was not really a bourgeoisie", and Germany's society as "consistently determined by faults to such an extent that it must be described as volcanic." For these reasons he argues Germany did not follow the path set by the liberal democracies.

2. Does the bourgeoisie in fact "conquer"? Mayer (1981: 21) makes the interesting claim that the bourgeoisie in nineteenth century Europe, once formed, behaved more like an interest group pressing for state aid and specific economic policies than like a class getting ready to take its place in history.

3. Matthews' (1954: 42-43) study of Britain showed a lag of almost a century between the time the middle class bourgeoisie became dominant in the electorate and the time it became dominant in the cabinet. Even after middle class members of Parliament became common, they still had to wait 30 to 40 years before they were permitted entry in force into the cabinet.

4. Matthews also places great weight on such cultural variables as 'the conservatism of the British electorate', that is, their propensity to take some time before voting for their own kind; the 'responsible rule of the aristocracy'; and the ability and willingness of the aristocracy to absorb disparate elements.

5. In this sense, the Latin American aristocracy always had its commercial components, and did not make the "turn" to commercial agriculture that the English aristocracy did in the seventeenth century, upon which Moore (1966) placed so much weight in his account of the route to democratic society.

6. The military was not an aristocratic institution; it was dominated by the middle class, and had strong roots in the state of Rio Grande do Sul (Love, 1971). As time wore on, the military became even more independent of other social classes, evolving into a near caste (Stepan, 1971). The independent social origins of the military would mean that it could not always be depended upon to do the bidding of traditional elites.

7. Poder Moderador, or "moderating power", permitted the emperor to be the "arbiter of the last instance" in all disputes of state.

8. There is a substantial literature on the populist coalitions, and their implications for oligarchical hegemony. See especially Weffort (1970), Cardoso (1978), Cardoso and Faletto (1979), and Laclau (1979).

9. Graciarena (1972), in a line of argumentation anticipating the

'overload' theorists of advanced industrial society, saw a threat to the indefinite extension of this system posed by the finite resource base of the state, which could not continue to buy off a growing number of disenchanting subjects. This "patronage inflation" argument has been critiqued convincingly by Chubb (1981, 1982). She demonstrates the persistence of patronage politics amidst economic scarcity in Sicily.

10. Graciarena (1972: 60-61) himself subscribed to the premise that Latin American oligarchies exercise power in systems in which political decision-making is highly decentralized; the principal centers of power are local and regional; parliament and the senate are dominant, and power is principally concentrated away from the state. His typology of oligarchical politics is based on the perception that agriculturally-based oligarchies are politically dominant as private elites, more powerful, in fact, than public authorities: they can easily summon state resources and state support when needed. While perhaps true of an earlier epoch in Latin America, this is no longer an accurate reflection of reality, nor was it ever strictly true of Republican Brazil. The regional oligarchies benefited from the delegation of power to the states, but power was not decentralized within states, at least not within those with the most powerful oligarchies--Minas Gerais and São Paulo.

11. Though bearing some superficial resemblance, the military in bureaucratic-authoritarianism departed from old caudillo politics, in which a single general or a colonel imposed personal orders by decree, in that it acted as an institution as such when assuming power, and did so in order to restructure society and the state (Cardoso, 1979: 35-36). In Cardoso's view, such a military posture became possible only recently, because previously the armed forces' professional structure was less fully developed, and because the civilian oligarchies were far more powerful: they "needed only occasional military intervention in order to exercise their dominance."

12. One exception which proves the rule is the Tenentismo movement in Brazil in the 1920s. This group of reform-minded lieutenants who attempted to overthrow the "Republic of the Landlords" were, however, repressed by their superiors and their leaders sent into exile. They enjoyed a brief moment of glory in the early years of the Vargas regime, but were soon turned out of office.

13. Pluralist and elite/Marxist theory share the view of the liberal capitalist state as a useful ally or pawn of some other, more powerful, societal group. Because power is seen as being distributed outside as well as within the state, how to study who holds power in such a society has been a subject of long dispute. See Smith (1979: 317-318) for a summary of the reputational, decisional, and positional methods of studying who governs, and their shortcomings. A recent tradition of literature has stressed the degree of autonomy which capitalist states enjoy, and called for the state to be used as an independent variable in political analysis (Stepan, 1977; Hamilton, 1982; Evans, Rueschemeyer, and Skocpol, 1985).

14. Chalmers (1977: 31) makes the same argument for Latin American states generally:

The control and manipulation of the state apparatus are therefore a major element in the political struggle. The effort to manipulate it in such a way as to promote the power and goals of one group over another is a major part of the political game. Being "in power" is very important because it gives the leader wide patronage and the authority to establish government programs to benefit existing supporters and attract new ones. He can rewrite electoral laws and modify decision-making institutions to favor government supporters more than in institutionalized systems. The preeminence of the role of the state makes these manipulations more important because their social impact is great.

Chalmers, however, attributes the political importance of controlling the state not to state capitalism, but to indigenous, political factors, to what he refers as the "politicized" (as opposed to an "institutionalized") state.

15. Frey describes the pattern of bottom-up changes in the Turkish elite in the twentieth century as "capillary action": "the lowest levels of formal power are affected first. If pressure continues, middle leaders are then altered, and only after a noticeable time lag is there a seepage into the highest levels of leadership and the cabinet." This is consistent with Putnam's (1976) and Matthews' (1954) historical studies of elite transformation in Britain (see note 3).

16. "Living museums" is the now classic term employed by Anderson (1967: 104) to describe the Latin American political system: new "power contenders may be added to the system, but old ones may not be eliminated." The result is that contemporary Latin American politics is something of a "living museum, in which all the forms of political authority of the Western historic experience continue to exist and operate, interacting one with another in a pageant that seems to violate all the rules of sequence and change involved in our understanding of the growth of Western civilization."

17. Schwartzman (1975: 48) likens Minas' traditional politics to that of the southern United States, with this one crucial exception:

The uniparty system, oligarchical control of the state's political machine, limited popular participation, large rural properties in a declining economy, all these similarities with traditional Minas Gerais are not pure coincidence. The principal difference, naturally, was that the Confederate states had been defeated by the

industrialized North, whereas in Brazil, the political hegemony of the industrialized center was never clearly established.

18. See Eckstein (1975) for an excellent explanation of the "crucial case" study method and its utility for theory building.

19. This argument has been made in one form or another by several authors. Dahrendorf (1969), for instance, blamed the excessive dependence of the German bourgeoisie on the state in large part for the failure of German democracy (see note 1). Huntington (1985: 153) applies this argument generally to the developing world: "The failure of democracy to develop in Third World countries despite their economic growth can, perhaps, be related to the nature of that growth. The leading roles have been played by the state and by multinational enterprises. As a result, economic development runs ahead of the development of a bourgeoisie." It was perhaps most forcefully framed by Moore (1966: 418): "No bourgeois, no democracy."

20. See Sarles (1982) for an account of the role political parties played in maintaining political control for the regime.

CHAPTER TWO
THE MINAS OLIGARCHY IN STATE AND NATION

Introduction: The Tradition of Politics

When the Brazilian monarch was overthrown toward the close of the last century, regional oligarchies of the strongest states fashioned a federal political system to serve their needs and interests. The "Republic of the Landlords" restricted real political participation to a bare fraction of the population. Among participant groups, elites of smaller states were as helpless as urban middle classes of the larger to challenge the power of the regional oligarchies. Traditional, authoritarian politics was buttressed by the nature and importance of the agrarian, and especially the coffee, economy. Coffee had been made the nation's leading source of foreign exchange and wealth largely as a product of the political success of the "coffee barons" themselves.

The "oligarchical republic", in place for 40 years, ended abruptly in 1930 amidst a crisis in the coffee economy with the "revolution" which deposed the Paulista president and handed power to Getúlio Vargas of Rio Grande do Sul. Many observers see in the events leading to and following the collapse of the Old Republic the end of the hegemony of the regional oligarchies. Indeed, economic and political modernization, the strengthening of the central state vis-à-vis the state oligarchies through both centralization of existing government functions and the expansion of the federal state into new areas, and the incorporation of new, especially urban, classes and sectors into the political system all appeared to signal the end of an oligarchical monopoly over state and politics. It is taken for granted in the conventional wisdom about Brazil that the regional oligarchies entered into a steady decline,

though agrarian elites remained very important in the rural areas, as evidenced by the fact that rural workers were still denied rights accorded full citizens. With the "restoration" of "democracy" in 1945, populism is believed to have reached its full expression in urban areas and populist politicians to have gained in strength at the expense of ¹ traditional political elites.

Whatever the merits of these arguments and interpretations for some parts of Brazil, they do not hold true for Minas Gerais. The Minas oligarchy at no point surrendered power. In circumstances of relatively open competitive politics, modern party organizations, burgeoning cities and industry, and "populist" politicians who courted and were committed to platforms championing the causes of working class voters, the traditional, regional oligarchy of Minas Gerais maintained its grip on the state political system and its national influence. This chapter traces the emergence and persistence of the Minas oligarchy as a dominant political force. Our study begins with the rise of the Mineiro elite in the Old Republic (1889-1930), the era in which the pattern of oligarchical politics was established in Brazil. We need to focus on the bases of the system under which traditional political elites exercised power prior to 1930, a system which by and large survived the Old Republic's fall, in order to explain how traditional political elites survived after 1930.

The Minas oligarchy, more successfully than any other in Brazil, superimposed a complex system of political domination over a grossly unequal distribution of economic resources. While this elite was wealthy, it consolidated its power in the public, not the private

sphere, staking its longevity on its ability to dominate party and state. In the state the traditional political elite found the material resources and military protection to perpetuate its rule; in the party, a vehicle for achieving and retaining state power. The Minas oligarchy centralized state politics, and made local elites known as coroneis, whose power resided in private, economic sources of domination, entirely dependent upon them. This unequal alliance of private, local bosses and public, higher level elites brought state control to the far reaches of the territory. Political centralization, and especially the elimination of competition, facilitated the exercise of power on the part of this closed elite. When single party politics was no longer feasible, it learned to organize competition within its own ranks. As the century progressed and the form and name of the Republic changed, the state-federal relationship varied, but oligarchical control of state politics, the state-local relationship, and the hierarchical avenues through which citizens approached the state did not. In 'democratic politics', oligarchically-controlled parties and clientelistic patterns of political representation buttressed oligarchical rule just as surely as they did during the oligarchy's heyday in the Old Republic.

The Minas state elite has clung to its "tradition of politics", a tradition which has allowed it to rise above its declining economic base to survive centralizing dictatorships and "democratic" politics. Profoundly conservative, the Minas "political tradition" to this day continues to reproduce elite-dominated politics. As such, the story of the Mineiro elite who carries on this tradition is critical to

understanding why modern Brazilian politics is closed, anti-democratic,
and, in a word, "traditional".

Minas Gerais: Its Regions, Economy, and Elites

The imperial province of "Minas Gerais" took its name from the rich mines which provided gold and other precious metals to Portugal. Its elite was born of the gold rush of the seventeenth and eighteenth centuries: bandeirantes, or settlers who came to Minas to seek fortune, were awarded titles of nobility and large land tracts by the Crown. Originally based in mining, this class ventured into agricultural and commercial activities, and consolidated its power throughout the provincial territory. By 1850, a landed and commercial elite of old mining-based wealth together with cattle-ranchers and eventually coffee barons was fully formed (Wirth, 1977: 69-72).

The traditional elite was organized into clan networks which formed zonal power groups (Rebelo Horta, 1956: 59; Oliveira Vianna, 1974) corresponding to quite distinct topographical, economic, and political territories: in each area the particular economic strength of each family differed. These zones are still widely used to refer to the various regions of the state (Figure II-1). They demarcate the poor, arid northern regions of the state, its more prosperous and fertile southern zones, its western frontier areas, and its political and economic center. Today the third largest industrial center in Brazil, the Center zone was in the eighteenth century the heart of Brazil's gold boom. The historical cities of the central region of the state--Ouro Preto, today a United Nations-designated world historical landmark; Sabará; Tiradentes; Diamantina; and São João del Rei--all have lavish churches adorned with the gold extracted from the ores of the mineral-rich state.

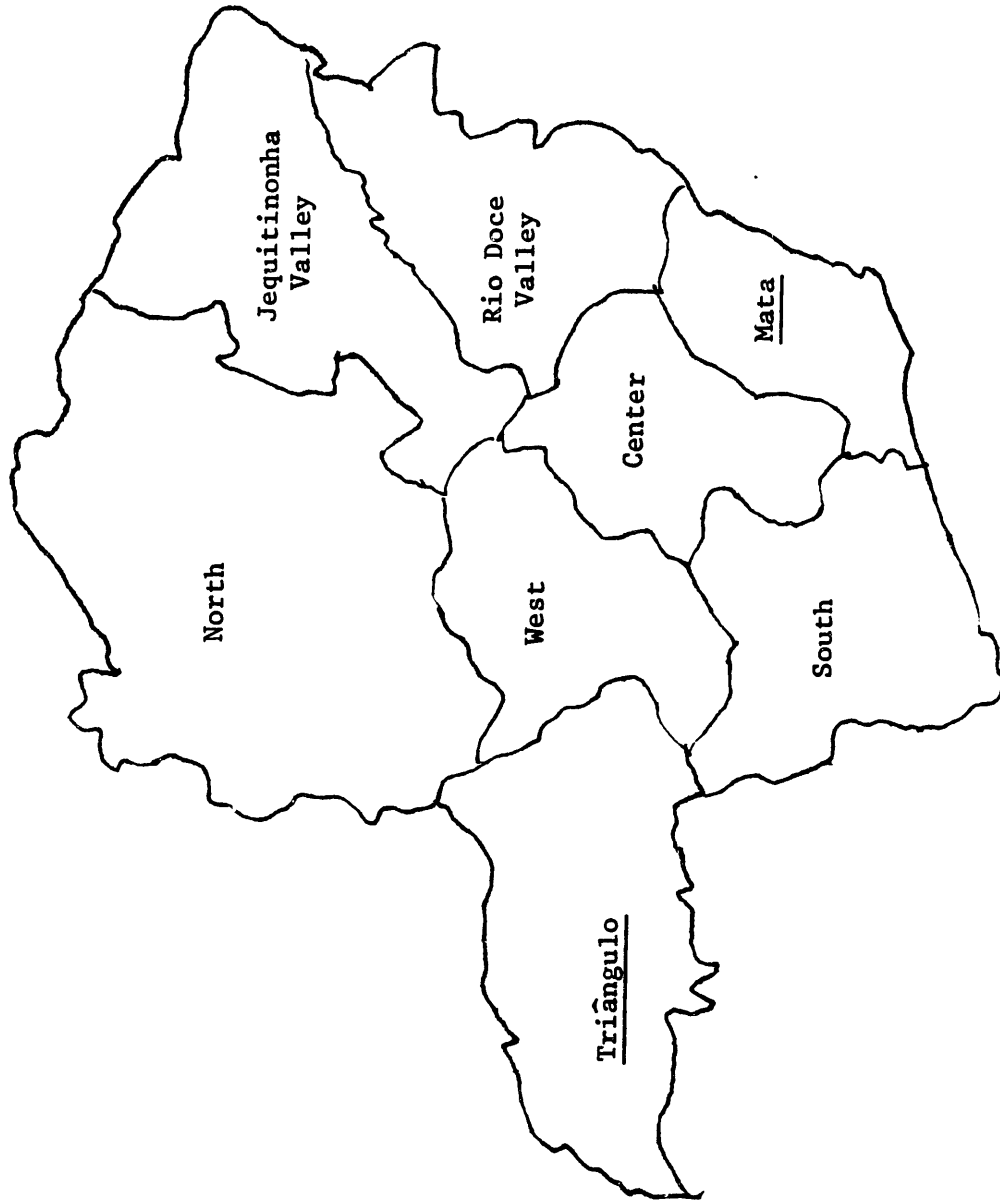


Figure II-1: Minas Gerais

The North and Northeast regions of Minas form part of Brazil's³ desperately poor Northeast. The North's arid lands have been and remain suitable for cattle-raising. To its immediate east lies the Jequitinhonha Valley, the most backward part of the state. In the Jequitinhonha Valley and to a lesser extent in the Rio Doce Valley to its south, economic and social indicators closely approximate those of the backlands of Brazil's Northeast.

To the southeast is located the Mata region, which takes its name from the dense forest which once covered the area. In the nineteenth century, the Mata, an extension of the fertile Paraíba Valley where coffee was introduced to São Paulo, was the site of the coffee frontier in Minas. It was the state's most important center of economic activity earlier in the century. Juiz de Fora, its most populous city and economic hub, profited from its geographical proximity to Rio de Janeiro. By the 1950s, the region's coffee growing potential had been largely depleted, however. When its once prolific coffee trees were spent, the region experienced an economic decline, and it became a net exporter of people: it had the highest rates of out-migration in Brazil from 1960 to 1970 (IBGE, 1979b: 17). Many who migrated from the region ventured to the southern state of Paraná, the new coffee frontier. Thus the Mata, once prosperous, fell behind economically, and parts more closely resembled the poverty-stricken areas to its immediate north.

The southern and western zones of the state provide a stark contrast to its backward and declining areas. More integrated to São Paulo than to the rest of Minas, the South, like the Mata, became a coffee-growing region in the early part of this century. Today, its

agriculture and industry prosper due in large part to its proximity to the São Paulo market. The Western part of the state, known as the Triângulo, today largely a dairy region, is also integrated into São Paulo's orbit. To the northwest lies a sparsely populated frontier area which today enjoys the advantage of lying en route to the nation's capital, Brasília. In the early part of this century, it was politically and economically inconsequential.

Minas' prosperity during the Empire was intimately linked to the gold market. As with the other boom-bust products--sugar before it and rubber after it (cf. Frank, 1969)--gold could not sustain the regional economy indefinitely. By the second half of the eighteenth century, with the near exhaustion of the mines, the population turned increasingly to subsistence agriculture (Lage de Resende, 1982: 23). The distance from the coast and the lack of transportation contributed to a general stagnation until the second half of the nineteenth century.

Minas' fortunes improved when it turned to coffee. Until 1860, the share of coffee exports in Minas' total export basket had been very small. Coffee's importance, and the area devoted to coffee growing, rose considerably from 1860 to 1890. Around 1870, first the Mata was invaded and planted with coffee trees, and later, coffee growing areas expanded into the South. In 1875, one-fourth of the province's total receipts came from the four percent tax on coffee (Lage de Resende, 1982: 24). In the decade from 1870 to 1880, Minas Gerais was the second most important Brazilian producer of coffee (behind the state of Rio de Janeiro), accounting for one-fourth of the country's exports. Minas surpassed Rio as a coffee producing state in 1896, but both were

eclipsed by the rise of São Paulo as the leading state producer after 1889 (Lage de Resende, 1982: 25, 29).

In the course of the First Republic, Minas fell farther and farther behind São Paulo economically. It neither declined sharply, as did many northeastern states, nor did it prosper. Parts of the state produced a respectable coffee crop; others turned to dairy and cattle raising, and even some small, local industry was established (principally in the Mata region). Despite these incremental advances, the state's economy, and the economic strength of its elite, weakened.

The Minas political elite which emerged from the imperial period was a cross between a modern, economic elite and a traditional, family-based elite: a set of agrarian elites dominated local and regional politics through a network of traditional families. Throughout the First Republic, family ties were a crucial feature of the Minas political elite. In his study of 177 top state elites, Wirth (1977: 142) found 41 percent of those for whom data were available were related to at least one other member of the elite through first cousin, directly, or by marriage (Table II-1).⁴ A more recent study (Martins, 1983: 4-6) based on a larger sample (n = 542) displays an even higher percentage of family linkages among the elite: 51.7 percent. These parentela ties were even more frequent at the higher echelons of this elite. Of the 15 Old Republic governors, all but one had identifiable clan ties within the state, and four (27 percent) were descended from the imperial elite (senators, barons, or above). In his study of the Minas oligarchy, Rebelo Horta (1956: 89) reveals that 80 percent of all republican governors (up to the time of his study) were descended from

Table II-1

The Minas Elite in the Old Republic*

	Wirth n=177	Martins n=542	Fleischer n=272		
			Pres. (19)	Vice Pres. (12)	Fed. Dep. (241)
Family Ties ("high elite")	41%	51.7% (77.8%)	73.7%	50.0%	32.8%
Local Politics Experience		42.3			
Principal Occupation:					
Industry	17.8	10.9]5.3%]8.3%]8.6%
Commerce	5.6	6.2			
Agriculture	16.7	21.9	5.3	0.0	3.3
Lawyer	67.9	52.7			
Judges	17.3	28.1	47.3	25.0	38.8
Professors	32.2	29.6	15.8	41.7	9.1
Other Professions**	48.6	51.8	26.3	25.0	33.3
Other Public Em- ployees	n.d.	22.2	0.0	0.0	4.3
Finance and Banking	15.0	5.4	0.0	0.0	2.9
Region (Political Base):					
Center (Metalúrgica)	53.5	19.0	22.2	10.0	31.0
Mata	19.2	14.4	22.2	30.0	25.0
South	11.1	21.4	38.9	20.0	19.8
North	6.1	} 34.3	0.0	10.0	7.8
Jequitinhonha			0.0	10.0	3.9
Rio Doce (East)]	2.5		5.6	10.0	3.0
West	6.1		11.1	10.0	6.9
Triângulo	1.5		0.0	0.0	2.1
Outside State		10.9			

*The three authors' sample size, time periods, and universe of posts vary slightly. Martins' study covers the years from 1889-1930; Wirth's from 1889-1937; and Fleischer's from 1890-1937. Wirth includes governors, lieutenant governors, state cabinet secretaries, presidents of state banks, members of the Executive Commission of the Republican party, government leaders in the Legislative Assembly, and the equivalent posts on the federal level. Martins has a wider universe, expanding Wirth's elite positions to include deputies and senators as well. Fleischer's data are sub-divided as indicated in the table.

**Encompasses engineers, journalists and physicians in Wirth's and Martins' studies. This category is unspecified in Fleischer's data set.

Sources: Wirth, 1977: 147, 245; Martins, 1983; Fleischer, 1982: 48.

27 "governing families" which date back to the Empire. Martins also found that the group with intra-elite linkages had an extremely high participation in "high level office" in proportion to their total participation in the elite. Indeed, an astounding 77.8 percent of those who reached federal executive and cabinet rank office had intra-elite linkages (Table II-1). Not only were family connections an important asset in climbing the political ladder, but they were also used as a criterion for appointment to the state bureaucracy. Siqueira (1970: 178-79), who examined the surnames of public functionaries in Belo Horizonte in the early years of the Old Republic, found that in 1900 38 percent (226 of 584) belonged to 87 clans. In 1913, more than 21 percent (864 of 4096) belonged to these political families.

Whether this "oligarchy" was a landed aristocracy led by "coffee barons" is ambiguous. Many students of Minas history have recently discovered that known landowners represented a small portion of the republican political elite. Wirth (1977: 145) positively identified 35 members (17 percent) of the Minas elite during the Old Republic as fazendeiros, though he assumes that many, perhaps the majority, of the Minas elite owned fazendas. Martins (1983: 3-4) found landowners to represent a slightly higher percentage of the elite, 21.9 percent. He calls the belief that landowners, especially a coffee elite, dominated the Mineiro oligarchy a myth. Of the 108 landowners in his elite sample, only 35 were born in the coffee-producing regions of the state, and only 13 (2.5 percent) were specifically identified as coffee planters: the rest consisted of cattle ranchers, producers of foodstuffs, and owners of non-commercial farms.

How these findings should be interpreted is an open question. If landowners, and specifically coffee growers, were well represented in the upper echelons of this elite, then overall percentages may be politically insignificant. According to Martins' data (1983: 5-6), just over 30 percent of the top elites (presidents, vice-presidents, governors, and federal cabinet ministers) were from the "coffee regions" (the Mata and the South). The landowners' contingent tended to be concentrated in state and federal legislative positions; their representation in high office--state executive and federal executive and cabinet positions--was well below their total presence in the elite. On this basis, he concludes: "the landowners and the politicians born in the coffee regions were in fact less 'successful' in their careers (and presumably had less political power) than the other members of the elite". Wirth (1977: 143) argues precisely the opposite: "the apogee of Mineiro power (1898-1929) was dominated by governors from the coffee zones." During this slightly narrower period, two-thirds of the governors were from the Mata and South. Fleischer's data (Table II-1) appears to confirm Wirth's conclusions. Most higher politicians represented the Mata and the South, both coffee growing regions, though many who were born in the interior regions of the state moved their political base of operations to the Center (Wirth, 1977: 147).

There are several other reasons to doubt that the republican Minas elite was divorced from agrarian interests. First, there are serious methodological problems in drawing such a conclusion. Wirth admits that data on rural property ownership are poor: newspaper biographies and obituaries, the richest data sources, usually focused on a man's

educational and professional achievements rather than his assets, including rural properties. Thus, they probably underreported ⁷ fazendeiros. Secondly, there arises the problem of multiple careers. According to Wirth (1977: 145) two-thirds of the fazendeiros had two or more careers, from manufacturer to banker to teacher and pharmacist. Martins (1983: 5) found an average of 2.6 occupations for each politician. On these grounds, Fleischer's data are suspect: in his occupational profile of the elite, Fleischer (1982) cites only the 'principal' occupation of the elite member. To conclude that the Mineiro elite was "bureaucratic" or "professional" is to overlook that a practicing attorney or journalist enjoys the political benefit of family lands.

Related by blood and attentive to landed interests, the Minas traditional political elite was above all a political class. Especially after 1900, the political experience of office holders increased substantially. The new deputies elected in that year had more than two times the number of political posts and their careers were more than twice as long as the cohort they replaced, suggesting an increased professionalization of political representation (Fleischer, 1982: 21). Indeed, many students of Brazilian politics have claimed from this time that the Minas political class was Brazil's political class -- its professional politicians (e.g., Schwartzman, 1975). The Mineiros were in fact more actively involved in politics than other Brazilian regional elites. Less impressive economically than São Paulo and less impressive militarily than Rio Grande do Sul, Minas was more dependent on the Union and "had no choice but to play a central role in national affairs"

(Wirth, 1977: 181).

Oligarchy and Federal Republic

In Brazil, independence from Portugal did not culminate in a change of the political system. Brazil emerged as an independent nation still ruled by an emperor--the Portuguese emperor's young son.⁸ Through much of the nineteenth century, the Crown maintained a slight advantage in the balance of power with the imperial elite.⁹ After 1889, when the emperor was overthrown and a Republic established, the power balance tilted in favor of the regional oligarchies. For most of the life of the First Republic (1889-1930), power was held by the regional oligarchies of the strongest states, and their reign was sustained by a pattern of authoritarian political organization.

The military and agrarian elites, the two imperial political actors of consequence, withdrew their support for the emperor in the latter stages of the Empire. Once they did, the emperor's fall was swift and inevitable. While both opposed the Empire, they did not join forces, nor did they share common goals. Planters first turned against the emperor for his handling of the abolition of slavery, the backbone of commercial agriculture.¹⁰ Acting separately, the military deposed the emperor, and could have done so even without any civilian support, for reasons pertaining to its interests as a corporate institution.¹¹ The military actually opposed the landowners, and believed overthrowing the emperor would weaken the planters with whom, in its view, the emperor was compromised (Reis, 1980: 102).

Of all the agrarian elites, the São Paulo coffee growers in

particular were a prime actor in the establishment of the First Republic. Many planters hastened to join the São Paulo Republican party (PRP) after the passage of the Golden Law in 1888, the fourth in the series of abolition laws which provided for the complete end to slavery in Brazil.¹² Especially disgruntled with the denial of indemnification for freed slaves were the planters of the Paraíba Valley (Love, 1980: 108; Reis, 1980: 105). These planters converted to the republican cause to register their displeasure with the emperor and the imperial parties that passed the abolition-without-indemnification bill in parliament. They also believed, falsely, that a new republican government might be willing to provide some compensation for liberated slaves. Other planters, principally from the frontier zones, supported the Republican movement because they correctly surmised that a Republic would do what the emperor was reluctant to: subsidize imported labor (Reis, 1980: 111-112).¹³ For the growers in these areas who had few slaves, abolition had had little effect. Their central problem was not the loss of slave labor but securing any labor to work the new coffee growing areas. The support of both groups of the coffee elite made the Paulista Republican party by far the best organized of the Republican parties. As Love (1980: 102) has pointed out, "No other provincial Republican organization could match the experience of the Partido Republicano Paulista in the last two decades of the Empire."

The persistence of traditional political organization in Brazilian politics has its origins in the way the Brazilian Republic was constituted in the aftermath of the emperor's demise. The military hoped to establish a strong central government committed to the

positivist ideal of "order and progress" to replace the Empire. This motto which the Brazilian flag still bears is, however, all that endured of the military ideal after a few years. The elites of the economically strongest states championed a federal state structure in order to maximize regional autonomy (Cardoso Silva, 1982: 147; Cintra, 1979: 131). By 1891, these regional oligarchies had wrested control from the military over the process of drafting a constitution and over the young Republic itself. They framed a constitution which guaranteed such a decentralized, federal republican structure. Brazilian federalism accorded the states even wider latitude than did United States federalism from which it drew its inspiration: each state was entitled to draft its own constitution; negotiate commercial treaties with foreign governments and borrow money from abroad; and levy taxes on exports, rural and urban lands, property transfers, industrial activities, and professional activities (Reis, 1980: 132). The Union, in contrast, was entitled only to import and stamp taxes. Ominously, and most importantly for the emerging pattern of territorial political organization, the Constitution delegated to the states the authority to regulate municipal rights.

Federalism resulted in the strengthening of the strongest states and their oligarchies vis-à-vis the Union, and the progressive weakening of the already weak. The leading state was clearly São Paulo. In 1894, a Paulista planter was elected Brazil's first civilian president. A few short years later, the Minas elite took its place alongside the Paulistas. The two allies asserted their hegemony in a "Republic of Landlords" (Reis, 1980). Given the "head start", superior organization,

and large membership of its Republican party, as well as the economic strength of its members, it is not surprising that the Paulistas should have emerged in a dominant position in the aftermath of the overthrow of the Empire. It is not at all obvious, however, why the Mineiros should have gained political prominence within a decade after the establishment of the Republic. The Minas elite was a latecomer to the Republican movement: in Minas, Republican clubs were organized only in 1888.¹⁴ The Mineiros--the "mainstay of the Bragança monarchy" (Wirth, 1977: 98)--were staunchly conservative, by and large as opposed to the overthrow of the emperor as they were to the introduction of free labor. The Republicans were few in number; they did not attract large coffee-growers, as in São Paulo, and the movement's adherents were tied to it more by the force of ideas than the defense of interests (Silva, 1982: 147). Given that its Republican movement was weak, the state economy in decline, and its elite had no residual power from the days of the Empire,¹⁵ it remains somewhat of a puzzle how the Minas elite rose in the new order.

The Minas elite gained its first measure of national clout because of its political utility to the hegemonic Paulista coffee elite. The São Paulo oligarchy had originally reasoned that a federal system, granting a considerable degree of state autonomy, would best suit the coffee economy and its economic interests. It was soon forced to rethink this localist strategy, however: national financial and exchange policies, as well as the fulfillment of foreign commitments, were crucial to its interests (Carone, 1978: 99-100). To assure the profitability of coffee, the coffee barons would need central government

support. This, in turn, was possible only with organized, political support from other states in the national government, and especially in congress.

The answer the Paulistas devised to this problem was an arrangement known as the política dos governadores, the "politics of the governors". In 1898, the newly elected Paulista president, Campos Salles, approached the governor of Minas Gerais to enlist support for his monetary policy. The political support of Minas was valuable because of the size of the state. The most populous state in the Union, and with representation in the national congress determined in direct proportion to population, it had the largest single delegation in the Chamber of Deputies--37. Salles was quick to realize the potential of a congressional alliance between this delegation and his own Paulista bancada, with its 22 delegates. In exchange for Mineiro support for his legislative program, Campos Salles promised a share in the control of the national executive. Thus was born the power-sharing arrangement between the two most powerful states of the Old Republic, São Paulo and Minas Gerais. This coalition came to be known as the café com leite ("café-au-lait") alliance, taking its name from the coffee-producing São Paulo and the dairy-producing Minas Gerais. Bahia, a northeastern state and the third largest with 22 congressmen, also participated in this coalition as a junior partner.

Governors' politics solidified the rule of the Paulista and Mineiro oligarchies. The federal executive, and the central government itself, were placed under the control of the São Paulo and Minas elites. These two states controlled the presidency for 28 of the 41 years of the Old

Republic, and of the 36 years after civilians wrested control of the state from the military in 1894. Only two times, in 1910-1914 and 1919-1922, were the presidents not drawn from these two leading states, and of those times, in only the first instance (1910-1914) did the winning candidate (Marechal Hermes da Fonseca) not receive the official endorsement of the "governors". On the other occasion, in 1919 following the sudden death of the Paulista president Rodrigues Alves, the governors awarded the presidency to Epitácio Pessoa of the state of Paraíba.

Control of the presidency in alliance with the Paulistas brought several advantages to the Minas oligarchy which became a self-perpetuating source of power. First, the states participating in governors' politics gained control over federal patronage (Wirth, 1977: 106). Secondly, Mineiros led the congress for most of the Old Republic. They acceded to the posts of majority leader and president of the Chamber of Deputies in 1899 (Wirth, 1977: 175). They did relinquish the post of majority leader for an eleven year interval from 1904-1914, but throughout they retained the position of president of the Chamber, and after the fall of the powerful Pinheiro Machado of Rio Grande do Sul in 1914, they enjoyed a position of undisputed dominance in the Chamber until 1926 (Wirth, 1977: 175). They were also well represented on parliamentary commissions. In the legislature sworn in in 1903, Minas representatives occupied three of nine seats on the important Budget Committee alone (Resende, 1982: 213). Also, and most importantly, the Minas oligarchy placed many more native sons in key ministries than any other state after the "governors' politics" alliance was sealed in 1898:

from 1898 to 1930, Mineiros held the important cabinet posts for 28 percent of the post-years; the state's nearest competitor was Rio Grande do Sul--Gaúchos controlled these same seats for 16 percent of the period (Wirth, 1977: 106) (Table II-2). Governors' politics thus extended the dominance of the Minas oligarchy. Weaker states were made fiscally dependent upon the central government and subject to federal military intervention. Since the "Union" was controlled by São Paulo and Minas Gerais, the weaker member-states became dependent upon the ruling groups of the stronger.

John Wirth (1977) has persuasively argued that the strength of Minas elites in national politics derived from the unity the state political machine was able to achieve in internal state politics. Wirth's argument runs as follows: the state's main asset was neither economic power, fiscal resources, nor military strength, but political unity. United, Minas was well positioned to demand economic favors from the federal government in return for offering political support. In Wirth's words, "The Paulistas' search for allies to consolidate the civilian regime after 1894 meant that the Mineiros, once united at home, would inevitably become prominent in national affairs" (Wirth, 1977: 165). Such a formulation makes a great deal of sense: if the strength of Minas lay in the size of its regional delegation in the federal congress, then it would be necessary for the leadership of that delegation to deliver its votes as a bloc. Were the delegation to divide along ideological or issue-oriented lines, forging separate alliances with factions from other states, then Minas' strength in the legislature would have been totally undermined. Indeed, beginning in

Table II-2
 Ministerial Tenure by Phases, 1889-1930
 (in percent)

State	Finance	Justice(a)	Public Works	Total(b)
I. Nov. 15, 1889 to Nov. 15, 1898: 9 years				
Minas Gerais	0	25	22	16
São Paulo	53	11	15	25
Rio Grande do Sul	3	8	9	7
Pernambuco	4	24	9	13
Bahia	13	5	0	6
Rio de Janeiro	0	3	14	6
Total				73%
II. Nov. 15, 1898 to Oct. 3, 1930: 31.83 years				
Minas Gerais	31	34	19	28
São Paulo	9	4	10	8
Rio Grande	18	21	9	16
Pernambuco	3	4	0	3
Bahia	0	13	16	9
Rio de Janeiro	9	0	7	5
Total	9	0	7	5

(a) The period covered for the Ministry of Justice is 11 years, which includes two years in the Deodoro government when Justice and Interior were separate (1889-1891); starting with Floriano Peixoto in 1891, they became one ministry.

(b) Total ministerial years for the first period is 29 years, and for the second period is 95.49 years.

Source: Wirth, 1977: 174.

1900, all 37 members of the Minas delegation did vote as a bloc. Wirth does not, however, illuminate how this unity was achieved. It would appear that Minas' political strength during the Old Republic rested exclusively upon the good fortune of a large population and the willingness of its elite to submerge differences.

In fact, the Minas oligarchy actively created the conditions of its own "unity". Imposing a hierarchical pattern of political organization within its borders, it centralized state politics, concentrated power in the executive (the governor); made local bosses entirely dependent on state patrons by subordinating the municipality to the state; and achieved oligarchical party control in a single party system. This system was erected in the first decade after independence, and was completed between 1898 and 1906, coinciding with the gubernatorial administrations of Silviano Brandão (1898-1902) and Francisco Sales (1902-1906). During the term of the former, the oligarchy seized control of the Republican party through its Executive Commission and turned it into an instrument of its leadership. During the administration of Francisco Sales, a battery of legislation was introduced to impose the will of this oligarchy upon state politics. Once in place, this system survived for the duration of the Old Republic
16
- and beyond.

The Minas oligarchy consolidated its rule within the state first through its control of the single political party. The oligarchical faction led by Silviano Brandão and Francisco Bressane, the party secretary, achieved leadership within the Minas Republican party (PRM) through a network of alliances with local political bosses loyal to

them. On the instructions of the oligarchy, these bosses oversaw the organization of party branches in their municipalities. This maneuver effectively circumvented the group's statewide opposition, leaving them isolated and without a base of support in the interior. Securing the proxy of the loyal municipalities for all important votes on the Executive Commission, Bressane was able to nominate the chosen candidates of the Brandão faction (Lage de Resende, 1982: 177-178). Once in charge, this group proceeded to interpret and refashion party rules at every opportunity in such a way to maximize its power and eliminate its opposition, with remarkable success. Already by 1901, electoral fraud, party purges, and other irregular practices had led to the consolidation of the power of the oligarchy.¹⁷ The party convention of that year has been called the "convention of unanimity" (Lage de Resende, 1982: 182-84): the slates of nominees for congress and the Executive Commission of the party were approved unanimously. After this time, the Executive Commission assumed even more prerogatives, such as drawing up party tickets, and its members selected their own replacements on the Commission. The party convention became a mere rubber-stamp of the decisions reached by the Executive Commission.

The Minas Republican party became a pillar of oligarchical domination. All opposition was purged in the PRM in the decade from 1896 to 1906. By 1906 the party had been reduced to its Executive Commission (Lage de Resende, 1982: 189) and the governor (at the time referred to as the state president), who exercised an effective monopoly of power. Witness the 'testimony' of a prominent Mineiro politician and Executive Commission member (Coelho, 1957: 117-118):

The president of the state [the governor] was always heard in cases of choosing the name of a candidate for his succession or names of candidates for deputies, federal and state senators, and state deputies. The Executive Commission would first meet in the Palace with the president of the state. The chief of the government, who was always from the PRM, would suggest the name or names of the candidates(s). Having chosen a list of names of politically influential persons in the state, he would be careful to organize a list of these names and, in the meeting, analyze them one by one, taking into consideration not merely their political worth, but their fitness, level of education, moral qualities, services lent and activities they developed of genuine public benefit. The members of the Comissão Diretora of the PRM would then retire to party headquarters, where they proceeded to undertake a careful appraisal of the nominees, and, almost always, the candidates for president of the state, vice-president, senators and deputies were chosen unanimously.

Once lodged in the party, the state oligarchy achieved total domination over local political elites, restructuring state-municipality relations, and eliminating all opposition and potential opposition. This was accomplished by bringing under executive control other branches of the state which could be employed against a counterelite; modifying the electoral system by rewriting electoral legislation and engaging in fraudulent practices to guarantee victory for the ruling oligarchy; and introducing new legislation which deprived municipalities of some rights and powers which it enjoyed in the early years of the Republic in Minas.

Governor Silviano Brandão made branches of the state subordinate to the oligarchy. He stripped both the police force and the judiciary of their independence. The state police (Brigada Policial) was reorganized, and placed under the supervision of the Secretary of the Interior. It was used increasingly to intimidate opposition strongholds

in the state (Lage de Resende, 1982: 193-194). Increasing intervention on the part of the state government was justified by the new "right" of the executive to intervene in municipalities in which the possibility existed of a disturbance to public order. Previously, such intervention was permitted only when actual outbreaks of violence had occurred. Under the veil of this new disposition, there was constant interference in the municipalities in order either to keep in place or change the local group in power, depending upon the interest of the state oligarchy (Lage de Resende, 1982: 196-97).

In a similar fashion, and with similar results, the judiciary was subordinated to the oligarchy as well and made an instrument of its designs. After 1903, district judges could be removed by a special tribunal which included the president of the Senate (a member of the Executive Commission of the PRM) and the Procurador-Geral, the equivalent to the state's attorney general, who was a direct representative of the governor (Lage de Resende, 1982: 198). This measure reinforced the dependence of the judges on the executive; the "concurso", or formal competition, was eliminated, and the governor could now appoint freely whomever he wished to serve as these district judges.

The greatest impact of the change in the system of judicial accountability was in the electoral realm. The registration of voters was brought under the jurisdiction of the district judges, allowing for the elimination of registered voters from the rolls who were in the
19
opposition (Lage de Resende, 1982: 201). One notable practice was the registration en masse of illiterates by the local political bosses, who

then instructed them how to vote. While electoral fraud was hardly new, it now was employed strictly to serve not local but state interests.

The municipalities were formally deprived of powers and means with the acquiescence, indeed the support, of local landowners. The interests of this group converged with that of the state oligarchy, to the detriment of local government. The landowners wished to see a reduction of their local rural property tax. They were joined by merchants and industrialists who also wished to see the powers of the município to levy taxes clipped: the Agricultural, Commercial, and Industrial Congress of 1903 voted almost unanimously to trim the "exaggerated autonomy" of the municipal câmaras. Thus the local legislative bodies lost their right to levy taxes on rural property and half their revenues from the tax on property transfer (the state appropriated the other half) (Lage de Resende, 1982: 199-200).

The same legislation governing the right to levy taxes also withdrew another crucial prerogative from the municipality: the right to demarcate municipal limits and create districts. This right was now assumed by the state legislature. The manipulation of municipal borders was commonplace, and motivated overwhelmingly by political considerations. "Dismembering municípios and creating new ones, [Governor Silviano Brandão] destroyed opposition strongholds and answered the calls of local bosses to be freed from the município to which they belonged in exchange for unconditional loyalty. ... [The law's] purpose was merely to satisfy local bosses for blatant electoral purposes" (Lage de Resende, 1982: 196). Finally, also trimmed was the

power of the municipality to elect an executive agent independent of its chamber, as well as the abolition of the district councils.

The cumulative effect of emasculating municipal government was to preclude the formation of local opposition groups, and to discipline local political bosses to support the state oligarchy. This effect was exacerbated, and the power of the state oligarchy enhanced, by the subordination of the municipality to the state, a condition created by the state oligarchy. The impoverished local governments, fiscally dependent upon the states and subject at times to intervention by state militias, found themselves to be at the mercy of the state oligarchies, and as such, to their advantage to ally with the winning side in state politics. This lack of municipal autonomy was a cornerstone of the vertically organized, hierarchical system of domination which underlay the power of the oligarchies--coronelismo. The other crucial element making this system of political domination possible was the grossly unequal distribution of material resources, and especially land, which created the conditions for local, private elites to establish political clienteles.

The coroneis, or the local political bosses, usually the largest landowners in the area, were originally the local commanders in the
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National Guard. Long after the Guard was disbanded (1831), these local bosses, who were still usually landowners, but who could also be
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pharmacists or other professionals in urban centers, retained their titles. The coronel was the de facto power holder in his municipality; his dominant role and the sources of his power were well captured by Carone (1978: 253-254):

He was the "head of the clan", which encompassed not only the immediate family, but also the "followers" who lived on his prestige, his strength, and his money. For his dependents he provided land to cultivate, release from jail, and aid in illness; in return for these favors, he demanded loyalty, services, indefinite residence on his lands, and participation in his armed groups. To relatives and friends he distributed public employment, lent money, guaranteed credit; he protected them from the police and judicial authorities, and helped them to evade taxes. He was the "judge", who heard complaints about land disputes and even cases of seduction of single girls. He was merchant as well as farmer. Not only was he a producer, but he also acted as intermediary between the small producer and the market. With the greatest financial resources, he represented the fundamental economic power of the município. He was a "man of faith", for he was the one who promoted and gave an official character to religious ceremonies.

What made these local bosses different from private elites elsewhere was that as lords of their domains, the coroneis became political figures of some importance to the state oligarchies when voting became more important in the Old Republic. Coronelismo was not confined to private, patron-client relations. It organized the entire political system. It has been described as "the fundamental operative principle of the whole oligarchical structure which characterized the first Brazilian Republic" (Reis, 1980: 136). In Nunes Leal's (1977: 1) classic formulation, coronelismo was a pact between public authority, which was becoming stronger, and local bosses, whose power was declining. As such, it was conceived as a transitional phase between a quasi-feudalistic regime in which local private power holders, designated representatives of central, public authority, exercised

virtually independent power in their domains, and a more centralized one in which public authority established its supremacy over private lords.

At the intersection of private and public, local and state, stood the coronel, an exclusive mediator in this vertical system (Cintra, 1979: 128). The coronel's followers, dependent upon his land or other material resources, or in need of his protection (he had his own militias and controlled local judicial officials), readily voted as he directed. The number of votes the coronel could marshal was a clear signal of his worth to his state overlords; the more votes a local boss commanded, the higher he could rise in state politics. Votes, an exchange good, were a source of power. The coroneis were supported by state oligarchies in their regions in exchange for the delivery of votes. They secured public works, roads, employment, and other state resources for their municipalities, and for themselves, they won the exclusive right of appointment to all power posts in their jurisdictions, which enhanced their power even more. They dominated public employment and civil life.

Coronelismo, despite its basic underlying mechanism, cannot be treated as a single type of political organization. The sources of power of the coroneis, the possibility for local opposition, their relationship to state government, and the ability of the state oligarchies to unite, or even control, their territory all differed by region. Where regional oligarchies were weak, as in the northeastern states of Bahia and Ceará, state government did not even attempt to control all the territory within its jurisdiction, relegating large areas to the rule of local bosses (Reis, 1980: 143; Pang, 1973: 72-73).

At times, coronel armies helped depose state elites. Once, the federal government even signed a treaty with a coronelista faction in Bahia (Pang, 1973: 74-75). In extreme cases, coronel armies could be employed against the regional oligarchies in the Northeast at the instigation of the federal government, when federal authorities and state elites were enemies (Cintra, 1979: 136). In the Northeast, the coroneis were able to sustain themselves in power, at least in the hinterlands, with or without the support of the ruling state parties. As Pang (1973: 72-73) explains, "Instead of becoming a permanent structural part of the ruling coastal party, the coroneis of the Northeast developed a subtle technique of bridging temporary alliances as such arrangements benefited both groups." There was no incentive--indeed a disincentive--to identify too closely with any one faction. Because of the high turnover and short-lived party rule, "today's 'out' coronel often became tomorrow's 'in' chieftain, and it was consequently more important for him to bolster his position in the município than to consolidate his relationship with the state party" (Pang, 1973: 76). Geographical isolation in the hinterlands allowed the "out" coroneis to stay in power in their localities.

In the Center-South, where state oligarchies were strong, a very different pattern of coronelismo took hold. There, it was far more important to remain in the favor of the state elite; the coronel had to retain its confidence. To do so, he had to fend off all would-be challengers. The preferences of state oligarchies were based on pragmatic, not ideological considerations. They had little personal loyalty to local bosses, supporting whomever would deliver the most

votes. If a local challenger could demonstrate that on this basis he was more "worthy" than the incumbent of state support, the state party machine would often shift allegiance to the newcomer, and the old coronel would lose his adherents to the new local boss. Under these conditions, as Reis (1980: 139) points out, political disputes were limited to competition among the coroneis. How much competition was fostered or permitted suited the interest of the state oligarchy. In Minas Gerais, such competition was severely limited, at this time, by the need on the part of the oligarchy to maintain support and unity in order to preserve its national position. The "counterelite" had no permanent place in the municípios of Minas Gerais and São Paulo as it did in the Northeast. Coroneis in these states were well-disciplined and obeyed the will of the state and its ruling party. In return, they often reaped the benefits from public power and resources to improve personal interests (Pang, 1973: 75). The worst possible position was to be in opposition to the governor (Reis, 1980: 140-41): an opposition coronel had no resources with which to implement local programs and distribute the kinds of benefits which he needed to solidify his local support.

Old Republic Mineiro politics reveals that while control over scarce resources conferred power upon elites locally, political strength appears to have been a prerequisite for consolidating state-wide oligarchical power. The Mineiro elite, a more purely political class than other regional elites and one which clung to its "traditional ways" was able to share a dominant place in national politics in republican Brazil. A comparison with the Paulista oligarchy, moreover, reveals

that stereotypes which underscore the differences in the economic bases of the two elites obscure the similarities in the patterns of politics in the two states, similarities which are crucial to understanding the mechanisms of traditional Brazilian politics.

The Paulistas were Brazil's economically dominant class, unambiguously an agrarian elite through the fall of the Old Republic, with a mingling of new industrialists. The difference is striking between the percentage of the Paulista and the Mineiro elites who formed a part of what Fausto (1981) called the "coffee bourgeoisie" and what the authors of the regional case studies (Wirth, 1977; Levine, 1978; Love, 1980) called the "export complex", encompassing (a) agricultural society officers; (b) exporters; (c) fazendeiros; and (d) comissários (short-term lenders to fazendeiros). Whereas just over 17 percent of the Mineiro elite had a stake in the export economy--overwhelmingly devoted to and sustained by the coffee trade--over 40 percent of their Paulista counterparts were linked to the export economy (Table II-3). The rising importance of industry in São Paulo, too, is reflected in the proportion of industrialists in the state's political elite: 28 percent (Table II-3). Moreover, economic elites were well represented on the Executive Commission of the PRP in its final decade (1926-1934): 60 percent of its members were fazendeiros; 44 percent, industrialists; 36 percent, bankers; 16 percent, exporters; and 16 percent, merchants. While both states had excessively high proportions of lawyers in their elites (67.9 percent in Minas and 69.3 percent in São Paulo), the Mineiro elite leaned more exclusively in the direction of professional and bureaucratic occupations. In Minas the most common professions

Table II-3

Old Republic Oligarchies: Minas Gerais vs. Sao Paulo

	<u>Minas Gerais</u>		<u>Sao Paulo</u>	
	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>
Member of agricultural export complex*	17.1	210	40.3	233
<u>Fazendeiro</u>	16.7	210	37.7	239
<u>Industrialist</u>	17.8	214	27.8	241
<u>Merchant</u>	5.6	213	16.6	241
<u>Lawyer</u>	67.9	212	69.3	241
<u>Educator</u>	32.2	213	21.2	241
<u>Journalist</u>	23.8	214	26.6	241
Member of, or related to, imperial elite**, through first cousin, consanguinal or affinitive, or direct descendent through grandson	16.2	185	19.7	239
Related to at least one other member of same state elite, through first cousin - consanguinal or affinitive	46.3	177	42.5	240
Break with state establishment's position over presidential succession in:				
1909-10	10.7	149	7.9	164
1921-22	4.6	151	.6	178
1929-30	5.9	136	3.2	125

*Included in the agricultural export complex are: (a) agricultural society officer; (b) exporter, manager or director of, or investor in, exporting firm; (c) fazendeiro, and (d) comissário (a short-term lender to fazendeiros).

**Imperial elite includes senators, or title-holders of barão (baron) and above.

Source: Love, 1980: 283, 286; Wirth, 1977: 242, 245, 246, 247.

after lawyer were educator (at the secondary or university level (32.2 percent) and journalist (23.8 percent) (Table II-3).

The Paulista planters were a commercially-oriented agricultural elite. They invested heavily in coffee, and given low land prices and the relatively quick exhaustion of coffee-growing lands, they were willing to move, extending the coffee "frontier" (Love, 1980: 55). This "planter bourgeoisie" turned capital from the coffee economy toward the state's industrialization, investing first in banks and importing establishments, and then "merging" (through intermarriage) with the industrial bourgeoisie of largely immigrant origins (Dean, 1969). While recent historiography has challenged portions of Dean's thesis, particularly that referring to the origins of the industrialists, ²³ we can still be certain that while agrarian elites complained at times about "artificial industry", they did not oppose its expansion, provided ²⁴ their needs were attended to.

The Paulista elite was an entrepreneurial elite who acted politically upon its economic interest. But the Paulistas, like the Mineiros, were also a political elite. They were even slightly more represented in the imperial elite (19.7 percent as opposed to 16.2). The cohesiveness of this elite was enhanced, as was true with their Minas counterparts, by the degree of interrelatedness of the elite. The Paulista elite was only slightly less interrelated than the Mineiro (42.5 percent as opposed to 46.3 percent for the Mineiro) and at least as politically united (Table II-3). Indeed, in São Paulo the state establishment was able to impose more impressive discipline within elite ranks in each of three contested presidential successions than in Minas

(Table II-3). The PRP was likely at least as professional and organized as its Minas counterpart, and it too relied on local bosses to support its rule (Love, 1980: 130-131). Coronelismo, typically associated with the most backward parts of Brazil, was not only not absent from the interior of São Paulo, but indeed, it served as the inspiration for the Nunes Leal classic, Coronelismo, Enxada e Voto (1977). Coronelismo in São Paulo was select, internally differentiated, and most pervasive where it was difficult for the state administration to penetrate, especially in the frontier zones (Love, 1980: 130-131). As Wirth (1977: 227-28) has pointed out:

Minas and São Paulo had similar state machines: both had executive committees based on regional satraps, both were run by business-oriented elites, and both followed similar trajectories of internal cleavages and growing gubernatorial power during the Old Republic. While socially more diverse, the Paulista political domain offered little more room than Minas for newer types of political organizations to develop or compete. Like Minas, the elite there never lost control. ... [U]ntil 1930 -- and ambiguously so after that -- it cannot be said that Paulista politics were more open and participational, owing to economic growth, and that by way of contrast Minas was politically more traditional because of a lower growth rate. Traditional modes based on co-optation, clientelism, and violence were equally important in the Paulista elite's kit of tools. The variables that best account for this similar behavior are convergent political organization and leadership, not divergent economic performance.

Another manifestation of the overall importance of politics in the distribution of power was that despite the representation of Brazil's most powerful planters and nascent bourgeoisie, São Paulo was no more successful politically than Minas: the state controlled the presidency

three times, and was poorly represented in the ministries in the years
it did not (1910-1926) (Table II-2).²⁵ Schwartzman (1975: 120-121)
concedes that occupying presidential and ministerial posts might not
have been important for the Paulistas to secure from the central
government what they needed. Valéria Pena found that Paulista coffee
growers at one time received almost 70 percent of Bank of Brazil
resources (Schwartzman, 1975: 121); the Paulistas controlled the
administrative machinery governing coffee interests; and they were able,
whenever necessary, to effect major changes in central government policy
to protect coffee. The most dramatic illustration of this latter
manifestation of Paulista power is the coffee "valorization" schemes by
which the federal government indebted itself in order to support coffee
producers. When the world market price for coffee was low, the federal
government purchased stocks from the planters (financed by borrowing
abroad), then sold the stocks in the international market when world
prices were favorable. By stockpiling coffee when the world market
price was low, Brazil was able to take advantage of its dominant
position to force up the international price. Three times during the
Old Republic the federal government thus intervened in the market in
order to boost the price of coffee.

Yet, these benefits aside, São Paulo did not gain as much from its
hegemony as we might expect. The Minas oligarchy achieved greater
benefit from the Union due to its political strength than did its
richer, southern neighbor. Paulista representatives complained bitterly
of "overtaxation"--São Paulo's 'subsidizing' of other states as measured
by the volume of taxes paid into Union coffers as opposed to the amount

of federal monies spent in São Paulo--and the more favorable treatment
26
received from the Union by Minas Gerais. In fact, Minas Gerais did
pay fewer taxes into federal coffers, and obtained far greater benefits.
According to data provided by Love (1980: 261-262), São Paulo
contributed five times as much to the federal treasury as Minas in 1925-
30, and between seven and eight times as much in 1931-37. Paulistas
outpaid the Mineiros in 1939-40 on a per capita basis as well: 2.9:1.
The ratio of receipts to expenditures, never favorable to São Paulo,
even under the Empire, progressively worsened during the Republic: in
the 1890s, this ratio was 7.1:1; in 1928-37, 7.2:1; and in 1937, 8.7:1
(Love, 1980: 262). In Minas Gerais, in 1937, the ratio was 1.6:1.

This gap in receipts to expenditure was readily apparent in one
important area of public expenditure: railroads. In 1928, the state of
São Paulo operated 88 percent of its railroad system. In Minas Gerais,
which had a slightly larger network, 70 percent was the property of the
federal government (Schwartzman, 1975: 123). Viewed from another
perspective, in that same year, Minas had 28 percent of the federal
railway network in its territory, while only 4 percent was located in
São Paulo. Wirth (1977: 179) reports that almost 40 percent of all
federal railroad construction in the 1920s occurred in Minas.

The Minas oligarchy had every reason to be content with its
arrangement with the Union during the Old Republic. In firm control of
state politics, with no real challenge from any social sector, and
benefiting amply from the status quo, there was no movement from within
Minas Gerais to disrupt the Republic. Yet change was thrust upon it.
Its ability to adapt attests to its resilience.

The Revolution of 1930 and the "Crisis of Oligarchical Hegemony"

The year 1930 was a watershed in Brazilian history. That October, the Old Republic came to an official end with the "Revolution" led by Getúlio Vargas, amidst an economic depression (and a crisis in the coffee economy) and intra-oligarchical regional rivalries. The 1930 Revolution had both immediate, conjunctural causes as well as deeply rooted, structural causes. In 1930, the Paulista president, Washington Luís, broke the fundamental agreement upon which "governors' politics" had rested. He attempted to impose his choice for presidential successor, Júlio Prestes, a Paulista, despite the fact that it was Minas' "turn to choose".²⁷ The Mineiros retaliated against their former ally by backing the candidate of the "Liberal Alliance", Getúlio Vargas, from the state of Rio Grande do Sul. When Prestes was declared victor²⁸ (the opposition claimed fraud), troops from Rio Grande to the south, Paraíba to the north, and Minas Gerais to the west, began a march upon Rio de Janeiro (then the nation's capital).²⁹ In the view of one student of these events (Skidmore, 1967: 5-6), to avert what they saw as an impending civil war, senior officers deposed President Luís in October, 1930. Ten days later, on November 4, they delivered power to Getúlio Vargas. The undisputed leader of the Liberal Alliance had become president of Brazil.

Vargas came to power at the head of a broad and loosely-knit coalition. He was supported by the tenentes, young army officers--predominantly lieutenants--with reforming ambitions, and their civilian

allies, who manifested visible discontent with the Old Republic during
the 1920s.³⁰ He also rode the revolt of the smaller states acting in
concert against the stronger. The fissure between São Paulo and Minas
over the presidential succession of 1930 created the opening for which
the smaller states had been waiting. They joined forces with Minas
Gerais and Rio Grande do Sul.

One view of the 1930 "Revolution" credits the bourgeoisie,
supported by other new urban classes--the middle classes and the new
urban workers--with the overthrow of the oligarchical Republic. Another
sees the regime change as brought about by a "revolution from above"
which ultimately loosened the state apparatus from the grip of the
coffee exporting oligarchy, strengthening it and enhancing its autonomy
such that it could formulate policy which favored not necessarily coffee
and other agricultural interests, but those of industry. Both views
agree the Vargas regime was a "modernizing dictatorship", a victory of
the 'bourgeoisie' and the central government over the powerful state
oligarchies.³¹

These interpretations of the events of 1930 and their aftermath
share a common assumption that the Minas oligarchy suffered a loss in
its position as a result of the Revolution of 1930. Entering the period
as a hegemonic political force on the national scene, virtually any
change in the status quo might be interpreted as prejudicial to their
interests and as an indicator of a relative loss of strength. When,
however, the change is in the direction of greater centralization, this
might be viewed as especially harmful to the regional oligarchies, and
the success of such a centralizing regime would be inversely related to

the strength of the Minas and Paulista oligarchies. Many students of Brazilian politics believe that during the height of Vargas' centralizing dictatorship, the Estado Novo, these regional oligarchies found themselves marginalized from power, and helpless before a barrage of legislation which favored industry at the expense of agriculture, the Union at the expense of the states, and new elites at the expense of the old.

Vargas did in fact change fundamentally the nature of the relationship between the regional oligarchies and the central government (cf. Skidmore, 1967: 33; Campello de Souza, 1976: 85). His aim was to subordinate these oligarchies to the Union, and to strengthen the federal executive. To this end, he proceeded quickly. In November 1930 he abolished federal and state legislative bodies, and appointed "interventors" to act as the chief executives in their states. These interventors were by and large natives of their states but on the fringes of their states' political machines. Vargas used the interventors as his agents in the states to strengthen his own hand vis-à-vis the regional oligarchies. This was especially true in the early years of Vargas' regime in the recalcitrant states, where he imposed military officers as interventors. In São Paulo, Vargas foisted a tenente, João Alberto, on the Paulista oligarchy, an appointment which caused two years of strained relations between São Paulo and the central government (Fausto, 1981: 31) culminating in the Paulista revolt of 1932. By choosing someone from outside the machines to replace governors who were almost uniformly the choices of those machines, he improved the odds that the interventor would do his bidding, and not

become the new leader of a revitalized state machine and state interests. In the larger states, he was additionally forced (or at least he believed it wise) to rotate the interventors with some frequency, in order that they might not become too established in the state machines, for this very same reason.

To check the power of the interventors, Vargas enacted an administrative reform in 1938 which had the effect of strengthening an independent state bureaucracy. The centerpiece of this emerging parallel power was the "Administrative Department of Public Service" (DASP), which had responsibility for the preparation of the budget and other duties normally performed by the legislature. It was presided over by bureaucrats and staffed by engineers, agronomists, and statisticians--persons considered immune from clientelistic pressures. Lawrence Graham argues that the DASP became a "super-ministry" and that in the states, the regional presidents of the "DASPinhos" (little DASPs) were even more powerful than the interventors (Campello de Souza, 1976: 96-97). Whether or not the power of the bureaucracy exceeded that of appointed politicians, Vargas' intent was to foster competition between the interventors and the DASPinhos, and in so doing, to maximize his own, and the state's, autonomy. The centralization of government functions culminated in the Estado Novo, Brazil's experience with fascist government from 1937 to 1945. Patterned after Italian fascism (though in a milder form), the Estado Novo enacted social welfare legislation, corporatist labor legislation, economic nationalism, and most of all, authoritarian government. Unlike its European varieties, Vargas' semi-fascist regime had no party to support him; rather, he

banned parties altogether, calling for a democracy which did not place parties as intermediaries between citizens and the state.

An exclusive focus on this Union-state relationship assumes a dichotomy which may not exist. A strong central state does not necessarily imply a weak regional oligarchy, nor must one gain at the other's expense. The expansion of the federal state's powers, especially into new areas, could be viewed instead as the strengthening of public versus private power, something which might threaten an elite whose power rests on private assets but not necessarily an elite whose power came to rest increasingly on the distribution of public resources. Moreover, such a framework assumes that the regional oligarchies were always in competition with the central state, which the Minas oligarchy clearly was not. Minas Gerais, unlike São Paulo, was not fiscally and economically independent from the central government. It needed the financial support of the central government, not to the same degree, but in the same spirit, as its weaker northeastern neighbors. Minas distinguished itself from other states in a similar relationship of fiscal dependence with the Union by its political power, which enabled it to achieve a measure of independence. Its sizeable militia served as a disincentive to federal intervention, and most important, its membership at the top of the coalition which upheld the Old Republic placed it in a position to win important federal support. It took advantage of a situation of dependence to better itself, turning dependence into mutual dependence. Minas continued this relationship, in its broad outlines, into the Provisional Government and the Estado Novo. Although the growth of federal troops overwhelmed that of its

militia, its political support for the central government was no less crucial than during the Old Republic.

While good historiography (such as Fausto, 1981) has, in a welcome, sophisticated fashion, demonstrated a divergence within the oligarchy along unmistakable regional lines when analyzing the causes of the fall of the Old Republic, such studies often break down when examining the outcome, assuming a single effect of the Vargas revolution on the oligarchy as a whole. While certainly there are interests common to all oligarchies, there are many more areas of intra-oligarchical (regional) disputes.

The Mineiro oligarchy emerged from the Vargas revolution relatively unscathed, especially in relation to its Paulista counterpart. The Paulistas were "defeated" first in October 1930 when their president, Washington Luís, was deposed, and his hand-picked successor, Júlio Prestes, was not allowed to take office, and they were humiliated by the imposition of tenente João Alberto as their interventor. The Mineiros, in contrast, backed Vargas to the presidency. In exchange for their support, the elected governor, Olegário Maciel, was permitted to remain in his post of chief executive until his death in 1933. The Paulistas' 1932 "constitutionalist revolution", an armed revolt against Vargas and the Union, was crushed with the help of Olegário Maciel and the Minas state militia. That Vargas extended the Paulistas an olive branch after their defeat attests only to his political guile, not any strength on the part of the broken Paulista regional elite. Vargas' choice for Maciel's successor, Benedito Valadares, on the other hand, would become his most trusted interventor.

The question which should be asked is what of the Minas oligarchy during Vargas' reign? Did new elites supplant the old? Does Vargas' naming of the "outsider", Benedito Valadares, and the movement of such Republican party stalwarts as Artur Bernardes, former governor and president of Brazil, into the opposition, mark the 'defeat' of the old oligarchy and the rise of a new class of regional elites, loyal to Getúlio Vargas himself? Focusing on the political careers and partisan attachments of former governors and members of the Executive Commission of the Minas Republican party (as well as those of any new elites emerging after 1930), we must conclude that no clear trend emerges which can support the belief that the pre-1930 oligarchies became the 'outs' of the 1930s and 1940s (Table II-4). First, political alignments were not immutable. Former governor Antonio Carlos, who headed the Chamber of Deputies and his relative, José Bonifácio, a cabinet member, remained in the Vargas camp until 1936; after a Vargas maneuver against Antonio Carlos, they migrated to the opposition. Cristiano Machado, a "Bernardista", and Bias Fortes, son of a Minas governor who would one day become governor himself, on the other hand, spent brief periods in the opposition (1931-36 in the former case and 1931-32 in the latter) before returning permanently to the Vargas fold. Secondly, the "oligarchy" did not behave as one. Wirth (1977: 247) reports that 22 percent of the Minas political elite broke with the Olegário Maciel administration (1930-1933); 15 percent when Valadares was appointed as interventor in December 1933; and 14.5 percent when the PRM and the Partido Progressista were fused by Valadares in 1936. Approximately 40 percent of the PRM Executive Commission bolted to the opposition led by

Table II-4

The Minas Oligarchy and the Vargas Interregnum

Executive Commission, PRM 1926-1930	1930-1936		Post-1945	
	Pro-Vargas	Anti-Vargas	UDN*	PSD
Júlio Bueno Brandão				D
Francisco Álvaro Bueno de Paiva	n.d.			
João Pio de Souza Reis	n.d.			
Teodomiro Carneiro Santiago	n.d.			
Artur da Silva Bernardes		X	(PR)	
Alaôr Prata Soares		X		
Afonso Pena Junior		X	X	
Eduardo Carlos Vilhena do Amaral		X		
Afrânio de Melo Franco		X	D	
Augusto Mário Caldeira Brant		X	X	
Levindo Duarte Coelho		X		X
Wenceslau Brás Pereira Gomes	X			H
Antonio Carlos de Andrada	X			
José Monteiro Ribeiro Junqueira	X			
Alfredo Sá				
Fernando de Melo Viana				X
José Bonifácio de Andrada e Silva	X		X	
'New' Elites				
Benedito Valadares Ribeiro	X			X
Gustavo Capanema	X			X
Cristiano Monteiro Machado		X		X
Virgílio de Melo Franco		X	X	
Noraldino Lima	X			X
Washington Ferreira Pires	X			
Pedro Aleixo	X		X	
Otacílio Negrão de Lima	X			
Odilon Duarte Braga	X		X	
José Francisco Bias Fortes				X
Olavo Gomes Pinto			D	
Djalma Pinheiro Chagas			X	

*Includes signatories of the Manifesto dos Mineiros.

D=descendants; H=political 'heir'; PR- Artur Bernardes signed the Manifesto, but rather than remaining with the UDN, he formed his own Republican party.

Sources: Wirth, 1977: 97-98, 110-116, 248-253, 255-256, 257-260; Carone, 1976: 305; Benevides, 1981: 35; Oliveira, 1981: 109; Hippolito, 1985: 129, Horta, 1956: 66, 67-68, 71-72, 74-75, 76-77, 79, 86, 87-88; and author's biographical data file.

Artur Bernardes in the years preceding the Estado Novo, an equal number (including their political heirs) emerged after 1945 as prominent members of the PSD, Vargas' oligarchical supporters. They were equally prominent to those who bolted: former governors Wenceslau Brás (and his protégé Noraldino Lima), Bias Fortes (through his son), Raul Soares (through his political heir, Levindo Coelho), and Melo Viana, all eventually permanently aligned with Vargas. Third, not all 'new elites' were all that new. Benedito Valadares was a member of one of the 27 "governing families" of Minas Gerais--the Joaquina do Pompeu family (Rebello Horta, 1956: 76-77). Finally, even those who "lost" did not lose much in Minas Gerais. Milton Campos and José de Magalhães Pinto, both signatories of the Manifesto dos Mineiros became state governors in the post-war period, and Pedro Aleixo, another stalwart of the anti-Vargas UDN, the country's vice-president under military rule.

The apparent permanent effect of the Vargas interregnum was to split the Minas oligarchy into two camps, polarized along a pro- and anti-Vargas axis of conflict. These factions correspond only to political alliances, not to economic interests. In the post-war period, these factions would find expression in political parties competing for control of the state. These oligarchical factions were now forced to dispute each other for government, but they merely converted their monopoly over politics and the state into an oligopoly.

Oligarchy and "Democracy"

Traditional political elites survived the transition to "democracy" and in relatively politically competitive circumstances because of the

persistence of political clientelism emanating from the state and channeled through the political parties. The Minas oligarchy, in firm control of the state as well as the governing Social Democratic party, the PSD, reapplied the formula discovered during the Old Republic to maintain oligarchical power. A considerable degree of continuity in the elite of the Estado Novo and the post-war Republic was assured by the stamp of both Getúlio Vargas and the powerful regional oligarchies on the construction of the post-war party system. Vargas, deposed but not defeated, crafted the post-war party system, placing in top posts in the major parties the political officials and elites of his regime (Campello de Souza, 1976). The regional oligarchies were well placed in the new system; though the parties were organized nationally, real power within the parties resided in the regional directories (diretórios).³⁴ The regional directories named the municipal directories, and elected as well representatives to the national convention and national directory.

This party system was organized along pro- and anti-Vargas lines. The PSD solidified the reign of the politicians promoted under the Vargas regime. In the states, the PSD was organized by the interventor, and incorporated the appointed mayors (named by the interventors), members of the state administration, many of the Old Republic's local political bosses (Roett, 1984: 56), and other government supporters. Whoever opposed the state interventor, even if he wished to support Vargas, was relegated to the opposition. The first president of the PSD³⁵ was the Minas interventor and Vargas confidant, Benedito Valadares.

The origins of the National Democratic Union, the UDN, the principal rival to the PSD throughout the post-war period, were nearly the

opposite of the PSD. It was formed by those who opposed Getúlio Vargas. Members of "dethroned" oligarchies; people who had once supported Vargas or had served in his governments but for one reason or another (either he moved against them or they resigned their posts) had broken with Vargas; traditional liberals; and various leftist currents who stood to profit from a return to democratic competition and rights came together under the UDN umbrella with the intention of hastening the departure of Vargas (Benevides, 1981: 29-31). Some of these actors were traditional enemies, divided by intense personal and ideological rivalries in some cases since the days of the Empire. Some elements were true to liberal principles, others to socialist appeals, still others represented the old state oligarchies. But the ideology they all adopted was a return to "democracy". This movement originated in the celebrated 1943 document, the Manifesto dos Mineiros, a call for an end to Vargas' Estado Novo and a return to democratic liberties signed by ninety-two Mineiros³⁶ (Benevides, 1981: 34-35). Among the signatories of the document-- Pedro Aleixo, Milton Campos, Virgílio de Melo Franco--were some of the most prominent Mineiro elites of the post-war years. This motley UDN united in 1945 around the presidential candidacy of Brigadier General Eduardo Gomes,³⁷ but the party was unable to retain its disparate elements. Former president and governor of Minas Gerais, Artur Bernardes, formed, or reformed, the Republican party; Gaúchos broke off to form the Partido Libertador; and Adhemar de Barros of São Paulo formed the Partido Social Progressista (PSP). In a severe blow to the UDN, Barros' PSP, which became the major electoral force in São Paulo, rarely allied with the UDN after the 1945 election (Benevides, 1981: 47-

49).

In the post-war Brazilian Republic, political participation was increased, and there was greater mass access to the state. Access to the state was however, as always, mediated and hierarchically organized. Citizens could be linked to the state, and to political elites, in "populist" networks. This was the case in Rio Grande do Sul and São Paulo. Where populism was the prevalent pattern of political representation, it incorporated the organized working class along functional lines, and the 'mass' related directly to a single, charismatic leader. Unions, organized and licensed by the state, accommodated the interests of the working class, but strictly controlled their activity by placing populist politicians at the top of the pyramid. Mass populism, an urban phenomenon, was conducted through the PTB, the Brazilian Labor party created by Vargas (Vargas was its standardbearer in the 1951 presidential election), the PSP of Adhemar de Barros, or through no party at all, as in the case of Jânio Quadros, mayor of São Paulo and later president of Brazil (1961) (Figure II-2). Of all the populist leaders, Quadros most closely approximated the pure charismatic ruler who establishes a direct relationship with his followers based on the force of his personality (Weffort, 1970). The ability to control the urban masses--the "new force" in politics and the "sole source of legitimacy in the system" (Weffort, 1970)--conferred power upon state elites.

Populism, however widespread, never incorporated the popular sectors in the rural areas, nor was it everywhere the rule of thumb in urban areas. In many parts of Brazil, notably the Northeast and Minas

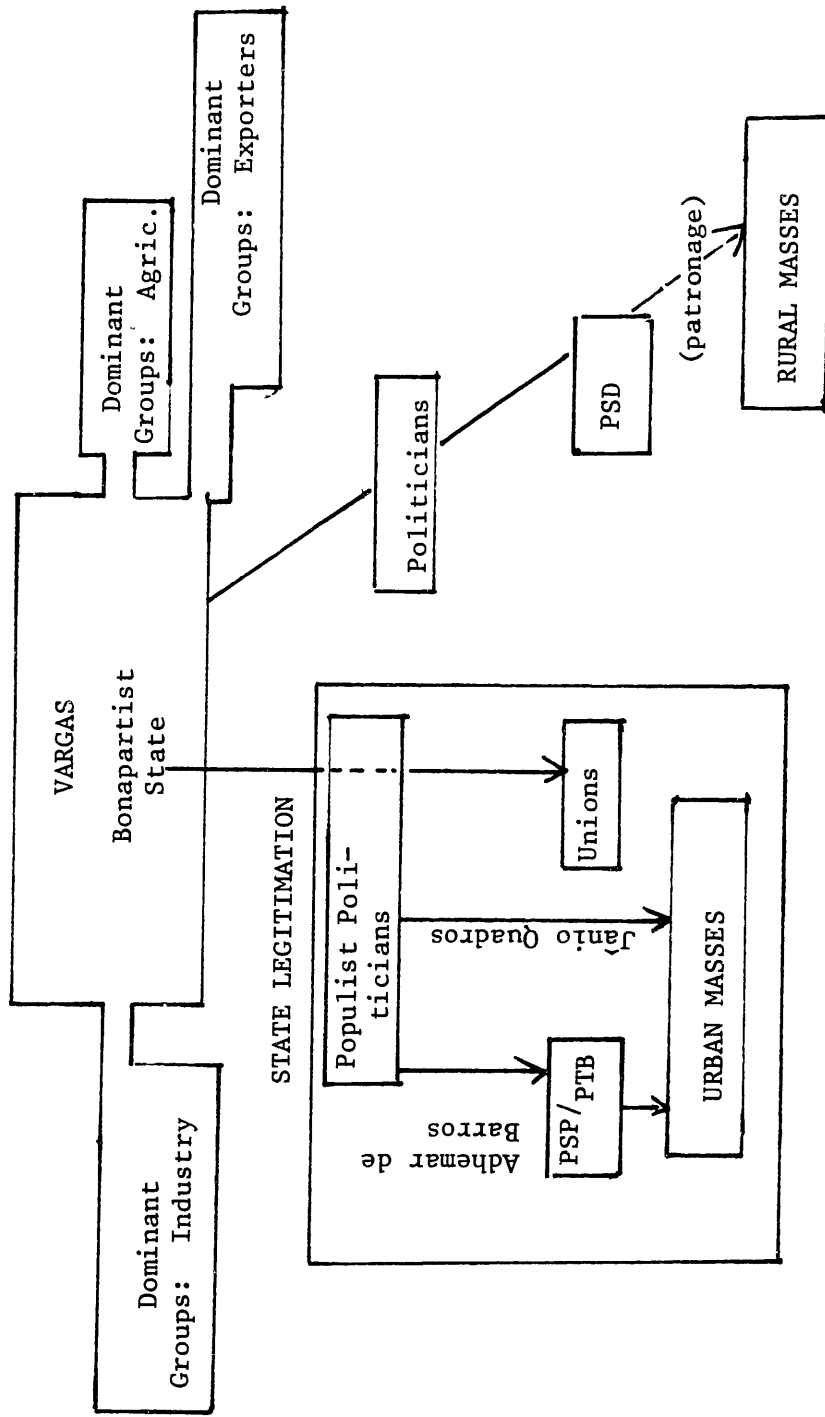


Figure II-2: The Populist Model

Source: Modelled from Weffort, 1970.

Gerais, clientelism overshadowed populism as the pattern of political representation. Minas Gerais was less urbanized than southern states which exhibited more pronounced trends toward populism, but only slightly less so than the national average, and far more so than the northeastern states (Table II-5). José Murilo de Carvalho (1966) twenty years ago discovered a pattern of pervasive clientelistic politics in the Minas city of Barbacena, which then had a population of over 40,000 persons. Not an insignificant municipality, the two families who contested local politics through the use of their urban-based political machines were two of the most important families in state politics. Clientelism structured politics for nearly all citizens not incorporated within the populist rubric. If populism was the challenge to oligarchies (cf. Weffort, 1970), clientelism was their sustenance.

In Minas Gerais, as in much of Brazil, traditional and modern forms of political clientelism assumed even greater importance with (a) the expansion of the political market and (b) the sustained fiscal dependence of the municipality upon the state. Coronelismo may have been more important after 1945 than before, despite the fact that we might expect its importance to decline commensurate with urbanization. 39

With the collapse of the Estado Novo, the electorate expanded markedly: five million new voters were added to the electoral rolls between the last election for the Chamber of Deputies in 1934 and the 1945 election. A greater need to deliver votes enhanced the importance of clientelism. The continued weakness of municipal governments did nothing to reverse this trend. As a product of the 1934 constitution, municipalities saw their share of public revenues drop from 11.8 percent in 1930 to 8.2

Table II-5

Brazil and Selected States: Urban Population, 1940-1960
(in percent)

State	1940	1950	1960
Minas Gerais	25.0	29.9	39.6
Northeast*	23.4	26.4	33.9
Rio Grande do Sul	31.2	34.1	44.4
Guanabara**	86.1	96.9	97.5
Sao Paulo	44.1	52.6	61.8
BRAZIL	31.2	36.2	44.7

*Includes the states of Maranhão, Piauí, Ceará, Rio Grande do Norte, Paraíba, Pernambuco, Alagoas, Sergipe, and Bahia, as well as the island territory of Fernando de Noronha.

**Guanabara encompasses the city of Rio de Janeiro, and little else--it is the old Federal District. For this reason its urbanization rates are so high.

Source: IBGE, 1979a: 74.

percent in 1945 (FJP, n.d., I: 7-13). They were weakened even further during the "democratic" post-war era. The municipal governments' share of public sector expenditures, which would most accurately reflect the pool of funds available for spending, rose slightly in the 1950s in relation to the end of the Estado Novo period, but dropped precipitously in the early 1960s, to a post-war low of 5.9 percent in 1962 (Table II-6).

Clientelism was conducted above all through the PSD. The importance of the PSD as a patronage machine is suggested by the fact that in the entire period from 1945 to 1964, the PSD's access to national state resources was interrupted only briefly after Vargas' suicide in 1954, and for the seven months of the Quadros presidency in 1961. The supreme party of the "ins", the PSD conducted itself in such a way to perpetuate its government role. Hippolito (1985: 124-127), who studied extensively the PSD, identified as essential attributes for securing control of state-level politics within the PSD: (1) to be a top vote-getter; (2) to have public resources to distribute; (3) to be able to liaise with local leaders; and (4) to be able to control the state's representatives in congress. Each were geared toward the entirely instrumental goal of achieving and maintaining power, and paid little regard for other typical criteria in elite recruitment (talent, administrative effectiveness, etc.). Indeed, Hippolito describes a party leadership which is obsessed with retaining power, even in relation to party leaders in other times and places. She coins the PSD the "Michelian party par excellence". To retain control of the state party machine at all costs was the primary goal of the

Table II-6
Public Sector Expenditures, 1939-1964
(in percent)

Year	Fed. Govt.	Fed. Para- Statals	Union Total	State Govts.*	Municipal Governments
1939	56.6	2.4	59.0	31.3	9.7
1947	42.6	11.7	54.3	39.4	6.4
1950	41.7	14.6	56.3	36.2	7.6
1952	35.0	14.7	49.7	42.2	8.1
1955	35.7	18.2	53.9	38.6	7.5
1957	35.4	19.5	54.9	37.1	8.1
1960	34.3	20.2	54.5	39.2	6.2
1962	37.0	21.6	58.6	35.4	5.9
1964	36.9	21.5	58.4	34.1	7.5

*Includes state para-statals

Source: FJP, n.d., I: I-21.

oligarchy: it accomplished this aim reasonably well.

The axes around which party competition revolved in "democratic Brazil" were Vargas - anti-Vargas and elite - mass. The PSD and the UDN were both vehicles for the oligarchies. The PTB, while supporting Vargas, by and large was not dominated by representatives of the oligarchy. These divisions may be conceptualized as:

	Elite	Mass
Pro-Vargas	A (PSD)	B (PTB)
Anti-Vargas	C (UDN)	D (Jânio Quadros)

In Minas Gerais, state politics was the contest of the two parties of the traditional political elite. The UDN was more successful in the state than nationally; it controlled the state executive from 1947 to 1950 and again after 1962. There was little programmatic difference between these parties, nor did they represent different constituencies. The close identification of the PSD with the agrarian elites, and the 'democratic' demands of the UDN, led many observers to conclude the PSD was a rural-based party, and the UDN a representative of urban classes. The PSD was indeed important in rural areas, but no more so than the UDN. In Minas Gerais, where both parties were significant, the shades of difference between the two along this dimension are negligible. A study of over 27,000 members of the municipal directories of the parties (Carvalho, 1960: 283) revealed that 43.5 percent of PSD members were farmers and cattlemen, compared to 42.1 percent for the UDN. Both

parties were, of course, considerably more rural than the PTB, 17.8 percent of whose members belonged to the agrarian sector. The Republican party which Artur Bernardes resurrected, also an oligarchical vehicle, allied with both the UDN and the PSD in various local elections in Minas Gerais from 1945 to 1964. Which side the PR chose to side with was determined purely by local considerations.

National elections in the course of the post-war era suggest an erosion of support for the "conservative" parties, the PSD, the UDN, and the PR. Soares (1981), among others, has placed great emphasis upon this fact in his analysis of the effects of urbanization and industrialization on the post-war party system. This trend is most marked in the case of the PSD, whose representation in the Chamber of Deputies slipped from a dominating 52.8 percent in 1945 to 30.3 percent in 1962. It even had to contest being the largest party with the PTB. The PTB, also Vargas' vehicle, was the beneficiary of party fragmentation in the post-war period, rising from a mere 7.7 percent of the seats in the Chamber of Deputies in 1945 to 19.8 percent in 1962.⁴¹

This pattern does not obtain in Minas Gerais. The erosion of partisan support for the PSD is slight when compared to the national trend (43.8 percent in 1962), and the polling strength of the PTB was far less than suggested nationally: in the 1962 election, 12.5 percent of the Minas delegation to the Chamber of Deputies was from the PTB, as compared to 29.8 percent nationally (Table II-7). This difference holds up in the state-level elections as well: combined, the PSD, UDN, and PR garnered only 37.83 percent of the seats in all state legislatures (in 1962), but in Minas Gerais, these same parties received nearly two-

Table II-7

Brazil and Minas Gerais: Party Strength, Federal and
State Legislatures, 1945-1962
(in percent of seats)

Party	Chamber of Deputies		Minas Dele- gation, 1962	All State Assemblies	Minas Legis. Assembly 1962
	1945	1962			
PSD	52.8	30.3	43.8	PSD } UDN } 37.83 PR } } 20.43	22.0
UDN	29.0	23.4	33.3		31.7
PR		*	8.3**		12.2
PTB+	7.7	29.8	12.5	}	14.6
PSP+		5.4	2.1		11.0
PL+			-		3.7 (PL-MTR)
PDC					2.4
PRP					2.4
PCB	4.9				
"Small Parties"	5.6	16.2			

*Included with "small parties".

**The Republican party elected only four representatives to the Chamber of Deputies in 1962 -- all were from Minas Gerais. This represents a substantial drop from the 19 elected nationally in 1945.

+Allied in Minas Gerais in 1962 for the federal deputy elections.

Sources: Bastos, 1964: 321, 325; Oliveira, 1981: 110.

thirds of the seats (65.9). Finally, the Republican party, which was all but eliminated in other states, retained its foothold in Minas Gerais. Its four representatives elected to the Chamber in 1962 by Minas were the party's only representatives.

Does this mean that Minas was exceptional in some sense? Yes and no. Lima (1981: 30) is correct to point out that no national trends emerge from Brazilian voting in the 1945-64 period, only aggregations of state and regional trends. The sharp rise in the national representation of the PTB is in large part accounted for by its strength in the state of Rio Grande do Sul (Vargas' home state).⁴²

Minas' trends therefore do differ from the national picture, but not from any single national pattern. Brazilian politics in this era was an amalgamation of various regional patterns of politics. And significantly, while populism took hold in Rio Grande do Sul and in São Paulo, through the PTB in the former case and the personages of Adhemar de Barros and Jânio Quadros in the latter, it did not take firm root in Minas Gerais. Minas Gerais had one of the strongest, persistent trends toward support for the three 'conservative' parties. Clientelism was apparently more important, and for longer, than populism.

The control of the Minas oligarchy over its state politics was as secure as ever, even in 1962, when the national political system had entered into its phase of accelerated fragmentation (Santos, n.d.). Yet, the presence of João Goulart, a PTB politician and Vargas' ex-Minister of Labor (who assumed office over oligarchical protest when Jânio Quadros unexpectedly resigned) in the presidency created a rupture between the national executive and who really held power in the

political system. To rectify this imbalance and to recapture the national state, the traditional elite of Minas Gerais, joined by its counterparts in other states, plotted and launched the military coup of 1964 (Motta, 1971; Schneider, 1971: 97-99).

The UDN in particular took the lead in spurring the military on to seize power. The most famous "golpista" was Carlos Lacerda, a Carioca journalist and ex-governor of Guanabara, whose anti-communist diatribes of the early 1960s are almost legendary. Less notorious but no less significant, UDN president and Mineiro, Bilac Pinto, often publicly denounced the government of João Goulart in the early months of 1964 (Benevides, 1981: 124). The coup itself was planned in Minas, led by then governor Magalhães Pinto and General Mourão Filho. Magalhães Pinto's Secretary of Public Security, José Monteiro de Castro, admitted to the conspiracy against Goulart: "Many nights we flew to secret meetings with military officers" (as cited in Istoé, 7/25/84: 92). In an interview with Istoé (7/25/84: 94), he reflected on the 1964 movement:

In 1964, ... the Revolution was preceded by the formation of a cabinet of unity by Magalhães [Pinto]. There were Afonso Arinos, Milton Campos, [Jose Maria] Alkmim. It was a cabinet without portfolios, representing unity. ... In that moment Minas was very resistant to the structural changes proposed by Goulart. These prompted rural action in Minas, and it was the landowners who were the most ardent revolutionaries. They sought me out as Secretary of Public Security to offer arms and money.

Once the military moved, UDN reaction was swift and certain. The party issued an official statement on April 3: "Commending once again the

patriotism, bravery and lack of personal ambition on the part of the Armed Forces, the UDN places itself entirely at their side in every way, for whatever measure is necessary, in order to save democracy" (as cited in Benevides, 1981: 125).

Once the coup was an accomplished fact, much of the PSD, too, backed the military in the congress. During the Goulart presidency, supporters and opponents of change drew new lines of cleavage in the political system which cross-cut party boundaries. The "Ala Moça" of the PSD (the group which Hippolito (1985) calls "reformers"), together with the "Bossa Nova" wing of the UDN, similarly committed to reform, and the PTB, united in favor of agrarian reform, a nationalist economic policy, liberal social policy and an independent foreign policy. In response, the oligarchies in all parties closed ranks in similar fashion to defend oligarchical politics and power.

Conclusions

Regional oligarchies created the Brazilian Republic to serve their interests and perpetuate their reign. The Minas oligarchy in particular played a leading role in shaping the structures of state which would ensure their dominance even after economic development created new classes and political participation increased. What distinguishes the Minas oligarchy and the Brazilian political system from other dominant elites and pre-industrial, elite-dominated political systems is the centrality of the public, political sphere to the exercise of oligarchical dominance. The Minas elite took refuge in the state, and made use of clientelistic political parties to integrate politically participating and non-participating citizens. The Minas Republican party and later the Social Democratic party Union provided the organizational base to achieve consensus in this system.

In the Old Republic in Minas Gerais, power was extremely centralized in the hands of the governor and the party elite. The centralization of fiscal and political power in the executive branch of government was far from detrimental to the oligarchical interests. The degree of centralization of authority in the executive per se is not the key variable in understanding oligarchical power, but, rather, the relationship of the party qua oligarchical vehicle to the executive. Where a powerful executive is separated from elite interests, centralization can be damaging indeed to an oligarchy. But where oligarchies, through parties, penetrate and control the state apparatus, centralization can abet traditional elite rule by diminishing the viability of any challenges. Seen in this light, the challenge posed to

the Minas oligarchy by the centralization undertaken during the Vargas interregnum was not as great as believed. Some elites weathered, others profited from, Vargas' reign. The Minas oligarchy in particular reemerged from the Estado Novo with firm control of party and state. The growth of the federal state functions and resources initiated under Vargas offered it, as well as other regional elites who controlled their own states and exercised national influence, an opportunity to further enhance their positions.

In the Old Republic, power resided in the states, and politics was organized along regional lines. The federal state was strengthened over time, but regionalism endured as a permanent feature of the Brazilian political landscape. During the heyday of the oligarchy, the governing Republican parties which bore the same name in different states had little in common. As one historian (Fausto, 1981: 91) has written, "Class divisions didn't occur along national lines, and internal divisions within the dominant classes took a regional character." Cross-regional, class, and even more narrow socio-economic interests did not develop and become translated into national political programs and parties partly, but not entirely, for economic reasons. ⁴³ Different areas of Brazil had very different sub-regional economies. The Northeast produced sugar at the same time that São Paulo was rapidly expanding its coffee-growing areas. Agrarian elite interests in the different states of Brazil therefore were not identical, or even sufficiently overlapping that a set of coherent public policies might be formulated which would advantage the entire landowning class. Conversely, in the largest urban centers, there was an overlapping of

interests between agrarian and industrial bourgeoisies.

Whatever the causes of regionally-based politics, its effects were paramount for the enduring nature of political organization in Brazil. Regional oligarchies assumed political identities which were expressed in state government and state political parties. Regionalism prevented political parties and political representation from developing along class or other interest lines. Instead it had the effect of reinforcing oligarchical power.

Notes

1. One of the most comprehensive and conceptually sophisticated analyses in this vein is that of Weffort (1970: 387ff). Weffort views the Revolution of 1930 as a clear end to oligarchical hegemony, but one without a clear resolution. The Brazilian middle class lacked sufficient autonomy to establish a democratic regime in accordance with its liberal aspirations. In a situation in which no group held exclusive political power, the state separated itself from the dominant groups and exercised its authority over the society as a whole. Weffort, without calling it such, describes to a tee the Bonapartist state.

Weffort is unambiguous in his assertion that the Revolution of 1930 did away with "the system of access to power through the traditional families and economic groups, which would have enabled the oligarchy to renew itself within its own group," -- concluding "there was no longer an oligarchy".

2. "Minas Gerais", in Portuguese, means "General Mines".

3. The notorious droughts and abject poverty of the Brazilian Northeast led in 1959 to the creation of the Brazilian Superintendency for the Development of the Northeast (SUDENE), and the introduction of fiscal incentives to stimulate development in the region. SUDENE was originally headed by the economist Celso Furtado. It offered fiscal incentives in the form of tax rebates to industries wishing to (re)locate in the underdeveloped Northeast.

4. This figure may be an underestimate, since the data are not complete on parentela.

5. Despite the fact that not all identical surnames are part of the same clan and they were counted as such, any errors in estimation would likely understate the degree of family relations in the bureaucracy. Different surnames from the same family tree would have escaped the author, and functionaries in the interior were not counted.

6. They may have even represented a small proportion of the imperial elite. According to Murilo de Carvalho (1980: 78-87), the percentage of ministers who by occupation were landowners and merchants for the entire period (1822-1889) was less than five percent; senators, less than 15 percent; and deputies, less than ten percent, although over 40 percent of ministers did have landholdings and another 11 percent engaged in commerce and/or finance.

7. Martins did check the biographical data against a list of 1,102 leading coffee growers and 741 cattle ranchers of the state for the period from 1905 to 1927.

8. In 1808, when Napoleon invaded the Iberian peninsula, the Portuguese royal family fled to Brazil, its colony, and there

established its court. After the defeat of Napoleon and the monarchy's return to Portugal, Dom Pedro I remained behind, and declared Brazil's independence in 1822. This was accomplished without a shot being fired.

9. See Reis (1980) for an application of Barrington Moore's thesis regarding the balance of power between Crown and landlords to the Brazilian case.

10. Slavery was the backbone of the Northeastern sugar economy as well as coffee production. In 1818, it is estimated that slaves constituted one-half the Brazilian population. In the 1820s, 53 percent of the slaves were in the Northeast, and 37 percent in the Center-South. In 1873, as abolition and the end of the Empire approached, that proportion had been inverted: 57 percent of the slaves were now in the Center-South, and 35 percent in the Northeast. By 1872, slaves accounted for only 10 percent of the population of the Northeast. This shows the rising importance of the coffee economy, and its ability to siphon slaves away from the Northeast. As northeastern plantation owners had to accommodate themselves to losing their slave laborers, slavery became less important to sugar growing, but coffee fazendas became ever more dependent on slave labor.

11. The sources of military discontent sprang from internal disciplinary questions and civilian-military disputes. After the war with Paraguay, military budgets were cut and civilians appointed to the war ministry. For an overview, see Reis (1980: 97-99), and for an account of how these issues became salient in Rio Grande do Sul, see Love (1971: 30-31).

12. Slavery in Brazil was abolished in four steps over the course of nearly four decades. The first step was the prohibition of the international slave trade (at British urging) in 1850 (the Euzébio de Queiroz law), which had the effect of ceasing the import of any new slaves into Brazil. The next piece of abolitionist legislation was the "free womb" bill of 1871 (the Rio Branco Law), by which all children born to slaves would be freed once they reached adulthood (21 years of age), or, if freed when they were eight years old, the slaveowner was entitled to compensation. This bill was bitterly opposed by the congressional representatives of Rio de Janeiro, Minas Gerais, and São Paulo--the coffee-producing states. The third anti-slavery law was the liberation of the elderly in 1885 (the Saraíva-Cotegipe Law), which freed all slaves over the age of 60, and provided no compensation. Finally, the Abolitionist Bill of 1888 (the Golden Law), put an unqualified end to slavery in Brazil. It provided for no compensation to former slave owners. For an excellent account of the politics of the abolition, including the shift of coffee representatives to support abolition, see Reis (1980: 58-77). J. Martins (1977) concurs that coffee planters supported abolition once they became aware it would free capital.

13. The federal government sponsored immigration programs by which public funds were provided to foreigners for free transportation and

initial lodging. Subsidies covered the transportation costs of 63 percent of the 158,420 immigrants who entered São Paulo between 1888 and 1890, and 80 percent of the 719,595 who came between 1891 and 1900 (Villela and Suzigan, as cited in Reis, 1980: 45). Most immigrants came from Italy.

14. Not only was Minas behind São Paulo and Rio de Janeiro whose first Republican clubs were organized as early as 1870, but its Republican movement was nowhere near as developed as even that of Rio Grande do Sul. In Rio Grande, the Republican movement, once rooted (a Republican party was organized only in 1882), enjoyed strong state support, and acquired a coherent programmatic outlook: it opposed slavery (Rio Grande had few slaves and anti-slavery was gaining in popularity) and endorsed Comtian positivism (Love, 1971: 26-27).

15. Political hegemony during the second reign (1840-1889) belonged to Rio de Janeiro, the country's administrative and financial center and its principal port (Cardoso Silva, 1982: 146), as well as Bahia (Murilo de Carvalho, 1980: 104-107). In 1885, Minas had only 16 percent of the deputies in the imperial legislature, despite having over 22 percent of the population. Rio de Janeiro, Bahia, and Pernambuco all had more ministers.

16. Artur Bernardes, the new governor in 1918, seized from the PRM's founders, but did not dismantle, this oligarchical system. He strengthened the governor's position, but after his successor Raul Soares died in 1924, the party reverted to pre-1918 patterns of oligarchical control (Wirth, 1977: 108-110).

17. Some of these charges were documented in the Jornal do Povo by dissident members of the Executive Commission, Mendes Pimental and Antonio Olinto: falsification by the executive of nominations made by the local directories; flaunting of party norms; substituting police officials in opposition stronghold municipalities; clandestine registration; moving electoral divisions in order to force the abstention of voters; and various other forms of intimidation and cooptation (Lage de Resende, 1982: 181).

18. Lage de Resende (1982: 194) cites the example of the municipality of Carangola, in which the opposition of 2000 voters (out of 2800 registered) all but disappeared within one week after state police forces were sent into the area to brutalize the population. Tens of murders were recorded in the Jornal do Povo.

19. In the municipality of Pitanguí, Sílvio Gabriel Diniz (as cited in Lage de Resende, 1982: 201) discovered 200 voters of an opposition faction were denied registration by the district judge.

20. Tightening up the restrictions on the voting of illiterates would come to be a demand of urban, liberal constitutionalist groups later in the Old Republic as a means of curtailing the power of the landed oligarchy. Enforcement of the literacy requirement would tend to

benefit the urban bourgeoisie because the illiterate vote was manipulated by the agrarian elites.

21. On the origins, structure, and functions of the National Guard, see Uricoechea (1980: 64-75). Also, for detail on the history of the relationship of coroneis to the Guard, see Pang (1973: 67-69).

22. Pang (1973: 77-79) states categorically that the assumption that all coroneis were landowners is erroneous. He identifies at least seven types of coroneis: the coronel-landowner; the coronel-merchant; the coronel-industrialist; the coronel-priest; the coronel-warlord; the coronel-'bandit'; and the coronel-party cadre. In this latter category he describes two sub-types: the party bureaucrat and the city ward boss. While not all these types are likely to have been present in the more developed southern states such as Minas Gerais (especially the coronel-'bandit' and even the coronel-priest are more typical of the hinterlands of the Northeast), some would be better represented in the Center-South, particularly those in urban occupations (merchant, industrialist) and above all the party cadres.

23. José de Souza Martins (1977: 785-786) challenges Dean on the origins of the industrialists. Dean underscored the role of importers, especially their intimate knowledge of the market and their capital, in stimulating the industrialization of São Paulo. According to data he provides, 37 of 65 important importing houses in 1910 had, by the onset of the war, begun to produce directly the goods they previously imported. Martins points out that "It is not the same to say that almost 50 percent of importing houses began to develop some kind of industrial activity than it is to say what is the proportion of all industries at this time that originated from importing houses. In reality, Dean explained what happened to the importing houses, and not what was happening in industry." Martins asserts that the proportion of industries with commercial origins is in all likelihood far lower than the 50 percent suggested by Dean, and, moreover, that some industries which Dean classified as having been initiated by merchants were in fact only purchased by the merchants.

Martins (1977: 786-788) also disputes the importance which Dean attaches to the coffee economy in the industrialization of São Paulo. He dissents especially from Dean's conclusions that coffee provided the money economy that coffee needed (according to Martins, sugar and cotton growing in various regions of São Paulo, which preceded coffee, had already established such a economy), and that cycles of industrialization were related to crises in the export sector.

These objections, even if accurate (as they appear to be), do not undermine Dean's analysis of the posture adopted by the agrarian elites toward industry, nor of the political behavior of the bourgeoisie after 1907, whatever its origins in the nineteenth century.

24. Paulistas were able to obviate many of the differences almost certain to arise between the policy preferences of agricultural and industrial elites in the course of industrialization due to a combination of the limited ambition of industrialists, the posture of

the planters, and chance circumstances. The boom years for coffee (1907-1913) were also boom years for industry, with the success of the coffee economy fueling domestic demand (Fausto, 1981: 46). Industrialists were astutely not willing to "push their gains too far or to press for political advantages at the expense of the planters. ... "It was difficult for the industrialists to conceive of the development of the Paulista economy in terms different from those embraced by the planter and the importer, at least until the 1930s. Self-evidently coffee had created its market; to do it any harm would be nearly suicidal" (Dean, 1969: 69-70).

"Chance circumstances" abetted this outcome. The loci of the most rapidly expanding agricultural and industrial areas were not distinct as in the United States but identical (Dean, 1969: 70), heightening the possibility that the two interests might merge at some point. Also, no conflict materialized over tariffs comparable to that which surfaced in many other countries between industry and agriculture. The planters in São Paulo were quite willing to tax imports, not to protect industry, but to generate revenue. They preferred a duty on imports to an even more painful tax on land or income (Dean, 1969: 70-71). A third circumstance was that the industrialists processed secondary, not primary, Paulista exports. Planters who grew such crops as cotton, sugar, and vegetable oils were quite favorably inclined toward the industrialists who in effect provided them with a secondary market.

25. Schwartzman (1975: 120-123) argues: "The political importance of São Paulo never corresponded to that which its growing economic weight would suggest." In a well-known and controversial thesis, he suggests that the Mineiros developed a different pattern of politics than did the Paulistas, and attributes the failure of the Paulistas to establish political hegemony to their view of politics, and their means of engaging in it: "For the Paulistas, politics was a form of improving their business; for almost all others, politics was their business."

26. São Paulo's tax burden increased from 13 percent of federal receipts in the 1890s to 30 percent in the decade from 1928 to 1937. Still, the Federal District paid in more: 52 percent in the 1890s and 45 percent in the latter period (Love, 1980: 261).

In 1930, a high official of the state of São Paulo's finance department published a book protesting precisely the enormous disparity between what São Paulo and Minas paid into the Union coffers and what they received in return (Schwartzman, 1975: 123). He argued explicitly that in the period from 1922-24, São Paulo had contributed almost one-third of the federal budget, and that Minas Gerais had received the greatest part of those resources. Similarly, in the Constituent Assembly of 1933-34, São Paulo's delegates charged that their state paid a far higher ratio of federal to state taxes than the other two leading states, Minas and Rio Grande do Sul (Love, 1980: 261).

27. Allegedly, his motivation was to ensure the continuation of his economic policies in depression-stricken Brazil. Pang (1973: 85) cites as reasons for his breach of the governors' agreement a personality conflict with the governor of Minas to whom the nomination

would have fallen, Antonio Carlos Ribeiro de Andrada; serious differences in economic beliefs; and domestic pressure from São Paulo.

28. Fraud was commonplace in the Old Republic. One could even say it was institutionalized. Cammack (1982: 57) writes: "[F]raud was widespread in the period, with the registration of the dead or otherwise absent (known as fosforos) and the wholesale writing in of voters (eleições a bico da pena) the most widely used tactics. Success in such endeavors was dependent upon control of the local electoral board and the successive levels at which the declared results were subject to review, ending on the floor of the Chamber of Deputies itself, and therefore invariably attended official candidates. An indication of the extent to which fraud had vitiated the 1930 elections is given by the fact that the new registration for the election of a Constituent Assembly in 1933, which included women for the first time, still produced scarcely more than two-thirds as many registrations as there had been votes cast in 1930."

29. What catalyzed the opposition to act was the assassination of Governor João Pessoa of Paraíba, its vice-presidential candidate. Though assassinated by a local political enemy, it had the effect it did because Washington Luís supported that faction. As Levindo Coelho (1957: 127) recounts the episode: "João Pessoa, then president of the state [Paraíba] was assassinated, which shocked and moved the country. Later the news spread that his assassin would not be handed over for political reasons." Reportedly, Carlos Pinheiro Chagas delivered a rousing eulogy at the graveside in Rio de Janeiro.

30. Resenting the oligarchical grip on the national political scene, the tenentes staged armed revolts in 1922 in Rio de Janeiro and again in 1924, both of which were repressed. They are best known for the "Prestes Column" in which they marched through the Brazilian hinterland for three years from 1925-1927, carrying their message to the interior of the country, all the while eluding federal troops. In 1927, after marching more than 15,000 miles, the column disbanded and several of its members went into exile. Great importance has been attached to the role played by this march, and the Tenentista movement, in eroding the legitimacy of the Old Republic (Carone, 1975: 123-147, as cited in Reis, 1980: 246-247; Forjaz, 1977). The tenentes enjoyed a considerable degree of power in the early years of the Provisional Government (1930-1933), but lost influence after 1932, in part because their presence in government angered other coalition members (Skidmore, 1967: 10). Campos Coelho (1976: 89-91) claims that by 1932, the tenentes had been thoroughly coopted by the civilians with whom they were associated.

31. The claim that the "Revolution of 1930" was a "bourgeois revolution" was advanced by such contemporary political thinkers as Azevedo Amaral and, representing the left, Abguar Bastos (Fausto, 1981: 16). Later, several social scientists attempted to further develop or refine this argument in one form or another. Among them: Werneck Sodre, Wanderley Guilherme, and Andre Gunder Frank. The latter, for instance, viewed the events of 1930 as the movement of emerging

industrial interests against those of the entrenched, agrarian exporting oligarchies (Fausto, 1981: 17-19).

Fausto (1981: 29-43) has methodically demolished the thesis that the "Revolution of 1930" was instigated, propelled, or even endorsed, by the budding industrial bourgeoisie, in either their areas of greatest concentration--São Paulo and Rio de Janeiro--or in the states which championed the Vargas revolt--Rio Grande do Sul and Minas Gerais. He presents a wide array of evidence in support of this claim. First, though small, this bourgeoisie was capable of expressing itself politically, yet never presented an industrial program as an alternative to the system based on coffee interests. Secondly, during the presidential campaign of 1929, the principal industrial associations of São Paulo publicly endorsed the candidacy of Júlio Prestes to continue the government's financial and industrial policies and they did not change their position during or after the "Revolution of 1930". Had they wished to break with the state political machine, they might have taken advantage of the opportunity presented by the rift between the political elites of São Paulo and the central government caused by the imposition of the tenente João Alberto as the federal interventor in São Paulo. Instead, the industrialists, not induced to side with the federal government (João Alberto made the entrepreneurs nervous with his promises to labor), supported the 1932 Constitutionalist Revolt of São Paulo against Vargas' regime.

The Partido Democrático of São Paulo which did oppose Washington Luís and join the Liberal Alliance had no support among industrialists. The party's response to Roberto Simonsen's defense in June 1928 of protectionism is illustrative of its position toward industry: "It is necessary to repeat one million times: Brazil is essentially an agrarian country. We must exploit our land by agriculture, husbandry, and mining. We have 8,500,000 square kilometers, of which 89 percent is virgin land. It is ridiculous to sacrifice this for the benefit of two dozen industries in Rio and São Paulo." Rather, industrialists had close ties with the old Paulista Republican party. The nature of this alliance was not transitory or happenstance, but "intimate and permanent". During the 1920s, various industrial associations raised more money for the PRP than did the old Brazilian Rural Society.

Nor is there any evidence of any connections among the Frente Única in Rio Grande do Sul, who launched the Vargas candidacy, and any industrial interests of that state (or any other). In Minas Gerais, what few industrialists there were in this period (largely concentrated in Juiz de Fora), were allied with Antonio Carlos, and were overshadowed by the agrarian-based oligarchy. And finally, nowhere in the election manifestos of the Liberal Alliance was there any indication of a pro-industrial program.

Fausto (1981: 47-50) similarly discards the hypothesis that the Vargas regime was a "revolution from above", which promoted industrialization and development on behalf of the industrial bourgeoisie in the years from 1930 to 1937. He points out that Vargas' tariff and exchange policies in this period were designed to benefit coffee: industrial representatives harshly criticized in the Chamber of Deputies and in the Senate a commercial accord reached in 1935 with the United States which facilitated the entry of coffee in the US market in

exchange for lower duties on manufactured imports that competed directly with domestically produced goods. While industry did benefit from having some of its representatives appointed to high posts in the Bank of Brazil and in the Ministry of Labor, and incentives helped establish cement factories in the country, there is no evidence that any coherent set of policies was adopted to favor industry. In sum, neither directly, nor through state intervention, did the Revolution of 1930 bring the industrial bourgeoisie to political power.

32. In this "pro-industrial, "anti-aristocratic", state centralizing regime, some observers see the antecedents of the modernizing, centralizing dictatorship of the 1960s and early 1970s.

33. Size of Largest State Militias and Federal Troops, 1917 & 1928

	<u>1917</u>	<u>1928</u>	<u>% Increase</u>
São Paulo	8,618	7,622	-11.56
Minas Gerais	2,976	4,111	38.13
Rio Grande do Sul	2,528	3,212	27.05
Bahia	2,200	3,153	43.31
Brazil (federal troops)	24,070	40,926	70.02

Source: Henry H. Keith, "Armed Federal Interventions in the States During the Old Republic," in Henry Keith and Robert A. Hayes (eds.), Perspectives on Armed Politics in Brazil, (Tempe, Arizona, 1976), pp. 59 and 64 as cited in Reis, 1980: 229.

From 1927 to 1937, armed forces of all states registered a modest increase (from 28,000 to 38,000) in relation to the sharp rise in federal troops (from 38,000 to 75,000) (Levine, 1970: 157, as cited in Reis, 1980: 230).

34. When the pro-Vargas political party was in the process of being formed, political elites in São Paulo and Minas Gerais voiced a preference that political parties be regional entities, as they had been in the pre-Vargas era. It has been suggested that through regional parties, these oligarchies would hope to recreate Old Republic politics, especially the "café-au-lait" alliance (Hippolito, 1985: 120-121). In the new regime, however, Getúlio Vargas was able to impose over the objections of the Paulista and Mineiro representatives the decree of national, rather than state-level parties. In this, he was supported by such states as Pernambuco and Rio de Janeiro. While São Paulo and Minas formally lost out on this score, the regional branches of the PSD were given a great deal of autonomy, and in practice, the party became as decentralized as government had been in the Old Republic.

35. While he was deposed in 1947, the movement which ousted him was spearheaded by his fellow Mineiros.

36. Benevides (1981: 35) suggests they did so to outflank Vargas, who was himself moving in this direction -- undoubtedly due to the

impending Allied victory in the War and the presumed demise of fascism in Europe.

37. Benevides (1981: 48) states that of all "illustrious old politicians", the support of Artur Bernardes for the Brigadier (as he is called in Brazil) was the most difficult to secure. Apparently, upon being invited to join the UDN, Bernardes had said, "I don't know Mr. Eduardo Gomes. There has been only one incident between us to this day: this military man, in 1924, flew a revolutionary mission against my government [Bernardes was president of Brazil from 1922-1926]. Nonetheless, if he has all the qualities that people attribute to him, there is no reason that he shouldn't be my candidate to lead this country".

38. Cardoso (1978) qualifies the standard interpretation of the PSP as a populist party; he suggests it behaved as a clientelistic party with ties to the state.

39. Cammack (1982: 57) makes such an argument and suggests that Nunes Leal's perspective (Nunes Leal had argued in 1948 that coronelismo reached its apex in the Old Republic) was blurred by contemporary events. He points out that prior to 1930, less than four percent of the population was eligible to vote, and the prevalence of fraud made dependent votes attached to an individual a doubtful asset. Control of the electoral machinery would appear to have been more important than the ability of an individual to produce dependents to vote with him.

40. Juscelino Kubitschek to some extent represents an exception to the iron control they maintained over the party; the nominee of the party for governor of Minas in 1951 and again for president of Brazil in 1955, his candidacy was not the first choice of the party machine, but rather was won in a grass-roots campaign. Yet, despite the degree to which Kubitschek was an outsider, his case was (1) rare, and (2) represented no threat to the oligarchical system. He made no attempts to reform either the PSD or Brazil. He did, however, demonstrate the ability to secure votes, to win the adherence of local elites to the PSD, and the other pre-requisites for membership in the higher echelons of the oligarchy.

41. When parties submerged their labels to contest elections as coalitions, it is impossible to disaggregate the percentages of the vote each party received. For this reason, we conform to the customary use of the number of seats won as an indicator of popular support for the parties.

42. See Trindade (1978) for an account of the strength of the populist parties in Rio Grande do Sul. He suggests the populist - anti-populist divide was the most important axis of political conflict in the state.

43. Cammack (1982: 56) dissents from this consensus. He argues that throughout the Old Republic, policy considerations and economic

interests were decisive in shaping alliances and divisions within the state and between the state and the federal government. He bases this claim on the differential impact of certain policies on different regional landed interests in Minas Gerais.

CHAPTER THREE
THE STATE AND ECONOMIC TRANSFORMATION

Introduction

The new Brazilian regime established after the 1964 coup d'etat was the first "bureaucratic-authoritarian" regime in South America. If the coup's civilian backers expected the military to deliver to them the reins of state, they soon learned the officer corps had its own agenda. The military intended to stabilize the economy, rationalize production, hold wages and inflation in check, and set Brazil on a path of capitalist development. The centerpiece of the strategy to accomplish these aims was to attract private and especially foreign capital investment to develop industries in such advanced sectors as consumer durables and capital goods.

The problem with what was initially a liberal state plan was that the private sector was too weak and capital-poor to take the initiative to lead this development, and foreign capital needed to be prodded to assist in developing Brazil. The Brazilian state was forced to assume an even more significant role in the economy to compensate for the deficiencies of the private sector than it had performed in the postwar period.¹ After the regime change in 1964, state involvement in the economy became more pervasive, and the nature of the state's role changed from that typical of a state in a late developing capitalist society, subsidizing the private sector by building infrastructure and providing social support, to one that might be called "state capitalist" (Baer et al, 1976). The state organized and controlled investment, launched major new lines of industries and steadily increased its domination over the private sector of the economy. It also contributed capital for joint ventures with foreign enterprises, and negotiated

foreign investment on reasonably favorable terms for Brazil. Its success in attracting multinational capital to invest in dynamic manufacturing sectors (in a departure from the old multinational pattern of investing exclusively in primary sector activities--mining and agriculture) led Cardoso (1972) and Evans (1979) to label Brazil's phenomenal growth "dependent development".

Much of the Brazilian 'economic miracle' of the early 1970s was located in Minas Gerais. The interests of the federal and state governments, local elites, and foreign and national businessmen converged around developing the regional economy, particularly industry in advanced, dynamic sectors. The Brazilian state established major steel and metalworking plants in Minas in the 1970s, and foreign investors particularly responded to fiscal incentives offered by the state when choosing where within Brazil to locate their plants. One observer, noting the prominent role of the state government, state and foreign capital, and technocracy in the upper echelons of the state apparatus, represented Minas' industrialization, in both its economic and political dimensions, as a "replica" of the larger Brazilian model of industrialization (Grossi, 1977). For the first time in the century, Minas no longer lagged behind the major industrial centers of the country.

One might have anticipated the fundamental transformation of a predominantly agricultural economy into an industrially-based one would be accompanied by profound political change inherently threatening to traditional elites. Yet, it was not. "State capitalist" development produced different political results than "liberal capitalist"

development might have. In restructuring patterns of economic ownership and redrawing the lines between public and private economic activity, state capitalism produced a distinctive constellation of classes and class power, enhanced state resources and the political value of state positions, and offered unanticipated opportunities to extend dominance for a political elite rooted in the state. The movement of national resources from agriculture into industry did not lead to a transfer of power from agrarian to industrial elites because the Minas bourgeoisie played only a secondary role in local industrialization. Rather, the position of the state elite was strengthened. The stakes in controlling the state rose even higher with the growth of popular classes only loosely attached to the private sector. The modernization of agriculture evicted peasants, but most were unable to find adequately compensated work in the private sector of the economy. They would instead eventually come to depend upon state transfers and other public sector resources. The proletariat which did form was small and geographically isolated, diminishing its potential political role.

Brazilian "State Capitalism"

In 1940, Rudolf Hilferding (1971: 511-512) challenged the thesis emerging among European Marxists that the Soviet economic system under Stalin was "state capitalist". In Hilferding's view, the concept of state capitalism could "scarcely pass the test of serious economic analysis". Once the state became the owner of all means of production, he reasoned, the functioning of a capitalist economy was rendered impossible. "A capitalist economy is governed by the laws of the market ... A state economy eliminates precisely the autonomy of economic laws." Hilferding's objections notwithstanding, state capitalism as a concept has gained even wider acceptance today, especially among scholars puzzling over how to understand the vastly expanded role of the state in the economies of both developing and developed countries.

Despite, and perhaps because of, its wide usage, "state capitalism" remains an ill-defined concept (cf. Canak, 1984). O'Connor (1973) in a chapter entitled "An Anatomy of American State Capitalism", nowhere defines the term. Similarly, Baer et al (1976) do not attempt to delineate what state capitalism means. Implicitly, they treat it as a residual category, conforming neither to Anglo-Saxon [liberal] capitalism nor to centrally-planned socialism. The problem with this conception of state capitalism which equates it with a mixed economy is that patterns of state involvement in the economy as diverse as those characterizing Bismarckian Germany and Tsarist Russia, the post-war welfare states of advanced industrial societies, and contemporary Third World 'revolutions from above' can all be considered "state capitalist". Indeed, virtually all countries in the modern world display

characteristics of "state capitalism", thus viewed: this usage of state capitalism might even better describe the economic systems of most contemporary countries than "liberal" capitalism and "socialism".

A minimum consensus holds that in state capitalism, the state is the motor of economic development: it sets basic prices, it contributes substantially to the domestic product through its capital and current expenditures; it is the leading financier, controlling savings and investment; and it establishes productive enterprises in the commanding heights of the economy. Of these functions, the most salient are the state's own contribution to investment, its control over crucial variables that determine private investment decisions, and its network of productive enterprises in key economic sectors. In principle, a minimum, quantifiable level of state involvement in these economic activities could help define state capitalism, as could an indication of which productive sectors should be under state control. These specifications alone, however, would not distinguish "state capitalism" from other forms of capitalist economic organization. While the state necessarily subsidizes investment and operates its own enterprises in state capitalist societies, it performs similar roles in certain advanced industrial societies which are not "state capitalist".

"State capitalism" cannot be understood by purely economic measures. Its definition must also be framed to incorporate two political variables: Who is the dominant state elite? How autonomous is this elite from private sector elites? In free-market or liberal capitalist economies, state elites with no independent economic interest serve the interests of a more powerful bourgeoisie: state intervention

in the economy enhances private profit by socializing the cost of overhead and by absorbing losses in key service industries. In state capitalism, in contrast, the state's participation in the economy does not necessarily complement, and may bring it into conflict with, the private sector (Freeman, 1982; Sorj, 1983).³ State enterprises attempt to maximize profit in order to accomplish state, not private objectives; state elites are not accountable to the bourgeoisie (though this does not preclude their alliance with other groups or classes). We may therefore define state capitalism as an economic system broadly organized according to market principles (although the market is often contravened in setting prices and wages) in which politically dominant state elites use the state's control over investment and production to achieve state-defined economic goals. This conception of state capitalism is akin to Guimarães' (1977) notion of "state-dominated capitalism".⁴

The Brazilian economy since 1964 has been organized along state capitalist lines. Direct state involvement in the economy in Brazil antedates contemporary "bureaucratic-authoritarianism" and "dependent development", but the state's many roles in the economy have grown, eclipsing the private sector, since the change of regime. The Brazilian state first became a producer when it created the National Steel Company (1941) and the Rio Doce Valley Mining Company (1942). During Vargas' second term the state ventured into the business of electrical power, which had been a bottleneck to industrialization (Evans, 1979: 87-93), and petroleum (1953). Since the regime change, however, the state's

holdings have grown steadily. One hundred and eight federal state enterprises were added to the state sector from 1967 to 1973 (Araújo, 1977: 238). This explosion in state enterprises continued, even after the "miracle" had been exhausted. In 1983, there were 683 public sector companies (195 federal, 372 state, and 116 municipal) (Visão, 1983: 431). These enterprises dominated the commanding heights of the economy. In the 1970s and early 1980s, they consistently topped Visão's "Who's Who" of the 200 largest non-financial corporations: in 1982, 79 state enterprises controlled three-quarters of the net assets and accounted for half of the sales in this elite category (Visão, 1983). The advancing dominance of state firms was visible throughout the economy. The public enterprise share of net assets of the largest nonfinancial firms in Brazil rose from 39 percent (of 5113 companies) in 1974 (Baer et al, 1976) to 50.5 percent (of 8480) in 1983. Also in 1983, state enterprises accounted for over half (51.2 percent) of ⁵ Brazil's financial institutions. These enterprises dominated the petroleum, transportation and storage, mining, metallurgical (especially steel), and public utilities sectors for at least a decade (Table III-1). Only in the case of the petroleum industry has the state's participation declined: exploration by foreign corporations was permitted after the oil shocks in order to alleviate Brazil's acute energy crisis.

Unlike in many advanced industrial societies where governments subsidize lame ducks to maintain vital services and service industries, in Brazil state enterprises in both the productive and financial spheres ⁶ generated surplus, at least until the recession of the 1980s. Prior

Table III-1

Brazil: The State's Productive Sector, 1974-1983

Sector/Subsector	State Firms - Percent of Net Assets			
	1983(1)	1980(2)	1975(3)	1974(4)
Mining	62.0	61.5	61	62
Metallurgy [Metal Products] (iron and steel)	60.5 (81.6)	37.8 (62.5)	40	34
Chemicals and Petroleum (chemicals and petro- chemicals) (petroleum)	50.8 (25.0) (82.7)	58.0 (22.4) (85.0)	55 32* 98	
Transportation and Storage (railroads) (storage)	88.9 (100.0) (75.1)	89.6 (100.0) (78.8)	89	78
Public Utilities [Services]	98.3	98.5	90	88

*Martins does not make plain which subsectors this figure comprises, and thus we should not necessarily conclude that the state's share of this sector has declined.

Sources: (1) Visão, 1984; (2) Visão, 1981; (3) L. Martins, 1977, Appendix: 17-18; (4) Baer et al, 1976; Faucher, 1980.

to 1964, Brazil's state enterprises behaved pretty much as state enterprises do in 'liberal' capitalist economies. Public sector pricing, especially in the railway services, electrical energy sector, and steel industry essentially subsidized the cost of industrial inputs to the private sector (Mendonça de Barros and Graham, 1978: 8; Faucher, 1980: 16). This practice fueled inflation and drained the national treasury. Following the coup, a priority and accomplishment of the stabilization plan was for these enterprises to operate in the black. They became profitable in absolute terms, by international standards, and relative to the private sector. Trebat (1981: 49-51) attributes the profitability of Brazilian state enterprises, especially compared to their Mexican counterparts, to the fact that Brazilian firms were not saddled with many "social objectives", and that they were reasonably unfettered in their price setting. After 1966, they were much more concerned with accumulating a surplus which could be used to finance investment spending than Mexican public corporations which generally subsidized the private sector by running losses on current operations.

The performance of state enterprises compared favorably with private sector firms until the 1980s. Private enterprise was unable to compete with public sector firms for capital in the stock market, for, "according to any criteria of an expected rate of return, public enterprises [were] a more secure and remunerative portfolio investment for prospective stock-holders than private firms" (Mendonça de Barros and Graham, 1978: 14). The situation changed after 1980, when a severe recession had a more damaging impact on public than private sector firms (Visão, 1983: 23).

The influence of state firms, moreover, extends beyond their own operations. Mendonça de Barros and Graham (1978: 8) point out that as buyers of capital goods, public enterprises are an important market for domestic heavy industry. The large capital investments of these firms can also have a multiplier effect on the entire economy. In 1974, state-owned enterprises accounted for more than 26 percent of all investment in the Brazilian economy. When combined with government investment, the public sector's share of total investment was over 60 percent (Coutinho and Reichstul, 1977: 63).

The state also dominates financial markets. For at least a decade, state financial institutions have been by far the most important source of investment capital for the private sector: in 1974, the state supplied 72.2 percent of all investment loans to private borrowers, and 43.5 percent of working capital loans (Cipolla, 1977: 100); in 1983, 71.6 percent of all loans conceded by Brazil's development and investment banks were made by the official federal and state government development banks (and one public investment bank) (calculated from Visão, 1984: 386). The actual percentage of investment originating from within the state is even higher, for these figures do not include the investments of the National Housing Bank (BNH) targeted to urban development and housing.⁸ In 1980, nearly half of housing loans originated in the BNH; some were authorized directly, the rest through other financial institutions. All private commercial housing bank loans were from credit lines made available by the National Housing Bank (IBGE, 1983: 902).

The metamorphosis in the state's role in the economy produced a

marked expansion in state resources: during the 1960s and 1970s, state revenues and expenditure rose in real terms, on a per capita basis, and in relation to the gross product. General government expenditures (including state and municipal governments, but excluding state enterprises) as a percent of GDP rose from less than 20 percent in 1949 (Baer et al, 1976: 73) to approximately 24 percent in the 1970s (IBGE, 1983: 948, 956).⁹ In comparative terms, this rate has been higher over the period of the past two decades as a whole than that of the other major economies in Latin America. The rise in federal state spending was made possible by the sharp increase in the state's revenue base. Between 1965 and 1969, the number of federal income taxpayers rose from 400,000 to 1.5 million (FJP, n.d., I: II-2). Revenue was also enhanced by indexing tax payments in arrears. The gross tax burden (27 percent in 1973 and 28 percent in 1981) is the highest in Latin America, as was the public sector's gross capital formation until it was surpassed by Mexico's after 1975 (Baer et al, 1976: 73; FitzGerald, 1979: 214; BID, 1984: 231, 262, 273, 289, 357, 391). While the central government was the principal beneficiary of increased state revenues, this visible increase in spending extended to other branches of government: the states of Brazil taken as a whole saw their shares of gross product rise on average nearly 10 percent per year from 1970 to 1976 (FJP, n.d., I: IV-14).

The private sector felt constrained by the state's control of the economy. The business magazine, Visão (1981: 411; 1983: 432-33), complained for several years that despite the government's declared commitment to privatizing state firms, the growth in the number of

public enterprises continued (only in 1984 did the number of state enterprises level off), and that this expansion left little room for private enterprise:

According to our figures, in terms of net assets, more than half the Brazilian economy belongs to the government. On the monetary side, government financial institutions represent more than 50% of the assets of all banks and intermediary financial institutions in the country. If, in addition to the government as entrepreneur, we consider the other forms of state intervention in economic activity, such as price controls, state monopolies and favors, interference in capital markets, excessive taxation, etc., we come to the somber -- but true -- conclusion that little space is left for private enterprise in the Brazilian economy (1983: 432).

The Industrialization of Minas Gerais: State and Bourgeoisie

Most studies upon which our understanding of the Brazilian bourgeoisie and its relationship to the state are based have focused on São Paulo, the site of the country's most advanced industry. In perhaps the best known work on this subject, Evans (1979) found the predominantly São Paulo-based Brazilian bourgeoisie to be an active partner in a triple alliance of state, foreign, and national capital primarily responsible for Brazil's development in the 1970s. Its "most surprising and impressive" strength was perhaps abetted by its long establishment: the Paulista entrepreneurial class came into existence prior to World War I (Cardoso, 1965), and was fully formed by 1945.¹⁰ In Minas Gerais, where the local bourgeoisie began from a less established position and the state's relative role in economic development was more pervasive, native industrialists were weak,

dependent on the state, and marginal to industrialization.

In the early 1960s, private Minas capital was concentrated in the "traditional" industrial sector, a plethora of small-scale, family-run production units with outmoded managerial practices; low growth rates, low levels of technology, productivity, and efficiency; obsolete equipment; and less than optimal plant locations (BDMG, 1968, I: 23, 180-83; Campolina Diniz, 1978). In contrast, local capital in the "dynamic" industrial sector, which accounted almost exclusively for the industrial growth registered in Minas in the 1950s and 1960s, was limited to a few non-metallic minerals and construction industries, in a sector otherwise dominated by state and foreign capital. In 1965, economic groups with headquarters in Minas Gerais were found by Queiroz (1965) and Martins (1965) to be practically non-existent. Of 83 groups (out of an estimated universe of 221) whose capital assets ranged from one to four billion cruzeiros, 54 were owned by nationals, and of these 54, only two were headquartered in Minas (Martins, 1965: 85). Of those 55 groups whose capital assets exceeded four billion cruzeiros, five had their decision-making centers in Minas, but at least two were foreign (Queiroz, 1965: 65).¹² Locally-owned groups' principal activity was not manufacturing industry: one group was predominantly involved in banking, and the other in the export-import business.

The rudimentary character of Minas industrialists was brought to light in an industrial survey of firm size, wages and salaries, and productivity in five Brazilian states based on 1960 census returns conducted by the Minas Gerais Development Bank (BDMG) (Lamounier, n.d.). Of the five states--Guanabara, São Paulo, Minas, Rio Grande do Sul, and

Bahia--Minas' composite score on 13 indicators of entrepreneurial structure was fourth, and the gap dividing first and second ranked Guanabara and São Paulo from the other three states was substantial¹³ (Table III-2). In all major indicators, Minas fell far behind the country's most advanced regions. Its average firm size was one-third that of Guanabara's, and its average wages and salaries two-thirds the level paid in the city of Rio. The survey's author flagged wages and salaries as an important measure of industrial development; more advanced industries tended to pay their employees better salaries. Also significant was the percentage of stock-issuing companies (number 6); here, too, Minas lagged far behind Rio and São Paulo. In labor productivity (number 8), it ranked last. The only indicator in which Minas was competitive, the percentage of blue collar workers in the total industrial labor force, should have been omitted.¹⁴ Only Bahia, a relatively backward northeastern state, ranked lower.

Studies of state industry conducted by the Minas Gerais Development Bank in the early to mid 1960s criticized the small scale, low wage levels, and low capital and labor productivity of Minas industrial establishments. They especially found fault with the low rate of private investment in productive sectors, and the persistence of family-owned ("traditional") enterprises as the primary organizational form in local industry. The technocrats who wrote these studies largely blamed local entrepreneurs, whom they perceived to be incompetent or uninterested in industrialization, for the failure of Minas to industrialize in the preceding decades. In 1968, in the Diagnóstico da¹⁵ Economia Mineira (BDMG, 1968, I: 42-43), the technocrats charged:

Table III-2

Indicators of Entrepreneurial Structure in Five Brazilian States'
Industrial Sector, 1960

Indicators	Guanabara	São Paulo	R.G. Sul	Minas	Bahia
1	33.15	22.93	10.66	11.37	8.40
2	26.31	18.89	9.39	10.05	6.53
3	99.00	94.00	70.00	62.00	56.00
4	5,824.00	5,649.00	1,947.00	2,208.00	1,440.00
5	10,547.00	8,327.00	3,033.00	2,723.00	2,254.00
6	74%	50%	42%	29%	11%
7	3.683	3.123	3.466	2.624	2.607
8	318.00	363.00	284.00	239.00	268.00
9	400.00	437.00	322.00	270.00	345.00
10	1,201.00	1,153.00	628.00	326.00	196.00
11	2,101.00	1,610.00	484.00	352.00	163.00
12	1.7	1.3	0.7	1.0	0.8
13	79.0%	83.0%	88.1%	88.3%	77.0%

Key to Indicators:

1. Average number of persons employed per establishment.
2. Average number of blue collar workers per establishment.
3. Salaries and wages paid during 1959 - average per person employed - in new cruzeiros.
4. Applied capital per establishment - in new cruzeiros.
5. Value of industrial transformation during 1959 - average per establishment.
6. Establishments organized as stock-issuing companies (corporations, limited companies, or partnerships) - percent of all establishments.
7. Value of production during 1959 by applied capital (capital productivity).
8. Value of industrial transformation during 1959, by personnel employed (labor productivity) - in new cruzeiros.
9. Value of industrial transformation during 1959, by blue collar workers employed.
10. Average value by establishment of inventory of products as of 12/31/59 - in new cruzeiros.
11. Average value by establishment of inventory of inputs as of 12/31/59 - in new cruzeiros.
12. Input inventory over product inventory.
13. Percentage of blue collar workers in total industrial labor force.

Source: Lamounier, n.d.: 22.

Their [the Minas entrepreneurs'] direct contribution in terms of industrial investments ... was appreciably low. ... It seems safe to conclude that private investment in the industrial sector grew at an unsatisfactory rate, while capital applied in sectors deemed unproductive experienced a considerable increase. ... It seems plausible to characterize as conservative, or better, as undynamic, the participation of the Minas entrepreneurial class as an agent of the economic development process, as indicated by the persistence of traditional organizational forms (family enterprises) and the maintenance of outdated managerial practices. ... The conduct of the entrepreneurial sector, in sum, is not characterized by the degree of aggressiveness typical of the so-called "entrepreneurial spirit", which, in other contexts, has characterized the modernizing behavior of the entrepreneurial elite.

This assessment was not entirely accurate. Local businessmen were not uninterested in industrialization. For years, they had urged the state to assist in establishing basic industry in the region. In the early 1960s, the Minas Gerais Federation of Industries (FIEMG) urged the creation of a state development bank to be patterned after the federal entity, the Banco Nacional de Desenvolvimento Econômico (BNDE) (founded in the 1950s), to provide long-term finance capital for industrial projects. Their clamor brought about the establishment in 1963 of a state development bank in Minas, the BDMG, which narrowed the shortfall
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in available financing for industry. Minas entrepreneurs were similarly enthusiastic about the organization of a network of productive sector state enterprises to equip the industrial sector with valuable infrastructure, exploit the state's natural wealth, and otherwise
17
contribute to industrial development. One of the first state enterprises was CEMIG, the state electric company, which figured

prominently in then governor Juscelino Kubitschek's priority program to furnish "energy and transportation" in the early 1950s. Shortly thereafter, public and mixed enterprises sprang up in sectors which were at that time defined outside the sphere of public competence. METAMIG was created to foster industrial projects in the mining and metals transforming industries, an important sector given the resource base of Minas. In the same vein, to stop the tide of what Mineiros perceived to be the export of their raw materials to Rio de Janeiro and São Paulo for processing, regional meat-processing plants were introduced in the North and Northeast of Minas to handle native production of beef and pork. As one Minas observer (Dias, 1968/1969: 122-123) wrote:

Wasn't there strong pressure from the producer classes in the constitution of, for example, FRIMISA, METAMIG, AÇOMINAS, and USIMINAS? In the latter case, this influence is evident. The initial idea for the constitution of this firm arose from the entrepreneurs' associations. Of course USIMINAS does not properly represent a state [of Minas] mixed enterprise, as the participation of BNDE is greater than that of the government of Minas (which entered initially with approximately 20 percent of the shares) but the organization of this company depended in large part on state legislation. In the other cases mentioned above, there was also initiative within the [business] interest associations. The idea of constructing a steel factory in the Paraopeba Valley echoed almost like a refrain--such was its constancy--in the meetings of Minas entrepreneurs. The network of meat processing plants was, in turn, supported by the same entrepreneurs.

But this only led state technocrats to accuse Minas entrepreneurs of "demanding and not participating" (BDMG, 1968, I: 42), encouraging the state to undertake the task of industrialization on its behalf. In their view, local entrepreneurs had, by their inability to carry out a

project for industrialization, in effect forfeited their claim to lead this process.

Beginning in the mid 1960s, a pro-industrial state economic policy was put into place to speed economic development. The state took the lead in Minas' industrialization by creating several agencies to facilitate development and promoting technocrats within them to responsible positions (L. Andrade, 1980); enacting fiscal and other incentives for private investors; and providing directly a majority of investment and financial capital. Among the more prominent of the new state agencies were the Institute for Industrial Development (INDI), created in 1969 to accelerate the state's economic growth, and the Industrial Districts Company (CDI), created in 1971 to provide basic infrastructure necessary for industrial plants. INDI aggressively courted investors throughout the developed world, making available market and sectoral studies to tempt them to set up operations in Minas Gerais (Grossi, 1977; Suzzi, 1980). The CDI cleared land and supplied water and sewerage facilities at state expense in order to reduce the cost of new industrial investment and enhance the attractiveness of various sites throughout the state for potential investors.

Substantial fiscal incentives guaranteed Minas' success in inducing private capital to invest in the state. An attractive fiscal incentives law was enacted in 1969 which returned to investors a tax rebate of 25.6 percent of the federally-levied but state-collected sales tax (ICM). Two hundred and seventy-eight firms took advantage of this particular incentive before the federal government, under pressure from Paulista constituents who were losing to their northern neighbors, outlawed such

manipulation of the ICM in 1975. Minas replaced this incentive with yet another attractive one, a Fund for the Support of Industrialization, which provided working capital loans free of interest and monetary correction to companies who invested in new manufacturing projects or in a 50 percent or greater expansion of their physical volume. Also, all companies based in an industrial district established by the Industrial Districts Company were exempted from municipal real estate taxes for a period of ten years (INDI, 1978: 129-133). Finally, the state also granted import credits for a broad range of industrial inputs to investors in heavy industry.

Not only did the Minas state government create a favorable climate for investment, but public capital also constituted the lion's share of new industrial investment--64 percent in the boom years from 1970 to 1977. The proportion of state investment is bloated by two giant steel projects, Açominas and Usiminas, which together account for 49 of the 57 billion cruzeiros the state invested in this period, but its key role in the industrial economy should nevertheless not be understated: SEPLAN has calculated that federal public investments were responsible for 33 percent of the Minas manufacturing gross internal product from 1970 to 1977 (SEPLAN, 1978, 8: 82). The state participated directly and indirectly in capital investments of major industrial projects. The best known, and perhaps largest, was FIAT. The Italian automobile manufacturing giant was enticed to install a plant in Betim, a município bordering Belo Horizonte, marking the first time in Brazil that an automobile factory had located outside of São Paulo. FIAT maintained majority control in an industrial project in which the state of Minas

provided 44 percent of the firm's capital. The importance of investments such as these extended beyond the principal project to the supporting industries they spawned.

State capital was augmented by foreign and non-Minas private capital. Multinational firms financed ninety-two projects, 70 of which represented new industries, and 22 the expansion and/or modernization of existing plants. Foreign capital, concentrated mainly in the capital and consumer durables sector, represented 20 percent of the investments of the 1970s (Table III-3). In 1976, after many of these investments would have come on line, two-thirds of the net assets of the 1985 existing principal industrial corporations in the state were foreign- and state-owned (Table III-4).

This strategy was quite successful in propelling industrial growth. Between 1960 and 1977, Minas Gerais underwent a metamorphosis from an agrarian state to one in full industrialization. In 1960, the agrarian economy contributed one-half of the state's income (BDMG, 1968, I: 140), and employed three out of every five Mineiros (SEPLAN, 1978, 7, I: 171). From that date to 1977, annual industrial growth rates averaged 11 percent and the manufacturing sector bettered its share of the Minas gross internal product 10 percentage points and nearly doubled its payroll. By far the most striking gains were achieved during the 1970s, when the industry-wide average growth rate was 16.5 percent per annum, and non-traditional industries scored especially impressive growth: capital goods and consumer durables expanded by more than 27 percent per year, and chemicals, by 34 percent (SEPLAN, 1978, 8: 5). Minas also outperformed all other Brazilian states but São Paulo in industrial

Table III-3

Minas Gerais: Industrial Investments, 1970-1977
(in thousands of 1975 cruzeiros)

	Private National	(%)	Foreign	(%)	State	(%)	Total
Non-Durable Consumer Goods	4,824,540	76	1,540,608	24	---	-	6,365,148
Intermediate Goods	8,836,703	12	9,949,036	13	55,922,987	75	74,708,727
Capital Goods and Consumer Durables	828,421	10	6,647,434	80	816,501	10	8,292,356
TOTAL	14,551,592	17	18,137,078	20	56,739,488	64	89,428,159

*Only projects in operation or with installation begun by 12/31/77.

Source: SEPLAN, 1978, 8: 23, 97.

Table III-4

Distribution by Capital of the Principal
Industrial Corporations of Minas Gerais, 1976*
(in percent)

Sectors	Net Assets		
	National Private	Public	Foreign
Non-Durable Consumer Goods	90.9	4.4	4.7
Food	82.0	10.0	8.0
Beverages	76.0	-	24.0
Tobacco	-	-	-
Textiles	100.0	-	-
Clothing and Shoes	100.0	-	-
Woodworking	-	-	-
Furniture	100.0	-	-
Furs, Skins, and Related	100.0	-	-
Printing	-	-	-
Intermediate Goods	21.7	37.0	41.3
Paper	9.3	90.7	-
Rubber	-	-	-
Chemicals	32.0	32.6	35.4
Non-Metallic Minerals	71.9	-	28.1
Metallurgy	14.1	40.1	45.8
Capital and Durable Consumer Goods	39.7	24.2	36.1
Machinery	12.4	67.6	20.0
Electrical and Communica- tions Material	17.6	-	82.4
Transportation Material	100.0	-	-
Various	-	-	-
TOTAL	35.1	30.4	34.5

*The 185 corporations whose assets have been compiled in this list form part of a larger study of the 500 largest corporations with headquarters in Minas conducted by the Superintendency of Statistics and Information, a division of the Minas Gerais Secretariat of Planning. These 185 represent the total of manufacturing industries. I have chosen to represent only the net assets of the firms. By the standard of liquid fixed investment, the percentages of public enterprises are higher, and national and foreign private are lower. By that measure, the distribution of capital was 22.7 percent national private, 57.2 percent state, and 20.1 percent foreign.

Source: SEPLAN, 1978, 8: 95.

investment. Its investment rate (the ratio of liquid investment to industrial product) was nearly 50 percent, twice the national rate in the same period (SEPLAN, 1978, 8: 54). In fact, the state captured fully one-quarter of the value of all fixed investment in Brazil for the years 1971 through 1977 (SEPLAN, 1978, 8: 47).²² Minas specialized in intermediate goods. In 1982, the state produced 40 percent of Brazil's steel (IBGE, 1984: 202).

"Private national" capital constituted 17 percent of industrial investment, but this category tells us little about the role played by local Minas capital. A large part of the private national capital component is accounted for by non-Minas industrialists, principally from the state of São Paulo. Many firms relocated or set up new operations in Minas because industrial overcongestion in the environs of São Paulo had restricted opportunities for physical plant expansion. The fiscal incentives offered by the state of Minas induced investors who could otherwise have transferred operations elsewhere in the state of São Paulo to settle instead on the South of Minas. A survey of all investments in the South of Minas and existing plant expansion and/or modernization contracted up to 1975 which benefited from fiscal incentives shows a high proportion of Paulista capital in the industries in this region. Of 21 national firms for which data were available, at least 11 were known to be headquartered in São Paulo.²³

While the private national capital component of all industrial investments is not available in disaggregated form, this type of breakdown does exist for the industrial projects assisted by the state's Institute for Industrial Development (INDI), about nine-tenths of all

investments in industry during the 1970s. ²⁴ Table III-5 presents data on projects divided according to controlling capital, differentiating private national capital from local, Minas capital. ²⁵ Unfortunately, the percentage distribution by capital ownership of INDI-assisted projects and those recorded in the Secretariat of Planning is not comparable because of the omission of the Açominas project from the INDI data, ²⁶ making it impossible to arrive at a precise figure for Minas private capital. We may confidently estimate, however, that the Mineiro component of private national investment is far lower than the 16.3 percent of total industrial investment from 1970 to 1977 (Table III-3). If the (2:1) ratio of national to Mineiro capital in the INDI figures is used as a guideline, the share of local capital could be as low as five percent.

The economic weakness of the local industrialists situated them poorly to capitalize on the incentives offered and opportunities presented by the state's industrialization drive. Private entrepreneurs in Minas were unable to marshal the capital required to launch non-traditional enterprises, even with state fiscal incentives, state development bank financing, and foreign technology. Of those capital goods and consumer durables industries installed after 1970, only one, short-lived, micro-electronics firm, Transit, was the venture of local ²⁷ Minas entrepreneurs. The Minas bourgeoisie was also apparently unable to form joint ventures with state and foreign capital. Evans (1979: 281) has drawn attention to the potential importance for local firms to form partnerships with multinationals and the state, judging the ability to build alliances to be at least as, perhaps more, significant than

Table III-5
 INDI-Assisted Projects:
 Distribution by Controlling Capital, 1980

	Number	Percent of Investment	Number of New Jobs	Percent of New Jobs
National	145	30.0	39,836	33.0
<u>Mineiros</u>	204	15.8	32,464	26.9
Foreign	90	45.7	45,465	37.7
State	5	8.5	2,903	2.4

Source: INDI, 1980.

entrepreneurship. Certain São Paulo based groups--Matarazzo and Antunes, for example--were able through these alliances to build extremely powerful positions, gaining "benefits quite out of proportion to their contribution of capital or technology." In Minas, this did not happen. Local entrepreneurs did not, for example, participate in the spate of projects which sprang up around FIAT. Among the many supporting industries in the metals, plastics and other sectors that the establishment of an auto industry in Minas generated were joint ventures between foreign firms and the state government, such as the FMB foundry in Betim and Forjas Acesita in Santa Luzia; fully foreign firms, such as Formin of Italy in Sete Lagoas; and Paulista firms such as Commander and Plásticos Mueller in Contagem. ²⁸ Apparently, local capital was unable to find a niche in Minas' industrialization as international and non-Minas private capital had. Unlike the entrepreneurs studied by Evans who aggressively bargained their way into joint ventures with foreign and state capital, Minas entrepreneurs lacked either the interest or the leverage with which to negotiate entry into lucrative projects.

They were also unable to purchase already operating establishments from the state on terms intended to facilitate the transfer of controlling stock to the private sector. The Brazilian state in 1981 announced its intention to sell public enterprises as part of a "debureaucratization" and "destatization" campaign. Before the first list of firms for sale was published, in Rio and São Paulo, hopeful Carioca and Paulista private sector entrepreneurs and their national leaders contemplated aloud which firms within their respective sectors they might wish to purchase (Estado de Minas, 7/17/81: 11). News of the

policy was received differently in Minas Gerais and Rio Grande do Sul, the state with the most comparable level of industrialization to Minas. In both, representatives of private sector industry responded ambiguously. First they congratulated the state in principle on reversing the "dangerous trend toward statization", but then protested the timing of the proposed sales -- arguing economic recession and high interest rates would make it impossible for them to buy the firms. Instead, they feared, industries which in many cases were of national interest would fall into foreign hands. ²⁹ The Minas reaction can be summed up by the technocrat Paulo Haddad, then state secretary of planning, in his defense of state enterprises: "Better to statify than to denationalize (Estado de Minas, 9/13/81: E1)."

The hesitancy of Minas entrepreneurs was understandable. Had current interest rates been lower and foreign investors uninterested, native Mineiros still could not have assumed ownership of state enterprises. They would have been unable to outbid their own countrymen on the open market. Earlier that year in a sale which attracted little attention, the state of Minas, in a partial divestiture of its firm, Hidrominas, made available for private sector purchase the mineral water rights of various towns (Cambuquira, Araxá, Caxambú). The highest and winning offer was entered by Supergasbras, a Rio-based economic group (Estado de Minas, 2/22/81).

The State and the Popular Sectors

State capitalist development in Minas Gerais in the 1960s and 1970s restructured the labor market. It rearranged the lower end of the class

scale in a manner different from that predicted by theories of industrialization based on the experiences of the first industrializers. Economic development is conventionally expected to diminish the economic and political roles of the peasantry and enhance those of an urban, industrial working class or proletariat. In Minas Gerais, state-sponsored agricultural modernization produced half this equation: it reduced the size of the peasantry, and substantially increased the urban population. Yet, the process of economic development remained incomplete. Private industry proved incapable of absorbing new, migrant labor, and entry into the ranks of the industrial proletariat was limited. Instead, many former, full-time agricultural workers who migrated to urban areas divided their time between urban employment and temporary, seasonal agricultural labor. Others, who became permanent urban dwellers, on the other hand, fared little better; they were for the most part confined to temporary, unskilled, and poorly remunerated jobs in the construction and service sectors.

The Modernization of Agriculture. State-supplied capital investment revolutionized traditional agriculture in Brazil in the 1960s and 1970s. Fiscal incentives attracted private industrial, financial, and commercial capital to agricultural production, supplementing direct state financing. The National Credit System created in 1965 made capital available to rural enterprises at interest rates below the inflation rate. In 1970, interest rates on government agricultural loans were 11.3 percent, and the rate of inflation 19.3 percent; a decade later, average agricultural interest rates of 20 percent were far

below official inflation rates of 110 percent. This cheap capital was also widely available. In 1969, the government allocated 6.5 billion cruzeiros to finance agriculture and livestock raising; 10 years later, that sum was increased to 33 billion cruzeiros in constant terms. Overall, from 1971 to 1977, available rural credit rose by 1900 percent (Spindel, 1983: 10-11). Easy access to capital made possible the widespread introduction of machinery, fertilizers, and pesticides into Brazilian agriculture. From 1960 to 1970, the number of tractors in use rose from a ratio of one tractor for every 468 hectares under cultivation to one per every 217 hectares (Silva e Gasques, 1982, cited in Spindel, 1983: 11). Brazil also registered one of the highest rates of increase in the consumption of fertilizers in the world, from 221,000 tons in 1959 to 2,361,000 tons in 1976, and its consumption of pesticides rose from 16,193 tons in 1964 to 101,057 in 1974.

The modernization of agriculture also entailed a major production shift from traditional cash and subsistence crops -- coffee, corn, beans, and rice -- to livestock raising and dairy production, crops for export, and products for domestic food-processing (soy, cotton, sesame, cotton), and other industries (e.g. sugar cane for alcohol) (Sorj, 1980: 115; IBGE, 1977: 409; Spindel, 1983: 13). In Minas, the most pronounced trend in land use was toward livestock raising and dairy production; land devoted to pasturage increased from 21,904,384 hectares in 1960 to 30,168,218 in 1980, an increase of nearly 40 percent (Table III-6). In the same period, cultivated land declined by slightly less than one-third. The most striking instance of cutting back on traditional crops was coffee: the amount of land used for coffee growing fell by two-

Table III-6

Minas Gerais Agrarian Land Use, 1960-1980

	1960	1980	Percent Change
<u>Dairy and Live-stock</u>			
Farms:	122,291	238,033	+94.6
Land(has.)	21,904,384	30,168,218	+37.7
% of total land	57.1	72.6	
<u>Crops</u>			
Coffee(land)	798,967	265,378(1970) 2,176,259(1980)	-66.7 +720.0
Total cultivated land	15,142,214	12,220,761	-19.3

Sources: IBGE, 1977: 401, 435; IBGE, 1980a: 20, 26.

thirds in the 1960s, but then rebounded sharply when the international price rose in the 1970s.

These changes in traditional agriculture reduced substantially the agricultural labor force. Mechanization made many workers redundant, and the conversion of cultivated land to pasture lowered the demand for rural labor since animal husbandry was far less labor intensive than crop tillage.³⁰ In São Paulo, the state in which agriculture is the most advanced, the index of agricultural production rose from 100 in 1948 to 224 in 1980, while the agrarian employment index fell from 100 to 25 (Spindel, 1983: 24). In Minas, from 1960 to 1977 the number of persons employed in agriculture declined steadily from 1.8 to 1.5 million, or from 60.4 percent of the work force to 39.1 percent (SEPLAN,³¹ 1978, 7, I: 171).

The nature of economic change in the countryside also precipitated a decline in the number of workers employed on a permanent basis both in absolute terms and in relation to temporary workers. While an important trend in agriculture throughout southeastern Brazil (IBGE, 1977), the process of conversion to temporary labor appears to be more advanced in Minas Gerais than in many other Brazilian states. By one estimate, temporary rural workers in Minas Gerais in 1972 represented 72 percent of the rural work force; only Goiás (75%) had proportionally more, and other states with significant numbers of temporary agricultural laborers, São Paulo (58%), Paraná (49%), and Pernambuco (47%), all had substantially less (Gomes Silva and Rodrigues, 1982, cited in Spindel,³² 1983: 7). According to another estimate, the number of temporary workers exceeded in 1970 the number of permanent workers by 52.7 percent

in Minas Gerais as opposed to 25.2 percent in São Paulo (IBGE, 1977: 409). Crop conversion played a small part in this change. Cane, soy, and fruits (especially oranges) require substantially more workers during the harvest than during other stages of production; throughout Brazil, the area cultivated with these crops grew by 100 percent (Spindel, 1983: 13). A more significant economic factor swelling the ranks of temporary laborers was the subdivision and proliferation of minifundia. Minifundistas, owners of bare subsistence plots, hire themselves out as day laborers on larger farms to supplement their meager earnings (Sorj, 1980: 130). The number of minifundia, especially at the lower end of the scale, rose sharply in Minas Gerais in the 1960s and 1970s (Table III-7). Farms of less than five hectares tripled from 25,533 in 1950 to 74,511 in 1980, and increased one and a half times as a percent of all farms.

A second, political, factor which was crucial in prompting a shift from the use of permanent to temporary labor was the passage of the Rural Worker Statute (Estatuto do Trabalhador Rural) in 1963 and the Land Statute (Estatuto da Terra) in 1964. The first extended labor rights to rural workers, the second guaranteed at least some security of land tenure (Martinez-Alier and Boito Junior, 1978: 294). While legislation had been on the books since 1943 granting rural workers such labor rights as a minimum wage, annual paid holidays, and compensation if fired for "unjust causes", this coverage afforded little real protection, since the government created no means for its enforcement. Moreover, since rural unions were illegal in this period, there were no channels through which workers could articulate grievances. The

Table III-7
 Minas Gerais: Farm Size, 1950-1980

Farm Size (in hectares)	1950			1960			1980		
	#	% Farms	% Land	#	% Farms	% Land	#	% Farms	% Land
Less than 1	2,025	.8	--	4,437	1.2	--	8,631	1.8	--
1 - 2	4,068	1.5	--	8,819	2.4	--	12,767	2.7	--
2 - 5	19,440	7.3	.2	39,726	10.7	.4	53,113	11.1	.4
5 - 10	26,108	9.8	.6	47,875	12.9	1.0	63,293	13.2	1.0
10 - 100	149,130	56.1	16.0	199,658	53.7	19.6	252,353	52.5	19.9
100 - 1000	59,776	22.5	44.7	66,500	17.9	46.7	83,357	17.3	47.0
1000 - 10000	4,989	1.9	29.7	4,727	1.3	26.3	5,260	1.1	23.6
10000+	120	--	8.6	100	--	5.9	173	.03	8.1
no data	3	--		17	--		1,684	.4	--
Total	<u>265,559</u>			<u>371,859</u>			<u>480,631</u>		

Source: IBGE, 1980a: 2-4.

Estatuto do Trabalhador Rural redressed the shortcomings of the earlier legislation, introducing a battery of laws which governed such aspects of work as the length of the work day and the work of women and minors, extended social security to the countryside through the creation of FUNRURAL (Fundo de Assistência e Previdência ao Trabalhador Rural), and established an arbitration council to hear cases of workers' grievances (Spindel, 1983: 14-15). The Statutes' aims were to provide permanent workers residing on rural estates with the same benefits that their urban counterparts enjoyed. Their effect, however, was quite different.

Estate owners responded to rural labor legislation by expelling resident agricultural workers to avoid their obligations as employers, and rehiring those same workers on a temporary basis (Sorj, 1980: 127). Employers and employees in various regions of the state of São Paulo confirmed the promulgation of the Rural Worker Statute had a significant impact on the steep rise in the number of temporary rural workers (Spindel, 1983: 15-16).³³ Employers cited the Statute as a factor impelling them to change over to temporary labor, not so much for the economic costs associated with permanent employees--minimum wage, 13th month salary, paid holidays--as for the advantages this Statute gave workers in labor disputes. Rural workers won the majority of court cases brought against their patrons, for which they were awarded sizeable indemnization (Spindel, 1983: 16). This two-tiered labor market structure was formalized in 1973. Acknowledging that temporary workers had no de facto rights, new legislation formally withdrew legal recognition of rural workers who were not regular, permanent employees of a single estate.

The decline in permanent employment was accompanied by the passing of traditional production relations in the Minas countryside and throughout most of southeastern Brazil. Sharecropping, for instance, once the prevalent form of labor in Minas agriculture, began to disappear. In 1960, there were 238,248 sharecroppers in Minas Gerais working on 54,427 farms. In 1970, that number had plummeted to 123,182 sharecroppers on 11,209 farms, a decline of 79.4 percent in the number of establishments based on sharecropping and an 82.5 percent drop in the number of persons employed under this system (IBGE, 1977: 408). This reduction has been attributed to the contraction of coffee and other traditional crops cultivated predominantly by sharecroppers (IBGE, 1977: 407-408), as well as to the relative abundance of labor, and the ease with which it could be contracted (IBGE, 1977: 411).³⁴

In the place of traditional labor institutions, such as sharecropping and renting,³⁵ new relations of production have emerged in the countryside based on contracted, wage labor. The most important group of temporary workers are the "bóias-frias", so-called for the cold lunches which these workers carry to work in the fields. Unlike minifundistas, who live on their own farms, and "itinerants", casual laborers under contract to a foreman who live on and move from one fazenda to another (thus circumventing the Rural Labor Statute), the "bóias-frias" typically live on the outskirts of cities, and commute to the fields where they are employed on a contract basis as day laborers (Sorj, 1980: 125; Spindel, 1983: 1, 6, 21-22). "Bóias-frias" journey as much as 20 to 50 kilometers (12.5 to 31.25 miles) to work, and, during peak periods (the harvest), employers recruit workers from as far away

as 80 to 100 kilometers (50 to 62.5 miles) (Spindel, 1983: 20).

Official accounts of the plight of the "bóias-frias" emphasize their job insecurity; they are to all intents and purposes unemployed for a period of from 90 to 100 days between harvests. During this time they must eke out a living in the informal urban sector, usually as street vendors, but also in various menial jobs (IBGE, 1977: 409, 412-413).

Changing labor relations in the countryside coupled with an overall contraction in the rural labor force diminished the size of a peasant class that owed its survival to landlords, through reducing the potential for rural elites to dominate this class politically. Sorj (1980: 132) saw this transformation of labor relations in southeastern agriculture as the harbinger of new political possibilities in the countryside:

It is difficult to have a precise idea of the nature and pace of the decomposition of traditional structures of domination in the countryside. The decline of insulated relations of production (sharecropping, renting, and, to a certain extent, permanent wage labor), the rise of temporary wage labor and squatters, the growing importance of formal credit and the lessening of informal credit, an increasing political centralization, and a growing mass communication network together with permanent contact with the urban world, are, without doubt, affecting the structure of traditional domination, eroding paternalistic and clientelistic structures of social control.

While Sorj is undoubtedly correct in claiming that the traditional systems of labor relations in the countryside have broken down, his conclusion is a premature inference. The disappearance of traditional domination and the escape from clientelistic politics of both those workers who left agriculture and those who remained cannot be asserted,

but depends critically on the alternatives that were available to them, especially for the many who migrated, the structure of the labor market and labor relations in the cities.

Urbanization without Industrialization. The exodus from agriculture contributed to Minas Gerais' convulsive population migrations of the 1960s and 1970s. In 1940, 25 percent of the population resided in cities, a figure which did not increase substantially for two decades. Until 1960, the rural population grew in absolute terms but declined as a percent of total population from three-quarters in 1940 to three-fifths in 1960. After this date, the momentum shifted toward the cities. Minas' urban population outnumbered the rural after 1970, and by 1980, comprised two-thirds of the total population (Table III-8). Over these two decades, the rural population fell by one million inhabitants, while five million more Mineiros resided in cities in 1980 than in 1960. Although official figures tend to overstate the urban population, the process of urbanization was nonetheless intense, dramatized by the finding of the 1980 population census that 364 predominantly rural municipalities of the state's 722 had fewer residents than in 1970 (Estado de Minas, 2/1/81: 7), and 41 cities accounted for 90 percent of the state's population growth between 1970 and 1980 (SEPLAN, 1981: 13). By and large, these high growth cities were those attracting new industry. Yet, the new capital goods and consumer durables industries established by state, foreign, and Paulista industry, as well as the decline of traditional industries and the rise of labor-saving plant modernizations, limited new industrial

Table III-8
 Minas Gerais: Population, 1940-1980

Year	Urban		Rural		Total	
	Number	(%)	Number	(%)	Number	(%)
1940	1,693,658	25.0	5,069,710	75.0	6,763,368	100
1950	2,322,915	29.9	5,459,273	70.2	7,782,188	100
1960	3,825,249	39.6	5,832,489	60.4	9,657,738	100
1970	6,060,300	52.8	5,427,115	47.3	11,487,415	100
1980	8,982,134	67.1	4,396,419	32.9	13,378,553	100

Source: IBGE, 1983: 76, 78.

employment and curbed the growth of a modern sector labor market.

During the 1960s and 1970s, new employment in manufacturing expanded at a far slower rate than the industrial product. In Minas from 1960 to 1970, the 96 percent increase in industrial product was two times greater than in industrial employment (T. Andrade, 1980: 22). Employment opportunities did expand faster during the seven year period of 1970 to 1977 than during the entire decade of the 1960s, yet this reflects only the more rapid industrialization of the period, for the gap between industrial growth and industrial job growth was larger than in the preceding decade.

Many industrial jobs were lost in the consumer non-durables sector in the 1960s, especially in traditional industries. The "traditional sector's" contribution to the gross domestic product declined sharply from 74 percent at the beginning of the decade to 46.4 percent at its end (FIEMG, 1980: 13).³⁷ The economic crisis of the mid-1960s and the policies of the new military governors to combat the crisis, especially the restriction of credit and the reduction of wages (and therefore demand), resulted in the bankruptcy of many firms in the non-durable consumer goods sector throughout Brazil.³⁸ At a competitive disadvantage,³⁹ Minas factories were especially hard hit. The traditional industries which survived in these very competitive sectors of the economy, moreover, were fundamentally transformed. They were forced to become more productive largely by cutting labor costs. Productivity rose 52 percent from 1970 to 1977 in the non-durable goods sector (T. Andrade, 1980: 25), while employment opportunity contracted in these typically labor-intensive industries, the most salient of which

in Minas were sugar, dairy, and textiles. In the textile industry, the replacement of antiquated plant equipment raised productivity by 79 percent from 1970 to 1977, but this burst in productivity was matched by only a three percent increase in employment (less than 1000 new jobs) (T. Andrade, 1980: 28). Employment in textile manufacturing declined from 24.5 percent of the total industrial work force in 1959 to 14.9 percent in 1974. Thus, even those traditional industries which survived the crisis could not generate new jobs commensurate with their plant expansions undertaken during the take-off decade of the 1970s. The introduction of more technologically sophisticated equipment brought a corresponding reduction in the need for new labor.⁴⁰

The new industries developed under state capitalism, concentrated in the intermediate and capital goods sectors, were poor providers of mass industrial employment. They could not produce jobs at a pace that could compensate for those lost in traditional sectors, let alone generate industrial employment on a mass scale. The ratio of investment to new employment in the intermediate goods sector was significantly higher than that in the non-durable consumer goods industries, and higher still in chemicals and metallurgy, the sectors which accounted for at least half of all investment in Minas during the 1970s (SEPLAN, 1978, 8: 11). Approximately 150,000 new jobs were created between 1970 and 1977 as a result of the local economic miracle. Even with a 50 percent increase in manufacturing employment, from 1970 to 1977 the sector increased its share of state employment by only 2.5 percent, from 8.4 to 10.9 (Table III-9).

The service sector absorbed most of the displaced workers in the

Table III-9

Minas Gerais: Employment by Economic Sector, 1960, 1970, 1977

Sector	1960		1970		1977	
	Number	%	Number	%	Number	%
Agriculture	1,819,516	60.4	1,714,109	50.4	1,539,696	39.1
Mining	31,551	1.0	43,088	1.3	47,555	1.2
Manufacturing	192,223	6.4	283,803	8.4	429,841	10.9
Construction	110,100	3.7	197,078	5.8	307,112	7.8
Services	857,454	28.5	1,157,850	34.1	1,614,914	41.0
TOTAL	3,010,844		3,395,928		3,939,118	

Source: SEPLAN, 1978, 7, I: 171.

Minas economy (in 1980, it employed 43.9 percent of all economically active persons). "Service sector" is an eclectic category that explains little about the nature of employment in tertiary activities. At one extreme of the service sector is a number of scientific and liberal professionals (doctors, technicians, journalists). At the other are domestic and personal service workers (maids and beauticians), who represent 25 percent of the sector. The poor remuneration of this latter group is revealed by the fact that in 1980, in all economic sectors, approximately 40 percent of all workers earned less than one "minimum salary", the legally-defined margin of subsistence, while in personal services, that proportion was closer to 60 percent (IBGE, 1980b, 5: 57-60). Between the two extremes, the service sector encompasses a diverse range of jobs, including commerce (20 percent), transportation and communication (ten percent), food and repair services (five percent each), financial sector employees (five percent), and various public administration and public service jobs (25 percent) (IBGE, 1980b, 5: 29-34).

The bloated service sector and its generally poor levels of remuneration are symptomatic of the uneven absorption of the labor force into productive economic activity. Official accounts confirm that "the decline in the primary population ... was not accompanied by a growth in the active population in industry and services at a pace that would make possible the complete absorption of the labor force" (IBGE, 1977: 178). The formal rate of labor force participation fell from 33.5 percent of the total population in 1940 to 30.9 percent in 1950 to 29.5 percent in 1970. ⁴¹ Levels of family income, a measure which

provides a more realistic indicator of the living standards of household members by aggregating the inferior earnings of young women with the income of their fathers and husbands, are no higher than those of individual income: 22.8 percent of all families in Minas earned less than one minimum salary, and 25.3 percent between one and two (IBGE, 1980b, 6: 82-83). The "unabsorbed" labor force of poorly integrated and remunerated workers in the service and agricultural sectors, a by-product of revolutionary agricultural modernization and robust industrialization, was thus relegated to the margin of the formal market economy.

Industrial Concentration and Uneven Development

If industrialization in Minas Gerais generated little new employment opportunity, the small industrial work force which did form was clustered territorially. Uneven industrial expansion resulted in the concentration of new industries in a small number of communities, a development that allowed traditional elites the opportunity to persist in greater numbers than had industrialization proceeded in a more spatially diffuse manner.

The rapid industrialization of the 1970s exacerbated a pre-existing pattern of uneven, concentrated spatial development. On the eve of the economic boom, economic opportunity and industrial employment were concentrated in Planning Region I (for planning purposes, the state has been divided into eight regions which correspond closely to state zonal divisions accepted by popular convention). Region I encompasses the metropolitan region of the capital city, Belo Horizonte, and lying

200 kilometers to its northeast, the "Valley of Steel," so called for the giant steel enterprises of Usiminas and Acesita in the city which now bears its name (formerly Timóteo). The region was home to slightly more than one quarter of the state's population and produced over half of the gross domestic product and almost three fourths of the industrial product in 1970 (Table III-10). The only other regions which hosted any industry of note were the Mata and the South. For the most part, these were traditional textile and food industries serving the Rio and São Paulo markets. After 1970, Region I grew even more rapidly than the rest of the state, receiving over 80 percent of all new industrial investment from 1970 to 1977, the lion's share of which was targeted to the area's steel industries and the increasingly dense cluster of manufacturing plants in the metropolitan region of the state capital. Metropolitan Belo Horizonte alone acquired one-third of all investment channeled through the Institute of Industrial Development from 1969 to 1980 (INDI, 1980: 3-4). Only two other regions, III and VI, made significant strides toward industrialization during the decade. Region III was host to many relocated Paulista industries. Region VI became a preferred site for industrial location because of the double fiscal incentives it could offer investors: in addition to the the state fiscal incentives available to all investors, the area's inclusion in the SUDENE region qualified new industrial investors for a second set of federal economic incentives offered under Articles 34-18.

Industrial development was even more concentrated than regional level data would lead us to believe. Disaggregating the data on project location even further shows that the investments in Regions I, III, and

Table III-10

Minas Gerais: Regional Shares--Gross Domestic Product,
Industrial Product, Population, 1970-1980
(in percent)

Regions	Gross Domestic Product 1970(1)	Industrial Product 1970(1)	Total Population 1970(1)	Industrial Investment 1970-77(2)	Total Population 1980(3)
I	53.3%	73.3%	26.0%	80.97%	32.1%
II	9.6	7.5	13.7	2.60	12.3
III	11.8	7.7	16.0	4.79	15.6
IV	7.4	3.8	8.0	4.91	8.6
V	4.4	2.3	5.6	2.41	4.9
VI	4.5	1.8	8.8	3.88	8.9
VII	2.2	0.5	7.0	0.02	6.2
VIII	6.8	2.7	14.9	0.42	11.4

Sources: (1) L. Andrade, 1980: 123; (2) SEPLAN, 1978, 5: 99; (3) Preliminary census figures as reported in Estado de Minas, 2/1/81: 8.

VI are restricted to a mere handful of municípios. All but 18 percent of new industrial jobs created in Minas from investments contracted between 1971 and 1974 were located in about 25 municipalities (Table III-11).⁴⁵ Of special note is the concentration of one-third of all new employment in the metropolitan region of the capital.

This uneven development was neither aberrant nor accidental. The Minas technocracy, as early as 1968, advocated the geographical concentration of industry as one of three principal strategies for accelerating industrialization in the state:

...[I]t seems evident that in the special case of Minas Gerais, it doesn't make sense to disperse [industrialization] efforts in search of greater equity, when the level of existing urbanization is so low. Be they in the installation of new [production] units in the dynamic sector, or in a concentration [of existing industries] in the traditional sector, at least at first, all industrialization efforts should seek to allocate resources in select "poles" which already have indispensable external economies. In this way, greater productivity can be achieved in the short term, diffusing more energetically the positive effects of industrialization (BDMG, 1968, I: 183).

This strategy was implemented through the construction of industrial districts. The idea and practice of lumping together factories in industrial parks dates back at least as far as the inauguration of the Industrial City of Contagem in 1947, but it was formalized as a state policy with the creation of the Industrial Districts Company in 1971. The CDI, together with INDI, persuaded various foreign and national investors to locate their plants in these districts.⁴⁶ By deliberately concentrating industries in this way, state government planners believed public authority could gain control over the process of industrial

Table III-11

Minas Gerais: New Industrial Employment by Município, 1971-1974

	Number of Projects	Number of New Jobs	New Jobs (%)
<u>Region I:</u>			
Belo Horizonte	50	7,188	5.3
Betim	17	17,323	12.7
Contagem	60	11,150	8.2
Santa Luzia	18	4,501	3.3
Vespasiano	7	1,249	.9
Pedro Leopoldo	6	1,248	.9
Lagoa Santa	2	417	.3
<u>Metropolitan Region</u>	<u>165</u>	<u>43,076</u>	<u>31.6</u>
<u>Region II:</u>			
Juiz de Fora	21	6,765	5.0
<u>Region III:</u>			
Varginha	4	2,225	1.6
Três Corações	3	1,396	1.0
Pouso Alegre	7	4,155	3.1
Poços de Caldas	13	2,579	1.9
Itajubá	8	3,689	2.7
<u>Region IV:</u>			
Uberlândia	12	2,557	1.9
Araxá	2	1,700	1.3
<u>Region V</u>			
Morada Nova	1	10,000	7.4
<u>Region VI:</u>			
Montes Claros	25	8,918	6.6
Pirapora	5	862	.6
Várzea da Palma	4	1,138	.8
<u>Others and Under Study</u>	<u>167</u>	<u>25,387</u>	<u>18.7</u>
TOTAL	467	135,402	

Source: Pacheco, 1975: 64-85.

location, first apparently to lure industry by cheapening initial overhead costs, and later to promote actively the deconcentration of the metropolitan region of the capital. The conscious attempt to create "dispersed concentrations",⁴⁷ so as not to overload the state's center, was perceived by planners as eminently practical; they dismissed as quixotic any attempt to encourage industry to locate in backward regions or apart from other industries.

The strategy of dispersed concentrations favored the successful development of new industrial centers, such as Poços de Caldas, Varginha/Três Corações, Itajubá, and Pouso Alegre in the South of Minas; Montes Claros in the North; and Uberaba and Uberlândia in the Triângulo. It also had the effect of cordoning off vast tracts of Mineiro territory from industrial growth. Of over 30 industrial districts already established or in construction, few lay outside the Belo metropolitan region or these select centers of the South, SUDENE region, and the Triângulo.

The Minas industrial explosion was more accurately a series of isolated eruptions, confined to what may be termed industrial 'enclaves'. Indeed, as of 1980, concentrated industrialization and uneven spatial development had resulted in more continuity than change. With hundreds of Minas Gerais' 722 municípios left virtually untouched by industrial transformation, traditional elites remained firmly in control of vast expanses of Mineiro territory and the overwhelming majority of political communities.

Conclusions

The economic development of Minas Gerais in the 1970s suggests that where state capitalism bolstered by foreign capital is the prevailing form of economic organization, industrialization may not engender the two great industrial classes--bourgeoisie and proletariat--upon whose political roles much social science theory rests its understanding of the transition to industrial society. Even if these classes emerge, their resources, and hence political role, may differ from that anticipated by conventional theory.

The industrialization of Minas Gerais had little transformative impact on politics. State intervention in the economy and foreign investment did not strengthen the local bourgeoisie. This class, whose failure to spark industrialization is presumed to have necessitated state capitalism, remained weak economically, even after industrialization was well underway. Despite every advantage the state could offer--financing, the purchase of already sound enterprises, or joint ventures--local industrialists could not participate meaningfully in local industrialization. Moreover, the highly capital intensive strategy adopted by new and expanding industries in advanced sectors generated too few jobs to transform a peasantry expelled from the countryside into a proletariat. Urbanization created popular classes that would come to be integrated into the public economy. And the extreme, if not uncommon, spatial concentration of industry made the political upheaval manageable.

The economic beneficiaries of the industrialization of Minas Gerais were foreign investors and Paulista entrepreneurs. The political

beneficiaries, however, were state elites. The expansion of state resources and clients augmented the power associated with positions in the Brazilian state. For a class such as the traditional political elite who had demonstrated its skill at converting state resources into political resources, and who had no alternative basis for exercising dominance in a modernizing economy, maintaining its place in the state was both its major challenge and opportunity.

Notes

1. There is a long tradition in the social sciences of highlighting the state's leading role in economic development in late industrializers. Gerschenkron (1962) illustrated this point through the cases of Germany, Austria, Italy, and Russia. Hirschman (1971) extended this concept to Latin America. According to this perspective, industrialization in late developing countries hinged on the state's organization of channels of capital investment; in the dependent economies of Latin America, the state was further required to become a producer.

Baer et al (1976) make the argument that states in Latin America were forced into entering certain key sectors in which investment requirements were high and maturation periods were long, especially those sectors encompassing industries deemed to be in the national interest. The alternatives to state intervention, both equally unacceptable, would have been to depend for industrialization in these sectors exclusively upon foreign capital and technology, or forego those industries altogether if foreign investors were uninterested. In Brazil, the state for these reasons established public enterprises in the energy and steel sectors (Evans, 1979). Similarly, FitzGerald (1979) argues that the growth in the state sector in Peru after 1968 was a direct response to the failure of domestic capital to sustain industrialization or negotiate effectively with foreign enterprise.

2. According to Evans' account (1979), the state in dependent development pressures foreign corporations to participate in local capital accumulation. With their status (and investments) vulnerable to nationalistic attack, they acquiesce, and take local partners for political protection. In exchange, both public and private local capital win from their new foreign associates the technology they sorely need to become competitive.

3. Sorj (1983: 73) identifies state capitalism as a limiting situation of state intervention in the economy "in which public sector accumulation implies a confrontation with, and the partial or total elimination of, the private sector." While a useful beginning, this definition is ultimately misleading. If the role of public sector enterprises is strengthened at the 'expense' of the private sector, but also at its request, is this 'confrontational'? Also, can the state 'eliminate' actors who are not present?

4. Guimarães (1977: 129) distinguishes two types of capitalism with a prominent role for state elites: "politically-oriented" and "state-directed" capitalism. A politically-oriented regime is one in which political groups (bureaucracies, parties, militaries) define political objectives for the state that imply an expansion of governmental activities which deliberately create new lucrative opportunities for private groups. In "state-directed" capitalism, political groups mobilize the state apparatus, imposing direct controls over the economy, restructuring markets, and controlling resources for

the realization of priority policies.

5. The Visão lists include only corporations, which has the effect of understating the role of private national capital.

6. In the late 1950s and early 1970s, Trebat (1981: 49) found rates of profitability (current surplus as a percent of net worth) in public enterprises in the mining sector to have averaged over 20 percent from 1966-1975, petrochemicals, 18.7 percent, electricity, 7.4 percent, and steel, which suffered losses in the years from 1966-1969, rebounded after 1970 to achieve rates of profitability of 4.3 percent from 1970 to 1975. In 1980, during an economic downturn, the rate of return of state enterprises in the primary (mining) sector was 11.3 percent, in manufacturing industry, 6.9 percent, in the financial sector, 13 percent, and in public utilities, 3.8 percent (Visão, 1981: 414-432). The sole exception to this rule of profitability is the railroads. Of all the enterprises created in the state sector, the nationalization of the railroads was the only one which could be considered an example of the state taking over a declining public service (Abranches, 1977: 9).

7. According to a 1972 survey of 318 of the largest non-financial firms in the country (Doellinger and Cavalcanti, as reported in Baer et al, 1976: 79), the before tax profitability (before tax profits divided by equity, unweighted average) of state enterprises was higher (17.6) than that of both private Brazilian (16.4) and multinational (15.8) firms. The results of a 1974 survey of 731 firms in 48 different sectors conducted by Wilson Suzigan (as reported in Cipolla, 1977: 99) do not show quite as favorable comparative rates of state enterprise profitability, but they are still quite good: profits in the state sector were the highest of the three sectors (state, foreign, national private) in capital goods; the lowest in intermediate goods; and more profitable than national private, less than multinational, in durable consumer goods.

8. Complicating our ability to clarify this important measure is the fact that BNH financing is not included in Visão lists of the public and private banking system.

9. The true figure is higher because "entrepreneurial activity" is excluded from the data in both Baer's and our calculations, which effectively omits state enterprises from the totals. In 1969, state enterprises were responsible for 26.4 percent of all investment (Coutinho and Reischstul, 1977: 63), and in 1975, the "core" state enterprises accounted for 20 percent of investment in Brazil (Trebat, 1981: 51).

The Fundação João Pinheiro places state expenditure as a proportion of gross domestic product at even higher levels: according to their data, excluding para-public agencies, foundations, and public and mixed enterprises, public expenditure in the country for all levels of government rose from 12.5 percent in 1920 to 17.1 percent in 1947 to 32.2 percent in 1969 of the gross domestic product (FJP, n.d., I: IV-9).

10. Two-thirds of the leading economic groups--sets of companies connected by links of shared ownership or multiple interlocking directorates--originated before the first world war. Others were founded as follows (Evans, 1979: 105):

	<u>Pre- World War I</u>	<u>1914- 1929</u>	<u>1930- 1945</u>	<u>Post-World War II</u>	<u>Total</u>
Largest Locally-Owned Economic Groups	64%	28%	8%	0%	100%(25)
Largest Foreign-Owned Economic Groups	20%	37%	17%	27%	101%(30)

11. The industrial sub-sectors included under the grouping of "dynamic" industries were mining, electrical energy, civil construction, non-metallic minerals, and metallurgy. Of these, mining and electricity were the preserve of state capital (cited as examples of these 'dynamic' firms were the Companhia Vale do Rio Doce, CVRD, and Centrais Elétricas de Minas Gerais, CEMIG), and metallurgy, of both state and foreign capital (Usiminas, Belgo Mineiro, Mannesmann, Aluminas).

12. Unfortunately, Queiroz does not distinguish explicitly the national origins of groups in the data disaggregating state distribution. A determination in four of five cases was made from the textual descriptions of the firms in those economic sectors in which the Mineiro groups appeared.

13. The author acknowledges two complications in working with census data which would work to the detriment of the more industrially advanced states. First, the unit of analysis in the industrial census is the "establishment" - not the "firm". The more powerful firms are subdivided into several establishments. Secondly, census data do not distinguish establishments located within a given state which are subsidiaries of firms headquartered in other states.

14. The author cautions that this indicator, originally included to ferret out artesanal operations, did not accomplish this purpose since family labor was considered blue-collar if directly involved in production. Moreover, the fourth place ranking of São Paulo suggests obvious distortions. I have included it in Table III-2 because it formed part of the composite ranking.

15. The Diagnóstico da Economia Mineira, a six volume document, has wider significance than the analysis of the economy which it presented. Drafted by a group of technocrats, it served, in the view of most observers, as the ideological justification for the replacement of traditional politicians with technocrats, and the expansion of the state in the economy during the administration of Rondon Pacheco. Grossi (1977) has called it the "Magna Carta" of the technocrats.

16. In addition to its indirect capital participation in various projects (SEPLAN, 1978, 8: 89-90), the bank funded, at least in part, many projects contracted during the 1970s. (These data are available through the Fundação João Pinheiro.) Capital markets in Brazil do not function as in the developed world. Savings deposits are funneled through the National Housing Bank (BNH) and normally end up in construction projects. Industry not surprisingly has difficulty raising capital, and usually looks to state and federal development banks as its only viable source of capital financing.

17. A complete list of principal industrial enterprises with shareholding participation of the state of Minas through June 1978 can be found in SEPLAN (1978, 8: 89-90).

18. ICM rebates still exist for firms which locate in the Minas SUDENE region.

19. Monetary correction adjusts the value of the loan to account for inflation, which in the Brazilian case is enormous. Before a major economic reform in early 1986, it exceeded 200 percent per annum.

20. The six investments undertaken by federal public enterprises in the period from 1970 to 1977 are as follows (SEPLAN, 1978, 8: 83):

<u>Name of Firm</u>	<u>Investment</u> (in thousands of 1975 <u>cruzeiros</u>)
Aço Minas Gerais S.A. (Açominas)	30,747,773
Usinas Siderúrgicas de Minas Gerais S.A. (USIMINAS)	18,315,541
Aços Especiais de Itabira S.A. (Acesita)	4,129,904
Usiminas Mecânicas S.A. (USIMEC)	816,501
Vale do Paranaíba Fertilizantes S.A. (VALEFERTIL) 3,097,241	3,097,241
Forjas Acesita S.A.	292,058
TOTAL	57,399,018

21. Grossi (1977: 260) cites a higher figure of 46 percent.

22. SEPLAN (1978, 8: 47). These percentage figures are based on investments in constant prices of 1975 cruzeiros. The totals pertain to projects approved by the Industrial Development Council of the national Ministry of Industry and Commerce (CDI/MIC).

23. I drew up a list of 42 investments made by 40 firms from data gathered at the Fundação João Pinheiro. Research on the ownership and headquarters of these firms in Visão (1981) turned up information on 26. The 14 firms for which data are missing would have been omitted from Visão's list of "Who's Who" if either their net assets did not meet an established minimum, or they were not incorporated. Of course both would tend to underestimate the component of local capital. I also dropped five foreign-based firms from this list in order to show more clearly the distribution of national capital. More than these 11 firms are believed to be headquartered in São Paulo, but no concrete evidence is readily available to support that claim.

24. Because of the lack of comparability between the various measures of investment, such as years in which the investments were undertaken, base years used to calculate investment capital, and so forth, it is extremely difficult to arrive at a more exact figure. The nine-tenths figure used represents an accurate percentage of employment generated by new industry. In terms of the number of projects, the INDI-assisted investments might represent a share higher than 90 percent.

25. The measure of controlling capital tends to understate the role of state capital, much of which entered into joint ventures with foreign capital as a minority partner. In Minas, the most significant joint venture was between the state government and FIAT.

26. Factoring this investment back into the figures is problematical because of the different years and systems used in the two data sets to correct for inflation in these investments. INDI uses government bonds (ORTNs) to correct for inflation, while SEPLAN uses as base years 1974 and 1975. While INDI does provide a figure for the AÇOMINAS investment (15.3 million cruzeiros), this is obviously a current figure, and no year is attached to make this investment total comprehensible in constant terms.

27. Transit Semicondutores opened in Montes Claros in the heart of the Minas SUDENE region in 1973, having received state fiscal incentives and BNDE financing. By 1978, the firm was already tottering, amidst accusations of being poorly located and ill-equipped, unable to attract and keep qualified technicians, in short ill-conceived from the beginning and kept afloat only because of access to government loans.

28. This partial list of firms is drawn from SEPLAN (1978, 8: 99), where the ownership of firms is listed by national origin. The specific characteristics of capital identified as Brazilian were determined by data provided by Visão (1981).

29. To save Acesita and Usimec, the two most prominent state firms located in Minas available for private purchase, the Commercial Association of Minas proposed to treat Acesita as a special case, and transfer its control from the Banco do Brasil, the then majority shareholder, to Siderbras (Siderúrgica Brasileira), another state sector

enterprise. This proposal was endorsed by then state Secretary of Industry, José Romualdo Cançado Bahia. No state action was taken on the proposal, but neither did investors rush forward to buy the industries then operating in the red (Estado de Minas, 10/23/81: 11).

30. Spindel (1983: 13) points out that livestock raising not only reduces labor requirements but also expels subsistence activities, and thus produces a contingent of landless laborers.

31. These numbers differ slightly from the census, which in 1970 counted an agrarian population of 1,979,847, but they represent the most complete set of figures, and the trend is in the same direction and at approximately the same rate of decline.

32. The authors of this study from which Spindel drew these figures acknowledge they represent the maximum number of temporary rural laborers. Spindel (1983: 8) argues that this set of statistics is overestimated. Based on data from the Instituto de Economia Agricola of the Secretary of Agriculture of São Paulo, in 1970, non-resident "volantes" represented 12 percent of the rural labor force, and in 1980, 25.26 percent. The Secretary of Agriculture of São Paulo cited a figure of 500,000, which would represent 43 percent of the agricultural work force of the state.

In the case of Minas Gerais, we are inclined to agree with Spindel that the figures are inflated, since the 1.8 million figure cited for 1972 surpasses the total number of agricultural workers in both 1970 and 1975. This does not, however, necessarily refute the validity of the percentages.

33. Spindel (1983) and Sorj (1980) have pointed out that attempts have been made to deny such a causal connection, principally by Marxists, because superstructural changes should not be able to effect changes in the mode of production.

34. Even with the fall in agrarian employment and rural population, supply still outstrips demand throughout the state. The ratio of agrarian employment (the demand for agricultural workers divided by the supply, measured in man hours) shows an unmistakable excess of rural labor, even as late as 1975 and the 1980 projections. Though increasing, from 43.6 percent in 1970 to 55.4 percent in 1980, this ratio demonstrates a continued abundant supply of rural labor. While there are exceptions, in the fourth trimester (the harvest) in Regions III, IV, and V in 1980, and III and IV in 1975, only in Region III in 1980 was the demand for agricultural labor greater on a yearly basis than the pool of available labor (SEPLAN, 1978, 7, I: 183, 185, 186-209).

35. Minas Gerais was an exception to the decline in renting. It has been hypothesized that in the late 1960s capital innovations were taking place through the rented sector. Marketable crops such as English potatoes, pineapples, and strawberries were used as collateral to secure bank financing (IBGE, 1977: 412).

36. The definitions of urban and rural population in Brazil differ somewhat from internationally accepted norms. In Brazil, centers which are seats of municipal and district governments are automatically considered urban, regardless of the size of the resident population. Whereas in 1950 the IBGE counted as urban 30 percent of the population, in fact only 17 percent of the population resided in centers of 5,000 or more inhabitants. And in 1970, lowering the urban threshold to 3,600 still does not correct the discrepancies between official and actual figures: 42 percent of the Minas population by this definition could be considered urban in 1970, far below the 53 percent registered by the official census. In 1980 projections, by lowering the minimum population required for urban status to 3,000, 59 percent of the population were residing in legitimate urban centers (SEPLAN, 1978, 5: 17-21).

37. Unfortunately, "traditional" in this context is not precisely defined.

38. There is a long list of works on the Brazilian model of development pursued in the post-1964 period. In English, the interested reader may consult Serra (1979) and many essays in Stepan (1973a).

39. The streamlining of Minas' traditional industries is most evident in the textiles and food processing sectors, which in 1960 had represented over half of the Minas industrial product. In the 1959-60 harvest year, 30 (of a total of 36) sugar mills were operating; by 1975, only 15 remained in operation. Similarly, the number of milk processing enterprises were reduced by 25 percent from 1960 to 1970: the 1960 census registered 601 dairy producing firms; the 1970 figure was 450. Bankruptcies were repeated in the textile industry, where 15 of 98 firms failed between 1965 and 1970, and another 11 after that date (Campolina Diniz, 1978: 123, 126, 128-30, 133; SEPLAN, 1978, 8: 105-107).

40. This argument is made by T. Andrade (1980: 22-28). The author's data on the contributions to the industrial product, productivity, and employment of each industrial group (non-durable consumer, intermediate, and capital and durable consumer goods) and economic sector confirm that employment varies inversely with productivity, and that overall growth rates were based on the greater value of the industrial product of low labor-absorbing sectors.

41. These percentages improve slightly when the potential economically active population is limited to persons above 10 years of age, though the trend is in the same direction: 48.5 percent of the active population in 1940 to 44.9 percent in 1950 to 43 percent in 1970 (IBGE, 1977: 178).

Some possible explanations for the decline in the economically active population offered by the IBGE relate to the age structure of the working population. In the first set of figures, the decline in the entire work force could have been abetted by the better enforcement of the legal prohibitions on working minors (less than 14 years of age) in

urban areas, a trend bound to become more important as the population urbanizes. In Minas, minors aged from ten to 14 years of age in the labor force declined from 18.4 percent in 1950 to 4.8 percent in 1970. A second explanation, which would pertain to both sets of figures but especially to the second set which excludes minors, is that the increase in social security permits the population from 60 to 69 years of age to withdraw from the labor market. The proportion in this age group of workers declined from four percent in 1950 to 3.5 percent in 1980 in the Southeast region as a whole (IBGE, 1977: 179).

42. The Usiminas and Açominas steel plants were both located in Region I (SEPLAN, 1978, 8: 56).

43. The Superintendency for the Development of the Northeast (SUDENE) was created by the Brazilian government in 1959, officially recognizing the plight of the underdeveloped Northeast. Through a program of fiscal incentives, it hoped to attract industry to the region, thereby promoting economic development. An early evaluation of the program was done by Hirschman (1963).

44. These enabled companies located in Brazil to apply 50 percent of their income tax liability to investments in projects approved by SUDENE, which in turn qualified for low interest financing of up to 80 percent by the Bank of the Northeast (BNB) and funding from the Fundo de Investimentos do Nordeste (FINOR), ranging from 30 to 75 percent for domestic firms and a maximum of 50 percent for foreign firms. Other benefits accruing to companies locating in this region were import duty exemption of up to 80 percent for new equipment (if no similar product was manufactured in Brazil), 50 to 100 percent income tax exemption (for projects contracted up to December, 1978), and a relatively high return of up to 60 percent on the ICM sales tax. The entire list of incentives are catalogued in the English language publication, Economic Information on Minas Gerais, Brasil, published by INDI (1978: 152-154), which was meant as a background guide for potential investors.

Despite considerable incentives, up to 1967 only two projects in Minas Gerais of any consequence had been approved by SUDENE (Campolina Diniz, 1978: 148). This situation was reversed during the 1970s, when Minas successfully advertised its territory included in the SUDENE region as that closest to major southeastern Brazilian markets (INDI, 1978: 152). By 1978, 120 companies had submitted proposals for industries to be located in the Minas SUDENE region for approval by SUDENE, and were benefitting from the outlined incentives.

45. The data have the serious shortcoming of including only the years from 1971-1974, yet were used nonetheless as the most complete list of industrial projects available in disaggregated form, and in light of the fact that the rate of investment dropped off after 1974. New employment was used as a measure of industrial dynamism rather than investment, on the assumption that employment had deeper implications for the socio-political transformation associated with industrialization.

46. This assertion is based on a reading of correspondence between INDI and the Industrial Districts Company written through 1980.

47. A term used by a superintendent of the Institute for Industrial Development. Author's interview with Eduardo de Mello Cruz, Belo Horizonte, January 23, 1981.

CHAPTER FOUR
POWER AND POSITION IN THE STATE

Introduction

At the onset of bureaucratic-authoritarianism, traditional political elites were anchored in and dominated the state. Executive, legislative, and judicial branches of federal, state, and local government, as well as the state militias, were commanded by a political class comprised largely of the sons and grandsons of a landed oligarchy. Following the 1964 coup d'etat traditional political elites found their monopoly over formal state power jeopardized for the first time in republican history. The military who at first depended upon traditional political elite support to legitimate its seizure of power appeared to break off its close relations with this class. To implement a program to achieve political stability and economic development, to make Brazil a great power, and to rid it of radical influences, the military centralized economic policy-making in the national ministries and strengthened the executive which it controlled. It then filled key federal state posts with economists, engineers, educators, and professional administrators--the core of a new technocratic elite. The regime's political agenda put it at apparent odds with the traditional political elite. The military hoped to cleanse the state of 'corrupt' politicians, clientelistic practices, and politics which stood in the way of development. To do so required not only centralizing economic policy-making and purging the system of populist politicians, but also attacking the foundations of traditional political elite rule in the states. If successful, the center of politics would move from the periphery to the center.

Many observers read into the regime's aims and early actions a

shift of power away from traditional political elites toward a new ruling coalition of the military, a technocracy, and large foreign and native capitalists (Cardoso, 1973, 1975, 1979; Evans, 1974, 1979; McDonough, 1981a, 1981b; Bresser Pereira, 1984).¹ Cardoso (1973: 146-147) for example claimed that traditional sectors and politicians were dispossessed in the wake of radical economic change:

The older ruling sectors have lost their relative power position in the total structure. ... The position of the career politicians, generally identified with the dominant classes in the previous arrangement, has also been extensively undermined. These politicians had served to express, at the overt political level, the class alliance in terms of which power had been organized since the Old Republic (1889-1930).

The top echelons of the state apparatus became, in Cardoso's (1975: 178-179) words, the chasse gardée of the military and the bureaucrats. McDonough (1981b: xxviii, 99) asserts that many formerly well-entrenched elite groups, including politicians as a class and most notably those who had been associated with the Revolution of 1930, were marginalized from power. "The concentration of power by the military and the civilian technocracy began to deprive these elites of their constituencies. They were made increasingly irrelevant." Cintra (1979: 151) concurred: "Elites from such states as Minas Gerais, whose sizeable electorate accounted for the power they wielded in the center, have fallen into ostracism."

Because the regime restricted the functions of parliament and the political parties, politics had to be transacted through functionaries recruited from public and private enterprises: technocrats, planners,

economists, engineers, and firm managers (Cardoso, 1975: 206).
Bourgeois and other private actors had to wrest concessions from an increasingly omnipotent state through what Cardoso called "bureaucratic rings". These rings were alliances that cut horizontally across the public and private bureaucracies and united parts of the sector controlled by private enterprise with segments of the state bureaucracy. This new system of interest representation undermined existing forms of political organization, such as federalism, and superseded the old institutions of political life, such as political parties. "Not only the political party system but all other forms of political action ... became dependent on contacts and alliances with the military and technocratic groups that alone controlled the state apparatus (1973: 147-148). The vehicle for political advancement shifted from the political parties, the classic instruments through which social groups achieved power, to the state, the Brazilian "Modern Prince" (Cardoso, 1975: 200).² Thus not only were traditional elites imagined to have been stripped of their power and position in the state, but the political system through which they advanced, under which they had governed, and to which they were indispensable, was said also to have been transformed.

Military efforts to centralize power and depoliticize the state had inherently federalizing tendencies and the potential to weaken the regional oligarchies. They may have paved the way for a new state elite eager to pursue similar policies at the state level. In Minas, after the governor loyal to Juscelino Kubitschek, Israel Pinheiro, exited from office, Rondon Pacheco, a trusted confidant of the military, was named

his successor. He brought with him to office a technocratic team and launched a local version of the national development program. Focusing largely on his administration, many works postulated that traditional political elites in Minas had been dislodged from key posts by technocrats (Grossi, 1977, 1979; Campolina Diniz, 1978; L. Andrade, 1980; Cintra, 1979), and that the slide of one was directly proportional to the rise of the other. Grossi (1977: 262-263) articulated this view best:

It seems clear that "traditional" politicians have been eliminated from power and the center of decision-making, which is gravitating more and more toward the executive branch. This is due to the fact that on the one hand they are no longer found in the key posts for decision-making, and, on the other, and this is the most important, their source of power and the system itself in which they hold a prominent place is in the process of disappearing.

Our study of state officeholding in Minas Gerais suggests that in Minas shifts in power-holding from politicians were less abrupt, longer in the making, more reversible to political control than on the federal level, and not as complete as has been commonly assumed. In Minas, in the early to mid 1970s, traditional political elites and technocrats "shared" the state. The most important state post, the governor, officially appointed in Brasília, was in practice named from within the oligarchy in much the same manner that the Republican party chose its governors during the Old Republic. Economic and fiscal policy was planned by technically qualified personnel, but officeholders in these departments could not be considered a class; they did not pursue a single route to power, nor did they rise through institutions that might

have replaced political parties as an elite recruiting ground. These technocratic elites, moreover, did not displace traditional political elites in those posts in the distributional arm of the state which controlled state patronage. After a very brief period of depoliticized administration and technocratic ascendancy, traditional political elites and processes were restored. By the late 1970s, political criteria once again determined career advancement. The political elite, moreover, was led by its most traditional elements.

The Bureaucratic Regime

The military-led authoritarian regime centralized power and decision-making. It appropriated the executive and strengthened it at the direct expense of the legislature. The president could propose amendments to the Constitution, which now required only a simple majority for approval (the 1946 Constitution had required a two-thirds majority for amendment). Congress had 30 days in which to consider proposed constitutional amendments and other executive-initiated bills; the lapsing of this period resulted in their automatic enactment into law (Brazil, 1981: 40-45). Only the president could initiate finance bills; congress could not increase the amount stipulated in expenditure measures submitted by the executive (Roett, 1984: 128). During the Médici presidency, 100 percent of executive-initiated bills were passed (Wesson and Fleischer, 1983: 82). The executive also had recourse to enact legislation by "decree law", which by-passed the legislature altogether. In the first three years of military rule, Castelo Branco's regime issued over 6,000 decrees and decree-laws; Costa e Silva issued more than 4,000 in his two years in office (Schmitter, 1973: 190). In one three day period alone (February 26-28, 1967), 151 decree laws were issued (Schneider, 1971: 200). Typically, decree laws were employed for such unpopular measures as wage packages in order to spare government deputies from future electoral peril. Whenever the congress displayed initiative, attempted independent action, or appeared to rebel against executive will, institutional procedures could be and easily were rewritten, and individual senators and deputies expelled from the congress and stripped of their political rights.

Not only was power consolidated in the executive branch of government, but it was also concentrated in certain ministries of the federal cabinet and inter-ministerial councils. Economic policy-making and the direction of the state administrative apparatus were entrusted to civilian and military technocrats from the beginning of the post-64 regime (Skidmore, 1967; McDonough, 1981a, 1981b; Schneider, 1971; Ames, 1973; L. Martins, 1977, 1983; Mendes, 1980; Bresser Pereira, 1984). During the Castelo Branco administration (1964-1967), the minister of planning, Roberto Campos, was accorded wide latitude for his stabilization program. Castelo Branco's successor, Costa e Silva, appointed ten military and nine civilian ministers to his cabinet (Schneider, 1971: 205). The new team's leader, a 38 year old economics professor from São Paulo, Antônio Delfim Netto, became the "czar" of Brazil's "economic miracle" of the 1970s. He was the technocrat par excellence.

At least one student of Brazil has argued the military favored technocrats over political representatives because it firmly believed that politicians were incompetent and weak-willed (Skidmore, 1973: 17, 46). Military hard-liners harbored deep antagonism toward the alliance of traditional elite and populist politicians which governed Brazil for most of the postwar period. They did not conceal their frustration over Kubitschek's calling off Brazil's stabilization program in 1959, and their disgust over Goulart's acquiescence to what they perceived as workers' inflationary wage demands. Addressing why military "extremists" and technocrats could work together, Skidmore (1973: 19) wrote,

Each has his own reasons for wanting an authoritarian regime. Each needs the other. The hard-line military needs the technocrats to make the economy work. The high growth rates in turn give pragmatic legitimacy to the authoritarian regime -- 'it works'. The technocrats and managers need the military in order to stay in power, or at least in order to have the power and authority to carry out their policies.

This trend toward technocratic rule was continued even after the economy had been 'normalized' because the military's coup had not purged the country of forces loyal to ex-president Kubitschek: the electoral successes of gubernatorial candidates Israel Pinheiro in Minas Gerais and Francisco Negrão de Lima in Guanabara in October 1965 convinced the military of the necessity to prolong military-technocratic rule.

The rise to prominent governmental positions by persons who came to them after successful careers in complex and highly bureaucratized organizations (such as the armed forces and the public bureaucracy) informed O'Donnell's (1973: 91) distinction between bureaucratic-⁴ authoritarianism and other 'mere' authoritarian regimes. O'Donnell (1973: 77) attributed the rise of technocrats in Brazil and Argentina to the complexity of the social structure produced by modernization (and its key component, industrialization), which created public and private management needs in which technology played an ever-increasing part. "As modernization proceeds, more technocratic roles are to be found in more and more social activities".

The presence of technocrats in government was not new in Brazil. "Running the state" has long depended on public administration, and, as Meynaud (1968: 72) claims, "the establishment of an absolute separatism

between the political and administrative sectors has never been more than a simple piece of legal fiction". The ever increasing complexity of the administration of state services heightened even further the influence of professional managers and experts in government. Because they hold the monopoly on technical knowledge needed to write legislation, model economic planning, and otherwise "run the state", acquired either through education or longevity in a particular department, ministers depend on them to execute policy. In France, where an army of bureaucrats staff a strong, centralized state, this dependence allowed technocrats, in Meynaud's words, to "slip sideways" into positions of decision-making. Even in Britain, where it was commonly believed civil servants were non-partisan and served dutifully whichever party triumphed at the polls, Gordon (1971) has shown the convention of "ministerial responsibility" to be largely a myth. While technocrats are nearly always formally subordinate to politicians, they have risen in advanced industrial society to high government posts and, in some political systems, they have even risen to cabinet rank, encroaching upon the power of elected representatives and officials. In Britain and other parliamentary systems ministers are rarely chosen from outside Parliament on the strength of their technical ability, but in France's presidential system ministers can rise from the grandes écoles. Two presidents of the Fifth Republic, Georges Pompidou and Valéry Giscard d'Estaing, began their political careers as technocrats.

Technocratic penetration of government in Brazil appeared to differ from other instances of technocratic influence and decision-making in one critical respect. Brazil under bureaucratic-authoritarianism was

alleged to represent the extreme case of technocratic influence, what Meynaud (1968: 30) has called "open dispossession", or pure technocracy, when policy choices and law-making are officially transferred to the technocrat. According to Bresser Pereira (1984: 64-65): "Brazil was unlike the majority, if not all the rest, of the capitalist countries, in that its public sector technocrats and professional administrators became a true technocracy -- that is, they assumed a considerable part of the decision-making power". Technical complexity and military design together provided the opportunity for a 'technocracy' to acquire even more power in Brazil than in the more modern, more complex societies of Europe and North America.

In Brazil, for the traditional political elite who had only a heterogeneous and relatively weak private economic base, holding state office was and is absolutely vital for retaining class power. State positions and control over patronage resources had underlain traditional elite power in Minas Gerais during the populist era, and these became only more important with the relative decline of traditional elite economic strength and the rising stakes in controlling a state leading economic development. The future prospects, indeed survival, of traditional political elites depended upon their ability first to stabilize, and then reverse, the trend toward their expulsion from the core of the state.

State and Power

In the United States, political scientists looking at their own

political system have long debated whether power resides within or outside the state, and how best to study where power lies in a society. Decades of local, state, and national studies have produced no consensus on whether the 'decisional', the 'positional', or the 'reputational' method is the best -- only the incentive for scholars to state their findings with a degree of humility.⁵ But liberal and Marxist scholars agree on one point: 'real power' may reside outside the state. The liberal view (e.g. Dahl, 1961) assumes plural centers of decision-making; elite theory (e.g. Domhoff, 1967), that private elites may influence policy in their favor because of the resources they command in the private sector of the economy. The state is seen alternately as a useful ally or as the pawn of some other, more powerful, societal group. While recent scholarship (Stepan, 1977; Evans, Rueschemeyer, and Skocpol, 1985) has attributed to the state far greater scope for independent action, most observers would agree that in liberal capitalist society, the state is one, but not the only or most the important, locus of power in society.

In an authoritarian regime such as Brazil's operating under the principles of state capitalism, power and state position overlap. Decision-making unambiguously takes place within the state. In state capitalism the state's productive and distributional resources advantage its elites vis-à-vis their weaker private sector counterparts. The decisions taken in the public sector have a farther reaching impact than in advanced industrial societies with proportionally stronger private sectors. In the United States, private corporate leaders set levels of investment in railroads, steel, and mining; in Brazil, state managers operate these sectors of the economy. Citizens bring their interests to

secretaries and undersecretaries over a much wider range of issues than in liberal capitalist society. The corporatist (Schmitter, 1971) and the 'bureaucratic rings' models of interest representation share the view that private elites in most authoritarian regimes, particularly in Brazil, must interact with relevant ministers of state and their undersecretaries to conduct business. The concentration and centralization of economic resources and decision-making power in the public sphere and the higher echelons of the state makes the occupants of state office formal and informal power-holders in the political system. Consistent with this general principle, in Brazil, most state positions confer economic and political power.

Where is power located within the state in Brazil? McDonough (1981b) and most other observers locate the most important sources of power squarely in the ministries with influence over economic policy-making--Planning, Finance, Industry and Commerce, Transport--and in state banks and industries. McDonough derisively views the authority of office holders outside these select ministries as limited to commanding only the 'underside' of the state.

The policy-making ministries--Planning and Finance--do have the authority to set budget priorities and even the power to veto expenditures in other state departments, and state enterprise managers administer enormous budgets, in extreme cases exceeding the funds available to many state governments. But there are nonetheless at least two reasons to doubt that chiefs of economic departments alone wield state power. First, while the managers of state enterprises do control immense resources, the lion's share of these resources are consumed by

the great fixed capital requirements of these enterprises. The second, and principal, weakness of this perspective is that it neglects the ends of office holding for different groups, and the different resources within the state which they need to access. The traditional political elite does not need to grant exemptions on import duties nor to set prices; it must control such patronage resources as employment and public works to sustain its power. An exclusive focus on the outputs of decision-making, such as industrial policy, price setting, and so forth, neglects those parts of the state that control patronage resources. This is a serious omission in a society such as Brazil in which entire communities depend for their economic livelihood on injections of public monies for development projects, public sector employment, and other state resources.

Technocrats in the national Ministry of Planning formulated macro-economic policy, but political elites implemented state policy and programs. They administered federal programs within state borders, in many cases politicizing them at the state level. Discretionary distributional decisions were taken in the state governments, and the heads of even seemingly insignificant state departments who were responsible for the implementation of state policy controlled ample state resources.

In our research on the Minas elite, we highlighted the composition of the state cabinet (including the appointed mayor of the state capital and the lieutenant governor) to test the claim that authoritarian centralization transferred power away from traditional elites to technocrats through changes in the executive branch. If federal and

state legislatures had indeed been stripped of all meaningful functions and jurisdictions by the military-technocratic alliance, prolonged tenure in legislative posts, the typical focus of elite studies, would mean little about real power. Followed, however, by higher, appointed office, it would show continued reliance of the governing coalition on a class of political elites.

In order to address two key questions: Did post-coup patterns differ from pre-coup patterns? and What happened to pre-1964 political elites after the coup?, we compared the career paths of officeholders in two pre-coup administrations with those in the post-coup state cabinets in Minas. We elected to focus on the administrations of Magalhães Pinto (1961-1965) and Bias Fortes (1956-1960) in order to include as broad as possible a cross-section of the pre-coup elite. By beginning our study of officeholders in 1956, we were able to include secretaries from both the old PSD (Bias Fortes was Minas' last PSD governor) and the UDN (Magalhães Pinto's administration favored UDN politicians, and also included some from the Republican party), but had we pushed the limits of our study back any further, we would have complicated our ability to monitor the political fate of the pre-coup oligarchy by introducing a cohort who would have been for the most part too aged to survive into the 1970s. For the purposes of comparison and establishing trends, we divided elite cohorts according to governors' terms.

To assess the roles of technocrats and the traditional political elite in the state, 'technocrats' must be distinguished from 'politicians', and a "technical" route to power from a "political" one. Despite the critical role assigned to technocrats in Brazilian

development, there is no scholarly study of their rise and influence nor of their numbers nor even a clear sense of who the technocrats were. Often the term "technocracy" is employed in the Brazilian context to connote a super-elite stratum of national economic ministers and central bank officers. At other times, it refers to a far larger public and semi-public bureaucracy which includes but is not limited to the staffs of state agencies and enterprises.

Meynaud (1968) characterized technocracy as the rise to power of those who possess technical knowledge or skill. ⁸ Defining technocrats by their common attributes, especially the possession of a particular degree, poses problems for classification, however, and a degree in itself may not be the officeholder's ticket into the cabinet. Did the son of a traditional elite who holds an economics degree rise into the state elite as a member of the 'traditional elite' or as a 'technocrat'? Are technocrats who submit themselves to popular ratification by standing in elections no longer technocrats? Suleiman (1974: 378), who has contributed substantially to the debate on technocracy, takes the position that "civil servants who engage openly in politics do so as politicians and as members of political parties from across the political spectrum". While this position has merit, its principal fault is that it cannot distinguish between cases in which an act of popular ratification founds the basis of the technocrat's power, and those in which it is merely a cosmetic gesture to defuse the criticism of technocracy's opponents. Popular ratification, especially in a "safe" electoral district, can be a mere formality, and an ex-post facto confirmation of power already achieved.

How do we distinguish "technocrats" from politicians who have studied economics or engineering rather than law? In this work, the distinction between technocrats and politicians is founded on the considerations which influenced the appointment of a particular secretary to office. What could the appointed officeholder offer to the executive who selected him? Technical competence? Votes from his native region? The allegiance of an entire political faction which was loyal to his family? In instances where a technocrat-secretary offered technical competence but little else, it seems reasonable to conclude that he was chosen for his technical expertise. However, when the same officeholder derives from a prominent family, or is a member of a political party, mapping his route to power is problematic. To what extent should technocratic officeholders be disassociated from traditional political classes?

Labelling members of the state elite is based on the best assessment of their primary route to power. The crucial distinction is drawn between those who owe their position to a political following, and those who do not. A descendent of the Minas oligarchy who had engaged in no known political activity but who has a long and distinguished career in public administration and enterprises is considered to be a technocrat. On the other hand, a civil engineer who has risen through the ranks of party and legislative service is identified, for the purposes of this analysis, as a politician. The effect of this procedure is to set stringent conditions for the label of technocrat, but one which is justified if we are to determine the extent to which traditional political elites in Brazil were deprived of their access to

state resources--their primary power base. Displacement of a group should not be confused with a shift of power within it--in this case, from one kind of politician to another. A third category of state elite is representatives of the private industrial and banking sectors. If an officeholder appears to have been in a position to offer primarily the support of the local business class, he was included in this category.

Once the principal categories have been established, intra-group analyses are conducted to discern and interpret shifts from within the sets of state elites. Did changes take place in the degree of political accountability of technocrats? Were there were any significant differences in the politicians of the pre- and post-coup eras? Did traditional political elites, especially descendants of former governors and founding fathers of the Republican party, suffer an erosion in their position relative to new political elites?

The Minas State Elite

The most powerful man in state politics is the governor. He appoints the cabinet secretaries, bank presidents, and agency heads who make state policy. Regardless of methodological disposition or analytical sympathies, one would be hard pressed to argue that any other public or private job was more important politically than the chief state executive. Clearly, at no time did Minas politicians cede this post.

The first governor to assume office after the 1964 coup d'etat (and the last by direct election) was Israel Pinheiro in 1965. The son of

former governor João Pinheiro was initiated into politics through the old Minas Republican party and the Liberal Alliance (which helped bring Getúlio Vargas to power). Through a propitious alliance with Vargas' federal interventor in Minas, Benedito Valadares, Israel Pinheiro embarked on a long and distinguished career in state and national politics which brought him to posts in the state cabinet (1933-1942), the state enterprises (as president of the Rio Doce Valley Company in 1942), the congress (as president of the Finance Commission in the Chamber of Deputies), and at the invitation of President Juscelino Kubitschek, active involvement in moving the federal capital from Rio de Janeiro to Brasília, first as the president of the company which laid the groundwork for the construction of the new capital, NOVACAP (Cia. Urbanizadora Nova Capital), and later as Brasília's first mayor in 1960.

Israel Pinheiro's successor, Rondon Pacheco, appointed (or "elected indirectly") governor of Minas at the height of technocratic power in 1971, was neither a civilian nor military technocrat, but very much a politician. First in state politics and later as a federal deputy, Pacheco had held important posts within the UDN party. He was its leader on the floor of the Chamber of Deputies in 1960, and he also served as a member of Magalhães Pinto's cabinet from 1961 to 1962. After the coup Pacheco rose in national stature, becoming secretary-general of the new ARENA in 1966, Costa e Silva's Chief of the Civil Cabinet (unambiguously one of the most powerful cabinet positions in the national government) in 1967, and national president of ARENA beginning in 1969, a post which he held until Médici nominated him to be governor

of Minas Gerais. Pacheco's successors, Aureliano Chaves (1975-1978) and Francelino Pereira (1979-1982), were also politician-governors, as well as high-ranking national figures in the ARENA party; Pereira, like Pacheco, had served as national party president immediately preceding his ascension to the state's highest office.

Politician-governors were the rule, not the exception, in Brazil. Most governors in the 1970-74 period, unambiguously the most authoritarian, were politicians (68 percent). Five traveled the technocratic-bureaucratic path to power, and two were drawn directly from the ranks of the armed forces (Table IV-1). Politicians were not generally supplanted in the highest offices in their states. The regional oligarchy in Minas, and if Minas' experience can be generalized, perhaps in other states, retained state autonomy in this period. Rondon Pacheco's ascendancy in Minas suggests, moreover, that the Minas elite was well connected with upper military circles.

Politician-governors, even in authoritarian surroundings, behaved first and foremost as politicians. Even at the height of technocratic influence, Rondon Pacheco played politics even if some of his cabinet secretaries did not. The departments of Interior and Justice, Labor, Administration, and Government, were left, as always, to politicians, as was Belo Horizonte's city hall. ⁹ Moreover, Pacheco handed out lucrative directorships in the state banking system to old political stalwarts José Augusto Ferreira Filho and Francisco de Castro Pires Junior, both of whom had served as presidents of the state Legislative Assembly in the 1950s. Another politician from the Bias Fortes era, and a member of the oligarchy, Juarez de Souza Carmo, was made president of

Table IV-1
State Governors, 1966-70 - 1970-74

Education	Paths to Power							
	Political		Technical Bureau- cratic		Armed Forces		Total	
	1966	1970	1966	1970	1966	1970	1966	1970
Engineer	2	2	1	5	-	2	3	9
Economist	-	1*	-	-	-	-	-	1
Doctor	1	2	-	-	-	-	1	2
Entrepreneur	3	1	-	-	-	-	3	1
Lawyer	11	9*	-	-	-	-	11	9
Professor	1	1	-	-	-	-	1	1
Military	1	-	-	-	1	-	2	-
Accountant	1	-	-	-	-	-	1	-
Total	20	15*	1	5	1	2	1	-

*The governor-elect for Rio Grande do Norte, José Cortes Pereira, was included twice in the column "political" - as both a lawyer and an economist.

Source: Santos, 1971: 126.

the state's housing division (COHAB). Pacheco's lieutenant governor, Celso Porfírio de Araujo, had been Bias Fortes' secretary of Public Security.

Our findings of the routes to state office followed by cabinet secretaries from 1956 to 1982 are summarized in Table IV-2. Two measures of elite office holding are utilized. The first represents the number and percentage of cabinet secretaries during a particular administration by the career path (traditional political elite, technocrat, private sector) they followed to state office. The second measure represents the percent of total time (the sum of the number of months each cabinet post was in existence) cabinet offices were occupied by secretaries falling into these categories. The second measure has been included to eliminate any distortions which might be caused by weighing equally secretaries who served extremely brief terms in office (in many instances no more than one to two months) with those who served nearly full terms. Taken together, these measures offer as complete and accurate a picture as can be achieved in summary form of the patterns of advancement in Minas Gerais and their change over time.

Before the coup, most cabinet secretaries rose in Minas politics because of family connections or through political channels. In the late 1950s, Minas politics was governed by partisan considerations, and remained the preserve of traditional elites. The governor, José Francisco Bias Fortes (1956-1960), was from one of Minas' most illustrious families; his father, Crispim Jacques Bias Fortes, was the first governor of Minas Gerais (1894-1898). Similarly, his lieutenant governor, Artur Bernardes Filho, was the son of Artur da Silva

Table IV-2

The State Elite: Composition of the Cabinet, 1956-1982(a)

Gubernatorial Administration	Routes to Power			
	Traditional Political		Techno-Bureaucratic	
	Num. (%)	% Time	Num. (%)	% Time
Bias Fortes (1956-1961)	16 (89%)	96%	1 (6%)	2%
Magalhães Pinto (1961-1965)	40 (69%)	80%	9 (16%)	9%
Israel Pinheiro (1966-1971)	23 (61%)	58%	11 (19%)	29%
Rondon Pacheco (1971-1975)	8 (40%)	47%	11 (55%)	47%
Aureliano Chaves (& Ozanam Coelho)(c) (1975-1979)	12 (55%)	49%	9 (41%)	48%
Francelino Pereira (1979-1982)	13 (65%)	70%	3 (15%)	17%
Totals	98 (62%)		41 (26%)	

Notes: See next page.

Table IV-2

The State Elite: Composition of the Cabinet, 1956-1982(a)
(cont.)

Gubernatorial Administration	Routes to Power				N(b)
	Private Sector		Insufficient Data		
	Num. (%)	% Time	Num. (%)	% Time	
Bias Fortes (1956-1961)	--	--	1 (6%)	1%	18
Magalhães Pinto (1961-1965)	3 (5%)	4%	6 (11%)	3%	58
Israel Pinheiro (1966-1971)	2 (5%)	7%	2 (5%)	2%	38
Rondon Pacheco (1971-1975)	1 (5%)	5%	--	--	20
Aureliano Chaves (& Ozanam Coelho)(c) (1975-1979)	1 (1%)	1%	1 (4%)	2%	22
Francelino Pereira (1979-1982)	2 (10%)	9%	2 (10%)	4%	20
Totals	8 (5%)		12 (8%)		159

(a) State cabinet posts include the lieutenant governor and all state secretaries for each administration, except military portfolios. The post of the prefect of Belo Horizonte is included during the terms of the post-coup governors, Israel Pinheiro, Rondon Pacheco, Aureliano Chaves, and Francelino Pereira. This post was omitted in the pre-coup period because, as an elected position, it was by definition one which was achieved by political means. After the coup, it became an appointed position.

(b) Column does not total because secretaries who occupied posts in more than one administration were counted only once. Each administration is considered as a separate unit in the rows, but the duplicates have been removed from the columns.

(c) Ozanam Coelho, the lieutenant governor during the administration of Aureliano Chaves, became governor in 1978 when Chaves resigned his post to "run" for vice-president.

Bernardes, governor of Minas (1918-1922) and president of Brazil (1922-1926). Eighteen men served in the cabinet of the Bias Fortes administration, including the lieutenant governor. Sixteen are known to have risen by these means. Only one had had substantial administrative experience.

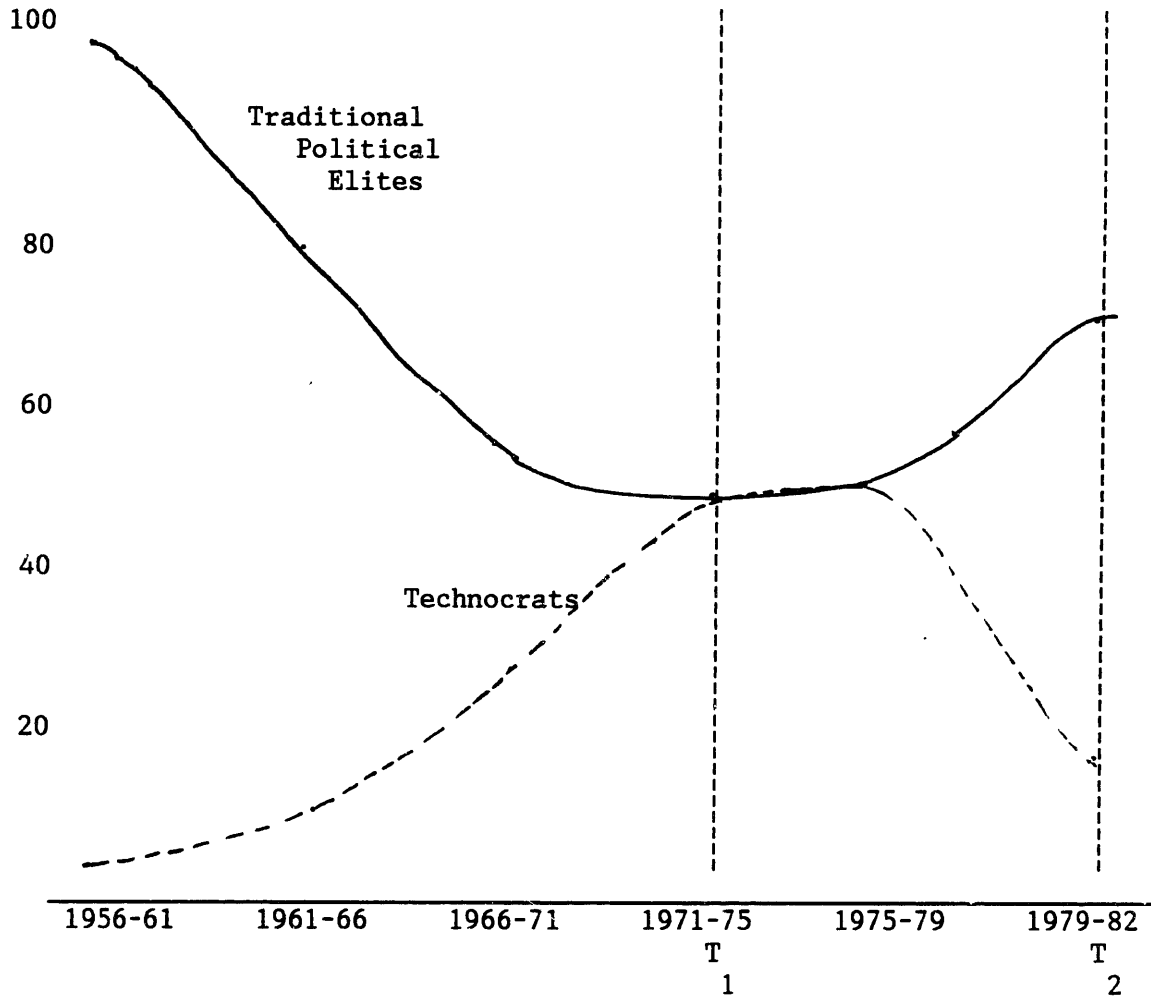
A similar pattern is evident during the administration of Bias Fortes' successor, Magalhães Pinto. Magalhães Pinto appointed 40 of 58 cabinet secretaries from political ranks, and nine were drawn from the public bureaucracy. Politicians occupied state cabinet offices for four-fifths of Magalhães Pinto's term. In some cases, they were chosen to head up secretariats for no apparent reason other than the base of support they could offer the incumbent from their party's ranks. This was especially true of several minor party leaders, who joined the cabinet because the UDN was not a majority party. Political elites overshadowed representatives of the business community in the administration of the banker Magalhães Pinto, but private sector elites were no less prominent than during the bureaucratic-authoritarian regime when they were alleged to be part of the ruling coalition.

After the regime change, technocratic participation in the cabinet increased, peaked during the administration of Rondon Pacheco (1971-1975), and then declined. The technocratic rise began in the administration of Israel Pinheiro. Like his father, João Pinheiro, the positivist governor of Minas Gerais at the turn of the century, and his political mentor, Juscelino Kubitschek, Israel Pinheiro promoted economic development in Minas. For this purpose, he invited into his administration several technically qualified personnel, approximately 30

percent of the state cabinet. Technocrats reached the apogee of their influence over state policy during the administration of Rondon Pacheco. More than half the cabinet, they held office a little less than half the duration of his administration. Near the end of Pacheco's tenure as governor, traditional political elites and technocrats shared fairly equally state office. Aureliano Chaves, who assumed office in 1975, maintained the technocratic presence in state government at approximately half his cabinet. Politicians were even more clustered toward the end of his term, which was served out by his lieutenant governor and old stalwart of the PSD, Ozanam Coelho. The last governor of the authoritarian period, Francelino Pereira (1979-1982), appointed only three technocrats to his cabinet, and their combined time in office was less than one-fifth of the total. When the trends in office holding in these two administrations are added to our graphic representation of the Minas state elite, a radically different picture emerges from that projected at the height of the authoritarian period.

The paths of the traditional political elite and technocrats in the state cabinet never quite crossed. A curvilinear pattern of office holding by the two groups shows their positions merged in the mid-1970s, but then diverged nearly as sharply as they had in the pre-coup years (Figure IV-1). The picture is illuminating, if crude: traditional political elites were neither pushed off the scale at any point, not even during the apogee of technocratic office holding in the 1971-1974 period, nor was the relative loss of their positions to technocrats permanent and irreversible. Viewed from 1974, it was evident only that traditional political elites had slid dramatically from their pre-coup

Figure IV-1: The State Cabinet, 1956-1982



Source: Table IV-2

highs: it was not obvious that their fortunes would soon reverse themselves. What appeared in 1974 to be an endpoint or only slightly better, the midpoint of a unidirectional slide, was actually the nadir of a longer curve. What is striking when the whole picture is taken into account, indeed, is how brief the period of technocratic ascendancy was.

The brevity of the ascendancy of technocrats attests that traditional elites were not ultimately dislodged from the state. But to know that technocrats held office "47 percent of the time" alone tells us little about the actual configuration of power within the state, and how disruptive their presence was to traditional politicians. In fact, the reach of technocrats was by and large limited to the ministries which formulated economic policy.

Technocrats and politicians achieved a modus vivendi. Technocrats held onto the key economic ministries--Finance and Planning--and traditional politicians were returned the instruments of their patronage: the Departments of Education, Public Works, and Interior. In Minas, in the early 1970s, technocrats were assigned to administer the Departments of Planning, Finance, Industry and Commerce, and Agriculture (Table IV-3). Traditional political elites at no time controlled the Department of Planning, and after losing control over Finance during Israel Pinheiro's government, they never regained it. But even during the height of technocratic influence they retained the patronage departments of Interior and Justice and Administration, and they quickly recaptured others: Education, Health, and Public Works. In the administration of Francelino Pereira, they were returned to head

Table IV-3

Political Elite Control of State Office, 1956-1982
(percent of cabinet post time)

Cabinet Office	Administration(a)					
	I	II	III	IV	V	VI
<u>Economic Departments</u>						
Finance	88%	70%	60%	0%	0%	0%
Agriculture, Industry, & Commerce (1956-63)	100%	100%	--	--	--	--
Agriculture (1963-82)	--	41%*	78%	0%	0%	73%*
Planning (1970-82)	--	--	0%	0%	0%	0%
Industry, Commerce, and Tourism (1972-82)	--	--	--	0%	77%	0%+
Economic Development (1964-66)	--	63%	0%	--	--	--
<u>Patronage Departments</u>						
Education	100%	98%	86%	0%	17%	100%
Interior & Justice	87%	100%	100%	100%	100%	100%
Public Works	100%	88%	29%	0%	100%	73%
Administration	--	82%	65%	100%	100%	100%
Health	100%	66%	86%	0%	83%*	58%
Mayor, Belo Horizonte	0%+	100%	39%	100%	0%	100%
<u>Others</u>						
Public Security (1956-70)	100%	63%	14/mil	mil	mil	mil
Government	--	64%*	77%*	100%	17%	100%
Science & Technology (1977-82)	--	--	--	--	0%	73%*
Labor (1963-82)	--	39%*	11%	100%	100%	100%
Social Action Affairs (1964-66)	--	100%	100%	--	--	--
Rural Credit & Supply Affairs (1964-66)	--	100%	76%	--	--	--

(a) For cabinet administrations, refer to Table IV-2.

*Minimum estimates - officeholders included in total for whom data were insufficient to determine career path.

+Officeholding shared by technocrats with business elites.

the Department of Agriculture, a post which in the preceding administrations had been trusted to agronomists. Even departments such as Labor and Science and Technology afford ample opportunity for patronage. Perhaps the largest patronage job for a politician, mayor of Belo Horizonte, was awarded to politicians at various times during the authoritarian period, having been shared with technocrats and representatives of the business community. Technocratic presence in government did not long divorce traditional elites from their sources of clientelism.

Politicians not only held onto and regained state cabinet posts, they even invaded the terrain of the scientific experts with some success. Former governors assumed control of some of the most important state enterprises. Upon leaving the office of governor, Rondon Pacheco became the president of USIMINAS, the national steel company located in Minas Gerais. The belief that presidencies of state enterprises were awarded on the sole basis of technical competence in authoritarian Brazil has little foundation in fact. Moreover, following public service many members of the traditional political elite found lucrative state bank directorships awaiting them. In all, more than one-quarter of the members of the traditional political elite throughout the three decades of our study served at some point as directors, presidents, or board members of state banks.

Technocrats and Politicians

Even with their scope of action limited to economic ministries, technocrats may still have accumulated vast power and challenged the

traditional oligarchy. The technocrat-secretaries of the early 1970s appeared to differ fundamentally from other well educated and experienced cabinet secretaries who preceded them. Unlike previous career public servants who faithfully executed the policies of elected politicians, the scientific experts of the 1970s were believed to be the product of a new political system, accountable not to politicians, whom they had supplanted in the state, but only to their military patrons. Their presumed common origins, technical training, and advancement through the state administration, para-public agencies, and state enterprises was thought to have led to shared beliefs and behavior. Common purpose and coordinated action, in turn, were believed to generate power. They were thus viewed not as a loose amalgam of career bureaucrats but as a budding technocracy.

Brazil has no equivalent of the French grandes écoles [¹⁰École Nationale d'Administration (ENA) and the École Polytechnique], which might have fostered some national esprit de corps. In Minas, two state agencies, the state development bank, the Banco de Desenvolvimento de Minas Gerais (BDMG), and the state electric company, Centrais Elétricas de Minas Gerais (CEMIG) seemed to provide a disproportionate number of ¹¹economists and engineers for political duty. "In the decade of the 1970s, practically all key posts of decision-making in the state's economic sphere were under the control of the group originating from these two institutions" (Campolina Diniz, 1978: 143).

If there was a 'technical' route to office holding in Minas Gerais which circumvented and devalued traditional political channels for attaining state power, it was not a single one. The Minas technocratic

corps was not monolithic (Table IV-4). The formal educational experiences of technocrat-secretaries varied widely: only 15, or 37 percent, held economics or engineering degrees. While four-fifths of the technocrats had had job experience which prepared them for their posts in state government, their experience was neither uniform nor centered in a few state agencies. Seven officeholders schooled in medicine became secretaries of Health, and four agronomists headed the state Department of Agriculture. In Pacheco's government most technocrats were educated and trained for their posts, but this is not true of Chaves' government, in which the schooling of only one-third of the technocrat-secretaries was related to the requirements of their posts, and just over half had related job experience. During the entire period from 1956 to 1982, only 37 percent of the technocrats rose in the state enterprises (as distinct from the fully public bureaucracy), a figure only slightly higher (45 percent) during Pacheco's administration.

This lack of common origins and even expertise does not of course preclude the possibility that technocrats might have acted in a coordinated fashion in office, nor that a motley set of capable administrators still might have superseded a group of political relics in orienting state policy. Common origins and experience may not be necessary for a "technocracy" to impose a single vision on state government policy, nor for technocrat-ministers to enhance their power. ¹² Suleiman (1974) has argued that an administrative elite becomes a 'technocracy' when technocrat-ministers act in common with their counterparts in other, rival ministries. Another way to measure

Table IV-4

Technocrats: Education, Job Experience, and Political and
Private Sector Connections, 1956-1982

Cabinet(a)	Education(b)						
	Job Related(c)		Type				
	Yes	No	Law	Med- icine	Econ. & Eng.	Agro- nomy	Other
Bias Fortes (1956-61)	1 (100%)	0	1 (100%)				
Magalhães Pinto (1961-65)	7 (78%)	2 (22%)	3 (33%)	4 (44%)	1 (11%)		1 (11%)
Israel Pinheiro (1966-71)	5 (45%)	6 (55%)	3 (27%)		5 (45%)	1 (19%)	2 (18%)
Rondon Pacheco (1971-75)	8 (73%)	3 (27%)		2 (18%)	6 (55%)	2 (18%)	1 (9%)
Chaves/ Coelho (1975-79)	3 (33%)	6 (67%)	3 (33%)		3 (33%)	1 (11%)	2 (22%)
Francelino Pereira (1979-82)	2 (67%)	1 (33%)	1 (33%)	1 (33%)	1 (33%)		
Totals	24 (59%)	17 (41%)	10 (24%)	7 (17%)	15 (37%)	4 (10%)	5 (12%)

Notes: See page 222.

Table IV-4

Technocrats: Education, Job Experience, and Political and
Private Sector Connections, 1956-1982
(cont.)

Cabinet	Public Job Experience(d)					Poli- tical Connec- tions(e)	Private Sector Connec- tions(f)	N=(g)
	Job Related(c)		Public Bureau- cracy	Public Enter- prises	Univ- ersi- ties			
	Yes	No						
Bias Fortes (1956-61)	1 (100%)	0			1 (100%)	1 (100%)	0	1
Magalhães Pinto (1961-65)	9 (100%)	0	8 (89%)	1 (11%)		4 (44%)	0	9
Israel Pinheiro (1966-71)	7 (64%)	4 (36%)	6 (55%)	3 (27%)	2 (18%)	7 (64%)	3 (27%)	11
Rondon Pacheco (1971-75)	11 (100%)	0	2 (18%)	5 (45%)	4 (36%)	1 (9%)	4 (36%)	11
Chaves/ Coelho (1975-79)	5 (56%)	4 (44%)	4 (44%)	5 (56%)		7 (78%)	5 (56%)	9
Francelino Pereira (1979-82)	2 (67%)	1 (33%)	2 (67%)	1 (33%)		3 (100%)	0	3
Totals	33 (80%)	8 (20%)	20 (49%)	15 (37%)	6 (15%)	21 (51%)	12 (29%)	41

Notes: See next page.

Notes to Table IV-4

a. Included in cabinet positions are the lieutenant governor and secretaries of state for all positions except those which became military portfolios. Additionally, the mayor of Belo Horizonte is included beginning in 1967 when it became an appointed position, and thus figures into the administrations of Israel Pinheiro, Rondon Pacheco, Aureliano Chaves/Ozanam Coelho, and Francelino Pereira.

b. Education is the highest degree held before assuming office.

c. When a secretary holds more than one post in the same administration, his education and job training are related to the position held longer or first, depending upon which is more prominent.

d. Included under the rubric of public bureaucracy is work in the administrations of the federal, state, and, in the case of Belo Horizonte, local governments. Public enterprises, though strictly speaking part of the state bureaucracy, are distinguished by their semi-autonomy. The public enterprises which appear most frequently on the vitae of the technocrat-secretaries are the state electric company, steel companies, development bank, agrarian enterprises, and department of roads -- in other words, those agencies executing development projects and running the economy. While many technocrats who worked their way up in the bureaucracy and public enterprises also hold university appointments, the secretaries identified as having job experience in the universities are distinguished by such high-level career positions as university rector.

e. "Political connections" include any one of the following: admission of a partisan affiliation; relatives in politics; and tenure in political posts. In most cases, these are elected, but I have also included such appointed posts as state interventor (federally-appointed governors), and municipal chief executive (state-appointed mayors) during the years of the Vargas dictatorship.

f. Secretaries may have been engaged in private enterprise either before, during, or after having held office. Low-level positions in private enterprises before entering public service are not included.

g. The total number of secretaries does not total 44 as it apparently should because three secretaries held posts in more than one administration. Each administration is considered as a separate unit in the rows, but the duplicates have been removed from the columns.

technocratic power is by the degree of the "technocrat's" accountability to, or autonomy from, political elites.

The Minas technocrats were hardly an omnipotent, apolitical body. They appeared to be above partisan calculations and not answerable to political elites for only a brief time. The secretaries of the administration of Rondon Pacheco were highly professional: only one (of 11) had any political or partisan affiliation. But the technocrats of Chaves' administration had vast political connections -- more than three-fourths either had extensive contacts with politicians or engaged directly in politics themselves. Some had served politicians in a personal capacity; private secretaries of cabinet secretaries who later became governors, for example, themselves became cabinet secretaries during their former patrons' administrations. All three technocrats in Francelino Pereira's government had political connections.

Many technocrats were descended from Minas' traditional families. Indeed, family connections are not easily separable from the ascent of some technocrats into the state elite. Aureliano Chaves' secretary of Planning, Paulo Camillo de Oliveira Penna, a chaired professor of Planning and Public Administration in the Economics Department of the Federal University and president of the state development bank from 1963 to 1966, was also from one of Minas' most traditional families of the Rio Doce Valley, a descendant of ex-president Afonso Penna, a nephew of former governor Milton Campos (1947-1951), and private secretary to Magalhães Pinto from 1961-1963 during his term as governor. Penna's first cousin, José Israel Vargas, the first state secretary of Science and Technology, could hardly have been more qualified: he held a Ph.D.

in chemistry from Cambridge University and had worked on the French Atomic Energy commission. Penna's successor in the Planning Ministry (he died in office in 1976), Helio Bráz, had managerial experience in foreign firms and technocratic training, but was also the grandson of Wenceslau Brás, governor of Minas during the Old Republic (1908-1910) and president of Brazil (1914-1918).

Many technocrats had been active in politics at some point in their public life. A small number early in their careers occupied such political offices as local city councillor or promotor de justiça. Even more admitted to partisan affiliations. At least 11 secretaries who rose through technocratic ranks claimed membership in or identified with a political party.

Though their political activity was probably not the primary reason for the rise of these technocrats to state office, the differences in political connections between the technocrat-secretaries in the administrations of Rondon Pacheco on the one hand and Aureliano Chaves and Francelino Pereira on the other are hardly irrelevant. They reveal a trend: as the recruitment to state government began to revert back to the political class, technocrats themselves began to display political attributes, and their selection appeared to satisfy political constituencies. The appointment of João Valle Maurício, a medical doctor with an impressive background in public health, as state Secretary of Health in 1981 mollified the politically important North of Minas, which felt it had been underrepresented in Francelino Pereira's cabinet. Maurício had previously been the leader of the Republican party and city council in Montes Claros before the coup, and briefly

served on the local ARENA diretório thereafter.

Political Elites, Traditional Elites

The return of political elites to state office in the second decade of bureaucratic-authoritarianism belied the notion that the Brazilian political system had been fundamentally transformed. Its original contours were quickly restored. The persistence of the most traditional elements of this elite, moreover, suggested that the substance of this system was essentially unaltered.

Elites who held legislative office were not powerless. They were still capable of garnering votes, an important political resource in a regime struggling to maintain legislative majorities in federal and state chambers. It provided them with a launching pad into the higher state elite. Politicians per se were once again rewarded for party service and their vote-drawing ability in the administration of Francelino Pereira, when state cabinet appointees were drawn from the ranks of elected officeholders. Setting aside the ARENA candidates who received the first and third most votes in the 1978 congressional elections, former governor Magalhães Pinto and his associate Hélio Garcia [who bolted from ARENA to become the national and state presidents, respectively, of the newly formed Popular Party (Partido Popular)],¹⁴ top vote getters ascended quickly to elite ranks. ARENA's second most voted federal deputy, Maurício Campos, was named mayor of Belo Horizonte; the sixth top vote getter, Carlos Eloy, the Secretary of Public Works; the seventh Gerardo Renault, the Secretary of Agriculture; and so forth. In all, four federal deputies and three state deputies

served as cabinet secretaries in the first round of Pereira's government, in addition to Maurício Campos and the lieutenant governor, João Marques de Vasconcellos, a ranking politician in the state legislature. Also rewarded with a cabinet portfolio for his party service was Fernando Fagundes Neto, who had sacrificed a congressional seat to run unsuccessfully against heavily favored MDB candidate Tancredo Neves in the 1978 direct senatorial election.¹⁵

Far from having been neutralized politically in the post-coup authoritarian system, prominent figures of Mineiro politics before the 1964 coup fared quite well in circumstances of military governance. In many cases, they made their way to quite powerful posts; in others, quite lucrative ones. Striking is the overall levels of political survival characteristic of this group. Of 77 pre-coup political elites identified from a universe of state and federal posts (see Appendix A), at least 36 (46 percent) served in the executive branch after the regime change (Table IV-5). Of these 36, 22 achieved such noteworthy positions as governor, vice-president, and state and federal cabinet ministers, or such highly paid ones as state bank presidents, directors, and board chairmen. In ten cases, they survived "partially", retaining a measure of power for a limited period, or securing a less than top elite post. In a third category, the career successes of five descendants of deceased elites are taken into account.

When the potential field of elite survivors is narrowed to reflect demographic and political realities, the political survival rate rises. Excluding ten members of the political elite who died in the 1960s and 1970s (other than those whose children, brothers, or nephews went on in

Table IV-5

Minas Gerais: Pre-Coup Political Elites -- Post-Coup Careers

	Number	Percent			
Noteworthy Survival(a)	22	27	31	36	38
Partial Survival (lesser posts or temporary)(b)	9	13	15	17	18
Close Relatives Who Survived(c)	5	6	7	8	9
Survived in Legis- lature and ARENA(d)	11	13	15	17	18
No Known Post-Coup Posts	10	13	15	17	18
Gaps in Data - May Have Survived(e)	3	4	4	5	X
PTB-MDB Elites	8	10	12	X	X
Elites Who Died in 1960s and 1970s	10	13	X	X	X
Total	77				

(a) The type of posts represented under the rubric of "noteworthy" are state governor (of which there are three), vice-president, cabinet posts, president of state banks, and so forth.

(b) Lesser posts are directors of lesser state agencies, and certain judicial posts. An example of 'temporary' survival is Francisco Negrão de Lima, elected governor of Guanabara in 1965, who in the mid-1970s was denied a party candidacy even by the MDB for a senate race.

(c) Included are sons, brothers, and nephews. Excluded are cousins and other, more distant relations.

(d) By this is meant either a state or federal deputy, or a high-ranking party post.

(e) In three cases, there is reason to believe that high appointed posts may have been held after the coup, but the dates of tenure in those posts are unavailable.

public careers) from the universe of the pre-coup elite brings the percentage of those who survived to over half. Similarly, when those elites who belonged to the PTB and who later joined the MDB (most of whom were participants in the Goulart government which was overthrown by the military in 1964) are also removed from consideration, by the logic that they never really were traditional political elites, but their challengers, the percentage of surviving oligarchs surpasses three-fifths.

Prominent among the front ranks of the political elite in state office, moreover, were direct descendents of the core of the "oligarchy"--the 27 "governing families" who can trace their origins to the Brazilian independence movement that were boldly identified by Cid Rebelo Horta (1956). To appreciate the importance of these families in Minas politics, 33 of 55 presidents of Minas when it was a province under the Empire and 80 percent of its republican governors were descended from these families. In 1981, José (Zezinho) Bonifácio de Andrada, a prominent political oligarch from one of Minas' most important traditional families, concurred heartily with Rebelo Horta's characterization of Minas politics as the domain of 27 "governing families":

In all states a certain number of families control politics. Only in the South, where immigration is significant, this does not happen. In Bahia [a northeastern state], for example, Luiz Vianna was governor, Luiz Vianna Filho [son] was governor, and Luiz Vianna Neto [grandson] is president of the Senate (Estado de Minas, 1/18/81).

At least 31 members of the traditional political elite identified

in the pre- and post-coup periods are known to have been descended from these families, which represents roughly one-quarter of the total. Even in the post-coup period, the prominence of the Coelhos of Ubá, the Bias Fortes and Andradas of Barbacena, and the Oliveira Pennas is startling. Prominent among Chaves' leading political appointees to the cabinet were the heads of two of the most renowned oligarchical families of Minas, Bonifácio de Andrada and Bias Fortes, both sons and grandsons of governors. The list can be extended even further, into the administration of Francelino Pereira, when Carlos Eloy Carvalho Guimarães was named secretary of Public Works. Ex-state president of ARENA, former majority leader in the state legislature, and a serious contender for the PDS nomination for governor in 1982, Eloy traces his lineage to the legendary Joaquina de Pompeu, matriarch of a cluster of governing families (Estado de Minas, 1/18/81). Representing the oligarchy in the Figueiredo government was Joao Camilo Penna, minister of Industry. In 1981, at least 16 federal deputies and 28 state representatives also belonged to these same 27 "governing families" (Estado de Minas, 1/18/81). The reach of the Minas oligarchy, moreover, extends beyond its blood and marriage relations. Significantly, its members are often found in top posts or in positions to broker who, if not they, shall rise in Minas politics and in the state. "New" political elites often owed their allegiance and positions to oligarchical patrons.

Politics in Minas is not a closed affair. Even during the First Republic, new blood was allowed entry into the elite (cf. Wirth, 1977). In recent years, rather modest politicians such as lieutenant governor

João Marques de Vasconcellos and Ibrahim Abi-Ackel, minister of Justice during João Figueiredo's presidency, were able to rise to high ranking posts. The blend of oligarchical roots, political service, and even technical competence among the illustrious are features of Minas politics which remain unchanged. What is surprising and significant in the light of regime change is the sustained, measurable degree of influence which these oligarchs retain over the political system which their forebears created nearly a century ago.

Conclusions

Traditional elites in Minas Gerais were not eclipsed irreversibly by a centralizing military regime. The announcement by scholars of the death of this class was premature. For a brief period, technocrats appeared to have displaced traditional elites in many high state offices. But traditional political elites regained most of these very soon thereafter, and the technocrats who served in economic departments in the mid and late 1970s had extensive political attachments and worked well with politicians. These technocrat-secretaries represented neither a new class nor a threat to politicians.

Traditional political elites defended their positions and power in the state by traditional political means. The design of macro-economic policy by the federal government did not structurally deprive political elites in the states of the means with which to implement policy along clientelistic lines. Traditional elite access to their sources of patronage was interrupted for only a very brief time. Moreover, no identifiable, irreversible break took place in patterns of elite recruitment. Political parties remained vehicles for political advancement--"Modern Princes"--and by the mid to late 1970s, the ability to marshal support for the regime, largely but not exclusively by drawing votes, was once again highly regarded and rewarded. The upturn of the "traditional political elite curve", a barometer of political activity in an authoritarian regime, after 1974 suggests the military failed in its quest to purge politics from the state. The resilience of the most traditional members of the political elite

implies that the military was unable to even sponsor a new political elite more to its liking. In outlasting a regime which had no obvious place for it, the Minas oligarchy demonstrated its strength within the state and the force of traditional politics.

Notes

1. So confident was McDonough (1981a: 79) of this fact that he began his study of Brazilian elites during the Médici regime by flatly asserting: "The objective [of this study] is not to discover the power structure, as if there were serious doubt about its existence or even much mystery about its composition". Faucher (1981) argues that the bourgeoisie withdrew from the ruling clique.

2. Cardoso is of course referring to Gramsci's (1971: 129) revision of Machiavelli's concept of the Modern Prince. For Gramsci, the Modern Prince was the political party.

3. "Technocrat" here is not intended in the perjorative sense in which it is sometimes used. I have opted to maintain its usage because the alternative, "technician", is inadequate to describe those experts who are alleged to have accumulated political influence. Moreover, if Suleiman (1977) is correct that "technocrats" are generalists, and "technicians" are specialists, they are not interchangeable terms.

4. Such as those defined by Apter (1965) and Linz (1970).

5. Smith (1979: 318) sums up the shortcomings of all three:

The reputational approach depends too heavily on the perception of informants, who may or may not be well-informed and who might tend to overestimate the visible trappings of leadership, not to mention political gossip, whereas real power might be exercised behind the scenes. The institutional approach stresses organizations and overlooks informal sources of power. And the decision-making criterion, notwithstanding its merits, deals only with overt cases of conflict; it says nothing about the issues which never reach the political arena and which, for that very reason, might be the most crucial of all. There is no way of avoiding the likelihood of error: all you can do is pick your pitfall.

Having acknowledged this fact, there are nonetheless differences in political systems which might suggest one method over another. In Brazil, where heresay about the composition of the power structure has been accepted as fact, the reputational method tends to reinforce existing stereotypes. In McDonough's (1981b: 98) study, for instance, 'elite' informants most often cited the president of the Republic and Delfim Netto as the most powerful personages in Brazilian society during the Médici regime. To accept their reputations, in this case, as confirmation of their power is tantamount to accepting unverified gossip.

6. For a summary comparison between the two, see Guimarães (1977).

7. Because of this, studying who holds power by 'mapping' out the frequency of contacts between businessmen and other private citizens and office holders may tell us less about power and more about how business is conducted in a state capitalist economy. To cite an example of the potential problems inherent in this approach, McDonough (1981a) "maps out" the power structure during the Médici regime in Brazil by recording the contacts between businessmen and state ministries regulating affairs of interest to them. He interprets the frequency of those contacts as proof that these groups formed a powerful alliance. Yet, he does not explicitly consider the nature and purpose of those contacts. This is an especially serious omission in light of the interweaving of the private and public economies, the purchases and deliveries from the private to the public sector, and the regulation of imports, prices, and other factors crucial to the management of a business. Frequency of contracts, especially if the "bureaucratic rings" model is an accurate representation of reality, cannot in itself imply influence over the final decision, but merely the 'normal' means of articulating one's interest to the centers of decision-making. McDonough's record of personal contacts, therefore, is less an exposition of the power structure than a confirmation of patterns of interest representation in an authoritarian political system.

For much this reason, there is a serious question about whether who influenced policy can be determined in an authoritarian regime. This point is argued for the case of Mexico by Smith (1979).

8. Meynaud (1968: 27) hastens to include under the rubric of those who possess technical knowledge both those whom he describes as experts, who have a thorough knowledge of a particular field or subject, and the general manager or administrator, who "has the ability to control various stages or sectors of operation and see them all as a whole". Suleiman (1977) has shown that it is rare that technocrats actually possess technical skill, at least in France. There, such an ability is viewed with scornful derision by top civil servants who take pride in their ability to see things whole and make well-reasoned decisions. They are the "generalists" to which Meynaud refers.

9. Interestingly, Pacheco's appointee as mayor of the capital, Oswaldo Pierucetti, had served in the same post as Belo's last elected mayor from 1965-1967.

10. The empirical record is contained in McDonough (1981b: 67). The one exception is military elites, who were for the most part schooled at the Superior War College (ESG). See Stepan (1971) for the most complete study of the common background of the military elite.

11. While the BDMG was created in 1962 to fund small and medium industry in Minas, it soon took on the functions of the state body responsible for economic studies. A Department of Studies and Planning was created, and a new technical team hired to prepare first a series of

sectoral studies (e.g. sugar, textile, and meat processing industries), and later the major work, the Diagnóstico da Economia Mineira, published in six volumes in 1968. This document served to enhance the position of the authors, the so-called "Prophets of Catastrophe"; one Minas observer has claimed that it legitimated their rise at the expense of the "political class" (Campolina Diniz, 1978: 143).

12. Suleiman (1974) is quick to point out that mere common backgrounds of education do not lead necessarily to homogenous behavior as technocrats, nor to one technocratic ideology. He goes to great lengths to show instead that civil servants owe their loyalty and attachment to their particular administration, and that this loyalty is a chief obstacle to coordination among the ministries which he seems to feel would be required for a functioning, rational technocracy.

13. Background on João Valle Maurício and the conclusions about the reasons for his selection were drawn from Montes Claros em Foco, Vol. XIV, No. 39, October, 1981.

14. The Popular Party (PP) was a shortlived party, which was created when electoral laws were rewritten in 1979 to allow multi-partism, and which was disbanded in 1982 when revisions in the electoral laws made it more difficult for a divided opposition to advance in the polls that coming November. Throughout its brief life, the PP was a Mineiro-dominated party.

15. Francelino Pereira perceived that he needed to rely on a political class in his government. Illustrative is the near automatic selection process for his lieutenant governor. After José Bonifácio Lafayette de Andrada nixed his first choice for lieutenant governor, Bias Fortes, Francelino fulfilled his need for a representative from the old PSD faction of the ARENA party by nominating João Marques de Vasconcellos. This nomination came as somewhat of a surprise since Marques did not have an established reputation as a state power-broker. The most obvious explanation for his selection was that he was the vice-leader of ARENA in the state Legislative Assembly, and the top ranking ex-PSD legislator in the house. Marques himself, in an interview with the Jornal da Casa, saw his nomination as proof of Francelino "fulfilling his promise to govern Minas with the 'political class'".

CHAPTER FIVE
STATE CLIENTELISM IN MINAS GERAIS

Introduction

Political clientelism has long been the mainspring of traditional Minas politics. Since the inception of the Republic, the Prazilian political system has operated on the basis of patronage. Most political institutions and facets of political life were geared to facilitate the flow of state resources from the center to the periphery. Traditionally, federal funds were appropriated by the more powerful regional oligarchies, who, in turn, bolstered the rule of loyal municipal bosses with state aid. Local political elites, the coroneis, who achieved their positions by virtue of being landowners, demonstrated their loyalty to state oligarchs by delivering the votes of their "herds". The fiscal dependence of impoverished municipalities on state and federal governments left local elites, and their subjects, little alternative but to support the existing order.

For traditional political elites who enjoyed the perquisites of political clientelism, the nature of economic development after 1964 presented an unanticipated opportunity to strengthen their positions. The Minas oligarchy, despite eroding, rural patron-client relations, retained its political dominance through its command over an expanded state patronage system. This patronage system evolved from one in which state elites delegated public authority to local bosses whose source of domination was private assets (ordinarily land), to one whose patrons, clients, and resources were incorporated within the domain of the state sector. An explosion occurred in the number of clients dependent on state patronage. The modernization of agriculture, mass urbanization, and incomplete industrialization precipitated the formation of a mass

state client stratum. At the margin of the formal market economy, this stratum was sustained by state subsidies.

After 1964 state resources expanded dramatically, and state agencies and programs to distribute them proliferated. The dynamism of the public sector economy enabled the state to meet the demands posed by a growing state client class. The resources to maintain and even broaden the state's patronage programs were generated by state capitalism. The centralization of finance and policy-making introduced during the authoritarian regime did not, as might have been anticipated, transfer control over patronage from regional traditional political elites to the federal government and technocratic policy-makers. The Minas state oligarchy was capable, through state, transferred, and borrowed resources, of sustaining its patronage operations. It retained, moreover, the fundamental power of implementing national policy and programs. National policy-making by technical experts notwithstanding, the channels by which state resources reached municipalities and citizens remained highly politicized. Fiscal and political centralization only transformed the patronage system into an oligarchical monopoly. In authoritarian Brazil, controlling state office became a self-perpetuating political resource.

The Expansion of State Patronage

The expansion of national public resources in the 1960s and 1970s was paralleled in the states. In Minas Gerais, from 1947 to 1969, public expenditure grew annually by 6.5 percent (FJP, n.d., I: IV-13), and from 1971 to 1977, by 16.9 percent (FJP, n.d., I: IV-13).¹ In real terms, state expenditure per capita nearly tripled between 1960 and 1977 (FJP, n.d., III: 141, 145). Public sector spending in Minas Gerais also increased as a share of the gross domestic product: state spending alone (state direct administration, para-public agencies, foundations, and enterprises) reached 19.0 percent in 1977 (SEPLAN, 1978, 6: 253, 252). When to this is added the spending of the federal and municipal governments within the state, as well as the spending of a select few federal para-public agencies--the INPS and FUNRURAL--and educational foundations, that figure rises to 28.9 percent (SEPLAN, 1978, 6: 255) (Table V-1).

To administer a richer and increasingly complex state government a number of new federal and state enterprises and para-public agencies and foundations were created. Between 1960 and 1977, the number of agencies of the state's "direct" and "indirect" administrations, foundations, and enterprises rose from 45 to 124 (Table V-2). Taken together, these para-public agencies and foundations represented approximately one-fifth of all non-entrepreneurial public spending in the 1970s. Through these institutions, the state provided vital services. The most important of these agencies (those with the largest budgets) delivered roads, water, and energy; administered social security; sold agricultural inputs; constructed elementary schools; and even ran the lottery (FJP, n.d.,

Table V-1

Minas Gerais: State Expenditure, 1977
(as Percent of GDP)

1) State of Minas: Direct Administration, Para- Public Agencies and Foundations	8.7
2) Entrepreneurial Activity	
expenditure	5.4
annual increased in fixed assets	5.8
total	(11.2)
3) Direct Administration	
federal government (within Minas)	1.7
municipal governments	3.1
4) Select Federal Para-Public Agencies and Foundations [INPS(a), FUNRURAL(b), Educational Foundations]	4.1
Total Public Sector	28.9(c)

(a) Instituto Nacional de Previdência Social (national social security administration)

(b) Fundo de Assistência e Previdência ao Trabalhador Rural (rural social security)

(c) Rounded sum

Source: SEPLAN, 1978, 6: 252, 254.

Table V-2

Minas Gerais: Composition of the Public Sector, 1960-1977
(number of agencies)

	1960	1970	1972	1977
Direct Administration	28	45	49	58
Para-Public Agencies and Foundations	6	26	28	32
Public Enterprises, Mixed-Ownership Corporations, etc.	11	21	22	34
Total	45	92	99	124

Source: SEPLAN, 1978, 6: 112.

III: 103, 113-14).

The state's expanded role into new branches of the economy and into the provision of new social services broadened the possibilities for state patronage. The state supported a large and growing number of clients, many directly through public employment. One quarter of all service sector employment is formally state employment, representing a diverse range of state jobs including administrative, personnel, doctors, teachers, and transportation workers. Five areas of public employment included in this rubric (government, public education, public health, sanitation, and communication) accounted for 10 percent of total employment in Minas Gerais in 1977 (Table VI-3), more than double the amount employed in these same professions in 1960. The number of persons employed as public school teachers (186,000) particularly stands out. Moreover, nearly one-fifth of the state's industrial employment is in state enterprises. By the late 1970s, therefore, the number of direct public employees (approx. 444,972) exceeded that of industrial workers in the private sector (approx. 342,900).

State spending also generated an impressive number of indirect jobs. One significant area of public expenditure creating employment opportunity was construction, encompassing housing, government buildings (schools, hospitals, bus stations), and civil engineering. The IBGE (1977: 184) attributed the substantial increase in construction employment between 1950 and 1970 in southeastern Brazil to the national housing program. In Minas Gerais, where 457,310 persons were employed in construction in 1980 (an increase of 50 percent with respect to 1977), at least 73,000 new jobs in the sector were officially credited

Table V-3

Minas Gerais: Public Sector Employment, 1960, 1970, 1977

Areas	1960		1970		1977	
	1000 persons	%	1000 persons	%	1000 persons	%
Government	69.0	2.3	98.0	2.8	123.1	3.2
Public Education	54.0	1.8	112.0	3.3	186.4	4.8
Public Health	12.0	0.4	18.0	0.5	23.6	0.6
Sanitation	13.0	0.4	20.0	0.6	25.9	0.7
Communication	10.0	0.3	14.0	0.4	17.7	0.4
Total	158.0	5.2	252.0	7.6	376.7	9.7

Source: SEPLAN, 1978, 6: 259.

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to state spending on housing in 1980 alone (SEPLAN, 1981: 97). How much indirect employment can be attributed to Brazilian state spending is hard to know. In calculating this measure for the United States, O'Connor (1973: 17) estimated that when production organized by industries under contract with the state (such as highway construction) was added to the state sector, the percentage of the civilian labor force employed by the state rose from about one-eighth to perhaps as much as one-third. Given comparable levels of direct state employment and the more pervasive presence of the Brazilian state in the productive sectors of the economy, indirect employment generated by state spending may have been at least as much.

For those for whom the state could not provide directly, the state in Minas Gerais in the 1970s expanded traditional patronage programs and developed new ones. It shifted resources away from development-oriented goals toward subsidies for the marginal population. Table V-4 highlights the changing patterns of state spending in the 1960s and 1970s; the three sample years reflect three different sets of state priorities. In 1959/60, the close of the decade in which Juscelino Kubitschek committed Minas to developing its physical infrastructure, energy and transportation garnered one-third of state expenditure. In 1972, during the height of the state's industrialization drive, infrastructural spending declined sharply while spending on "industrial development" rose from 1.5 to 8.6 percent of the total state budget. Between 1972 and 1977, the most significant increase in state spending came in the area of "urban development", rising more than on any other significant government service. State resources earmarked for urban

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Table V-4

Minas Gerais: Per Capita State Expenditure, 1959-1977(a)
(in 1977 cruzeiros)

Services	1959/60		1972		1977	
	Amount	%	Amount	%	Amount	%
Administration	11,884	3.5	14,837	2.3	14,852	1.1
Legislature	2,917	0.9	6,996	1.1	14,614	1.1
Judiciary	9,651	2.9	13,153	2.0	33,286	2.5
Public Security	40,320	12.1	71,735	11.0	91,420	7.0
Finances(b)	35,280	10.6	51,325	7.8	42,091	3.2
Health	23,472	7.0	19,518	3.0	45,021	3.4
Education	32,396	9.7	157,363	24.0	239,245	20.6
Welfare & Social Security	24,122	7.2	50,319	7.7	139,813	10.7
Commerce	11,422	3.4	15,875	2.4	32,889	2.6
Transportation	89,745	26.9	106,260	16.2	222,579	17.0
Communications	920	0.3	1,285	0.3	4,940	0.4
Planning	8	0.0	3,866	0.6	20,027	1.5
Regional Development	-	-	5,648	0.8	2,918	0.2
Industrial Development	5,196	1.5	56,304	8.6	86,707	6.6
Urban Development	75	0.0	---	-	80,030	6.1
Environment	68	0.0	3,924	0.6	2,574	0.2
Statistical & Research Services	4,985	1.5	11,687	1.8	26,502	2.0
Agriculture	16,992	5.1	22,125	3.4	52,833	4.0
Energy & Mineral Resources	24,340	7.3	6,579	1.0	108,050	8.2
Culture	156	0.0	1,191	0.2	3,138	0.2
Financial Services & Tourism	186	0.1	32,980	5.1	9,811	0.7
Modernization of Public Services	95	0.0	732	0.1	8,650	0.7
Total	334,230		653,702		1,281,990	

(a) Includes direct administration and para-public agencies and foundations, but excludes state enterprise, federal, and municipal expenditures.

(b) Debt service and transfers to municípios.

Source: FJP, n.d., III: 141, 145.

development subsidized the urban population whose growing numbers reflect the shift of the population from the hinterlands and agriculture into urban agglomerations.

Of all urban development programs, perhaps the most important was housing construction. In 1980, the state in Brazil, through the National Housing Bank and federal and state Caixas Econômicas, furnished nearly three-fourths (73.8%) of the capital in the housing mortgage market (IBGE, 1983: 902). Additionally, federal and state governments occasionally organized special housing programs to benefit the low-income population. In Minas Gerais, such a program was successfully launched on a somewhat modest scale in the first year of Francelino Pereira's government (1979), and later expanded into a major development project. From 1979 to 1982, the state government built 107,343 new residential units, a substantial share of its 7.8 billion dollar program to build 130,000, mostly low-income, residential units. In the following year, the governor promised 300,000 more units would be constructed by the end of his term in office in 413 municípios (half the state's total) (SEPLAN, 1981: 97-99). If implemented, the state's housing program would have provided shelter for roughly 15 percent of the state's population. In the 1983-1986 period, an additional 78,890 units were planned for 100 municípios (Pereira dos Santos, 1983: 345).

Other urban development funds were channeled through ambitious projects like the federal and state Intermediary Cities Programs, backed by the World Bank and the Inter-American Development Bank, respectively. The state program expanded on a federal project to develop mid-sized "dike" cities to halt migratory flows into metropolitan capital regions

by rechanneling them to these entrepôts. Minas extended the benefits of the program from the two "dike-cities" in the federal program (Montes Claros and Juiz de Fora) to 14 other mid-sized cities. The programs delivered basic sanitation (sewerage and water), infrastructure (including public transportation), health and education, labor training, credit, and income-improving opportunities such as subsidies for artesanry to two million low-income inhabitants (one in seven of the state's population) between 1981 and 1985. The "Dike-Cities" Program was the most ambitious of all state development programs. It was not, however, unique. Table V-5 indicates the broad scope of state programs, and the size of potential target groups.

Not all effective state patronage programs were expensive. PRODECOM, the state Program for the Development of Communities, a low-cost, 'self-help' program for low-income communities, was initiated in 1979 as a form of "participatory planning". In theory, the community was invited to define areas of community need and to contribute to meeting those needs in conjunction with the state. The program's spokespersons proclaimed that it would substitute for the actions of the "paternalistic state" (Haddad, 1980: 115). In practice, regardless of the source of program initiatives, PRODECOM brought public goods to vast numbers of Mineiros at little cost to state government. Moreover, in many cases, this program tied already existing neighborhood associations directly to the state.

Of the program's priority areas, "nutritional improvement" and the construction of "popular" housing soon became the services most in demand. Nutritional improvement, which encompassed operating community

Table V-5

State Development Programs in Minas Gerais

<u>Program</u>	<u>Purpose</u>	<u>Beneficiaries</u>
Cidades-Dique	Reorient Migratory Flows	Two million low-income inhabitants of 16 mid-sized cities
Crédito Rural	Rural Credit	30,000 small producers
Prodemata	Rural Development	25,500 small rural producers & landless sharecroppers
MG-II	Rural Development	30-35,000 low-income farmers
Planoroeste II	Integrated Rural Development	Low-income population & small rural producers
PDRI/ARG	Rural Development	7,000 small rural producers
Polocentro	Rural Development	Rural property owners in 44 <u>municípios</u> of <u>Triângulo</u>
Geoeconômica de Brasília	Reduce Migratory Flow to Brasília	Low-income population in 13 northwestern <u>municípios</u>
Prodevale	Rural Development	Needy population in the Jequitinhonha Valley
PDRI-Gorutuba	Integrated Rural Development	5,000 rural producers in northern <u>municípios</u>
Projeto Sertanejo	Rural Development	Small rural producers in six <u>municípios</u> in Minas N.East
Reflorestamento	Increase Wood and Charcoal Supply	Firms
Saneamento Básico	Metropolitan Belo Water Supply	Slum Dwellers
Energia Elétrica	Connecting 1,043 Small Communities	1,800,000 inhabitants
Recursos Hídricos	Minimize Effects of Drought	Rural population in 42 <u>municípios</u> of Minas N.East
Transportes Carvão e Álcool	Improve Transportation from Fuel Alcohol and Charcoal Producing Regions	

Source: SEPLAN, 1981: 33-71.

markets, raising farm animals and gardens, aiding small farmers, and even granting land titles to peasants, was aimed at alleviating malnutrition among the poor. Since food accounted for 70 percent of the family budget of the poor (Estado de Minas, 2/22/81: 16), better diets could be attained only by reducing food costs. The establishment of community markets was a step in this direction. Goods sold in community market stalls were as much as 60 percent cheaper than those purchased through normal retail channels (Estado de Minas, 12/27/81: 6). Animal farms were also introduced as a way to improve nutritional levels; animals such as goats required little attention, and yielded milk to supply entire communities.

The aspect of PRODECOM's "nutritional" program most in demand was that of granting land titles to peasants. In his request of May, 1981 for a 17 million dollar aid package for PRODECOM from the World Bank, Minas governor Francelino Pereira included funds for the legitimation of lands for 25,000 families in 1983 (Estado de Minas, 5/21/81: 13). As of September, 1981, 2,300 persons had been served by the program (in six communities). At least 34 other communities had already applied by December of 1981 for the land title project. Another 56,000 hectares were due to be awarded to about 2,000 families during 1982 (Estado de Minas, 12/27/81: 6). In all, the "nutritional" programs underway in late 1981 were to have benefited 261,000 persons.

The housing programs conducted by PRODECOM brought instant and largely unanticipated success. To finance the program, PRODECOM tapped a credit line secured by MinasCaixa, the state savings institution, from the National Housing Bank (BNH) for low-income housing construction in

the state. In February, 1981, PRODECOM set a provisional goal of erecting 5,000 houses for persons with incomes below three minimum salaries. The interest rate for eligible buyers was an affordable 3.2 percent. By August, 15,000 homes had been built or were in construction, after only eight months of operations (Estado de Minas, 8/30/81: E6). The program's success in making itself visible to the needy is evidenced by the fact that by that same August, there was already a demand for 24,000 units on the part of community associations (Estado de Minas, 8/30/81: E6). Responding to demand, Francelino Pereira, in November 1981, negotiated an agreement with the Caixa Econômica Federal, the federal savings institution, to build 20,000 additional houses in 150 different municipalities (Estado de Minas, 11/15/81: 3).

While the state accelerated its program for urban dwellers, it did not neglect those who remained in agriculture. One critical way in which the state had traditionally supported small (as well as large) agrarian producers was to extend them credit: ¹⁰ 90 percent of all agrarian credit in 1980 in Minas Gerais was disbursed by public entities (IBGE, 1980a: 52). In the late 1970s and early 1980s, after years of relative neglect, agrarian producers, and especially small producers, were once again privileged in state budgetary priorities. ¹¹ A state Program for the Promotion of Small Rural Producers, MG-II, for which a 264.2 million dollar investment was planned to benefit at least 30,000 small producers and their families in 102 municípios, as well as 1000 small entrepreneurs in the target regions, had by the end of 1982 reached over 17,000 rural producers. A second program, PRODEMATA (Program for the

Integrated Development of the Mata zone), intended to reach 128 municípios in the Mata zone and 25,500 sharecroppers and small farmers (Estado de Minas, 1/20/82: 11), brought credit and technical assistance to 25,000 families, 97 percent of its goal (Pereira dos Santos, 1983: 47). The reasonably good success of the most important of the state's programs for the rural areas augured well for the government's ability to reach its targeted 70,000 program beneficiaries, representing one in five of all small agrarian producers in the state of Minas Gerais (Estado de Minas, 5/21/81: 14).¹²

While essentially providing economic assistance, these state urban and rural development programs had far-reaching political effects. They reached a remarkable number of low-income citizens; by providing indirect employment, shelter, basic amenities, and other necessities, they integrated marginal workers into the public economy. Because these workers were now dependent on public resources, this heightened the political importance of the way in which state resources reached state clients. Where entry to state employment is subject to civil service examination, and where state transfers are allocated to individual citizens on an automatic basis, there is little political gain for program administrators. This has been the case with social security in Brazil under the military (Malloy, 1984). Where, however, important volumes of resources are allocated to communities on a discretionary basis, the potential for political gain is very high indeed. The state oligarchy now presided over a vast reservoir of patronage resources, a considerable source of power given the formation of a truly mass state client stratum. For the traditional political elite, reaping political

advantage from the distribution of expanded state resources depended on its ability to neutralize the effects of fiscal centralization.

The Centralization and Distribution of State Resources

Fiscal centralization initiated by Brazil's military regime after 1964 strengthened the federal government and threatened the regional oligarchies. A sweeping tax reform package, enacted in 1966 and incorporated into the new Constitution in 1967, concentrated revenues in the central government. From 1965 to 1975, the federal government increased its share of public sector revenue from 63.9 percent to 72.9 percent (Table V-6). Under the new system, the federal government collected nearly all direct taxes and over half of all indirect taxes (Baer et al, 1976: 71). It retained the most important source of revenue in Brazil, the Income Tax (Imposto de Renda, IR), while leaving to the states the lesser ICM (Imposto sobre a Circulação de Mercadorias), a value-added sales tax, and to the municipalities a tax on urban property (Imposto Predial e Territorial Urbano, IPTU).¹³ The federal government, moreover, set the rates and granted exemptions on state and locally-collected levies. As a result of fiscal reform, state-collected revenues especially declined after 1969, while the municipalities were left with virtually no tax base. In 1975, municipal government in Brazil collected only 2.6 percent of all tax revenue (Table V-6).

The 1966 reform also instituted a vast revenue sharing program with the state and municipal governments. Transfers from both the municipal revenue sharing fund, the Fundo de Participação de Municípios (FPM) and

Table V-6

Brazil: Government Tax Revenue, 1965-1975

I. Gross Tax Revenues of the Federal, State, and Local Governments, 1965-1975

Year	Federal	State	Municipal
1965	63.9	31.2	4.9
1969	65.3	31.7	3.0
1972	69.5	27.6	2.6
1975	72.9	24.5	2.6

II. Net Tax Revenues after Transfers of the Federal, State, and Local Governments, 1970-1973

Year	Federal	State	Municipal
1970	51.2	36.5	12.3
1971	50.8	37.1	12.1
1972	48.5	33.8	17.7
1973	49.5	33.2	17.3

Source: FJP, n.d., I: II-3, II-4.

the state fund, the Fundo de Participação de Estados (FPE), were allocated on an automatic basis and calculated according to population size. Additionally, transfers to states were inversely related to per capita income, thereby serving as a territorially redistributive fiscal instrument. Municipal governments also benefited from state revenue sharing: 20 percent of the state-collected ICM was returned to the municipalities in which the tax revenues originated. While transfers considerably enhanced state and municipal revenues (Table V-6), how the subnational governments could use these monies was pre-determined by guidelines set by the central government. Twenty percent of the transfers derived from the FPE had to be allocated to education, ten percent to health, ten percent to rural extension, and ten percent to development funds (FJP, n.d., I: II-5). Similarly, 20 percent of municipal FPM funds was earmarked for education, ten percent for health and sanitation, and at least 50 percent of FPM monies were to be channeled into capital investments (30 percent for smaller, poorer municípios) (IBAM, 1976).

This concentration of fiscal authority in the hands of the central government represents a significant departure from traditional patterns in Brazil. In the twentieth century, the Brazilian central government was weak relative to the states, by design of the regional oligarchies. In the heyday of the regional oligarchies, from 1907 to 1930, federal government revenues as a share of total public sector income fell from 65.8 to 51.2 percent, and the central government ran budget deficits every year from 1910 to 1926 (FJP, n.d., I: I-6). The Constitution of 1934, centralizing in its spirit and effects and implemented during the

previous height of central government authority, Vargas' Estado Novo (1937-1945), only partially reversed this trend; the federal government increased its share of public sector revenue from 51.2 percent in 1930 to 55.7 percent in 1945, but at the expense of the municípios, not the states. The fiscal debility of the municipalities left them dependent upon higher levels of government for most of the century.

Scholars claimed the fiscal centralization of the post-64 Brazilian regime empowered the central government at the expense of the states (Martins, 1977; Baer et al, 1976), a development which might have threatened the power base of the regional oligarchies by depriving them of independent sources of revenue and hence patronage. ¹⁴ These claims were based on two elements of fiscal centralization: federally-imposed ceilings on state and municipal revenues; and federal government restrictions on the use of transferred funds. Baer et al (1976: 74), for example, argued that by designating the end-use of federal funds, the federal government undermined state and local autonomy.

There are several reasons to believe that these claims are overstated. First, they assume centralization to be irreversible, and state governments powerless to halt its march. In fact, state governments regained some lost ground. Center-South states, of which Minas is one, had for several years assailed the tax system, and especially federal government control of the ICM, for depriving states of their rights to raise needed revenues. ¹⁵ In 1980, they successfully petitioned the federal government to adopt a series of measures intended to enhance state revenues. ¹⁶

Second, it is doubtful that the restrictions placed on state

government revenues by federal constitutional legislation curbed state spending. Minas Gerais overcame in part the restraints placed upon its tax base by borrowing abroad heavily. In the 1970s, the state came to borrow regularly more than 10 percent of its total revenue, and, in some years, this figure represented as much as one-fourth of state revenue (Table V-7). This trend seems to have continued into the 1980s: perhaps as much as 24 percent of state income in 1980 and 19 percent in 1981 derived from borrowed monies. ¹⁷ During this time, imaginative negotiations with foreign development banks produced matching federal grants, thereby augmenting further the state resource base. When borrowed money is factored into state revenues, it becomes apparent that state dependence on the federal government was less than imagined. In Minas Gerais, transfers accounted for less than one-fifth of the state's budget from 1965 to 1975 (Table V-8). Even as late as 1982, they represented 19.2 percent of state revenue (Ministério da Fazenda, 1984: 18). Transfers similarly did not constitute a large proportion of state income in other Center-South states. The most vociferous complaints of fiscal centralization and the loss of state autonomy were lodged by precisely the states who relied least on the FPE (Table V-9).

Moreover, the importance which scholars attributed to the strings attached to federal transfers was probably inflated. While these strings implied that the national government had the authority to direct spending, substantial evidence from the municipal level suggests that federal guidelines had little impact on local spending patterns. ¹⁸ A detailed study of the pattern of expenditures of eight Minas municípios ¹⁹ from 1967-1972 (IBAM, 1976) revealed that local spending

Table V-7

Minas Gerais: Government Borrowing, 1960-1977²⁰
 (in 1975 cruzeiros)

Year	<u>Cruzeiros</u>	% of Total Revenue
1960	--	--
1961	--	--
1962	61,556	3.2
1963	34,000	1.6
1964	386	0.0
1965	261,120	9.3
1966	46,603	1.7
1967	42,376	1.7
1968	254,414	6.6
1969	72,401	1.8
1970	77,916	1.7
1971	577,652	11.7
1972	1,686,694	25.9
1973	1,126,769	15.6
1974	871,891	11.5
1975	1,369,780	15.2
1976	1,337,458	13.8
1977	490,033	4.8

Source: SEPLAN, 1978, 6, II: 355, 356.

Table V-8

Minas Gerais: State Revenue by Source, 1965-1975
(in percent)

Year	Transfers	Taxes	Credit	Other
1965	12.1	58.3	7.0	22.6
1966	14.3	59.5	--	26.2
1967	10.6	73.1	--	16.3
1968	15.8	69.0	6.5	8.7
1969	15.1	78.7	1.3	4.9
1970	13.0	80.7	.9	5.4
1971	14.1	68.8	12.6	4.5
1972	12.6	54.6	26.5	6.3
1973	18.5	57.8	16.5	7.2
1974	18.5	61.1	11.9	8.6
1975	17.6	58.7	16.3	7.3

Source: Ministério da Fazenda, 1981: 210, 236.

Table V-9

Brazil: Member-State Revenues, 1982
(in percent)

State	Transfers	Taxes	Credit	Other
São Paulo*	12	77	4	7
Rio Grande do Sul*	16	65	12	7
Rio de Janeiro*	18	61	7	14
MINAS GERAIS*	19	68	7	6
Paraná*	21	69	4	6
Santa Catarina*	23	58	15	4
Espírito Santo	23	68	3	6
Amazonas	24	49	13	14
Bahia	25	55	9	11
Pernambuco	25	64	6	5
Mato Grosso do Sul	28	50	19	2
Goiás	29	62	4	5
Pará	34	58	2	6
Ceará	35	51	10	4
Alagoas	36	53	2	9
Rio Grande do Norte	43	35	14	8
Paraíba	45	38	12	5
Mato Grosso	47	35	9	9
Maranhão	51	27	18	4
Sergipe	53	37	3	7
Piauí	63	29	5	3
Rondônia	76	17	1	6
Acre	83	14	-	3

*Center-South states.

Source: Ministério da Fazenda, 1984: 14-19.

did not conform to predicted levels on specified government services, in some cases well exceeding government minima, in others, not satisfying legally prescribed levels. For instance, while nearly all the municípios spent well in excess of the amount stipulated by law on the broad category of "education and culture" (IBAM, 1976: 48), in more than half the possible cases (eight municípios for six years = 48) the municípios failed to allocate the required funds to primary education (IBAM, 1976: 51). Instead, the money was spent on a medical school in one municipality, a TV transmission tower in another, and new sports facilities in several others. Similarly, most of the 10 percent of FPM funds mandated to be spent on health and sanitation was spent on sanitation (water, sewerage, and paved roads) alone. As municipalities typically disburse more than this amount on sanitation, ²¹ federal efforts to attach 10 percent of the FPM for this end were purposeless. On the other hand, spending on health did not rise, despite the federal directives, since in most instances the states and the private sector run medical posts (IBAM, 1976: 57), and most municipalities cannot afford to pay the salaries of highly skilled medical professionals. The federal government has apparently been unable to induce compliance in its priority areas where local authorities either cannot or will not spend, despite the fact that the penalty for non-compliance with prescribed spending minima is suspension of the quotas (at least until the irregularities are corrected). Only municipalities with more than 25,000 inhabitants (one-fifth of Brazilian municípios) are required by law to furnish their balance sheets to the federal government (IBAM, 1975: 60). As of 1975, less than seven percent had their quotas

suspended.

If fiscal centralization had robbed state and local governments of their autonomy, moreover, how could the very different spending patterns across subunits of government within Brazil, and even within Minas Gerais, be explained? Table VI-10 shows wide divergences in spending on various public services by region. In one of the more extreme cases, the Center-West spent nearly three times the amount on transportation and communication (30.3 percent) than the northeastern municipalities (10.4 percent) and their southeastern counterparts (11.6 percent), while the Southeast spent nearly double the amount on urban services (39.0 percent) than the Center-West municipalities (20.7 percent). Even within Minas, where a more uniform pattern of expenditures might be expected given there should be less diversity state-wide than nationally, there are considerable fluctuations in spending levels on various services.

A more significant constraint on local spending than federal directives was the absence of state aid. In the eight municípios studied in detail by IBAM (1976), the most urbanized spent approximately ten percent of their total budgets on education, while the more rural municipalities spent nearly double that amount. Because the state is primarily responsible for urban education, the more urbanized a municipality, the more state funds it receives for this purpose and the less it needs to spend of its own resources. Similarly, in one município which had no federal and state highways in municipal territory, the local government was forced to construct and maintain its own road network, for which it spent on average more than three-fifths

Table V-10

Brazil: Municipal Expenditures by Region, 1971
(in percent)

Services	Brazil	Regions				
		North	Northeast	Southeast	South	Center-West
Government & General Administration	12.3	19.2	17.1	10.4	13.3	18.0
Financial Administration	11.5	8.9	17.8	11.0	8.8	9.1
Defense & Security	.6	2.0	1.3	0.4	0.4	0.7
Natural & Agric. Resources	.8	.6	1.8	.4	1.5	1.7
Transportation & Communication	14.1	19.4	10.4	11.6	23.2	30.3
Industry & Commerce	1.3	.6	.3	1.6	1.5	.1
Education & Culture	13.8	9.9	15.5	13.1	15.7	13.0
Health	4.5	3.6	6.0	4.6	3.4	3.6
Social Welfare	7.9	7.1	5.9	7.9	10.3	2.8
Urban Services	33.2	28.7	23.9	39.0	21.9	20.

Source: IBAM, 1975: 53. Original source: Finanças Públicas, no. 317, 1974, Subsecretaria de Economia e Finanças.

of its municipal budget (IBAM, 1976: 35). Without special federal and state funds, local governments were forced to pay their own way, and divert resources from discretionary funds to the provision of basic public services. The poor municipalities of the interior, therefore, sought to complement automatic transfers with public works, employment, and social services programs from higher levels of the state.

While state patronage operations were funded primarily by the federal government, and the federal government appropriated broad policy-making prerogatives and set national development goals, federal authorities did not directly allocate discretionary state benefits. Instead, funds to implement these programs and priorities were entrusted to the state governments for execution. In other words, patronage programs were attainable as always, from the state oligarchies. Policy implementation, left to the discretion of state political elites, meant that the allocation of state resources was highly politicized (cf. Tarrow, 1978: 16). State clients and their communities did not secure employment, homes, and loans for development aid from a 'faceless', impartial state, but through the mediation of elected political representatives. As Tarrow (1978: 2) put it in another context, "the growing demand for services of local governments, and for the national subsidies to provide them, have increased the importance of the linkages between center and periphery of the political system and of the skills and resources of the politicians and administrators who serve as gatekeepers between each level." The ability of local elites to retain their dominance depended on their access to state patronage. Where it was of paramount importance to secure supplementary federal or state

funding to provide public services, municipalities needed to elect local leaders and representatives who were well-connected in order to profit from state clientelism.

The Politics of Patronage

The fiscal dependence of the municípios on the state induced most local bosses to pledge their allegiance to the state leadership in exchange for state aid from the pork barrel. In the words of one opposition mayor: "Because of the centralization of revenue, the municípios are slaves of the federal and state governments." ²² In Minas Gerais, the patronage system offered traditional elites entrenched in the state an effective means with which to preserve their political support.

The Minas oligarchy had mastered, and did not hesitate to employ, the first rule of patronage politics: reward one's friends and punish one's enemies. Public goods were dispensed to bolster the local administrations of the governor's supporters in electorally critical areas, to show municípios with opposition leaders the futility of their continued resistance to the state oligarchy, and to keep potential malcontents from defecting. Throughout the interior of Minas Gerais, accounts by local elites support the view that state resources were allocated according to political criteria. The vice-mayor of Varginha, a dynamic center of the state's southern region, for one, spoke about his city's inclusion in the "dike-cities" program, which meant a bonanza of public works for the city. He revealed that Varginha had not been included in the preliminary list of municipalities, but that the

mayor, Eduardo Otoni, had fought for and won Varginha's inclusion. The risk of incurring an accusation of patronage in a World Bank financed program was not a sufficient disincentive for the vice-mayor to brag of the weight the mayor punched with the state administration. The gift from the state administration had had the desired effect. When questioned about his partisan affiliation, the vice-mayor responded: "PDS, because the party of the government party has always helped us. We can't even think of changing parties, out of gratitude."²³

Cities in northern Minas Gerais shared similar perceptions about state government. According to natives of the region, there were two periods: "before [Governor] Francelino [Pereira], and after". (Pereira assumed office in 1979.) In their view, prior administrations had overlooked the North, but Pereira, who built his political career based on support from northern politicians, showered the region with specially designed programs such as the Projeto Sertanejo, the PDRI-Gorutuba, and a water project (Recursos Hídricos) (see Table V-5). The centerpiece of this "northern strategy" was the mushrooming município of Montes Claros. Long a mere stopover on the migration route from Brazil's Northeast to the wealthier South, and especially São Paulo, Montes Claros in the 1970s began to benefit from state policy fashioned to prevent migratory flows from advancing farther south. Francelino Pereira's administration seized upon the federal government's decision to make Montes Claros a national "dike-city", and built up the area with its own development aid programs.

In contrast, Sete Lagoas, another city north of the capital experiencing growing pains, was discriminated against by the state

administration as an opposition stronghold. Its industrialization, largely a bootstrap operation, and one rare case of being fueled by local capital, was not abetted by the state in any way, except for the awarding of an early industrial district.²⁴ Its mayor, commenting upon the question of state aid, compared the fortunes of his município to those of Montes Claros: In comparison, he jested, "Sete Lagoas does not even get crumbs". Afrânio de Avellar Marques Ferreira was essentially correct in his allegations: whereas Montes Claros received 2593.1 cruzeiros for every inhabitant in 1982 in discretionary state aid,²⁵ Sete Lagoas received less than one-tenth that amount, only 219.1 cruzeiros (Ministério da Fazenda, 1984).

While Afrânio de Avellar Marques Ferreira was able to withstand the punishment of state government for his transgressions with his political fortunes intact, and Sete Lagoas was able to prosper, the same was not true for other municipalities. In Curvelo, a popular opposition mayor serving a third (non-consecutive) term was unable to resist the governor's overtures, and bribes, to cross over to the PDS. His município was dying, from a once-powerful agrarian center, to a city left behind in the state's industrialization. Its rural population had declined from 14,322 in 1970 to 10,961 in 1980, and overall, its population had increased by only an average of 1.16 per annum during this decade -- surely less than the natural rate of population growth. When, then, the mayor was invited to the governor's weekend palace and promised an array of new public works projects including a new bus station and a low-income housing program on the condition he change his partisan affiliation, the poor mayor acceded.²⁶ Upon signing his

affiliation with the PDS, he began to reap his rewards. Agreements for low-income housing, electrification, telecommunications, roads, bridges, and urban development were all delivered by the state government to the municipality, virtually overnight. In response to the question, "Do you believe, as a mayor of the government party, that your administration has benefitted from the state and federal governments?", Olavo de Matos offered the following: "Yes, absolutely. There has been a radical difference [since joining the PDS]. If I had continued in the opposition, I would have received nothing. It facilitated the industrial district; I would not have gotten it [if I had not changed over]."

Finally, the governor did not hesitate to use state resources as a political weapon to dissuade potential party defectors. When a dissenting faction of the local traditional elite in Varginha contemplated bolting the PDS, Governor Pereira swiftly threatened to inundate the município with special projects, something which would certainly have benefited politically that faction's rivals, then the local leadership.

For such a hierarchical patronage system to be successful, a network must be in place which makes it run. In Minas Gerais, state clientelistic channels are managed by the governor and operated by federal and state deputies. These elected representatives have been all but ignored by scholars who see them as token representatives in the powerless parliaments of an authoritarian state. While their legislative prerogatives may have indeed been pruned by centralized decision-making, they remained, nonetheless, key figures in the

system. In Minas Gerais, deputies who receive the most votes on the ticket of the winning party in a particular municipality--the "majority deputies"--are awarded the "command" of that municipality. The "political command" (comando politico) allows a deputy to fill all public posts in the municipality, and to make other public sector decisions. How far this system extends beyond Minas is unclear, nor can we be certain when this system was first instituted. It has been in place at least since the administration of Israel Pinheiro (1966-1971).

Federal and state deputies, in charge of the local distribution of state patronage, are the messengers of governors and secretaries; they are also the lifelines of local mayors. The mayor of Curvelo, Olavo de Matos, once remarked that "a mayor would not find an open door without a deputy -- deputies use mayors as 'cabos eleitorais'" ("ward bosses"). Throughout the interior of Brazil, mayors enlist the support of federal and state deputies who attempt to gain state projects for the areas of their greatest electoral support. Unlike senators who are elected by the plurality system (as were governors and the president before the coup), deputies are chosen, according to Brazilian electoral law, in a districtless proportional representation system. The votes of each candidate of the same party are tallied, and a number of seats awarded in both federal and state legislatures according to the proportion of votes the party totals statewide in that election. Each elector votes for only one deputy, and deputies run statewide. Thus it is not uncommon for a voter to choose one candidate for deputy for whom to cast his ballot from a list of 50 for each party, in the case of federal deputy elections in Minas Gerais. A voter has even greater choice in

state deputy elections.

Mineiro deputies, though elected by a system of statewide proportional representation, behave as district representatives might be expected to. Cardoso (1978: 66) has aptly pointed out that support for deputies who either represent a constituency that is not spatially concentrated or an ideological theme tends to be dispersed throughout a state. Conversely, where deputies' votes are concentrated in electoral zones, it is safe to assume their vote is enhanced by paternalism and clientelism.

With clientelism the dominant organizational principle of politics, the proportional representation system which typically gives voters a greater incentive to vote for a party ahead of individual candidates works in quite the opposition fashion. A deputy normally receives most of his votes in a handful of municípios. Commonly, these can be quite concentrated; a hopeful deputy might launch his statewide political career from a single municipal base. If he was once mayor of a large enough city, his electors could give him enough votes to win a seat on the party list. If, on the other hand, a deputy delivers state services to remote areas lying outside his primary political base, he may receive high vote totals in non-contiguous areas. Not often, however, was a deputy able to garner widely dispersed support. Very prominent politicians, such as Magalhães Pinto and Tancredo Neves, drew votes from all corners of the state -- but they were exceptions that proved the rule.

In Minas Gerais, the quintessential clientelistic polity, Araujo (1980) conducted a study of the pattern of voting support for the

cohort of federal and state deputies elected in 1978 (Table V-11). While the author's categories reflect a concern with projecting how Minas deputies would fare under a district electoral system rather than the proportional representation system, they still permit important conclusions. If we take as the meaningful divide categories "4" and "5" on the assumption that even a deputy in danger of not being reelected in a district electoral system might still draw support from specific municípios that he favors with state resources -- and they are found in different parts of the state -- we see that 89 percent of ARENA federal deputies and 84 percent of MDB federal deputies in Minas exercise a form of what Cardoso called "clientelistic-paternalistic" control. Few could qualify as "ideological representatives". Even more revealing are the patterns of electoral support for state deputies. Presumably younger and with less established "prestige" which accrues from operating in the national political arena, 98 percent of ARENA state deputies and 52 percent of MDB state deputies had concentrated geographic support.

Deputies appeal to electors on the basis of their ability to deliver state patronage, and once in office, both they and their constituents perceive the exercise of clientelism as their prime function. In a survey conducted in 1968-69 of most (73 of 80) of the Minas Gerais state deputies at that time (Bastos and Walker, 1971), when the deputies were asked to name their most important campaign appeal, their most frequent response was a combination of development (e.g. road construction) and assistance (funds for schools, hospitals, and so forth) (58%); followed by just "assistance" (18%). Only four percent

Table V-11

Minas Gerais: Patterns of Electoral Support
for Deputies, 1978*

	<u>Federal Deputies</u>		<u>State Deputies</u>	
	ARENA	MDB	ARENA	MDB
1) With more than or close to 50% of the vote in an electoral district	1	5	1	3
2) High vote percentage in a single district - but not enough to be elected in a district election	2	3	13	6
3) Around 30% of the vote in contiguous cities and towns which, if grouped into one district, might serve as a base for election	12	0	9	1
4) Solid vote totals in scattered districts	10	8	18	5
Subtotal - categories 1 through 4, in %	89%	84%	98%	52%
5) Dispersed support - no zone with 30% of the vote	3	3	1	14
Total	28	19	42	29

*Minus those elected with most of their support in Belo Horizonte.

Source: Araujo, 1980: 51-64.

responded that "ideological" appeals were most important (Bastos and Walker, 1971: 146). These appeals are understandable when placed in the context of the demands made of them (Table V-12). Deputies were inundated with requests for jobs for their political supporters. Even MDB deputies were not immune from clientelistic pressures: 93 percent of the opposition representatives were expected to be able to deliver public patronage. Such an expectation was wholly unrealistic. Opposition deputies are generally unable to deliver major projects. Mayors who approach them for state resources report that such consultations are largely symbolic acts. Afrânio de Avellar Marques Ferreira, mayor of Sete Lagoas, enjoyed good contacts with local opposition deputies Sérgio Emílio Vasconcellos Costa (MDB) and Renato Azeredo (MDB), as did Olavo de Matos prior to his defection to the PDS. However, as opposition deputies, they were unable to secure benefits for Sete Lagoas and Curvelo. "The município grows with its own resources," was the pronouncement of the mayor of Sete Lagoas.

Of all political actors in patronage politics, deputies face the keenest electoral competition, and hence, are the most politically vulnerable. Under great pressure to deliver the goods or lose votes, deputies do their utmost to convince local party leaders and constituents their actions were responsible for local gains. Jairo Magalhães Alves, the mayor of Itabira, a large mining town and a bulwark of the opposition, explained: "[At election time], PDS deputies try to show they are doing something for the city. Before electiontime, they don't pay attention to requests for help. They listen, say they will help, and then do nothing. ... In March, 1977, I negotiated for the

Table V-12

Most Frequent Demands Made of State Deputies in Minas Gerais*
1968-1969

"Jobs for Political Supporters":

	<u>Yes</u>	<u>No</u>
ARENA	45 (80.4)	11 (19.6)
MDB	14 (93.3)	1 (6.7)
Total	59 (83.1)	12 (16.9)

"Construction of Educational and Medical Units for Municipal Districts":

	<u>Yes</u>	<u>No</u>
ARENA	25 (44.6)	31 (55.4)
MDB	2 (13.3)	13 (86.7)
Total	27 (38.0)	44 (62.0)

"Support for the Construction of Municipal Projects":

	<u>Yes</u>	<u>No</u>
ARENA	9 (16.1)	47 (83.9)
MDB	2 (13.3)	13 (86.7)
Total	11 (15.5)	60 (84.5)

"The Establishment of Financial Institutions or Enterprises Controlled by the State in Municipal Districts":

	<u>Yes</u>	<u>No</u>
ARENA	2 (3.6)	54 (83.9)
MDB	0 (0.0)	15(100.0)
Total	2 (2.8)	69 (97.2)

*Deputies were asked to identify the two most frequently made demands of them.

Source: Bastos and Walker, 1971: 147.

installation of CARPE (primary school buildings). It was supposedly in the budget every year. Only in 1981 did it get installed. Maurício
27
Campos was running for governor the next year - he came to inaugurate
28
it. It was the first public work [in Itabira] in 20 years.

Where deputies cannot deliver major projects, they attempt to build support among individual constituents. Individuals seek public employment through the intervention of their city councillors and state deputies. A young woman of the interior seeking appointment as a public school teacher must first take her case to a state deputy. If she is not well-connected, her city councillor intercedes on her behalf. The deputy then obtains the appointment from the state Secretary of Education.

Elected representatives climb the political ladder by becoming patrons to municipal bosses. In order to advance their careers, deputies needed to do better than merely get elected; top vote getters are rewarded by state party elites with cabinet-level appointments. If lucky or clever enough to be appointed a state department secretary, the politician then uses his position to build up his personal following for a later run for the governorship. Municipal elites caucused to choose candidates to whom they pledged their support well in advance of party nominating procedures - sometimes years ahead of time - with the explicit intent of using that support to net further gains from the state administration. In Varginha, the local PDS chapter favored the candidacy of Gerardo Renault, state Secretary of Agriculture, for
29
governor in 1982.

The system of patronage rewards and punishments upheld the

oligarchical political system. The concentration of national resources in the public sector provided a powerful incentive for municipalities with poor rates of success in garnering patronage projects to remain in the fold and press harder their case to the same state oligarchy which may have shunned them in the past. Thus state clientelism allowed traditional political elites to retain their dominance.

Conclusions

When state capitalist development in Minas Gerais formed state clients, traditional elites shifted their power base from land to the state and used positions of public power to preserve their dominance. State patronage has, with rare exceptions, heretofore not been conceived as a stable power base of dominant elites. While in certain clientelistic societies, such as southern Italy, public jobs and works are understood to be controlled by Christian Democratic party patrons, these elites are scarcely viewed as a coherent power elite. They are seen instead as political power-brokers, subordinate to the hegemonic northern industrialists.

Part of the reason for underestimating the power inherent in the control of state resources lies in the perceived lack of durability of these assets. The basis of class dominance is more typically understood to be fixed assets, such as land. Scott (1972: 97-98) does include in a typology of sources of patronage the "indirect control of the property or authority of others (often the public)", and suggests these posts are attractive because the resources connected with many of them are far greater than those which an individual can amass directly. Yet, because he interprets the availability of this resource as dependent upon continuity in positions ultimately given or withdrawn by third parties, usually electors, he views it as a less durable source of power for a patron than land or other privately-owned assets.

In Minas Gerais, authoritarianism diminished the likelihood of state elites being voted out of office, and in so doing, made their control of public resources less tenuous. Tenure in state office may

thus be viewed as dependent upon the political system, and specifically the nature and degree of permissible political competition. In circumstances of limited competition typical of most authoritarian and quasi-authoritarian regimes, public assets can prove more durable than private resources, especially where reform and revolutionary change threaten private property. Viewed from a political perspective, the control over both public and private resources are secured only as long as political circumstances are favorable; the difference is not one of kind, but of degree.

Fiscal centralization, and the authoritarianism which engendered it, reduced the channels by which state resources were allocated to a single political alignment. With few exceptions, state oligarchies supported the national government. Local leaders were left with little practical alternative but to find sponsors well placed in the state hierarchy. The penalty for non-cooperation was to forfeit state aid, something most municipalities could ill afford. Thus centralization abetted a monopoly over power, and the monopoly was guaranteed to the incumbent, traditional political elite, firmly entrenched in state office.

At the same time that the regional oligarchies of Minas Gerais and other Brazilian states reaped political advantage from the patronage system, these elites were also willing pawns of the federal government. The heightened importance of the links between each level of government offered both the state oligarchies and the national government an opportunity to construct durable political alliances based on the dispensation of state resources, thus bolstering one another's rule.

The authoritarian restriction of political competition ossified this system.

Notes

1. The growth of public expenditure from 1970 to 1977 is recorded as 18.3 percent. I chose to use the 1971-1977 figures instead because the state report from which these data are drawn caution that the 18.3 percent figure is slightly deceptive, due to a fall in public expenditure in 1970 relative to 1969. More rapid spending, therefore, occurred in 1971 to regain previous levels. The 16.9 percent real average growth rates in public expenditure over the years from 1971 to 1977 was thus considered more accurate.

2. This mirrors a pattern throughout the developed southeast region: the IBGE reports that the growth in the tertiary population employed in teaching in the states of the Southeast (Minas Gerais, São Paulo, Rio de Janeiro, Espírito Santo, and Guanabara) rose 281.5 percent between 1950 and 1970.

3. The number of workers in the state enterprises was obtained by counting employees in those federal and state public enterprises headquartered in Minas Gerais (55,268), as reported in Visão (1980), plus a fraction of those employed in federal state enterprises headquartered in other states but known to employ vast numbers of Mineiros, such as the federal railway authority and the Rio Doce Mining Company. This should be interpreted as a minimum figure, for at least 20,000 workers in the public utility companies (e.g., 7,671 in TELEMIG and 11,311 in CEMIG) were not included because of the possibility they might have been counted as "Communications" workers in Table V-3.

4. Chubb (1981) also reports a high percentage of employment in construction in Palermo, Sicily, due to state spending.

5. Indexing the spending levels of the state government according to 22 categories of government functions reveals that spending on urban development rose from 100 (base year) in 1959/60 to 106,706.7 in 1977. Only spending on planning accelerated more rapidly, to 250,337.5. Yet, nominal levels of spending on planning were substantially lower than on urban development - 1.5 percent as opposed to 6.1 percent (FJP, n.d., III: 145).

6. Author's estimate $(430,000 \times 5 \text{ [average household in Minas Gerais]}) = 2,150,000 / 14,000,000 \text{ (state population)} = 15.3\%$.

7. In the município of Patrocínio, one farm was to feed 300 schoolchildren and their families (Estado de Minas, 2/22/81: 16), and in Funilândia, an initial investment of 50 goats and two breeders were expected after three years of operation to meet the dairy needs of 7,500 persons (Haddad, 1980: 119).

8. This facet of the program was executed by a state foundation, RURALMINAS, and the rural syndicates; the average land plot was 29.15 hectares.

9. This line was FICAM, Financiamento de Aquisição, Construção, Ampliação e Melhoria Habitacional.

10. Forty-four percent of the Bank of Brazil loans in 1974 were allocated to agriculture, as opposed to only 15 percent of private commercial bank credit (Baer et al, 1976: 75).

11. State expenditure on agriculture fell from 5.1 percent of the total in 1959/60 to 3.4 percent in 1972, and then began to rise again. In 1977, it represented four percent of state expenditure (FJP, n.d., III: 145). Unfortunately, later figures are not available. We suspect, however, that they would continue to show an upward trend, given the well-financed array of agrarian programs launched during the administration of Francelino Pereira (1979-1983).

According to then state secretary of Planning, Paulo Haddad, state programs for agrarian producers were reaching the population marginalized in the process of industrialization in Minas in the preceding 12 years, a process which accentuated regional disparities, increased pressure on large urban centers, and transformed Minas into an importer of foodstuffs (Estado de Minas, 5/21/81: 14).

12. These include Planoreste II, Prodevale, Alto Rio Grande, and Vale do Gorutuba. See Table V-5 for a program summary.

13. In all, the federal government authorized itself ten taxes and two apiece to the state and municipal governments. In addition to the ICM, the states were permitted to collect the ITBI, a transport tax. Of the two, the ICM was by far the more important, accounting for more than 95% of state-collected tax revenue in Minas Gerais in the 1970s (Secretaria da Fazenda). The municipalities were also allowed to levy a tax on social services (ISS).

14. Martins (1977: 6) argues that this centralization of power in the federal government appeared to be a movement for the political control of territory, unlike the previous centralizing episode in the 1930s, when the government's intention was to unify the national market.

15. These states, Minas Gerais, São Paulo, Rio de Janeiro, Rio Grande do Sul, Santa Catarina, and Paraná, worked in a common effort to wrest concessions from the federal government for several years. In their view, federal government exemption of high-turnover industries such as tobacco from paying the ICM cut into state revenue, for no sound reason. These states, the wealthiest in Brazil, also protested that through their FPE quotas they were in effect subsidizing the poorer states of the Northeast and the developing regions of the North and West. A more detailed statement of their positions can be found in "Finanças Públicas: Uma experiência estadual nos últimos anos", January, 1979, prepared by the secretaries of finance of those states.

16. Requested were measures to rescind several exemptions to the ICM, to revise FPE quotas, and to lift federal restrictions on foreign

borrowing. The federal government agreed to extend the ICM to cigarettes and to transfer the minerals tax to the state governments. It rejected the states' petition to subject liquid fuels to the ICM, and to permit states to borrow freely without federal approval (Palestra of Secretário de Estado da Fazenda, Estado de Minas Gerais, n.d.).

17. These figures are taken from raw data (in graph form) from the state finance department (Secretaria da Fazenda do Estado de Minas Gerais).

18. For advanced industrial societies, Tarrow (1978: 12) has similarly argued that the "empirical case that fiscal centralization has robbed subnational governments of their vitality has yet to be made." His claim rests on three factors: (1) though national spending has increased, subnational spending has increased still more; (2) while numerous categorical grants tie down the activities of many local governments, the general revenue sharing that is more common leaves them far more freedom; and (3) there is apparent a continued high level of variation in spending across subunits within industrial nations, in many cases closely linked to local political factors.

In Brazil, subnational spending has not increased at a faster rate than national spending in the past two decades, but it has increased in real terms. Although state spending, at least in the early 1970s, suffered a decline relative to other levels of government, it rose in real terms, and municipal spending especially has increased. Thus Tarrow's first factor may be inconclusive for Brazil. The other two, however, are examined in the text.

19. These eight municípios were chosen systematically to illustrate relationships between socio-economic characteristics and revenue collection and public expenditure. Four pairs of municípios were selected from four categories of population size. Mindurí and Sardoia represented two extremes of urbanization within the category of the smallest municipalities; Bocaina de Minas and São João Evangelista, while exhibiting similar percentages of urban population, were at opposite ends of their population size category; São João do Paraíso and São Lourenço, with roughly the same size population, were found at opposite ends of the urban spectrum; and Itajubá and Conselheiro Lafaiete, in the category of the largest of Minas municípios, with similar population sizes and similar dependence on transfers from the federal revenue sharing fund, exhibited very different degrees of dependence on the ICM (IBAM, 1976: 22, 24, 26, 28).

20. Ministério da Fazenda (1981) data differ slightly: for the years from 1968-1975, government borrowing as a percent of total revenue is recorded as: 6.5, 1.3, .9, 12.6, 26.5, 16.5, 11.9, and 16.3 percent, respectively.

21. Water and sanitation are most often municipally-provided services. Over 92 percent of Brazilian municipalities, for example, were responsible for local sewerage (IBAM, 1976: 53-54).

22. Interview with Afrânio de Avellar Marques Ferreira, Sete Lagoas, MG, October 19, 1981.
23. Interview with Ronaldo Venga, Varginha, MG, October 13 and 14, 1981.
24. Industrial districts, authorized and funded by the state Industrial Districts Company, provided prepared land to industry. The municipal contribution was normally to grant exemptions on local property taxes.
25. The concept of "discretionary state aid" is used here to distinguish aid over which state elites exercise some choice from that which they must transfer as part of the federal and state revenue sharing programs. It includes "other capital transfers", "other current transfers", and "credit".
26. Interview with Olavo de Matos, Curvelo, MG, October 9, 1981.
27. Maurício Campos, a federal deputy who had been appointed mayor of Belo Horizonte, was the favorite of Governor Francelino Pereira. He failed, however, to secure his party's nomination due to factional squabbles.
28. Interview with Jairo Magalhães Alves, Itabira, MG, October 16, 1981.
29. Interview with José Fernando Prince, President, Varginha PDS, Varginha, MG, October 14, 1981.
30. There were only two exceptions to this rule: Governors Chagas Freitas of the MDB in Rio de Janeiro, and Alacid Nunes of Pará.

CHAPTER SIX
AUTHORITARIAN POLITICS AND TRADITIONAL ELITES

To limit popular influence over state policy, the bureaucratic-authoritarian regime centralized fiscal authority, placed technocrats in high places in economic ministries and inter-ministerial committees, and pruned the legislative prerogatives of Congress. Unlike in other bureaucratic-authoritarian regimes in Latin America -- Chile is the most notable example -- however, politics in Brazil did not die. Parties operated, elections were held, and the Congress was in session for most of the regime's life.¹ Lacking an alternative formula upon which to base its legitimacy, the military turned to the oligarchy to produce popular endorsements at the polls. Reluctantly, it accepted as allies elites who predated its regime and who did not share its vision for the nation.

The exercise of authoritarian rule in a functioning political system required congressional majorities and loyal local officials. To ensure electoral victories and retain its majorities, the military redefined the political-electoral realm. It purged from the political arena its most effective opponents primarily through denial of political rights and exile. It appointed governors and created a two-party system in which one official party was guaranteed supremacy. Inter-party competition was reduced to intra-party competition, competition which was confined, moreover, to a party formed and dominated by the traditional political elite.

The political arrangements, alliances, and rules of the bureaucratic-authoritarian regime helped preserve traditional elite dominance. Political centralization, the party system, and the rules of electoral competition instituted by the military governors froze pre-

coup political alignments, restricted real competition, and precluded the formation and emergence of new leadership. Institutional changes 'fixed' the composition and leadership of the political parties and party factions, local politics, and mutually serving if unequal alliances between local and state political elites. Pre-coup alignments survived the regime; without the help of specially-designed rules and boundaries, they might not have. Parties which even before the military coup appeared to play a diminished role in such areas as policy formation and decision-making seemed irrelevant in relation to an executive which grew only stronger during authoritarian rule. Yet, ARENA continued to dominate elite recruitment, mobilize support for the regime, and act as state agent in the cities and towns of the interior. As Schmitter (1973: 211) wrote when the parties were at their nadir, "this artificial and unrepresentative party system is quite appropriate to protracted authoritarian rule."

Authoritarianism enhanced the effectiveness of state clientelism for both the regime and the oligarchy. Authoritarianism was the regime's stick and clientelism its carrot to dissuade opposition and build support. Authoritarianism allowed the oligarchy who organized clientelistic networks within the ARENA party to secure its grip on the state and retain its monopoly of the distribution of state resources. Incumbents naturally advantaged in a clientelistic system became virtually invincible in one in which competition was sharply reduced by law and practice.

The Brazilian Authoritarian Regime

The Minas traditional elite was joined by rural dominant classes of the Northeast, modern business elites of São Paulo and Rio de Janeiro, the petty-bourgeoisie, liberal professionals, and the bureaucratic middle classes in coalition with at least four broad currents in the armed forces--the sorbonistas, the hard-liners, right-leaning nationalists, and military chiefs faithful to corporate unity (Velasco e Cruz and Martins, 1984: 16)--in April, 1964 to overthrow the government of João Goulart. This heterogeneous coalition of civilian and military forces proceeded on their political course without consensus on the form of the new regime nor on its priorities. The legalistic wing of the military, the sorbonistas, and its civilian counterpart, the UDN, who first took command of the 'Revolution' (as its adherents preferred to refer to their seizure of power) intended in a limited term in office only to institute the reforms necessary to rationalize the bureaucracy, raise productivity allowing capitalism to flourish, and then "restore" 'free' political competition to the electoral arena, which in practice meant enabling the UDN to achieve the victories that had eluded it through most of the post-war period (Velasco e Cruz and Martins, 1984: 18-19).

Seventeen "Institutional Acts" and more than 100 "Complementary Acts"--unilateral declarations on the part of the military governors--established the framework for military rule. Superseding the Constitution (Institutional Act Number 4 (AI-4), 1967, was the new Constitution), they dictated electoral laws and juridical practice. Institutional Act Number 1 was the declaration of the 'Revolution';

later acts were ad hoc responses on the part of the military governors to challenges to their rule. The notorious AI-5, which inaugurated the harshest years of the dictatorship, strictly curtailed opposition to the regime by cancelling the mandates of select, rebellious officeholders, stripping citizens of their "political rights", and imposing censorship on the press. Though fundamental to the foundation of the authoritarian regime, it did not directly and significantly affect the oligarchy.

After 1964, political power was centralized in the national executive, now the exclusive preserve of the military. A strengthened executive, however effective in administering the 'miracle', could ensure neither elite nor popular compliance with the regime's project. In its first real test, the elections of 1965, PSD candidates closely associated with former president Juscelino Kubitschek-whom the regime stripped of his political rights in June 1964-won the gubernatorial contests in Minas Gerais and in Guanabara (the city of Rio de Janeiro). PSD and PTB candidates were the victors in five states overall. The UDN, staunch allies of the military, achieved outright majorities in only three of 11 states.

The military responded to what was widely regarded as its 'defeat' with two Institutional Acts which dramatically reshaped the politico-electoral system to its advantage. To safeguard against any future embarrassments, Complementary Act No. 4 of Institutional Act No. 2 (October 27, 1965) abolished all existing political parties in November, 1965. New parties would be recognized and allowed to function only if at least 120 federal deputies and 20 senators were affiliated. One purpose of this requirement was to curtail the number of small parties

which in the years leading up to the 1964 coup had proliferated to 13. Another was to create a strong official party while keeping up the façade of democratic procedure. This decree effectively transformed what was by 1964 a 'fragmented', multi-party system into a two-party system. Politicians were forced into either the National Renovating Alliance (ARENA), which became the principal recruiting ground for government politicians, or the Brazilian Democratic Movement (MDB), the refuge of government opponents, regardless of stripe or color.

The military relied on the oligarchy to organize its official party. Most members of the defunct UDN flocked to the ARENA banner, as did many, though a smaller percentage, of the ex-PSDers (Table VI-1). The UDN had instigated the coup; the PSD was persuaded by Castelo Branco to play along (Velasco e Cruz and Martins, 1984: 25-26). The ex-UDN assumed the most prominent role in the new ARENA party: 90 percent of its deputies and 100 percent of its senators joined the ranks of the government supporters, in comparison to the 65 percent of the PSD deputies and 74 percent of PSD senators who cast their lot with ARENA (Wesson and Fleischer, 1983: 103-105). The UDN dominated the ARENA party in Alagoas, Sergipe, and Guanabara; it had to share power in Minas, Goiás, Santa Catarina, and Piauí with the members of the PSD, and took a back seat to the PSD in Maranhão and Rio Grande do Sul (Roett, 1984: 67). While some members of the PTB joined with these two conservative parties in Bahia, Pernambuco, São Paulo, Ceará, and Pará, most joined the MDB. As the party of the incumbent president, the PTB had the most to lose in the coup. Of the PTB deputies who were permitted to remain active in politics (PTB deputies had

Table VI-1

Brazil: Pre-1966 Party Affiliations of Federal Deputies
and Senators, 1966-1971

Pre-1966 Party Affiliation	1963	AI-1 and AI-2(a)	1966-67(b)			1967-71(c)		
			ARENA	MDB	Total	ARENA	MDB	Total
Deputies								
PTB(d)	119	37	34	75	109	34	50	84
PSD	118	11	80	44	124	83	39	122
UDN	91	2	84	10	94	105	14	119
PSP	21	4	20	4	24	13	8	21
PDC	20	3	15	5	20	18	5	23
PTN	11	1	8	5	13	6	7	13
PST	7	5	3	1	4	1	2	3
PR	4	1	4	0	4	4	0	4
PL	5	0	3	0	3	4	2	6
PRP	5	0	6	0	6	4	0	4
PSB	5	3	1	2	3	2	1	3
PRT	3	0	2	2	4	1	0	1
Subtotal	409	67	260	148	408	275	128	403
Unknown	--	0	0	0	1	1	5	6
Total	409	67	260	148	409	276	133	409
<u>Cassados(e)</u>	--	67	--	--	--	28	66	94
Senators								
PTB	19	1	6	13	19	3	10	13
PSD	23	1	17	6	23	18	5	23
UDN	16	0	16	0	16	19	1	20
PSP	2	0	2	0	2	3	0	3
PDC	1	0	1	0	1	3	0	3
PTN	1	0	0	1	1	0	1	1
PL	2	0	1	1	2	1	1	2
PRP	1	0	1	0	1	0	0	0
PSB	1	0	0	1	1	0	1	1
Subtotal	66	2	44	22	66	47	19	66
<u>Cassados</u>	--	2	--	--	--	0	4	4

(a) Cassados removed by AI-1 (1964) and by AI-2 (1965-66).

(b) Realignment among surviving members of the 5th Legislature, elected in 1962.

(c) Legislators elected to the 6th Legislature in November 1966.

(d) Includes legislators of the MTR splinter party.

(e) Cassados removed by the AI-5 after December 16, 1968.

Source: Wesson and Fleischer, 1983: 104.

disproportionately lost their mandates and their political rights--they were cassados), 70 percent remained in the MDB opposition, while a handful (34) joined ARENA. At its inception, the MDB hardly qualified as a party: the government had to "loan" the party two senators in order for it to meet the newly established minimum of 20. It suffered another blow after the issuance of Institutional Act Number 5. At least 40 percent of its deputies and senators were cassados by the regime (Velasco e Cruz and Martins, 1984: 37).

Most traditional Minas politicians joined ARENA and the government, as would be expected of an elite which prompted the regime change and which was tied to the state. More than 80 percent of the members of each of the three most important parties, the PSD, the UDN, and the PR who were in the state Legislative Assembly in 1968-69 joined ARENA (Bastos and Walker, 1971: 141). The affiliation of deputies was part of a larger movement of the entire traditional elite into the government camp. It followed upon the decisions of oligarchical leaders to adhere to the regime. Once the deputies moved into the party, lower ranking members of the political class in the interior had little choice but to follow. The regime's centralization ensured compliance at every level of the system.

Following on the heels of AI-2 was Institutional Act Number 3 (February 5, 1966) which replaced the direct election of governors and lieutenant governors with "indirect" election by state legislatures, and that of mayors of state capitals with appointment by state governors. In practice, those nominated for governor were pre-approved by the
5
military. Candidates acceptable to the military were most often drawn

from the traditional political elite.

The two changes altered the nature of political competition. The major beneficiary was the traditional political elite. The certain outcome of the partisan affiliation of every post-coup governor sharply influenced the stability of state and local political coalitions. The military monopoly of the national executive and its appointment of loyal governors limited the appeal of competition through opposition, and only with great difficulty could a challenge be mounted within ARENA. The new 'artificial' two party system left party management to the oligarchy and regulated the entry of new contestants into the political arena. Coalitional shifts, previously a common feature of postwar Brazilian politics, were all but ruled out. Traditional local bosses easily dominated local politics and resisted any incipient challenges to their rule, helped elect and reelect federal and state deputies, and contributed to the durability of state elite factions.

The 'Semi-Competitive' Political System

In a state clientelistic political system such as the Brazilian, parties generally do not compete for votes on the basis of their programs, policy proposals, or records of administrative competence in office. Rather, votes are traded in blocs for state resources from superiors or for votes in other elections from coalition partners. Politicians at all levels of the political system from governor to cabo eleitoral-the "ward boss" responsible for turning out the vote-compete for their positions on the basis of their ability to deliver the maximum number of votes or state resources, depending upon their position in the

hierarchy. Competition, and ultimately turnover of the political elite, depends on the ability to shift alliances, redraw factional lines, and access state patronage by alternating in office. Competition is virtually never confined to individual races at a single level of government, but operates according to alliances which bridge territorial units.

The Brazilian political system is distinguished by a high degree of territorial integration. The hierarchical nature of that integration, the fiscal dependence of lower levels of government upon the higher, and the deep penetration of the state into most aspects of municipal life make it impossible for even remote localities to insulate themselves from state and national developments. National political change inevitably reverberates to the lowest levels of the political system. The direction change takes locally depends on whether opportunities for the reorganization of clientelistic networks are created or denied at the state and federal levels. In 1930, the replacement of the national leadership triggered the formation of new local coalitions. The authoritarian regime's appropriation of the state executives and creation of a new party system with new electoral rules in 1965-66 produced the opposite effect; it fixed the axes of conflict and froze standing alliances. In 1930, Vargas' overthrow of the Old Republic disrupted existing federal, state, and local alignments. Splitting the ranks of the oligarchy offered a choice of sides to local chiefs. The power of the dominant coroneis allied with newly ousted members of the Old Guard in the state elite was undermined, in some towns only temporarily, in others on a more permanent basis. Local power studies

document, if in a sporadic and descriptive fashion, the jolting of the rule of the "in" families after 1930 (Table VI-2).⁶ In some municípios, change took the form of the replacement of one family by another (Rio Rico); in others, the bifurcation of family control (Barbacena), and in yet others, the overthrow of traditional family rule altogether (Itapetininga) (Murilo de Carvalho, 1968/69: 246).

The degree of competition among the elite has varied widely through the course of this century. In the Old Republic, the most successful state oligarchies used rigid centralization in the state, an iron grip on the dominant party, and the diversion of state clientelism through a single party, the Republican party, to curtail competition and maintain themselves in power. The regional oligarchies of the weaker states had to face constant competition spurred on by federal intervention and local uprisings. But except for the Estado Novo, even this hierarchical system everywhere allowed for, at times fostered, challenges to local political elites.

Local contests seldom were waged with only local resources nor were they of exclusively local interest. Local rivals competed with one another by building alliances with state and federal authorities in which they accepted federal or state aid and protection from their enemies in return for delivering local votes. Higher officials used local bosses to secure their own places in the oligarchy. Taking "A" to signify the "ins" (the situaçionistas) and "B", the outs, the possible combinations of political alignments in the Old Republic and in the post-war era can be expressed as:

Table VI-2

Studies of Local Power in Brazil

Community	State	Urban Pop.	% Pop. Urban	Power Structure**
<u>Political Studies</u>				
Dores do Indaiá	MG	5,474	40	1(1945)+
Cachoeira do Campo (Rio Rico)	MG BA	1,492* --	50 --	2 1(1930)1
São João Evangelista	MG	2,870*	21	2(1930)1
Itapetininga	SP	7,864*	45	1(1930)+
Barroso	MG	5,973*	83	2(1954)+
Picos	PI	8,176*	16	2 +
Barbacena	MG	42,866	79	1(1930)2
<u>Anthropological Studies</u>				
Cunha	SP	6,500	26	+
Cruz das Almas (Itã)	SP PA	2,723 600	90 23	1 3(1912)+
(Passagem Grande)	AL	3,713	--	1
Cerrado (and Retiro)	MG	2,425	25	2
Minas Velhas	BA	1,427	53	3
Vila Recôncavo	BA	1,462	34	3
Itaipava	SP	1,485	5	3(1930)+

*Data not supplied by the authors of the case studies, taken by Murilo de Carvalho from the 1950 census. Rio Rico, Passagem Grande, and Itã are fictitious names.

**This column represents an attempt to indicate whether local power is controlled by families. The numbers indicate the number of families that are said to control local power. The date between the parentheses indicates the epoch of important changes in municipal politics. The + sign signifies the disappearance of family control over politics, although family ties may still be very important.

Source: Murilo de Carvalho, 1968/69: 242.

<u>Level</u>	<u>Patterns of Alliances</u>			
	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>
Federal	A B	A B	A B	A B
State	A B	B A	B A	A B
Local	A B	B A	A B	B A

In the Old Republic, the most common alignment where state oligarchies were strongest, as in Minas Gerais and São Paulo, was type "I"; local "ins" sided with state "ins" who dominated the national government. The "outs" were similarly allied at each level of government. Each hoped to draw material support from the others, and perhaps to capitalize upon an error committed by their allies' opponents. In a system dominated by a single party they had little alternative. In smaller states, where the state and federal "ins" were enemies, however, local "outs" could choose to ally with federal "ins" (type "II"), state "ins" (type "III"), or their rivals. Often, state oligarchies ("ins") who found themselves on the wrong side of the federal government were extremely vulnerable to federally-inspired uprisings by hostile coroneis (Cintra, 1979: 136). These relied on federal military support, and were coordinated by their state rivals. If state group "A" were to be defeated in state politics (as in this case because the federal "ins" supported their adversaries), then the local elites under their protection would be left without their sponsors. The local elite's place was secure only as long as the state government to whom it offered its allegiance could stay in power. Otherwise, the successful state and local insurgents, their local

rivals, would soon replace them as the local "ins". The fourth alignment was not often possible: only when a city had its own resources and was not dependent on the upper levels of government could a local group hope to occupy and retain office without powerful friends.

In the post-war party system, actors at each level of the political system had more freedom of choice, which in turn intensified political competition. Multi-partism provided channels for discontented political veterans and new entrants in politics to contest office. Inter-party coalitions helped elect otherwise nonelectable candidates. A small party could barter its votes for the gubernatorial nominee of a major party for support for one of its candidates for lesser office--state deputy or local mayor. Schmitter (1973: 209-210) has called this post-1945 "Getulian" system which "permitted local-level competition on the basis of coalitional shifts, but ensured a stable [PSD-PTB] dominance at the national presidential level" "semi-competitive".

Even in this "semi-competitive" post-war regime designed to preserve PSD-PTB hegemony, the real if limited possibility of a national UDN victory and the frequent state victories allowed the system to become more competitive. It created a different set of expectations about local and state competition. Many states elected governors during the period from parties opposed to that of the national executive. In Minas Gerais, the UDN elected the first post-war governor at a time when the presidency was controlled by the PSD. On the eve of the 1962 elections, the last before the coup, state and federal authorities represented opposing camps in several leading states.

When governors and presidents were on opposite sides of the fence, each supported the candidates of their parties (or allies) for senate and deputies. As Ribeiro (1964: 96) describes the 1962 elections in Ceará:

The federal government lavishly favored PTB candidates, putting to political use its bureaucratic machine. Federal meddling took the form of eliminating jobs, substituting heads of the principal federal agencies, distributing about 100 ambulances, using official vehicles, and making electoral donations of medical and surgical instruments and a substantial quantity of medicine. There was undisguised federal support for the trabalhista [PTB] candidate for Senate. Beyond this, the federal government, by various means, displayed malicious hostility toward government authorities in Ceará, denying them the collaboration of federal authorities.

For its part, the state government mobilized its apparatus to support the candidates for the "Union for Ceará", principally the candidates of the Partido Trabalhista Nacional, the party organized by the state governor when he split away from the PTB. He sought to elect as many representatives as possible to the national congress and the state legislative assembly from his party. As a form of electoral influence, the government gave away jobs, used its official vehicles, and bestowed highway contracts in an attempt to offset federal government interference.

On the municipal level, most mayors used municipal funds for electoral ends -- to sponsor their own successors, or to get themselves elected to the state legislative assembly.

Incumbent governors failed to elect chosen successors in most states in 1962. In three races (Bahia, Guanabara, and Pernambuco), UDN governors could not prevent the election of PTB and other labor (socialist) gubernatorial candidates supported by the federal government (Sampaio, 1964: 44-45; Rios, 1964; Chacon, 1964). In Ceará, Rio Grande do Sul,

and São Paulo, motley coalitions formed to stop the PTB were successful (Ribeiro, 1964: 99, 102; Ferreira, 1964).

Those who held state office had the greatest impact on local elections, and were therefore more important for local elites. The governor used the ample resources of state available to him to influence local and state assembly elections to his party's advantage. In Pernambuco, Ceará, and Minas Gerais the full force of state clientelism was brought to bear by state officials in the 1962 elections. In Pernambuco, party votes in the Chamber of Deputies and the state Legislative Assembly elections varied widely. Incumbent governor Cid Sampaio could not prevent 12 PTB candidates from being elected as federal deputies (of 24 places) but only one state deputy was elected as a candidate of that party (Chacon, 1964: 214-215; 224-225). In Ceará, a PTN governor helped elect nine deputies (14%) running on that party's ticket to the state legislative assembly; in 1958 the PTN had not fielded a candidate (Ribeiro, 1964: 102). In Minas, the election of UDN gubernatorial candidate Magalhães Pinto in 1960 produced substantial gains for the party in the state legislative assembly and municipal elections in 1962. In 1958, the UDN won 11 of 74 seats in the Assembly (15%); in 1962, 26 of 78 (33%) (Barbosa, 1964: 187-188). In 1958, when Bias Fortes of the PSD was governor, the PSD won outright 42 percent of the mayoral races and another 13 percent in alliance with other parties; the UDN "outs" elected less than 10 percent of its candidates directly and another 19 percent in alliance with other parties. In the 1962 elections, with a UDN governor in the Palácio da Liberdade, the tables were turned. The UDN captured 61 municipalities from the PSD, raising

the number of UDN mayors from less than 10 to 22 percent. The PSD, now in opposition, saw its share of mayors drop from 42 to 35 percent. Even the PR, in alliance with the PSD, suffered the same fate: its vote totals rose with PSD success in 1954 and 1958, and fell in 1962 (Barbosa, 1964: 189-190).

The election in 1960 of Jânio Quadros as president on the UDN ticket raised expectations about competition even further. For the first time uncertainty surrounded the outcome of the next scheduled presidential election of 1965. As Schmitter (1973: 209) points out, an opposition victory caused the parties to proliferate and alliances to shift. From "semi-competitive", the system had become "truly competitive". Schmitter goes on to argue that the military, once it understood the scope of the problem, took steps to reverse this development toward real competition. To "restore" the system to its semi-competitive basis, it eventually created a "one-and-a-half" party system guaranteeing the predominance of ARENA over the MDB and allowing local and state but not national competition.

Both regimes were "semi-competitive", but the degree of competition permitted by law and tolerated in practice differed between the two and with that so too did the possibilities for the transformation of the system. In the post-war Republic when votes could be bartered and coalitions were fluid, competition for resources and for office was real. When authoritarianism took away this possibility, opposition became quixotic. Political alliances and divisions ossified, fixed alignments eliminated competition, and the oligarchy and local bosses were left in place at all levels of the political system. Unlike its

predecessor, the bureaucratic-authoritarian regime could not become truly competitive.

The Pattern of Authoritarian Political Competition

The brand of authoritarianism instituted by the military revamped the pattern of competition in postwar Brazil and returned the country to the even more rigid version of authoritarian politics that Minas Gerais and São Paulo lived under during the Old Republic. Weak state oligarchies, moreover, now had federal government protection which they lacked in the earlier period. State elites that never really lost their grip, like the Mineiro, had less to gain immediately but nonetheless profited from a more secure order in the long term. Inter-party competition as a means for elite turnover became extinct, and oligarchical control of a single dominant party made intra-party competition equally illusory.

The security of oligarchical tenure begins in the municípios. Political elites begin their careers in local politics. Unlike many U.S. politicians whose first race may be for U.S. senate, even grandsons of presidents in Brazil must demonstrate they can win votes in city council elections. A new elite not of an oligarchical family is under even greater pressure to do the same.

Through disaggregated returns for mayor and city council elections in 25 municípios, and field research in a subset of these, we examined the organization of local politics, the stability of local political coalitions, and the turnover rates of local power elites. While our

findings are only suggestive, they fit a larger pattern and offer hypotheses for future research.

Local Politics: From Inter-Party to Intra-Oligarchical Competition. The regime wished to maximize its local support among the traditional political elite. It could not tolerate a situation in which local rivalries drove away one half of its strongest supporters among the traditional political bosses and still hope to hold a comfortable advantage in the electoral arena. To maximize local support, it used both negative and positive inducements.

In an authoritarian system operating with a state clientelism that reserved federal and state executive positions for the government and its supporters, state "outs" could no longer become state "ins", and the chances for federal "outs" ousting the military governors were even slimmer. Eliminating the customary means for successfully challenging local "ins"--riding the coattails of the state opposition to power at some future date--diminished considerably the incentives for local "outs", be they traditional bosses or newcomers, to ally with state and federal "outs". With political alignments fixed by authoritarian rules of competition which could be rewritten at any time (and often were based on the latest polls conducted by military intelligence) to guarantee the victory of the "ins", the only practical recourse for most local challengers who hoped to come to power was to join ARENA.

Few politicians of the interior could afford to join the MDB. Had the local political elite divided evenly between government and opposition, opposition candidates might have overcome the disadvantages

of being outside clientelistic channels. Because most politicians of the interior did join the government, however, only political representatives in a few select concentrated areas of heavy industry where the opposition was strong--Contagem, Betim, and the "Steel Valley"--and powerful local oligarchies in affluent municípios could successfully challenge state and federal elites. In Sete Lagoas, the PSD and the faction of the UDN that had been allied with Governor Israel Pinheiro and former cabinet minister Milton Campos (who resigned as Minister of Justice in October 1965 when he saw Institutional Act Number 2 coming), joined the MDB. In Sete Lagoas, the MDB thus had a competitive edge throughout the authoritarian era which it did not enjoy in most cities and town. The exception that proves the rule, it was possible for its oligarchy in the MDB out of conviction or convenience to win. At the opposite end of the spectrum, traditional elites with personal clientele in very poor, very backward places who joined the MDB for whatever reasons found themselves in a precarious position. In a small town in the Minas cerrado, the traditional elite lost the command of their município to a new ARENA elite backed by the state (Reis, 1985). Of course, "authentic" MDBers affiliated with the party out of conviction. Especially young politicians who for the most part entered politics after the coup fought elections for the MDB as a means of galvanizing protest against the regime. They did not expect to win, nor could they until 1982. During authoritarian rule, even those who were willing to pursue a long-term strategy, betting that the regime could not endure indefinitely, had to face electors who however poor and uneducated understood that opposition municípios received next to no

state aid above their meager legally-mandated transfers.

However powerful the disincentives to defecting to the opposition in this system, incorporating UDN and PSD politicians locally was nonetheless no easy task. It required fitting opposing factions who were bitter enemies into the same party structure where there were no ideological obstacles to prevent oligarchs from contemplating MDB membership. As a first step toward incorporation, party leadership was shared. Places on executive commissions were alternated between the major parties of the postwar era. If the PSD were allocated the presidency, for instance, the general secretaryship was automatically assigned to the UDN, and so on with the first and second vice-presidents and other, lesser positions. Similarly, places on the party list in the proportional representation elections (e.g., state and federal deputy elections) could be found for members of each faction. But the regime's dilemma was only partially solved by conventional means of political compromise: who would contest various elections on the party ticket could not be settled as easily in the plurality races in which parties could field only one candidate. This difficulty which surfaced vividly in the gubernatorial contests of 1982 posed the greatest problems for the regime during the authoritarian years at the local level.

To make room for the entire local traditional political elite in its band of supporters, the regime devised a new electoral arrangement, the "sublegenda"--literally "sub-ticket". Employed in elections for mayors and later for federal senators, up to three candidates from the same party were allowed to contest the same office in general elections. The votes of each "legenda" were totalled and the office awarded to the

highest vote getter of the party that polled best, even if a minority party candidate received more votes than the eventual winner.

Sublegendas were indeed successful in persuading local bosses to fall into the government camp alongside their traditional rivals. Schmitter (1973: 211) reported that in the 1972 municipal elections, the MDB was able to run candidates in fewer than 2,000 of the country's 3,500 electoral districts. In most municípios in our sample, local PSD and UDN politicians opted for ARENA immediately after the 'Revolution'. Ex-PSDers became "ARENA 2", and ex-UDNers, "ARENA 1", or vice-versa. Local, like state enemies, uncomfortably coexisted within the same ARENA party, occupying separate sublegendas.

The regime was wise to use all the means at its disposal to keep traditional elites in the ARENA camp. With rival local bosses running for the same office on the same ARENA ticket, ARENA was sure to win most local offices. In the mayoral elections of 1972, ARENA candidates won 92 percent of the races in the country (Sarles, 1982: 45). When there were breaks in the ARENA coalition, its vote totals suffered. In the 1972 municipal elections in Varginha, when ARENA ran only one candidate for mayor and one for vice-mayor, the ARENA nominee narrowly edged out his MDB rival by a margin of 1246 votes (6,414 to 5,168 or 53.8% to 48.8% of the party vote). In the next municipal election, held in 1976, when a second candidate ran for mayor on the "ARENA 2" sublegenda, the two ARENA candidates combined received just over 15,000 votes, or 81.7 percent of the party votes cast. The lone MDB candidate ran a poor third with 2,897 votes. A similar pattern appears in other municipalities (Table VI-3). In Muriaé, the ARENA legenda's share of

Table VI-3

Local Elections, Select Municípios

	Pop. 1980	Mayoral Elections							
		1976				1972			
		ARENA		MDB		ARENA		MDB	
	#	Leg	%	#	Leg	%	#	Leg	%
Barbacena	86,388	2	53	3	38	1	55	1	33
Conselheiro Lafaiete	72,438	2	80	3	13	3	52	3	40
Curvelo	50,770	3	54	3	40	2	50	3	44
Dores do Indaiá	15,184	2	89	1	6	2	95	0	--
Eloi Mendes	16,986	1	65	1	25	0	--	1	88
Guanhães	22,781	2	62	3	28	1	51	0	--
Itabira	71,115	3	36	3	55	3	27	3	61
Itajubá	60,593	2	62	3	32	1	30	1	66
Januária	71,941	1	82	0	--	1	78	0	--
Leopoldina	42,118	2	95	0	--	2	73	1	20
Montes Claros	177,308	2	80	3	14	2	93	0	--
Muriaé	69,990	2	95	2	2	2	97	0	--
Patrocínio	44,373	-----							
Pirapora	32,673	3	86	1	10	2	97	0	--
Poços de Caldas	86,972	-----							
Pouso Alegre	57,364	2	97	0	--	2	94	1	2
Santa Rita Sapucaí	22,212	2	33	1	61	1	60	1	30
Sete Lagoas	100,628	3	35	1	56	1	26	1	68
Teófilo Otoni	128,827	1	34	2	60	3	34	2	59
Três Corações	44,382	3	40	2	54	2	48	2	46
Ubá	53,311	3	71	3	22	1	81	0	--
Uberaba	199,203	2	81	2	11	2	94	1	1
Unaí	67,883	1	45	1	51	1	50	1	47
Varginha	64,906	2	76	2	17	1	49	2	42
Várzea da Palma	18,533	2	44	2	46	3	66	2	28

	Pop. 1970	1970							
		1970				1966			
		ARENA		MDB		ARENA		MDB	
	#	Leg	%	#	Leg	%	#	Leg	%
Barbacena	73,905	1	59	1	11	2	89	0	--
Conselheiro Lafaiete	50,919	2	64	3	24	1	45	1	45
Curvelo	45,494	1	61	2	30	2	44	1	47
Dores do Indaiá	15,747	1	65	1	21	2	93	0	--
Eloi Mendes	14,712	1	78	0	--	1	78	0	--
Guanhaães	22,489	2	92	0	--	2	91	0	--
Itabira	56,394	2	92	0	--	2	77	1	8
Itajubá	51,727	3	58	3	33	1	77	1	15
Januária	62,615	2	94	0	--	2	90	0	--
Leopoldina	41,337	1	48	1	38	1	78	0	--
Montes Claros	116,464	2	72	1	17	1	77	0	--

Table VI-3

Local Elections, Select Municípios
(cont.)

	Pop. 1970	Mayoral Elections							
		1970				1966			
		ARENA		MDB		ARENA		MDB	
		# Leg	%	# Leg	%	# Leg	%	# Leg	%
Muriaē	58,428	1	51	1	35	2	91	1	2
Patrocínio	35,600	-----		-----		1	72	0	--
Pirapora	20,339	2	89	1	5	2	91	0	--
Poços de Caldas	57,643	-----		-----		1	73	0	--
Pouso Alegre	38,141	1	69	1	21	1	62	0	--
Santa Rita Sapucaí	18,927	1	55	1	37	1	70	-	--
Sete Lagoas	66,636	3	47	3	40	0	--	2	82
Teófilo Otoni	132,960	1	51	1	36	2	53	1	38
Três Corações	35,244	2	39	2	53	1	50	1	41
Ubá	44,663	2	94	0	--	2	87	1	4
Uberaba	124,848	2	57	2	34	3	61	1	29
Unaí	52,427	1	48	1	48	2	50	0	42
Varginha	43,707	2	74	1	15	1	50	1	39
Várzea da Palma	13,383	1	42	1	50	1	68	0	--

a. Patrocínio and Poços de Caldas were designated estâncias hidrominerais, which meant that, along with state capitals and 'national security' areas, their mayors were no longer elected but appointed by the governor. These municipalities, did, however, continue to hold elections for city council.

b. These percentages of ARENA and MDB vote do not total to 100 because they are percentage shares of the turnout. The remaining ballots were either cast blank or voided.

Sources: IBGE, 1970, 1980b; TRE-MG.

the vote for mayor rose from 51 percent in 1972 to 97 percent in 1976, when it ran two candidates instead of one; in Pouso Alegre, from 69 to 94 percent in the same years under the same circumstances; in Dores do Indaiá, from 65 to 95 percent; and in Uberaba, the government party's vote total rose, despite a constant number of candidates (2) but the number of its opposition candidates declined. In cases where only one sublegenda polled well, it was often the case that PSD and UDN ran on the same ticket, with one running for mayor and the other as vice-mayor.

Schmitter (1973: 210) believed these "sub-tickets", while helping to ensure majorities for the regime, would permit local conflict to continue. Logically, sublegendas should have transposed inter-party competition into intra-party competition. If they had, they might have accommodated new elites. But by and large, the demise of inter-party competition made local coalitional shifts more difficult to effect. While a success from the regime's standpoint in maximizing its local support, sublegendas merely allowed the oligarchy to confine competition to its own ranks, and intra-oligarchical competition did not provide for elite turnover. Why did vigorous and genuine intra-party competition on the local level not develop through the mechanism of the sublegenda?

The sublegendas were assigned by local party diretórios. In the local "in" party, this meant they were controlled by members of the local oligarchy. As on the state level, local bosses organized ARENA chapters in the cities and towns of the interior. These bosses could be the most powerful figures in their municípios, at times enjoying great stature in state politics. In Varginha, PSD as well as UDN and PR leaders joined ARENA. Most members of the ARENA diretório over the

years were semi-permanent fixtures. Three-fourths of the members in 1975, the last elected diretório before the party's dissolution, had been members in 1972. Of these, all but two were members from the local party branch's constitution in 1969. In Sete Lagoas, 86 percent of the members of the MDB diretório in 1979 [comprised of the old PSD and half the UDN] (the "ins) were carryovers from the previous election year, 1975. The executive commission in 1979 was reelected intact from 1975, and three of its four members were also on the local party's top body in 1972. Seven of eight of the elected delegates to the party's state convention had served on the party's diretório at some point; half were among the founders of the MDB in Sete Lagoas. Old elites even dominated the PMDB leadership in 1984 (after the PP has been dissolved). Not one leader (member of the diretório or executive commission) of the PT and the PDT in town had been on the MDB's diretório, and only one member of the PTB.

With local party leadership posts divided between prominent figures from the two dominant, conservative parties of the pre-coup era, the PSD and the UDN, two places on the "in" party's legenda in each city and town were virtually "reserved" for old elites from their ranks. New elites could enter the political arena on the side of the government through only one of two avenues: the ranks of one of the factions (in order to secure nomination on the sublegenda reserved for that group) or on a third sub-ticket of ARENA, if open. Mounting a viable challenge to local power on the third legenda was a formidable task. A third candidate could not count on the support of the state party machine. The state elite was split along the same pre-coup lines, and prominent

state PSD and UDN politicians campaigned in the cities and towns for "their own". The governor, who strove to be impartial in his dealings with the two legendas,⁹ could hardly hope to maintain old oligarchs in the fold if he assisted local challengers from outside both camps. The difficulties in "going it alone" within ARENA were compounded by the tendency of voters inclined to reject the local oligarchy to vote MDB, the natural party of protest. If a challenger did have a realistic chance of beating establishment candidates, the local diretório was under no obligation to nominate him for the city's top office (though this would be frowned upon by the state elite.)

Most often, if a young aspirant with no family ties did wish to enter politics, he did so under the aegis of traditional local bosses. In Barbacena, state deputy João Navarro who began his political career in the PFB independent of the city's two oligarchical families (and who went on to become the president of the state Legislative Assembly), joined the Bias Fortes faction. When he did, he could immediately count on more votes for himself and the votes he brought with him in turn strengthened Bias Fortes' position in the município and in the state. Only in 1976 in the last municipal elections held in the authoritarian era did it become less than rare for three candidates to contest the same office on the local level. Controlled by the party oligarchies, the sublegendas reinforced oligarchical rule.

Competition and Local Elites. What was good for the regime was also good for the oligarchy. Many old politicians in our sample stayed within the ARENA fold, guaranteeing for the regime a steady diet of votes, and for themselves, a route to local power for local purposes or

a base of operations for higher office. In only a few municipalities did one of these factions defect to the MDB at some point during the course of the authoritarian era. When this occurred, it was more often the case that individual candidates or a small group switched to the MDB than an actual factional realignment take place.

The oligarchical grip on the parties and the impediments to coalitional shifts led to a low degree of turnover in local elected office, as well as in local candidates nominated. In Três Corações, the mayor elected in 1962 was reelected in 1972; the mayor elected in 1970 was returned to office in 1976; and the latter's brother served as mayor in 1966 and was an unsuccessful candidate in 1972. In the estâncias hidrominerais in which the mayors were appointed by the state administration, the survival of the traditional political elite was most accentuated. In Poços de Caldas, the Junqueiras, long the dominant political force in the município, were named to head the city administration in virtually every "election". Most local oligarchies did not need such drastic forms of protection. In Guanhães, the surnames of the local oligarchy, the Coelhos, appear and reappear in each election held during authoritarianism. In Varginha, Eduardo Ottoni, widely touted as an 'outsider' and 'proof' that "new leadership" had captured new migrant and worker votes and ousted the local elite, was in fact a member of the PSD faction and married to the great-granddaughter of the município's first mayor. In these municípios, heading factions within ARENA secured a place for old elites. In Sete Lagoas, on the other hand, the local oligarchy that controlled the município¹⁰ and was sheltered by the MDB rather than ARENA faced more

serious challenges than elsewhere. Local business elites assumed leadership of the local ARENA branch, and local competition was real.

Partisan divisions which predated the authoritarian regime outlasted it. Pre-1965 political alignments superimposed on the post-1965 party system persisted on both the state and local levels throughout the post coup period, up to and including the 1982 elections. If a member of the defunct UDN were the ARENA party's gubernatorial 'nominee' during the authoritarian regime, his lieutenant governor invariably was an ex-member of the PSD. Once fitted into the lopsided two party system, these pre-coup alignments were fixed and became perhaps the most important factor determining state and local politics. A peasant in a small town in the Alto Paranaíba region of Minas Gerais remarked in 1981, sixteen years after they had been abolished, "As long as there is a world, there will be a PSD and a UDN".¹¹

In the municipalities, factional lines drawn during the Vargas dictatorship survived into the modern era. Where the pre-coup cohort was aging, their sons and sons-in-law carried on their "political tradition". In Varginha, the differences between the old PSD and the ex-UDN-PR alliance were the most important source of political conflict in the município. The dispute, which was as old as the Vargas dictatorship itself, pitted Vargas' local foes (the PR-UDN) against the PSD. This political divide permeated most aspects of municipal life. The two major newspapers in town were owned and edited by the opposing sides.¹² Both sides joined ARENA when the party was organized in town. While Varginha changed and grew economically, its partisan lines remained unchanged for the entire authoritarian period. The old UDN-

PR/PSD rivalry continued to constitute the most significant division along which groups lined up in the município. When change did occur in 1976, only the group in power changed, not the composition of the contending factions. Even at the close of the authoritarian regime when the local PDS chapter in Varginha was being constituted, the intervention of the state party was required for the warring factions to agree on the composition of the local party directory, with the general secretary of the state PDS, Emílio Gallo, serving as arbiter (Gazeta de Varginha, September 4, 1981). Sublegendas offered the ex-PSD faction, and its allies, a chance to become competitive once again in local politics. But it also denied other groups the same opportunity. Throughout the state, when the political system opened for the first time in anticipation of the 1982 gubernatorial elections, the ex-PSD - ex-UDN divide resurfaced in Minas Gerais as if the coup had never happened and ARENA had never been formed. Realignment took place two years later, after a new governor had been elected and when it became apparent the system could change at the top.

State politics: Authoritarian Politics and the Oligarchy.

Appointed governors and entrenched local bosses provided the stability, protection, and patronage assistance from above as well as the support and allegiance from below to hold the state oligarchy in place. The restraints on political competition and decisions made by leaders of local party branches who otherwise exercised little influence in state and national party politics returned the same members to the state Legislative Assembly in Minas Gerais, and to the state's delegation to

the Chamber of Deputies. Deputies are significant in that state cabinet members and future governors are recruited from their ranks, and such powerful figures in the state elite often return to the Chamber of Deputies after a stint in state and federal high office.

The state party diretório fills available places on the party state-wide deputy slate (incumbents have the prerogative of running again). An ARENA slate may be aided by the actions of the governor and federal government spending in a municipality, and an MDB ticket by poor economic performance and reduced wages. Since deputies are ordered on the party list by actual vote total, however, election depends on winning votes among the electorate. Why individual candidates should be preferred by voters over one of their colleagues rests entirely upon the political skills and resources of the would-be deputy and the interests of the local elites who endorse them.

In Brazil's system of statewide proportional representation, general electors may vote for only one candidate from the entire slate of all parties. Despite the wide range of choice, only three to five candidates normally capture three-quarters of a community's vote. To win such large blocks of votes, the aspiring deputy must court members of local party diretórios. At times, a candidate might trade votes from his hometown or other areas of support for a federal deputy from a city whose vote he is soliciting, in exchange for that diretório's support for his run for state deputy. Local party endorsements which carry with them anywhere from half the municipal vote for a native and 30 percent for a parliamentary candidate from another part of the state are crucial if a deputy is to garner enough votes statewide to be elected.

Which deputies are elected, then, depends in large part on the composition of the party diretórios in the cities and towns of the interior.

Stable party leaderships such as those in Varginha and Sete Lagoas are likely to support incumbent deputies, especially those who have been good patrons to the cities they 'represent'. Long standing loyalties and alignments can be a powerful political drive for good practical reasons on both sides. Without electoral districts, were an incumbent deputy to lose, a locality might be left without "representation" altogether, something which no município can afford in a system which underfunds local government. Cities and towns of the interior must supplement their revenues with state program funds and public works--pork barrel projects which are usually secured through political connections. The more traditional the aspiring political representative, the better connected, and the more state resources he can deliver. Even oligarchies in opposition can take advantage of old networks. The mayor of Sete Lagoas, according to the president of the Commercial and Industrial Association of Sete Lagoas [and member of the PDS diretório], was the best the municipality had had in twenty years, "very well connected" despite being from the opposition. The local oligarchy, who founded the PP (Partido Popular) in Sete Lagoas, persuaded the local PDS to support two opposition federal deputies and one state deputy, "sons of the city", who would in exchange attend to requests from local members of the PDS in the state Legislative Assembly and the federal Chamber of Deputies. Where connections are at a premium, the only people worth supporting are those who can operate in

state networks; the oligarchies best fit the bill.

Local bosses, in turn, are only as secure as the loyalty a deputy displays toward them. Witness the testimony of Bonifácio José Tamm de Ardrada, when asked about his relationship with his cabos eleitorais:

He claimed he demanded of these citizens only their "unconditional loyalty to the Andradas", for which he offered, in exchange, the support and prestige of his political faction. To illustrate the modus vivendi of this relationship, he cited a case where he was once offered by an influential citizen in a município neighboring Barbacena [his home] a number of votes two times greater than what he was being delivered by the then cabo eleitoral of the faction, on the condition he abandon his old ally. He claimed that he turned down the offer, preferring to stick with his old cabo eleitoral, who, year after year, had delivered to him a sure and steady vote (interview on 16/11/78 with C. Carvalho, 1980: 92-93).

These mutually beneficial if unequal alliances between local elites and state oligarchs resulted in the reelection of not only a high rate of ARENA deputies, but the same ARENA (PSD/UDN/PR, etc.) deputies. In fact, a significant number of deputies (or their sons) elected even at the end of the authoritarian regime whose tenure in the legislature predated the regime's birth. Even as late as 1978, 23 of 28 ARENA federal deputies and 25 of 42 state deputies (who should be much younger) belonged to the pre-1965 political parties (Table VI-4). Of these, most (19 federal and 23 state deputies) began their political careers in the "conservative" parties, the PSD, the UDN, and the PR (Araujo, 1980: 48-49). In São Paulo, too, deputies elected in 1974 exhibited high proportions of pre-coup party roots. The slightly lower rates for the MDB in Minas are attributable to the weakness of the pre-1965 populist

Table VI-4

Partisan Background, Brazilian Deputies, 1974-1978

	Pre-1965 Party Affiliation				Total No.
	1 or more		None/no information		
	No.	%	No.	%	
<u>Minas Gerais</u>					
1978 Deputies					
ARENA	23	82	5	18	28
MDB	5	26	14	74	19
Total	28	60	19	40	47
<u>São Paulo</u>					
1974 Deputies					
ARENA	15	88	2	12	17
MDB	13	45	16	55	29
Total	28	61	18	39	46
<u>National</u>					
1974 Deputies					
ARENA	186	91	18	9	204
MDB	110	69	50	31	160
Total	296	80	68	20	370*
1978 Deputies					
ARENA	189	82	42	18	231
MDB	113	60	76	40	189
Total	302	72	118	28	420
<u>Minas Gerais</u>					
1978 State Depts.					
ARENA	25	60	17	40	42
MDB	3	10	26	90	29
Total	28	40	43	60	71
<u>São Paulo</u>					
1974 State Depts.					
ARENA	18	72	7	28	25
MDB	23	51	22	49	45
Total	41	59	29	41	70

Sources: Minas Gerais: Araújo, 1980: 48-49.
 São Paulo: Cardoso, 1978: 68-71.
 National: Wesson and Fleischer, 1983: 107.

*(includes 6 cassados)

parties, such as the PTB and the MTR, and others whose members might be more likely to join the MDB than ARENA, such as the Christian Democrats.

Rates of elite turnover were lower during the years of the authoritarian regime than in the pre-coup party system. Fleischer (1980b: 59) has provided the turnover rates of federal deputies: percentages of new representatives in the Chamber of Deputies for each of the cohorts of the post-war era are followed by the number of deputies in the Chamber in that session:

<u>1950</u>	<u>1954</u>	<u>1958</u>	<u>1962</u>	<u>1966</u>	<u>1970</u>	<u>1974</u>	<u>1978</u>
70.7%	51.8%	49.1%	46.9%	41.3%	45.8%	43.4%	44.8%
(304)	(326)	(326)	(409)	(409)	(310)	(364)	(420)

"New" deputies are defined as representatives who never before occupied a seat in the federal Chamber (as opposed to those who may have returned after a previous defeat or after serving in some other office).

Actual elite turnover may have declined even more sharply after the regime change than these figures initially suggest. Institutional Act No. 5, issued in December, 1968, annulled the legislative mandates of 28 ARENA and 66 MDB Deputies (94 of 409 or 23% of the total) and prevented these representatives from standing for reelection in 1970. Nearly one-fourth of the legislative seats in that year were ripe for 'new elites'. Had each expelled deputy successfully defended his seat, the percent of 'new' deputies elected in 1970 (46) would have been halved. Though fewer legislators had been cassados by the 'revolution', the cancellation of mandates nonetheless exercised an impact on the composition of the legislature elected in 1966 as well. Secondly, these rates represent the number of new legislators over the total number of

seats. Yet, in both 1974 and 1978, the size of the Chamber was increased. Fleischer does not compensate for the increase in the size of the Chamber, which he calls a "safety valve" for both returning experienced legislators and for allowing new blood to enter. All other factors being equal, an increase in the number of representatives from 364 to 420 between 1974 and 1978 should have produced a corresponding increase in the percentage of new elites. Yet, turnover stayed at practically the same level. Thus this understates how secure incumbent elites were in office. It does, on the other hand, accurately inform us of the full extent of the opportunities the system created for new contestants.

In Minas Gerais, elite turnover declined even more dramatically during the authoritarian regime from its pre-coup levels. By the same measure which Fleischer uses to analyze the national data, as many as 41 percent of federal deputies were elected for the first time in 1954 and 46 percent in 1958 (Table VI-5), and over 50 percent of state deputies in each year (1954, 1958, and 1962) before AI-2. Shortly after the coup, turnover rates slumped despite the cassações of many deputies (see notes to Table VI-5). In the 1974 congressional elections, the first post-coup elections unaffected by the expulsion of deputies and generally regarded as the freest of the military term in office, turnover rates fell sharply to 30 percent in the federal deputy elections and 13 percent in the state elections; 1978 rates rose moderately with the sizeable increase in the size of the legislatures but not to the levels of the 1950s. When the size of the legislature is held constant by counting only the deputies elected to previously

Table VI-5

Federal and State Deputy Turnover, Minas Gerais, 1950-1978

Election	Chamber of Deputies				Legislative Assembly			
	Number Elected	New Deputies #	%*	%**	Number Elected	New Deputies #	%*	%**
<u>Pre-Coup</u>								
1950	38	--	--		72	--	--	
1954	39	15	38.5	(41.0)	74	38	51.3	(54.0)
1958	39	18	46.1		74	40	54	
1962	48	14	29.1	(47.8)	82	41	50.0	(59.7)
<u>Post-Coup</u>								
1966***	48	15	31.2		73	39	53.4	
1970****	35	15	33.3		59	22	37.2	
1974	37	9	24.3	(29.7)	61	6	9.8	(13.0)
1978	47	11	23.3	(46.0)	71	13	18.3	(32.3)

*This column represents the deputies who "took away" the seat of an incumbent.

**This column represents all new deputies.

***If not for the cassados, there might have been 11, not 15, new deputies in the Chamber representing Minas Gerais, lowering the rate of new elite entry to 22.9%. While the size of the state Legislative Assembly did shrink in 1966, the deputies expelled from the legislature probably artificially raised the turnover rate. If all the cassados had been reelected, the rate would have been 45.2%.

****The figures for 1970 are inflated due to the cassaços following Institutional Act Number 5. Seven Minas federal deputies and three state deputies lost their posts and their rights to defend them in the next elections. If these 7 were reelected, as they had ever reasonable chance of being, the turnover rate would have been only 22.8%. Similarly, the state deputy turnover rate would have been 32.2%.

Source: A. Araújo, 1980: 65-70.

existing seats, the rates remain significantly lower than their corresponding measures in the pre-coup years: in the state race, 10 percent in 1974 as opposed to nearly 50 percent in 1962. The state returns are particularly significant since these rates had been higher in the pre-coup period than the federal elections, and it is at this level where political elites first rise above their local milieu to join the state elite. Becoming a state deputy is a springboard to politically desirable state and federal administrative posts.¹⁴

Neither Carvalho's nor Fleischer's data, moreover, take account of the family ties of 'new' deputies. When José Bonifácio Lafayette de Andrada retired from politics before the 1978 congressional elections his eldest son, Bonifácio José Tamm de Andrada, took "his place" on the legenda and was easily elected. The younger Andrada's brother, José Bonifácio Tamm de Andrada (José Bonifácio Filho), in turn, replaced his brother on the state deputy legenda and in the state Legislative Assembly. Both, as "new" deputies, contributed to the increase in elite turnover. Neither represent the infusion of "new blood" into elite ranks.

The Authoritarian Coalition and Traditional Elites

The authoritarian regime renewed the traditional elite whose place in the authoritarian coalition was crucial; the party system enhanced its strongest resource: clientelism. The military needed the electoral support which it could deliver to remain in power without resorting to generalized and extreme coercion. From the beginning of the regime, it had been forced to look to the traditional elements of the political

class when it needed civilian support (cf. Linz, 1973: 238). For a brief period that support appeared expendable. But after the economic miracle began to slow down in 1974, the military relied less on technocratically-produced economic growth rates and more on civilian politicians, in many cases the most traditional of the political elite, for its survival. The support of politicians became even more central for the legitimation of a regime which had few alternatives. Unlike populist leaders, the military could not afford to jeopardize the support of the oligarchy. Vargas, for instance, could use urban lower-middle and working class support against the traditional elite when it suited him. The bureaucratic-authoritarian regime, predicated upon excluding these classes from politics and from the fruits of economic development, could not. Only traditional political elites in Brazil, masters of state clientelism, could support the regime effectively by channeling state resources through the ARENA party.

The regime equipped these old political elites to do battle in the electoral arena with the opposition, moreover, with ample funds for the patronage war chest. Political criteria once again became explicit and overt in the decision-making process. Politicians were named to high ranking cabinet posts with increasing frequency in the state cabinets in which they had been absent and eventually in the national cabinet as well. Social development funds were increased, and politically distributed. Ultimately, this strategy entailed handing back the reins of government to the civilian elite. In the short term, however, the depth and timing of repoliticization were left purposively vague, allowing the military to control its pace from above.

In his inaugural speech in March, 1974, President Ernesto Geisel pronounced the beginning of a political 'opening', or liberalization. Velasco e Cruz and Martins (1984: 47-48) argue that 1974 appeared to be an optimal time for a controlled political opening: this was the first (and last) presidential succession in which the military was unified; the MDB appeared weak; the left was defeated. So auspicious were the circumstances that the regime's political wizard, General Golbery de Couto e Silva, had wished to launch the liberalization even earlier, during the height of the prosperity of the Médici period. The regime's confidence prompted it to permit the 1974 elections to take place in a semi-free atmosphere, with ample media access for the opposition and limited interference on the part of the regime in screening opposition candidates.

With all signs pointing to a repeat of the government victories of 1966, 1970, and 1972, the regime and the opposition were truly taken aback by the government's electoral setback in the 1974 congressional elections. Beginning from a base of seven of 66 senators and 87 of 310 deputies, the opposition MDB won most of the senate seats available (16 of 22), made substantial inroads into the government majority in the Chamber of Deputies (it elected 172 deputies as compared with 192 for ARENA), and took control of five additional state legislatures (prior to the election it held the majority of seats only in Guanabara) (Roett, 1984: 146-47). This stunning performance at the polls for the MDB was not entirely of its own making. The MDB was widely acknowledged to have captured, without a concerted effort, the allegiance of voters who previously had stayed home on polling day, cast blank votes, or spoiled

their ballots. In other words, it had capitalized upon a strong undercurrent of protest.

While not threatened with outright defeat nor brought to the point of surrendering power, the regime was nevertheless sufficiently shaken to recognize its need for enhanced political support. To ensure that 1978 would not be a repeat of 1974, and that the government would not lose its majority in the senate, the regime took a series of steps to strengthen its institutional advantage. It declared Congress in recess in April, 1977, and during that time, decreed an "April Package" of 14 amendments to articles of the 1969 constitution, three new articles, and six decree laws. Among its provisions the "Package" extended the presidential mandate from five to six years; reduced the quorum necessary for voting on constitutional amendments from 2/3 of the Congress to a simple majority (after the 1974 elections, it could no longer muster a 2/3 majority); and, in one of its most innovative measures, created "bionic" senators (Velasco e Cruz and Martins, 1984: 55). To retain its senate majority, one senator from each state would thenceforth be elected "indirectly", the familiar authoritarian term for a post appointed by the federal executive and "ratified" by legislative majorities in the state assemblies. One of the most important measures of the package, the "Lei Falcão" (named for the Justice Minister Armando Falcão who enacted it), limited the opposition's access to the mass media. Many analysts had credited the opposition's 1974 victories to the effectiveness of the messages it conveyed in its mass media campaign (see Sarles, 1982, for instance). To enhance even further its probability of retaining control of both chambers of the legislature, it

carved new states from old and gave premature statehood to territories where the government had reason to believe it held the political advantage. Thus, for example, Mato Grosso do Sul was subdivided from the state of Mato Grosso, and recognized as an independent state in 1977.

As it turned out, the regime did not need at that time to have passed such draconian measures. According to calculations by Fleischer (1980: 72-81), ARENA would have won 55 percent of the seats in the federal deputy contest of 1978 with or without those provisions of the "Pacote" that affected the composition of the Chamber (the change from the size of electorate to the size of population as the basis for representation; the increase in the size of the house; and the limit placed on the number of representatives from any one state which deprived São Paulo of 26 seats) but not accounting for the effects of the Lei Falcão. But, without "indirectly" electing one-third of the senate, the MDB would have won majority control of the higher body.

What accounts for the ability of the regime to bounce back from such a dramatic upsurge in opposition voting in 1974? Why the difference in regime performance in senate and house races? The answer to these questions lies in the nature of state clientelism and the parties, and the channels traditional elites used to bring the state to its citizens.

As "artificial" agglomerations (cf. Cardoso, 1978: 67), these were scarcely political parties in the sense understood by political scientists. In the early years of the regime, the MDB awkwardly performed its role of token opposition party (the only one the regime

allowed it). Later, it did mature into a genuine opposition party on the national level and in some metropolitan regions of the more developed southern states, but the opposition it offered was protest rather than a strong party program for the dispossessed. Given the circumstances of the parties' birth it is hardly surprising that they should have started out this way. But it is noteworthy that the parties more or less retained their heterogeneous character for all 21 years of the duration of the regime. With such disparate politicians in the two parties, party platforms never really coalesced, nor was common ground achieved in the states or nation.

Because the two parties could not be distinguished by the content of their programs nor their projects for the future, the only really meaningful divide between them was that ARENA supported the government and the MDB opposed it. ARENA lived and died by its attachment to the state. When the resources of the state could be employed to support ARENA candidates, and voters could visibly recognize the advantages of state assistance, they voted ARENA; when they wished to protest government performance in such areas as the high cost of living (a salient issue for the poor whose adjustments to indexed wages lagged up to six months behind double- and later triple-digit inflation), they voted for the MDB. The expression of these cross-cutting interests took the form of a dichotomous voting pattern in which the government scored well in local and deputy elections and the opposition benefitted from protest votes in senatorial elections.

The regime enjoyed a decided advantage over its opponents in the thousands of small, predominantly rural municípios in especially the

Northeast of Brazil, but also extending west and south, to Minas Gerais. In the North and Northeast, government majorities were secure: the government party routinely trounced its opposition by margins of 2 to 1 in the North and 3 to 1 in the Northeast. The Northeast states alone accounted for nearly half the government's representatives in the Congress and the state assemblies (Table VI-6). In the western state of Mato Grosso, there was only one opposition mayor of a possible 84 (Jornal do Brasil, 4/4/76). In the Southeast, the picture was quite the opposite. The opposition had its strongest support in the developed parts of the country.

This pattern of voting in which the MDB tended to do well in the more industrialized regions of the country and ARENA in the less developed was reproduced within states. Less developed, rural, and smaller cities of the interior tended to favor ARENA, while large cities, and industrial regions swung toward the opposition. Sarles (1982: 58-59) found a significant correlation between the size of a município, rates of urbanization, and the vote for the federal and state deputies in the old state of Rio de Janeiro (excluding the city of Rio) in the 1974 elections, when the opposition MDB polled quite well. The smaller, rural municípios supported ARENA in significant numbers: the correlation coefficient for the Chamber of Deputies vote with municipal size was $-.708$, and $-.741$ for the same election correlated with percent urban. Sarles' study also demonstrates significant correlations between the percentage of workers employed in agriculture and voting for the government party ($r = .744$ for the Chamber of Deputies election in Rio de Janeiro in 1974); wealth ($r = .713$); and migrants with rural, rather than

Table VI-6

Brazil: Party Vote By Region, 1966-1978

Region	1966 Seats		1970 Seats		1974 Seats		1978 Seats	
	ARENA	MDB	ARENA	MDB	ARENA	MDB	ARENA	MDB
Federal Senate:								
North	2	1	6	0	2	1	3	0
Northeast	8	1	18	0	4	5	8	1
Center-West	1	1	4	0	1	1	2	1
Southeast	4	1	7	3	0	5	1	3
South	3	0	6	0	0	3	0	3
Total	18	4	41	3	7	15	14	8
Chamber of Deputies:								
North	20	7	12	6	11	10	17	11
Northeast	107	29	73	17	82	25	92	34
Center-West	14	7	13	4	14	7	18	10
Southeast	91	66	83	40	55	82	62	94
South	45	23	42	20	37	41	42	40
Total	277	132	223	87	199	165	231	189
State Legislative Assemblies:								
North	62	24	30	15	31	23	39	27
Northeast	325	94	184	54	204	69	221	81
Center-West	48	21	37	14	40	21	50	30
Southeast	198	159	126	107	108	141	100	143
South	98	47	91	43	74	76	77	72
Total	731	345	468	233	457	330	487	353

Source: Lima, 1984: 66-68. Original data from Tribunal Superior Eleitoral, Dados Estatísticos, vols. 8, 9, and 11.

urban, origins ($r = .572$). There is a strong, negative correlation between areas of in-migration (from urban and rural settings) and voting for ARENA ($r = -.771$).

Faria (1981) found similar patterns in the state of São Paulo in the same 1974 election. The most efficient predictors of ARENA vote in bivariate correlations were rural employment ($r = .666$ in the senate race; in the federal deputy election, $.624$; and $.675$ in the state deputy election), levels of schooling ($r = -.825$; $-.704$; and $-.704$, respectively) and electric lighting ($r = -.798$; $-.718$; and $-.753$, respectively). The direction of the signs in these correlations suggests that the less developed a municipality, the more likely it was to vote for ARENA.

The logical conclusion of these findings, and one Sarles draws (1982: 65), is that by fostering economic growth, the military regime was contributing to its own demise. In her words, "The regime is thus in the paradoxical position of working toward an economic situation that will undermine its political base. To the extent that it succeeds in its economic goals, then, it is likely to fail in its political goals of establishing a durable electoral majority and a stable political system." This conclusion supposed that it would prove impossible for the regime to retain urban, industrialized municípios in its camp. In Minas Gerais, this was not the case. The correlation coefficient for municipal size and vote for ARENA in 1978 (the federal deputy legenda) was $-.180$ (not statistically significant), and for percent rural and the percent vote for the ARENA legenda, $.457$. While the higher opposition vote totals in 1974 relative to 1978 may have influenced Sarles' and Faria's correlations, if level of development is indeed the central

independent variable in explaining voting against the government, then the correlation should have been stronger in the 1978 elections when these municipalities were more developed.

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ARENA candidates demonstrated their ability to run well in urban areas in various times and places. In Uberaba, one of Minas Gerais' most important and largest cities with a population of nearly 200,000, the two ARENA candidates for mayor combined received 52,000 votes in the 1976 municipal elections of a turnout of 65,000 (81%), while the MDB candidate received only 7500. Where the MDB polled well in mid-sized cities, moreover, its vote was volatile. In Pouso Alegre (pop. 57,000), the MDB candidate received 2000 votes in 1970 and in 1972, only 184 votes. In 1976, the MDB did not even nominate a candidate. In Teófilo Otoni, a "dike city" in the northeastern part of Minas Gerais, with an electorate of 40,000, an MDB mayor was elected in 1976. Yet, the surname of the victorious candidate reveals him to be a descendent of one of the branches of the Minas oligarchy: Sá. The vice-mayor elected in 1972 on the same MDB legenda "2" bore the surname for which the município was named: Ottoni.

Not economic change per se but pre-coup local political alignments may have had a decisive influence on the strength of the post-coup parties in these municípios. The best apparent predictor of voting for the MDB in the later years of the authoritarian regime was how pre-coup political forces lined up in the post-coup parties. Where the MDB polled well, at least in local elections in Minas Gerais, it did not do so because of new leadership but because of politicians who had been strong before the coup, be they of a populist party like the PTB or an

oligarchical party like the PSD, joined the opposition. Itajubá and Pouso Alegre, two cities in the south of Minas, share certain socio-economic characteristics but have very different political and voting patterns. The size of their populations are nearly identical (Itajubá, 60,593 in 1980 to 57,364 in Pouso Alegre), and both received important new industrial investments in the 1970s. In 1972, the MDB received 66 percent of the vote in Itajubá to capture city hall and only two percent in Pouso Alegre (Table VI-3), and in 1978, MDB candidates for the Chamber of Deputies polled twice as well in Itajubá (Table VI-7). One apparent difference between the two was that in 1962, the PTB received 29 percent of the vote in Itajubá; in Pouso Alegre in the same year, that party did not field a candidate (Table VI-7). In other cities with a significant, independent PTB presence--Santa Rita do Sapucaí and Itabira--the MDB won at least one mayoral election during the authoritarian era (Table VI-3). Where either the PTB or other populist party, or elements of the oligarchy itself, joined the MDB, the MDB stood a reasonable chance of winning local office. Where the MDB began from scratch, and placed hopes on new leaders, its road to even local office was immeasurably more difficult. Pre-coup alignments in many cities survived the political break.

Clientelism, when combined with authoritarian political alignments, revitalized ARENA where it had previously lost support. In Juiz de Fora, a city of 300,000 in the Minas Mata, after the party reorganization of 1965, the MDB emerged as the majority party in the city and ARENA, which absorbed the old elites, started a precipitous decline. By 1972, according to Reis (1978a: 221), "ARENA had

Table VI-7

Pre- and Post-Coup Voting Patterns by Município

	1978			1962					
	% MDB Vote			% Vote for Mayoral Candidates(a)					
	CD	AL	Sen.	PTB	PSD	UDN	PR	PDC	Other
Barbacena	38	36	42	6	49	30	5		
Conselheiro Lafaiete	29	27	42	9	36		37		
Curvelo	47	56	48	-----n.d.-----					
Dores do Indaiá	36	34	45		48*	47	*		
Eloi Mendes	19	17	33		62	35			
Guanhães	9	8	28		50	45			
Itabira	39	48	41	36	15				
Itajubá	62	54	54	29	29	9*	*	28	
Januária	1	1	14		45	47			
Leopoldina	25	26	38	37*	51		*	5	
Montes Claros(b)	23	23	43		28		27		35-PL
Muriae	14	15	24		49	45			
Patrocínio	31	29	36		46	45			
Pirapora	20	19	48	*	40*	27			6-PSP 19-MTR
Poços de Caldas	38	37	32		51	43			1-PSB
Pouso Alegre	32	33	47		38	47*	*		3-PSP 5-PRT
Santa Rita Sapucaí	36	32	48	53	+	42			
Sete Lagoas	51	50	50	11	31	6			
Teófilo Otoni	48	43	48		33	22	34		
Três Corações	32	30	42		*	55*	*	37	
Ubá	12	13	25	14	34*	40	*		
Uberaba	24	24	26	25**	36*	34***	***		PSP*; PL**
Unai	39	38	40		45*	44	*		
Varginha	16	15	38		31				
Várzea da Palma	40	35	39	*	48*	*	*	44**	MTR**

(a) Parties often formed electoral coalitions in local elections before the coup; since it is impossible to disaggregate each party's strength, coalition partners are indicated by asterisks. In municípios where more than one coalition challenged the mayoral race, members of the same coalition are matched with multiple asterisks.

(b) The percentage for the PL (Partido Libertador) is inflated in 1962 because a popular mayoral candidate ran on this party label. The city council elections may perhaps be more representative in this year: PSD, 32%; PR, 31%; UDN, 16%; MTR, 9%.

+The PSD did not run a candidate for mayor, but collected 49% of the vote for vice-mayor.

practically disintegrated". Only four short years later, however, in 1976, ARENA recaptured city hall, and a majority in the city council. In an opposition stronghold, the ARENA candidate had campaigned for four years leading up the election on a platform calling for stronger ties with the federal government, more state funds, and a renewal of industrialization. What must have made this promise seem realizable to the electorate if stronger ties could be forged with the regime was that President Geisel visited the município a few days before the election to dedicate a steel plant, a ceremony to which the local MDB administration was disinvented. Despite their role in the negotiations for its establishment in their city, it appeared the steel plant was a gift from the ARENA party/state, and placing ARENA in power locally would deliver more of the same (Reis, 1978a: 222). The traditional elite used ARENA to distribute state goods, and ARENA was remembered by voters at election time, at least in those elections where they would perceive a direct connection between elected officials and public works -- federal and state deputies and local officials, especially mayors.

The "artificiality" of the parties reinforced and reinvigorated the cliertelistic basis of Brazilian politics by permitting deputies to retain personal clientele and followings rather than develop voter loyalties based on partisan attachments, a development which could only advantage the incumbent traditional elites. ARENA and the MDB did not evoke sharp, strong, and durable partisan attachments by class (cf. Cardoso, 1978: 74) that characterize other political systems. ¹⁷ Aside from important concentrations of MDB votes in the nation's largest urban centers, survey research suggests that partisan attachment did not

differ by income level. In Juiz de Fora, the MDB did not have substantially more adherents among the poorest segments of the population, their 'natural' constituency, than did ARENA. At the lowest end of the income scale, 33 percent of Reis' respondents identified themselves as ARENA supporters and 36 percent as MDB sympathizers (with 26 percent preferring neither party and five percent not responding); in the next highest salary range, the margin of difference was even slighter: 36 percent preferred ARENA to 37 percent for the MDB (Reis, 1978a: 227). Similarly, within the highest income strata were opinions most often expressed opposed to the authoritarianism of the regime as well as the largest contingent of 'arenistas' (Reis, 1981: 205). In Presidente Prudente, a predominantly rural município in the state of São Paulo, Lamounier (1978) found a high party identification with ARENA and high levels of pro-government voting among the lower and upper classes; some middle classes identified with the MDB. In Niterói, the city across the bay from Rio de Janeiro, lower classes there too did not favor the MDB. Only rural upper classes appeared to consistently identify with one party (ARENA). Nor can it be assumed, moreover, that when lower classes do vote for the MDB, and upper classes for ARENA, their votes follow from an accurate identification of and support for the ideological content of the preferred party's message (Reis, 1981: 216). In Juiz de Fora, popular sectors subordinated party loyalty to their perception of the immediate benefits or inconveniences that came to them via the local administration.

Minas Gerais was a pivotal swing state. Its majorities were not as secure as in the backward Northeast, but the Minas traditional political

elite was able, despite the popularity of the MDB candidates for senator in 1974 (Itamar Franco) and 1978 (Tancredo Neves), to retain the state legislature and a majority in the federal deputy delegation to Congress for the military regime (Table VI-8).

If Minas elites could deliver mid-sized cities and towns for the regime in the 1970s, their counterparts in São Paulo, Rio de Janeiro, and other southern, developed states could not. Opposition to the regime arose from what only a few years earlier would have been the least likely quarter, from members of the original coalition. Most prominently, the São Paulo business community through their regional press began to protest the purchasing and pricing policies of state enterprises to which their own enterprises were bound and upon which the financial solvency of their firms rested. When appeals for "destatization" fell on deaf ears, they turned the object of their protest to what they perceived to be their restricted access to decision-makers in an authoritarian regime, and demanded a political liberalization of the regime.

Table VI-8

Federal and State Congressional Elections:
Minas Gerais, 1966-1978

Election/ Ticket	1966			1970		
	Seats	% Turn- out	% Party votes	Seats	% Turn- out	% Party votes
Senate:						
ARENA	1	42.5%	59.5%	2	51.1%	79.7%
MDB	-	28.8%	40.5%	-	13.0%	20.3%
Blank		21.8%			32.4%	
Void		6.9%			3.5%	
Chamber of Deputies:						
ARENA	37	63.6%	77.0%	28	48.5%	80.4%
MDB	11	19.0%	23.0%	7	11.8%	19.6%
Blank		12.8%			29.2%	
Void		4.6%			10.5%	
Legislative Assembly						
ARENA	63	64.0%	76.8%	47	49.9%	79.7%
MDB	19	19.4%	23.2%	12	12.7%	20.3%
Blank		12.0%			28.2%	
Void		4.7%			9.2%	

		1974		1978		
Senate:						
ARENA	-	41.7%	53.3%	-	37.4%	49.0%
MDB	1	36.5%	46.7%	1	38.9%	51.0%
Blank		13.9%			14.7%	
Void		7.9%			8.9%	
Chamber of Deputies:						
ARENA	18	46.7%	61.6%	23	46.2%	58.8%
MDB	11	29.1%	38.4%	16	32.3%	41.2%
Blank		16.9%			15.1%	
Void		7.3%			6.4%	
Legislative Assembly:						
ARENA	31	47.4%	61.2%	35	46.8%	59.3%
MDB	19	30.0%	38.8%	24	32.1%	40.7%
Blank		15.5%			14.7%	
Void		7.0%			6.4%	

Source: TRE-MG, Election Reports.

Conclusions

Upon seizing power, the military in Brazil set rigid parameters on political activity designed to achieve a stable political infrastructure in the states and localities in order to maintain itself in power. It eliminated its opponents, removed the federal and state executives from the electoral arena, and created a semi-official party. Traditional political elites profited immeasurably from these restrictions on political competition enacted by the authoritarian regime.

Possibilities for genuine mobilization from below vanished, as might be expected in a regime which deprived citizens of political rights. But the potential for opposition was also severely limited even for aspiring elites. In a political system such as the Brazilian organized along clientelistic lines, communities that depended for their livelihood upon state and national government had to back political representatives who could win and deliver state resources. Institutional advantages for the ARENA party in the electoral arena and the exercise of state clientelism within it rendered opposition, and with it inter-party competition, meaningless--the MDB survived only as a party of protest.

In these special political circumstances, intra-party competition, the only challenge possible to incumbents, did not take shape. Before the regime change, factional lines were fluid. Old alliances were broken and new ones formed as might be expected in a multi-party system. Authoritarian practice, however, stifled even local competition. Political factions in 1965 which might have mutated quite naturally over time were cemented in place. The restrictions on political competition at the state and federal levels prevented local coalitions from

realigning and local conflict from breaking open local politics. Local boss support for their patrons in the state traditional elite underpinned oligarchical rule. Only those politicians, groups, and factions who were the "situação" at the regime's inception could retain a place in the political alignment of the "ins". The semi-permanence of these coalitions in an authoritarian regime contributed to the longevity of the traditional political elite.

While there were undoubtedly hardliners in the military who would have preferred to go on alone and purge the political system for the long term of its "corrupt politicians", in the end, they lost the day. Whatever its preferences, the regime was forced to rely on traditional political elites to support itself in power. However the years of the most severe repression--1969-1973--are interpreted, and how much autonomy the military acted with in those years, traditional political elites soon reassumed their highly visible place of prominence in charge of the political system.

Notes

1. The only exceptions were in December 1968 and April 1977.

2. A tradition of Brazilian social science finds such a trend to have predated the bureaucratic-authoritarian regime. Campello de Souza (1976), for example, traces the character of modern Brazilian parties to the Vargas regime. She argues that decrying the non-ideological character of Brazilian parties diverts attention from the reasons that old and new parties are non-ideological: they were dominated by the state ever since Vargas' time.

3. According to Velasco e Cruz and Martins (1984: 19), the perception was that because the PSD and PTB controlled the state apparatus, and thus state patronage, the UDN never had a fair chance to win national office. Thus, the regime attempted to rationalize the bureaucracy and especially to reform the Social Security Department and Ministry of Labor, the notorious preserves of the PTB bosses known as pelegos.

4. The issuance of Institutional Act Number 5 was the regime's reaction to Congress' refusal to remove congressional immunity for one of their deputies whom the military wished to prosecute for remarks "offensive" to military honor. Among its provisions, it empowered the president to declare and set the duration of a state of siege, declare Congress in recess, suspend the writ of habeus corpus and other civil rights, and restrict liberal freedoms.

5. Schneider (1971: 319-20) describes the selection process:

Although the new governors would not be elected formally until the existing legislatures acted on October 3, by mid-year little doubt remained as to their identities. Following a strategy of controlled renovation basically similar to that adopted by Castelo Branco in 1966, the President handpicked the candidates for succession at the state level. First the SNI [National Information Service] explored the possible alternatives and "vetted" the candidates while the presidential staff studied the problems, needs, and priorities of each state to decide which qualities would be most required in a new chief executive. Then ARENA head Rondon Pacheco paid a flying visit to consult in the state capital with the leaders of the several ruling party factions and to talk with the would-be governors. Finally, Garrastazú Medici made his choice, often picking a political newcomer who had proven his executive ability in an administrative position or a military figure out of active duty and associated with civilian affairs. Such new faces

were favored particularly when there seemed to be an impasse looming between the ex-UDN and ex-PSD leaders within the government party.

Strong state elites like the Mineiro had no cause to fear the federal appointment of governors. Israel Pinheiro's successor as governor of Minas Gerais, Rondon Pacheco, in addition to being head of the civil cabinet and later national president of ARENA was also an 'insider' of the Minas UDN. He and each of the governors who followed him had no apparent difficulty in choosing their successors. Had the central government been able to impose its preferences on the Minas political elite for governor, it is unlikely that the ex-UDN would have been able to perpetually shun their ex-PSD allies.

6. Local power studies conducted in Minas Gerais and elsewhere in Brazil by political scientists and anthropologists are in the genre of configurative-ideographic case studies. While non-scientifically sampled (municipalities were often chosen for study by home town authors), they provide useful accounts of local politics, family rule, and the effects of economic change and other factors on traditional politics. José Murilo de Carvalho (1968/69), in analyzing this body of literature collectively according to a uniform set of questions, conferred upon these studies a systematic dimension which they lack when their findings are considered separately.

7. This sample of 25 municípios includes small towns from traditional areas and large cities which received new industry and significant population migrations in the 1970s. They are geographically diversified as well. Half were selected to determine if oligarchical families named by Rebelo Horta in 1956 continued to dominate their municípios.

Of this sample, I conducted field research in four municípios--Curvelo, Montes Claros, Sete Lagoas, and Varginha. Each had strong agrarian elites (cattle, dairy, and coffee, respectively); Montes Claros, Sete Lagoas, and Varginha experienced substantial growth in the 1970s, as much as any município in the state outside the metropolitan region of Belo Horizonte. Montes Claros and Varginha did so under the government umbrella, abetted by foreign investment. Sete Lagoas, led by an opposition administration, industrialized with largely local capital. In these municípios, I augmented census data with interviews of local political and private sector leaders.

8. The MDB is disproportionately represented in local administration in the most industrialized municípios. Heretofore, this correlation has been interpreted as the result of a proclivity on the part of industrial workers to vote opposition. Another possible conclusion is that these are precisely the municípios with the highest levels of municipal revenue (municípios in which revenues accruing from the collection of the ICM--the state sales tax--originate are returned 20 percent). Thus, Contagem, the cities of the "Valley of Steel", and even those just below the top ten, like Sete Lagoas, could "afford" an opposition administration.

9. In 1982 Minas governor Francelino Pereira, an ex-UDNer, sided with the ex-PSD faction of the ARENA coalition in Varginha at the time of the constitution of the local chapter of the PDS. When the ex-ARENA 1 faction threatened to bolt to the newly formed PP, Francelino Pereira sent for the rebellious group, in his private jet, and informed them personally that his response to such a desertion would be to shower the incumbent administration, their local enemies, with even more public works and state projects than he already had (Interview with Dr. Marçal Paiva Figueiredo, Varginha, MG, November 14, 1981). If carried out, this would have been a certain death warrant for years to come for the 'outs'. As de facto head of the party in the state, his primary concern was to galvanize the maximum vote total possible, and retain the greatest number of city halls and city councils in the hands of ARENA (then the PDS). Thus, it was important to (a) back proven winners; and (b) even more importantly, keep the party together. Only by forcing the intransigent ex-UDN-PR faction to continue within the PDS could this be achieved.

10. The mayor Afrânio de Avellar Marques Ferreira, elected in 1976, was the grandson of João Antonio de Avellar and, on the other side of the family, Teófilo Marques Ferreira. The two, according to the mayor himself, "ran" the municipality from 1900 to 1910. His predecessor, Sérgio Emílio Brant de Vasconcellos Costa, who was mayor from 1972 to 1976, was the son of the former political boss of Sete Lagoas, Emílio de Vasconcellos Costa. The elder Vasconcellos Costa was a descendent of the legendary Joaquina de Pompeu, matriarch of several branches of the Minas oligarchy (Rebelo Horta, 1956: 77).

11. Personal communication with Elisa Reis.

12. The old PSD faction controlled the Gazeta de Varginha; the ex-UDN-PR alliance used as its mouthpiece the Correio do Sul. The editors of both (Armando Paione Sobrinho and Mariano Tarciso Campos) had served as city councillors in Varginha representing the opposing camps: Paione, the PSD, and Campos, the ex-UDN faction. (Campos was quite active in municipal and party politics right up through the formation of the local chapter of the PDS.)

This pattern of partisan ownership of television and radio stations is typical of the interior. Such a division of the media is depicted by C. Carvalho (1980) for Barbacena.

13. Interview with Taft Alves Ferreira, Sete Lagoas, November 9, 1981.

14. Fleischer calls it a "trampoline" in several of his works.

15. Linz (1973: 241-244) was the first to argue the difficulties the Brazilian regime would encounter in attempting to legitimize authoritarian rule. It lacked both traditional bases of legitimation of authoritarian rule: a charismatic leader and corporatism. Its military organization was bureaucratic, not headed by such a figure as Nasser;

and the bases of corporatist rule would be difficult to achieve. Its fascist variant was internationally discredited; the Catholic Church would unlikely play along; and it would be difficult to harmonize a corporatist solution with the federal structure of the country and the traditional rule of state governors.

Mainwaring (1985: 4-5) places great emphasis upon symbols in legitimizing regimes and attributes the Brazilian military's failure to legitimize its rule to its failure to manipulate symbols effectively. He argues that the military regime initially constructed almost exclusively negative symbols--anti-Communism, anti-corruption, anti-chaos. While attractive at first to a large part of the population, they were intrinsically unreliable in the long run, since, once the regime was successful at extirpating these evils, its raison d'être disappeared.

Shifting direction under Médici did not appear to help. When the regime turned to positive symbols for its legitimacy, especially the themes of efficiency, economic growth, and national aggrandizement, it in effect based its legitimacy on performance (rather than procedure). When its performance declined, the regime entered into crisis.

16. Contributing to the respectable correlations between municipal size and levels of urbanization with voting for the government ARENA is the close coincidence of voting for ARENA in small, poor, rural municípios, where the MDB often had no local diretório -- i.e., no local organization -- and where even if it did ballot boxes were often stuffed. Statistical tests which examine the entire gamut of municípios may be skewed by the strong correlation between levels of development and pro-government voting among the numerically significant municípios at the lower end of the population scale. Sarles' and Faria's studies for the state of Rio de Janeiro and São Paulo both demonstrate that poorer municípios are more likely to be in the government column. Because the correlations are so high, we are satisfied with their findings and tend to stop short of testing the inverse of this proposition: how significant is the correlation between urbanization, municipal size, and industry with voting for the opposition when the very lowest end of the scale is omitted? Also, the direction and strength of the correlation in Faria's data for São Paulo may have been accentuated by taking the microrregião as the unit of analysis. In clustering municípios together geographically, political differences would tend to disappear and socio-economic characteristics of a region to become more pronounced. Testing variation within microrregiões might have produced a different effect.

A more promising approach for testing might be to first sample municípios with populations above 15,000 or 20,000, assuming that those below this threshold are ARENA territory. They may show, as did our small sample, that ARENA elites were able to hold many of them due to pre-1965 political alignments.

17. In Latin America, Chile immediately springs to mind. Surveys conducted by Eduardo Hamuy during the period of the Unidad Popular government show upper and upper middle class identification with the National party, and working class with the socialist and communist

parties. Other research into working class party identification in Chile has turned up levels roughly comparable to several European countries.

CHAPTER SEVEN

CONCLUSIONS: THE TRADITIONAL POLITICAL ELITE AND
THE QUESTION OF DEMOCRACY

The process of political liberalization the regime initiated in 1974 accelerated in 1982 with the direct election of governors and then in 1985 with the election by electoral college of a civilian opposition candidate for president: Tancredo Neves. Following a year of mass popular mobilization and elite bargaining, two decades of military rule came to a close, with enough top officers prepared to exit that even the death of the president-elect on the eve of his inauguration did not impede the orderly transition from military to civilian rule.¹

The results of the 1982 elections were inconclusive in that neither side could claim outright victory. Yet, they were menacing for the traditional forces. Having won nine governorships (of a possible 22) and legislative majorities in the most developed states including São Paulo, Rio de Janeiro, Paraná, and Minas (Table VII-1), the opposition claimed, government victories in more states notwithstanding, its success in the developed regions of the country made it the "wave of the future" (Roett, 1984: 157). Indeed, the steady advance in the opposition vote reflected the continuing correlation in many states between MDB support and urban residence. In state capitals such as Belo Horizonte, the party of the traditional political elite and the authoritarian regime, the PDS, garnered little more than one-fifth of the popular vote. As Brazil develops further, its agriculture modernizes, its rural areas empty, and its cities grow, will the PMDB's prediction come to pass? Does urbanization and sustained economic development portend the eventual eclipse of the oligarchies in Brazil? This is the question with which this study began.

Table VII-1

The November 1982 Elections by Party

	PDS	PMDB	PDT	PTB	PT	Total
Governors(a)	13	9	1	0	0	23
Senators(b)	46	21	1	1	0	69
Federal Deputies	235	200	23	13	8	479
Electoral College Delegates(c)	78	48	6	0	0	132
Electoral College Composition(d)	359	269	30	14	8	680
Proportion of Party Vote (%) (e)	41.5	44.0	6.1	4.7	3.7	100.0

(a) The PDS governor of Rondônia was appointed, thus only 12 PDS governors were popularly elected.

(b) Includes the 44 senators elected in 1978. In the new state of Rondônia, the PDS elected all 3 senators.

(c) Six representing the majority party in each of the 22 state legislatures. As the PDS and the PMDB each elected 12 state deputies in the state of Mato Grosso do Sul, this state had no electoral college delegates.

(d) The electoral college elected the president in January 1985. All senators and federal deputies, plus the 132 state delegates, were eligible to participate. The eight deputies of the PT did not attend to protest the indirect election of the president.

(e) Excludes blank and void ballots. Percentage calculated for total vote cast for the five parties.

Source: Wesson and Fleischer, 1983: 119.

Table VII-1
The November 1982 Elections by Party: Select States
(cont.)

State	Governor	Senate	Chamber of Deputies
São Paulo	Franco Montoro (PMDB)	PMDB-2 PDS-1	PDS-18 PMDB-28 PTB-8 PT-6
MINAS GERAIS	Tancredo Neves (PMDB)	PMDB-2 PDS-1	PMDB-28 PDS-26 PT-1
Rio de Janeiro	Leonel Brizola (PDT)	PDS-1 PTB-1 PDT-1	PDT-15 PDS-15 PT-1 PMDB-9 PTB-4
Rio Grande do Sul	Jair Soares (PDS)	PDS-2 PMDB-1	PMDB-11 PDS-12 PDT-7
Bahia	João Durval (PDS)	PDS-3	PDS-27 PMDB-12
Paraná	José Richa (PMDB)	PMDB-3	PMDB-22 PDS-12
Pernambuco	Roberto Magalhães (PDS)	PDS-3	PDS-15 PMDB-11
Ceará	Luiz de Gonzaga Motta (PDS)	PDS-3	PDS-16 PMDB-4
Santa Catarina	Espiridião Amin (PDS)	PDS-2 PMDB-1	PDS-8 PMDB-8
Goiás	Íris Rezende (PMDB)	PMDB-2 PDS-1	PMDB-11 PDS-5
Pará	Jáder Barbalho (PMDB)	PDS-2 PMDB-1	PDS-9 PMDB-6
Paraíba	Wilson Braga (PDS)	PDS-2 PMDB-1	PDS-8 PMDB-4
Espírito Santo	Gerson Camata (PMDB)	PDS-2 PMDB-1	PMDB-5 PDS-4

Source: Roett, 1984: 156.

The Survival of Traditional Elites

The incomplete and uneven modernization of advanced industrial societies implies that politics nowhere moves along a linear path of development.² The pattern of development of Minas Gerais demonstrates, moreover, that economic change might leave largely intact the political interests and power of traditional oligarchies. Our analysis suggests that traditional elites may survive urbanization and industrialization when these modernizing processes bring the population into greater contact with an interventionist state controlled by traditional elites. The importance of the agricultural product and agricultural employment to national and regional economies, and rural life, may conduce oligarchical rule, but they are by no means essential to its survival. In an earlier period, Brazilian regional oligarchies did benefit from a highly inegalitarian distribution of land and wealth. They still do, by and large. Yet, even during the Old Republic, traditional elites, dominant as private, agriculturally-based elites, took advantage of the blurring of the lines between public and private authority. Constructing a more expansive and enduring power base than mere economic resources would support, they assumed personal command of the state, and marshalled political resources to retain this strategic asset.

Such a strategy was indeed prescient. When Minas emerged from its relative economic stagnation, its state led the way. Today, the bases of traditional political dominance are not found exclusively in rural areas, nor in the private sector of the economy. They rest in control of an economically interventionist state. State capitalism and a reliance on foreign capital in Minas Gerais enabled the traditional

order and traditional political domination to endure even after industrialization of the regional economy. The nature of the class structure engendered by state capitalist and dependent industrialization, and particularly of those classes whose economic interests and political behavior are commonly believed to propel political transformation, differed from the constellation of political and social class forces that conventional theories of industrialization predict. The landlord and peasant classes did shrink in numbers and in political significance with the shift of national resources from agriculture into industry. Industrial classes, however, remained latent. The capital-poor bourgeoisie remained outside the dynamic sector of the economy and became dependent, economically and politically, upon the state and state elites. The proletariat, divided between the state and private sectors, cast its ballots for the opposition but was too small and isolated to effect any broader change.

For those classes interposed between agriculture and industry-- semi-urban non-industrial labor, seasonal agricultural labor, unskilled workers, and lower middle and lower class service sector employees--the state sector provided part or all of their material support through permanent and temporary employment, the provision of basic social services (sanitation, transportation, shelter), transfer payments, credit, and so forth.³ Economic integration into the public economy for these groups had long-term political implications. It structured interest representation along the same lines by which state resources were distributed. State dependents not represented functionally, through unions and other corporate groups or through 'bureaucratic

rings', turned to territorial representation, and sought through clientelistic networks benefits from the distributive arm of the state.⁴ These "state clients" thus were integrated into politics under the aegis of the traditional state elite.

Political clientelism was not new in post-1964 Brazil--it had been used by traditional elites to deliver votes in the Old Republic and to survive the explosion in political participation accompanying the transition to democracy after World War II. But it became more important and pervasive as Brazil changed from a largely agrarian society to one industrializing under state capitalism. Clientelism was transformed from a fundamentally private affair between lords and peasants into a state-based system. Federal and state cabinet portfolios and other top administrative posts brought political rewards and conferred enormous power upon their elite occupants. With material resources concentrated in the public sphere, controlling the state and its distributional apparatus was as important a source of political dominance as land ownership in an agrarian economy.

The means for securing control of the state apparatus were primarily political. Any elite hoping to appropriate the state's material resources, military force, and courts has to be able to convert the distribution of state resources to state dependents into political support. The group best equipped to operate state clientelism on a grand scale in Brazil was the traditional political elite. The regional oligarchies had long dispensed state patronage through political parties linked to the state at each level of government. The enrichment of the public sector made more potent the political

organizational weapon wielded by the traditional oligarchy. In Minas Gerais, where there was a tradition of extensive political organization and a state deeply embedded in social as well as productive sector activities, the correlation between urbanization and opposition voting was not as high as in other states. Even during an authoritarian regime that excluded the vast majority of the population from participation in political life and economic gain, administering state patronage allowed the regional oligarchies to win electoral victories in not only small cities and rural areas where they might be expected to poll well but also in many mid-sized cities where they might not. In such "boom-towns" as Varginha and Montes Claros, at least up to 1982, electors returned to office the political representatives of the local traditional elite despite rapid urban and industrial growth.

What allowed traditional political elites to avert and withstand challenges to their positions in the state from within and outside elite ranks, even in regimes that on the surface had different patterns of political organization--the federal Old Republic, the centralizing Vargas' dictatorship, the post-war 'democracy', and the bureaucratic-authoritarian regime--was a common centralization of political power in the executives of state and party. Even in the Old Republic, a decentralized political system in which power was delegated to the states, the most successful of the regional oligarchies--the Paulistas and the Mineiros--centralized power within state borders. When power resided in the executive and a single party elite, successful insurrections were less commonplace. Regime changes, whatever else they accomplished, did not alter the underlying principles of Brazilian

politics: the concentration of power in the state executives; the subordination of fiscally dependent municipalities to the states, and the use of political parties as oligarchical vehicles for upholding the power of the state elite. The traditional political elite had no reason to oppose strengthening the state apparatus, expanding its functions, or its centralization over the years -- as long as this elite had access to its highest levels.

If economic modernization was insufficient to displace traditional political elites from a commanding position in the state, then attacking the political foundations of their power would appear to hold the greatest promise for bringing about their demise. The bureaucratic-authoritarian regime established in Brazil after 1964 which proposed to alter the historical patterns of decision-making and elite participation in Brazilian politics was believed by many to hold the potential to deprive the regional oligarchies of their power bases in the state. To attract foreign investment, harness hydroelectric power, develop the Amazon, and make Brazil a great power, the military intended to get rid of the 'corrupt' politicians who had mismanaged the economy. It planned to forge a new hegemonic alliance of foreign and domestic entrepreneurs and a technically competent state elite. To carry out its aims, it attempted to centralize fiscal and political decisions beyond the reach of the regional oligarchies in the innermost circles of the federal state, and substitute technocratic rationality for clientelism in the state bureaucracy. The belief that such an assault on the bastions of oligarchical power would succeed was founded partially on the flawed premise that political and economic decentralization, a weak state, and

a powerful legislature are the foundations of oligarchical rule, as well as on the accurate recognition of the critical importance of traditional clientelism to the oligarchy. This perspective also neglected the political obstacles to implementing the ambitious changes the regime intended.

Some important changes did transpire, if only temporarily, in national level politics. Policy-making was transferred to technocrats, and the absence of direct elections for a strengthened national executive took important decisions out of politics. Nonetheless, the bureaucratic-authoritarian regime could have undermined the traditional political elite only if its representatives were ejected from the positions in the state which conferred power, if the positions they did occupy were emasculated, or if the resource base for clientelism were removed. Moreover, these changes would have to be irreversible. A permanent realignment of politics on this scale would have required a disruption of the clientelistic chain. Regional elites would have to be circumvented, and local bosses loyal to the regional oligarchies either purged from the sub-national governments or made allies of the federal military governors.

As we have seen, however, state and local politics changed little in bureaucratic-authoritarian Brazil. Members of the traditional political elite continued to serve as state governors, even when these posts were appointed. They also retained, at least on the state level, the means with which to keep their patronage machines operational. The centralization of revenue collection notwithstanding, state governments continued to implement national policies and administer federal and

state programs. Traditional political bosses who owed their allegiance to regional oligarchies also continued to rule in thousands of municipalities in the interior of Brazil.

At the outset of this study we raised the possibility of finding a political system which appeared to change at the top and one whose foundations did not change. While the survival of traditional elites in the states alone tells us little about their national power, our research suggests that state politics is the fulcrum of the entire political system. Political elites have as their primary political reference points state politics, they owe their primary political allegiances to their state allies, especially state governors, and they will do whatever is necessary to preserve their power bases in the states. In fact, they often make decisions in the national sphere based on calculations about state politics. As long as the roots of the power of the Brazilian traditional political elite in the states and municipalities are secure, it is difficult to conceive of major changes in the national political landscape. State-national and state-local linkages are the glue which hold the national political system together.

Whatever its ambitions, the military did not undo patterns of politics ingrained in the fabric of Brazilian society for nearly a century. For a short while during the height of military repression (approximately 1969-1971) traditional elite influence declined while the technocratic presence in government rose. Technocrats, however, with no political-organizational structures of their own to substitute for oligarchical parties, could not draw electoral gain from dispensing state patronage, and they had no other basis upon which to organize

consent. Unable to structure politics single-handedly, the military could not govern without the active complicity of the regional oligarchies. Only the traditional political elite could secure the electoral victories needed to legitimize military rule and prevent the radicalization of the polity and the development of class/interest based politics. The military had little choice but to reverse course. The power-sharing arrangement between traditional elites and technocrats in the early years of the bureaucratic-authoritarian regime finally gave way to one in which traditional political elites reemerged as dominant. The "restoration" of traditional elites to power in a few short years suggests the time a regime could hope to govern without them or above them is brief indeed. When these elite political representatives could no longer deliver victory under the umbrella of the party of government, moreover, the military exited, but not the traditional elite who remained to preside over the birth of the new regime.

This study's findings suggest that the capacity of a civilian and military technocracy for autonomous administrative action has been grossly overstated in the development literature. In authoritarian Brazil, because political participation was restricted to elites, state elites could not develop political autonomy as many of their counterparts in democratic regimes do by pitting contending societal forces against one another. Without a political constituency, the military-technocratic alliance required civilian allies. Lower classes were unlikely supporters given their exclusion from the fruits of economic growth. And enlisting the allegiance of the bourgeoisie was rendered increasingly more difficult for the entrepreneurial state elite

with each new state incursion into the private sector of the economy. The leading sectors of the national bourgeoisie made plain their opposition to the state's economic policies, and their inability to influence (at least to their satisfaction) the processes of decision-making in an authoritarian regime. In a highly visible campaign, they called for the state's withdrawal from the economy and then, later, for the liberalization of the regime. Few options were available to the military but to turn to traditional elites.

The bureaucratic-authoritarian regime not only did not evict oligarchical interests, it actively helped traditional political elites retain power and position by proscribing political competition. Authoritarianism, and the political centralization and monopoly of power which were its defining features, established an immutable political alignment from national executive to local city councillor which rendered political opposition effectively futile and nearly irrational. This feature of the regime devalued the skills and ability of a rival political elite, perfectly capable of organizing a political party, to challenge traditional political elites, and permitted the regional oligarchies to monopolize state resources which underlay their contemporary power. The traditional political elite preserved state politics as a private contest for its members only.

The transition from authoritarian rule has created the possibility for new forms of political organization in Brazil. By lifting the ban on real political competition, the new regime has removed the obstacles to political participation and autonomous local politics and laid a new basis for competitive interest representation to supplant state

clientelism. Will a rival political elite now emerge? Indeed, what will be the meaning of opposition in "democratic" Brazil? This question is particularly salient at the present time. As this investigation draws to a close, two questions emerge: How will open political competition affect the survival of traditional political elites? In what direction will the traditional political elite steer Brazilian democratization? These two questions are inextricably linked, for the ability of the traditional political elite to shape the regime will in turn affect its own future.

7

The Traditional Political Elite and the 'New Republic'

Students of the transition to democracy agree that of all the relevant factors affecting the future of democracy in Brazil, perhaps none recommends itself as strongly for study as the role of the traditional political elite. O'Donnell (1985a: 11-13) has recognized the capacity of an incumbent elite of an authoritarian regime to control a transition to democracy as a critical variable in explaining the success and direction of democratization. Werneck Vianna (1985: 31-33) has argued that the power retained by the forces of the old regime will to a large extent determine the outcome of the most important issues facing Brazil in its transition to democracy: agrarian reform, strike laws, and the definition of the political center in the party structure and political system. Indeed, any governing elite which senses the winds of change will usually attempt to direct them. What distinguishes the inveterate oligarchies is their foresight to abandon in a timely fashion decaying regimes and their ability to shape the new to their

advantage.

No old elite could hope to be more successful in controlling a transition than the Brazilian. Once democratization gained momentum, traditional elites who embraced the 1964 'Revolution' and benefited from the authoritarian regime became strong advocates of a controlled liberalization. When the governing coalition began to crumble under the weight of its own corruption, personal rivalries, and petty ambitions, many joined forces with the advocates of regime change. By situating themselves squarely in the democratic camp, these elites won for one of their foremost representatives, José Sarney, government party president during the military regime, a place in the executive coalition, and ultimately, by chance, the presidency.

Of all Brazil's regional oligarchies, the Mineiro stands out during the transition for its political genius and cunning for survival. One of Brazil's first regional elites to plot its escape from the sinking authoritarian coalition, it proposed the realignment of forces which made the transition possible and placed it under traditional political elite control. The manner in which it recovered its own state base after the 1982 elections and rescued its class nationally closes yet another chapter of traditional elite resilience.

Politics in Minas, 1982-1985. The PMDB won the elections in Minas Gerais in 1982. Tancredo Neves was elected governor as its standardbearer with 45.8 percent of the vote; Itamar Franco was reelected senator; the party elected 27 federal deputies to the 26 of its rival, the PDS; and it captured a slim majority in the state

Legislative Assembly -- 40 to 37, with a single representative to both houses elected by the PT (Table VII-2). While the PDS won control of many more city halls and city councils than the PMDB--the PDS elected 461 mayors to 247 for the PMDB, and 4662 city councillors to 2788 for the PMDB (Table VII-3), the PMDB won the local elections in the most important and largest cities in the state, including many mid-sized "dike cities" into which the government had pumped considerable sums of money precisely in order to preserve victory in the 1982 elections: Montes Claros, Varginha, Três Corações, Governador Valadares, Teófilo Otoni, Uberaba, Uberlândia, Juiz de Fora, Patos de Minas, and Unaí, at least half of which it controlled in 1976. In Barbacena, a symbol of the persistent power of the traditional Minas oligarchy, voters for the first time elected candidates from outside the oligarchical machines of both the Bias Fortes and Bonifácio de Andrada families. In that city, the PMDB won the races for mayor and vice-mayor, a majority of city council seats (8 to 7 for the PDS), and most significantly of all, 41.6 percent of the vote in the state deputy election to a PMDB candidate whose vote total surpassed that of the candidates of the two families combined.

In its 1982 victory, the PMDB in Minas Gerais had only partially and temporarily defeated the traditional political elite. Tancredo Neves' victory was produced by a sporadic coalition of opposition and traditional elite forces. His candidacy attracted the first wave of defections in what was to be a progressive detachment on the part of the oligarchy from the government coalition.

The traditional political elite in Minas Gerais was initially

Table VII-2
 Minas Gerais: 1982 State Elections

Race	Votes Cast	% of Turnout	% of Party Vote	Seats Won
<u>Gubernatorial:</u>				
Blank	459,479	7.9		
Void	147,160	2.5		
*Tancredo Neves (PMDB)	2,667,595	45.8	51.1	
Eliseu Resende (PDS)	2,424,197	41.6	46.5	
Sandra Starling de Azevedo (PT)	113,950	2.0	2.2	
Theotonio dos Santos Jr. (PDT)	11,160	.2	.2	
<u>Senatorial:</u>				
Blank	658,409	11.3		
Void	176,050	3.0		
*Itamar Franco (PMDB)	2,398,361	41.2	48.1	
Simão Viana da Cunha Pereira (PMDB)	164,100	2.8	(44.0)	(51.4)
João Marques de Vasconcelos (PDS)	1,174,027	20.2	23.5	
Fernando Jorge Fagundes Neto (PDS)	1,135,095	19.5	(39.7)	(46.3)
Joaquim José de Oliveira (PT)	107,099	1.8	2.1	
Wilson Carneiro Vigidal (PDT)	10,400	.2	.2	
<u>Federal Deputy:</u>				
Blank	704,776	12.1		
Void	234,984	4.0		
PMDB slate	2,456,638	42.2	50.3	27
PDS slate	2,312,248	39.7	47.3	26
PT slate	104,694	1.8	2.2	1
PDT slate	10,201	.2	.2	-
<u>State Deputy:</u>				
Blank	774,154	13.3		
Void	269,833	4.7		
PMDB slate	2,406,106	41.3	50.4	40
PDS slate	2,261,267	38.7	47.3	37
PT slate	102,125	1.8	2.1	1
PDT slate	10,056	.2	.2	-
Total Turnout	6,738,879 (86%)			

*Elected

Source: TRE-MG, 1982.

Table VII-3

Minas Gerais: 1982 Municipal Elections

Party	Mayors		City Councillors		Total
	Candidates	Elected	Candidates	Elected	Elected
PDS *	1382	461	15,904	4662	5123
PDT	90	--	396	--	--
PT	138	--	1,441	16	16
PTB	--	--	--	--	--
PMDB	1151	247	11,515	2788	3035
TOTAL	2761	708*	29,256	7466	8174

*The remaining 14 mayors (one from the capital and 13 from the "estâncias hidrominerais") were named by the state governor.

Source: TRE-MG.

divided over how to approach the 1982 gubernatorial elections, the most important political contest since the coup. While most preferred to side with the apparent safe option, the eventual PDS nominee, some staked their hopes for maintaining power in a liberalizing political environment on the new "Popular Party" (PP), a primarily Minas party (its leading officers were its founder, Tancredo Neves, Magalhães Pinto, and Hélio Garcia) formed soon after the party reform of 1979 opened the door to a multi-party system. For those abandoning the government party who had been staunch regime allies, such as Magalhães Pinto, the PP provided an opportunity to jump from a sinking ship and land on secure ground. For those moving from the MDB, such as Tancredo Neves, the PP offered the possibility of putting together a winning coalition which strict reliance on traditional MDB constituencies might not have afforded. The PP in Minas Gerais was extremely successful at attracting traditional oligarchs anxious to shed the baggage of the government's economic failures (Brazil was in a deep recession in 1981-82), and an agricultural policy unpopular with rural elites, without what for many in 1980 was anathema -- sharing a party slate with the PMDB. Their adherence gave the PP an impressive state-wide network of local organizations.

This segment of the traditional political elite was soon forced to rethink its strategy for controlling the transition. After a government-decreed change in electoral laws doomed Neves' gubernatorial ambitions as a PP candidate, he dissolved the party and instructed its members to join or rejoin the PMDB. The merger of the two parties in Minas Gerais and nationally was presided over by men loyal to Neves who

placed his many supporters in a strong position in the new party.

From this organizational base Neves plucked the party's gubernatorial nomination from Itamar Franco, the PMDB's other senator, in large part because he was accurately perceived as the most electable candidate of the opposition.

Within the government party, intra-elite rivalries which had been artificially contained for 18 years were rekindled by Neves' candidacy. How the government countered Neves' nomination set in motion the Mineiro oligarchs' disengagement from the regime. Had the sublegenda been utilized, competing oligarchical factions could have been accommodated: one sublegenda would have been occupied by an ex-PSDer; one by an ex-UDNer; and one by either a technocrat or an ex-PRer. When the sublegenda was abandoned, however, the government could nominate only one candidate. The choice, if left as by custom to the incumbent governor, most likely would have been an ex-UDNer.¹³ The nomination of an ex-UDNer, however, would surely have precipitated a reaction from the embittered ex-PSD wing of the PDS who felt it was "their turn". Every governor of the post-coup period had been an ex-UDN member with the single exception of Ozanam Coelho who, as Aureliano Chaves' lieutenant governor, became the state's chief executive for eight months when Chaves had to resign to "run" for vice-president.¹⁴ The Planalto intervened in the gubernatorial succession in Minas, nominating Eliseu Resende, an engineer-technocrat, as the PDS's candidate in an effort to stop UDN-PSD feuding. The government's attempted compromise failed. Many oligarchs not satisfied with Figueiredo's gesture flocked to Neves' camp; in Tancredo Neves they now had an alternative to the UDN and the

MDB -- one of their own. In the North of Minas, the sons and grandsons of regional cattle barons threw their support behind Neves, partly to manifest their discontent with the PDS's candidate, and partly to protest recent agricultural policies which they guessed would not change under a technocrat. The support the traditional political bosses delivered to the PMDB in the cities and towns of the interior, when combined with that mobilized by the left among a genuinely discontented populace, accounted for the narrow opposition victory.¹⁵

Those elements of the traditional political elite who were instrumental to Neves' victory, who had a place in his designs for governing, and who could further his political ambitions, profited from his victory. His state cabinet did not differ radically from those of his predecessors. While it did include five secretaries who rose in politics through the ranks of the MDB,¹⁶ others traced their political origins, and power, to pre-1964 elite parties. Although it could be argued pre-1964 partisan attachments are more indicative of a person's age than the residual power of the traditional political elite, the latter interpretation gains credence in light of a pattern of reliance on the support of traditional clientele. Neves' appointee as secretary of Agriculture, Arnaldo Rosa Prata, is suggestive of such a pattern: he was elected mayor of the important Triângulo city of Uberaba in 1970 on the ARENA ticket, and he served as the president of such powerful agrarian societies as the Brazilian Association of "Zebu" Cattle Raisers; the Rural Society of the Minas Triângulo, and so forth. Moreover, Neves left much of the economic decision-making machinery to the secretaries and undersecretaries of economic departments in

previous, state governments who for all intents and purposes had
masterminded economic policy in Minas during the authoritarian era. 17

If some traditional elites exercised sound political judgement in supporting Neves, the leading political representatives of the oligarchy, including many federal deputies, did not. Although the new administration did not threaten elite interests in the policy realm, those who had stayed with the PDS, like kingmakers Bias Fortes and Bonifácio de Andrada, lost something important in the 1982 elections: the control over state patronage in the cities and towns that gave them their greatest vote totals. In Minas Gerais for at least four governors' administrations, the "political command" (comando político) of a municipality, which entailed the right to make virtually every public decision, including the appointment of all public officeholders, had been awarded openly to the deputy from the state's majority party who had received the most votes in that município. When the PDS lost its majority, the "political command" in many cities passed to PMDB deputies, even where old elites polled better. This blow to the personal patronage machines of old elites was compounded by their loss as a class of the power to make high-level federal and state appointments in Minas. Such losses, if not recuperated, would cost future votes and spell certain doom for the medium- and long-term survival of the traditional political elite.

The opportunity to recover the machinery of state patronage and secure its state-wide dominance presented itself when the old elite had something to trade: its support for the governor in the presidential electoral college. Tancredo Neves became the opposition's

candidate for president once it became clear an electoral college would
18
choose Figueiredo's successor. Indeed, the opposition's decision to
participate in the electoral college was swayed by the opportunity
Neves' candidacy presented for a partisan realignment. Since PDS
electors were the clear majority in the electoral college, any
opposition candidate needed the traditional political elite to win. Of
all PMDB politicians, Neves, rooted in the oligarchy, stood the best
chance of attracting votes from the government forces. His task was
facilitated by the politically suicidal decision on the part of
President Figueiredo to permit the government party to nominate Paulo
Maluf--the governor of São Paulo who had more than a few enemies in high
19
places--as the party's standard-bearer. Many PDS deputies,
disgruntled with Maluf for personal reasons and genuinely apprehensive
for their own political futures of electing a president so unpopular
within the electorate, defected. Understanding the stakes and
recognizing the opportunity that uniting with the PMDB offered for
preserving their positions in the state, many political elites scrambled
to line up behind Neves to secure a place in the new order. A motley
coalition of PMDB 'radicals', PDS deserters later to become the Liberal
Front (Frente Liberal), and dissident PDS governors of the northeast
states coalesced rapidly in the months of June-September 1985 to ensure
Tancredo Neves' victory.

To secure the support of the old regime's elite, Tancredo Neves was
prepared to pay the price. In exchange for backing the candidate of the
PMDB in the electoral college, the Liberal Front of the PDS was assured
he would neither run as a representative of the "opposition" nor

criticize the "Revolution" or the [incumbent] Figueiredo government; the vice-presidential nominee would come from the ranks of the Liberal Front, or, if prohibited by electoral law, be someone who supported the 'movement of April, 1964' [the coup]; and there would be an equitable distribution of administrative posts (Istoé, 7/18/84: 24, emphasis added). For vice-president and fellow Mineiro Aureliano Chaves, Neves even put in writing that all those who backed him would be repaid with posts in his government (Veja, 1/16/85: 36). This promise was extracted as a condition for not only the vice-president's support (and with it the votes of the hedging members of the Minas PDS delegation) but also for that of ex-president General Geisel, which was critical if a pre-emptive coup were to be avoided.

While a political settlement of this magnitude could be sealed in principle relatively easily on the national level--it was a fairly simple matter to promise federal cabinet posts to a handful of influential figures--in order to secure the votes of the deputies and other delegates in the electoral college, agreements had to be hammered out and implemented in the states. Careful, detailed, and explicit bargaining was conducted on a state by state basis wherever such an accord was struck. The success of these state-level negotiations hinged on the mutually satisfactory division of state patronage between two uneasy allies. In many states, regional presidents of the PMDB and the FL drew up agreements stipulating explicitly which federal and state posts would be assigned to each party's pork barrel (these posts were of varying political worth) (Veja, 7/17/85: 20-27). Federal Deputy Oscar Alves of Paraná reported that Neves promised the Liberal Front in

Paraná, if elected, a number of federal posts in equal proportion to the number of "frentista" votes in the electoral college. Since his group had cast 25 percent of Neves' votes in the Paraná delegation, he calculated they were owed one-fourth of these posts in the state (Veja, 7/17/85: 26-27). Israel Pinheiro, one of the FL's founders and foremost proponents, used the same rationale as a basis for proposing that the FL in Minas Gerais merited a one-third participation in state government (Estado de Minas, 9/7/83: 3).

In Minas Gerais, dissident PDS deputies held out longer and drove a harder bargain--the "Acordo de Minas", or the "Minas Agreement". The embryonic core of the new Liberal Front in the state agreed to support Neves, to "put a Mineiro in the presidency", in exchange for the return of the power of patronage they lost in the 1982 elections. According to the terms of the accord, the new governor, Hélio Garcia,²¹ agreed to accept at least two members of the Liberal Front into the cabinet; the "political command" of a municipality would be handed back to the deputy who won a majority of the votes in that municipality, irrespective of party; and Liberal Front federal deputies would regain another prime source of state patronage--the right to make appointments to 72 second and third echelon federal posts in the state (e.g. regional directors of the National Housing Bank and the Brazilian Coffee Institute).²² The agreement represented a unilateral victory for the traditional political elite.²³ Its members who endorsed the "Acordo" retook the leading positions in Minas politics. Local resistance to the state-imposed agreement was offered in vain.

The "Acordo de Minas" guaranteed Tancredo Neves' election as

president in January 1985 in an electoral college composed of mostly old elites from the authoritarian regime. His death, however, denied both sides in Minas Gerais who had made his victory possible the rewards of the presidency. As the news magazine Senhor (2/25/86: 43) summed it up:

A pure irony of history: the Mineiros, who opened the authoritarian parentheses with the bayonets of the troops commanded by General Mourão Filho and the then governor Magalhães Pinto, had the glory of putting it out with the eraser of conciliation. But there was no opportunity to taste the pleasing flavor of power.

The Residual Power of the Traditional Political Elite, Political Parties, and 'Trasformismo'. The political transactions which accompanied the transition from authoritarian rule in Brazil allowed the protagonists of the ancien régime to assume a commanding position at the helm of the central institutions of political life in the new. In Minas Gerais, members of the traditional political elite were returned their primary political resources--their positions in the state and power of political patronage. They also entered the 'democratic' era in the leadership of nearly all potential parties of government. Most significantly, the Minas oligarchy expropriated the PMDB. The faction loyal to the governor emerged from the party's 1983 elections in the state in undisputed control of the party commissions. The so-called "Constituyente" slate won all seats on the diretório but 16 (of 71), and all but 16 delegates and 16 alternates to the national convention (of 58 for each). In exchange for these few seats, the 'radical' group, "Direct Elections" (Eleições Diretas), had to cede pivotal posts on the Executive Commission, including that of president, to politicians the

governor imposed who had only recently joined the party and whom many in the PMDB found distasteful. The Estado de Minas (11/17/83) wrote of the new Executive Commission: "The moderate wing [of the party], derived from the PP, prevails in the party command." A PMDB deputy commented, "If Governor Tancredo Neves is not thinking of creating a new party, as he declared in a press conference, at least he has succeeded in making the PMDB closer to the party of his dreams" (Estado de Minas, 11/17/83). A few months later, national PMDB president Ulysses Guimarães was brought to the bargaining table to negotiate the terms of the surrender of the national party to Tancredo Neves' forces as well.

Why should it matter for democratization if traditional political elites are found in these positions of power if the rules of the game have changed? If "redemocratization", or "democratization", is understood as the road to a political system in which, in the Schumpeterian tradition, "its most powerful collective decision-makers are selected through periodic elections in which candidates freely compete for votes and in which virtually all the adult population is eligible to vote" (Huntington, 1985: 149), then perhaps it makes little or no difference. But if democracy is held to be something more, the residual power of the traditional elite can be very consequential indeed.

To distinguish the substance from the shadow of democracy, O'Donnell (1985b) identified three distinct 'stages' of democratization: (1) the consolidation of political democracy; (2) the extension of political democracy; and (3) socioeconomic democratization. The consolidation of political democracy is defined as civilian rule and the

presence of Dahl's procedural minima for democracy. These minima embody institutional guarantees--the freedom to form and join organizations, the freedom of expression, the right to vote, eligibility for public office, the right of political leaders to compete for support, alternative sources of information, and free and fair elections--required for the opportunity to formulate preferences, signify those preferences to fellow citizens and to government by individual and collective action, and have preferences weighted equally in the conduct of government (Dahl, 1971: 3). The extension of political democracy refers to "increased transparency in policy deliberation and in interest representation". Finally, socio-economic democratization extends the citizen principle to various public and private organizations and makes advances in distributional equity. O'Donnell sees the consolidation of the procedural minima as a precondition for the extension of political democracy as well as social and economic democracy. It is hard to disagree with such a view. But O'Donnell (1985b: 52) acknowledges that consolidation does not necessarily enhance the prospect for democracy's extension.²⁷ Indeed the most appropriate political strategy to secure the first step of consolidating civilian rule--building the broadest possible coalition for keeping the military in its barracks--may conflict with that best suited to achieve the transition from the first to the second step of democratization. The extension of political democracy may thus be traded off in the consolidation.

What are needed above all to make the passage from a consolidated civilian regime to a full democracy are institutions capable of 'formulating' and 'signifying' (to use Dahl's language) citizen

preferences. Without the opportunity to express citizen preferences effectively--without interest representation for all classes and strata--there can be no polyarchy. In democratic societies, the institutions most capable of formulating preferences and bringing those preferences to public attention are political parties. Parties normally frame political issues, provide a forum for public debate, and afford citizens the opportunity to "express their preferences" by voting for a platform which details party positions and promised government action on a range of issues. Not all democracies of course have parties which can qualify as programmatic down to their local branches. But no country can claim to have a vibrant democracy, not even a 'polyarchy', where party positions on issues are sacrificed systematically to the particularistic calculations of a closed elite--an oligarchy.

In Brazil, political parties have been long prevented from representing non-elite interests--from "formulating and signifying citizen preferences"--by the traditional political elite. They have been used for decades as patronage machines, private weapons in intra-oligarchical disputes. Even the exceptions to this rule, parties which had non-elite constituents in the post-war era--the populist PTB for example, built vertical channels of interest representation which restricted mass access to the state. In the 1970s, the PMDB raised hopes that it might articulate the interests of previously excluded classes. But in the birth and rebirth of political parties accompanying the transition, the traditional political elite regained control of the PMDB and other parties with the best chances of coming to power, making it unlikely that Brazilian parties could become agents of

democratization.

Once a party like the PMDB, which had sheltered opponents to authoritarianism and those who had suffered from it, opened its ranks to those who had supported and profited from the military regime, it left the excluded, popular classes without voice. Unlike in democratic societies in which political parties realign, however infrequently, over salient, cross-cutting issues, thereby providing electors with the opportunity to express their preferences along a new axis of conflict in society, in Brazil, and especially in Minas Gerais, realignment was precipitated instead by oligarchical factionalism. The PFL differed initially from its parent, the PDS, only in its preference for Tancredo Neves over Paulo Maluf. Once the oligarchy fell into step with the national realignment, its old divisions, such as the Bias versus Andradas rivalries, were fitted into the current party system. Traditional political elites can now be expected to block party platforms championing policies not in their interests.

In appropriating parties that have direct access to the state, moreover, the oligarchy can perpetuate state clientelism as the principle which orders politics itself. In Minas Gerais, a PMDB governor in the state house swelled the party with new recruits. Party membership more than doubled between 1982 and the end of 1984, while that of its old rival, the PDS rose by only 44 percent (Table VII-4). Once the party attracted much of the state oligarchy, establishing it as more than a transient party of government, local elites and party bosses flocked to its ranks. Anxious to join the 'ins' and not be excluded from state resources, at least 200 mayors and local party directories

Table VII-4
 Minas Gerais: Party Membership, 1982-1985

Year	PDS	PDT	PT	PTB	PMDB
1982	163,501	11,796	22,641	12,256	91,530
1983	163,007	13,656	23,872	12,390	105,125
1984(June)	189,710	17,259	30,298	16,724	151,882
1984(Sept.)	206,150	19,388	33,275	19,530	173,884
1984(Dec.)	221,298	22,692	34,883	21,406	190,939
1985(March)	235,272	27,103	36,348	24,276	199,097

Source: TRE-MG.

changed partisan affiliation virtually overnight in mid-1985 from the PDS to the PMDB.²⁹ These mayors and party bosses, necessarily from small towns that previously had no local PMDB branch, for the most part shared little or nothing ideologically with the party's veteran national leaders. The mayors were part of a cohort elected in 1982 that carried on Minas Gerais' political tradition. In a survey of 387, representing over half the total universe (n = 722) conducted by the state Secretariat of Planning (SEPLAN, 1983), approximately 30 percent identified themselves as fazendeiros by profession; nearly 60 percent were from families of fazendeiros. Nearly 60 percent also had "political tradition in the family", meaning that fathers, grandfathers, uncles and/or brothers had participated in politics in an elected capacity. Thirty percent had been active in politics for more than 20 years, and other 25 percent from 12 to 20 years. Only one-fifth had entered politics within the preceding four years. Two-thirds had previously occupied political posts. These local political bosses of the interior, the cogs in the traditional patronage machines, will serve the oligarchy from within the governing party in the reconstruction of clientelistic networks.

The ready and efficient mass conversion of this traditional, rural political elite was possible because of the extreme ideological and programmatic weakness of parties in the state. In the same 1983 survey of the mayors elected in Minas Gerais in 1982, 58.9 percent of the mayors sampled attributed their victories to "personal attributes"; 28.9 percent to "political tradition"; and only 8.3 percent to party program (3.9 percent not available) (SEPLAN, 1983: 43). The infusion of

coroneis into the PMDB in turn inevitably diluted the party's already weak programmatic message, diminishing even further the potential for the PMDB in government to signify citizen preferences.

The ability of the traditional political elite to control the transition from authoritarian rule in Brazil and appropriate the political parties does not augur well for democracy's extension. Patterns of politics established now may become semi-permanent features of the political landscape. In moments of transition and convulsion there arise unique opportunities to discard the constraints of the organizational forms inherited from previous regimes. Missed opportunities are rarely regained. Political arrangements, once in place, condition future political behavior and possibilities. Political institutions are molded to suit the regime which they uphold, and state elites and civil organizations build bridges to one another appropriate for the immediate political environment. Individuals rise who are adept at the political game as it is played and they use their positions to perpetuate modes of political interaction that favor them. Political systems, in short, carry with them the seeds of their own reproduction.

Evidence from other countries provides many examples of political institutions that long outlive the political pacts that spawned them. Thus the arrangements reached in moments of crisis shape the future patterns of politics in a "democracy". At a moment of transition in Italy in 1876, Agostino De Pretis, the newly elected prime minister, invited opposition deputies from the Destra party to shift their votes to the government majority in exchange for personal benefits, access to state patronage, and the right to rule locally. The deputies, finding

themselves newly marginalized from power and state spoils (the Destra had controlled the Parliament since Italian unification 16 years earlier), agreed. Unfettered in their conversion by ideological or programmatic constraints--the parties represented only loosely knit coalitions of elite factions--they "transformed" themselves from the opposition into a stable part of the governing majority. For decades, southern deputies voted with any government, regardless of program or ideology, which supported its practice of clientelism. As Chubb (1982: 21) explains its consequences:

Trasformismo successfully eliminated any effective opposition from the Italian Parliament. The Destra and the Sinistra, which had contested national power from 1860 until 1876, were molded into a single governmental majority by the "transformist" politics of successive prime ministers following the victory of the Sinistra in the elections of 1876. The organization of politics around personality and patronage rather than ideas and practical programs not only absorbed and neutralized the opposition but ultimately emptied the very concept of 'party' of any meaning beyond that of a loose congeries of personal clientele.

More than 100 years later, Tancredo Neves like De Pretis pursued a strategy of trasformismo with much the same effects: immediate success for the government majority, the elimination of opposition, and a long-term blow to political parties as vehicles of non-elite interest representation at precisely the moment they were most needed and held their greatest potential to advance democratization. Political competition had given opponents of the oligarchy in the PMDB the opening to attack the foundations of elite power. The opposition was able to overcome the advantage with which their adversaries had begun--the

spoils of the pork barrel--due to the coincidence, at least in Minas Gerais, of the unpopularity of the military regime and the winning coalition constructed by Tancredo Neves. With a PMDB governor in the Palácio da Liberdade, politics in principle might have been reorganized. Clientelism could have been weakened, or more modestly perhaps, redirected to support a new alignment of political forces. ³⁰ However genuine the possibilities were for democratization in Minas Gerais, they were forfeited almost before the euphoria over the electoral results had subsided. The governor made plain his intent to govern with, not ³¹ against, the Minas oligarchy. Constructing a coalition sufficiently broad to bring about a transition to civilian rule in Minas Gerais required the participation of the political elite of the old order. Its input into the construction of the new regime, in turn, hampered efforts ³² to extend political democracy. The transformation of the PMDB from a quasi-social democratic party to an oligarchical vehicle, the revitalization of traditional clientelistic networks, and the barter of public policy for personal political gain suggest that traditional politics survived at least the initial stages of civilian government.

While similar political transactions, negotiations for the state, and takeovers of political parties were repeated elsewhere in Brazil during the transition from authoritarian rule, the transition in Minas would be significant had they not. Even if Minas politics today can no more be equated with a single national pattern than it could in the 1945-1964 era, this state's politics are not inconsequential in national politics, and the Minas oligarchy not one among equals. If any doubt lingers about the ability of this state's elite to impose its

preferences nationally, one should recall that its actions sparked every major regime change in Brazil in this century. It helped launch the 1930 'Revolution'; its 1943 Manifesto dos Mineiros hastened the end of the Estado Novo; it led the movement to depose President Goulart in 1964; and once again in 1984 Minas politicians accelerated the regime change.

The strength of the Minas oligarchy has always been even greater when combined with that of its old partner, São Paulo. Today, Brazil is witnessing a return to the politics of "café com leite". As in the heyday of the oligarchs, the decisions reached by the governors of Brazil's two largest states have a decisive impact on the course of national politics. In 1984, Tancredo Neves convinced the governor of São Paulo, Franco Montoro, to agree to a Mineiro in the presidency, a plan frustrated only by Neves' death. Ulysses Guimarães, the Paulista PMDB president, and Hélio Garcia, governor of Minas Gerais, have already agreed in writing that both will be candidates for the next presidential election in 1988 (Guimarães, who sacrificed his own presidential ambitions to elect Tancredo Neves, acknowledges that Minas lost "its turn" with Neves' death, but does not wish to concede outright yet another term before he can occupy the presidency). Whomever wins the party nomination will be supported by the other, who will become the vice-presidential candidate on the PMDB ticket (Istoé, 1/22/86: 16).

The 'New Republic' in Brazil differ in significant ways from its predecessor. Arbitrary military abuses of human rights have been curbed, political rights restored to political 'undesirables',
33
censorship lifted, illiterates enfranchised, and direct elections are

proceeding on schedule for posts of considerable importance--state governors and the presidency. But there are also major continuities. The new order carries over from the old not only its personnel but many political procedures and practices as well. National cabinet posts are still awarded to satisfy politically determined state quotas and to bolster adherents in the states. State governors are as formidable as ever, and in most places, are forging new political machines on the unshaken foundations of the old. Public posts are still filled by top bosses to maximize political returns. Party candidates are still approached by their convention and general electors who solicit home roof repairs and lunches for their families as payment for their votes. Even traditional elites would agree with this characterization. Minas governor Hélió Garcia, when asked what the country's political and administrative picture would have looked like had Eliseu Resende defeated Tancredo Neves for governor of Minas, and Mario Andreazza wrested the PDS presidential nomination from Paulo Maluf in 1984 and been elected president in the electoral college -- in other words, if the 'democratization' had not proceeded at the pace that it did -- replied: "It would look very much as it does now" (Istoé, 2/26/86: 20).

Traditional political elites can, then, fashion political institutions to support their positions in society and preserve traditional political arrangements. In Brazil today, political parties, local governments, the executive-legislative relationship, electoral codes, and interest association and representation, even if not formally "authoritarian" are not like corresponding institutions and arrangements in a democratic polity. They are well suited to restricting mass

political participation and the arena of decision-making. Can traditional political elites construct and operate an oligarchical system in a democratic polity? If the differences between democratic and authoritarian regimes are so subtle, and if traditional elites can be found in positions of power in the primary institutions of political life in both, what kind of distinction can be drawn between these two types of regimes?

The most obvious distinguishing features of political regimes are their formal political rules. What relative significance should these rules be accorded, however, vis-à-vis political practice? Once before, in Brazil's past, the Constitution framed a democracy and guaranteed political rights. Yet, political elites of the Old Republic routinely engaged in electoral fraud, physical intimidation, and subversion of the judicial process (Reis, 1980). Formal rules did not ensure democracy for all Brazilian citizens. In the Old Republic, however, democracy's formal rules were easily bent by extra-political sources of local domination: land dependence and private armies. In the New, economic change has removed from local elites the stick of private power with which they enforced loyalty to regional oligarchies. The oligarchy's power now rests practically exclusively on the public resources with which they can provide local political elites. These 'carrots', in turn, derive from positions that politics itself confers upon them.

In controlling the transition from the authoritarian regime, traditional elites have won a decisive round in the struggle for the political future of Brazil. Open political competition, however, may yet allow challengers to unseat incumbent groups in the states, and even

in the federal government. The possibility the "outs" might one day become the "ins" creates choice and encourages local opposition to form in the cities and the countryside. As long as the formal rules of open political competition are secure, there is reason to hope that, in the long-term, politics can be transformed. What changes are possible in agrarian reform, union laws, and other pressing policy problems in contemporary Brazil, as elsewhere, are secondary, and logical outgrowths, of the outcome of the contest in primary arena of political conflict, the constitution of the political system itself.

Notes

1. José Sarney, the newly elected vice-president, was sworn in as president. For an account of the events of 1984, see Veja, 1/16/85.

2. Berger and Piore (1980) have found that traditional production units and segmented labor markets are semi-permanent features of advanced industrial society, permitted to survive in contravention of the 'natural laws' of capitalist development in order to distribute economic uncertainty and reduce political instability. They argue society can linger practically indefinitely in a peculiar transitional stage in which traditional and modern forms of economic organization co-exist.

3. Students of southern Italy have stressed the role of the middle classes in particular in political clientelism. Graziano (1978: 312-313) asserts the middle class is the most susceptible to clientelism, and one of its main supporters. Chubb (1982: 83-110) documents well how pervasive clientelism is among especially middle class public sector employees, but also finds local entrepreneurs as well as the urban poor just as dependent upon the Christian Democratic machine in Palermo (Sicily). Our argument differs in its emphasis on popular classes.

4. Students of state capitalism have hypothesized that for those integrated into the public sphere, interests are represented by distinctly organized functional groups. Samuel Beer claims state capitalism has privileged the distinct representation of organized functional interests, unlike in liberal democracies in which functional interests were largely channeled through parliamentary representatives (as cited in Tarrow, 1978: 5). In other words, as social and economic problems gravitate to the level of greatest centralization--the national state--territorial units (cities, provinces, and regions) find their representative function in decline. This trend is alleged to be especially pronounced where technocrats are privileged decision-makers (Tarrow, 1978: 6-7).

Our Brazilian case reveals two flaws in this argument. First, while corporate groups secure wage increases and job security for those who are formally employed and negotiate policies in the interest of their members, they cannot negotiate effectively for those who are 'unorganizable' in the state client sector. In an authoritarian regime, moreover, corporate groups representing popular classes may not be effective even for their members. Group members whose corporate channels of representation malfunction, therefore, must seek supplemental representation from territorially-based politicians.

5. PMDB victories in many of these cities in 1982 should not be interpreted entirely as a defeat for the traditional political elite. While in many cases PMDB candidates indeed carried the party's message into the elections, in others, they capitalized on the pro-Tancredo Neves vote [ticket splitting was prohibited by the terms of the November, 1981 electoral reform package]. Fewer conclusions still can be drawn from later and future PMDB victories on a macro-scale.

Guimarães (1985: 41) aptly argued that PMDB victories in the 1985 mayoral races did not signal an advance of progressive and leftist forces in Brazil. He saw two (or more) PMDBs in places, and "in the majority of cities, the more conservative PMDB won".

6. Reis (1985) suggests the military attempted to do precisely this in a small town in the Minas cerrado.

7. The "New Republic" (A República Nova), a phrase coined by Tancredo Neves in his presidential campaign, has been widely used to describe the post-1985 civilian regime.

8. Of these ten cities, Montes Claros, Varginha, Uberaba, and Juiz de Fora were all won by ARENA in 1976. Três Corações, Teófilo Otoni, and Unaí were won by the MDB. In addition, the three 'dike cities' in the "Valley of Steel" were opposition strongholds. Another, Poços de Caldas, was an estância hidromineral and thus its mayor was appointed.

9. Party leaders were selected to submerge pre-1964 party divisions. With Tancredo Neves (national president) from the old PSD and Hélio Garcia (state president) and Magalhães Pinto (honorary national president) representing the old UDN, PP ranks would not be restricted to members of only one of the extinct parties.

A refuge for the traditional political elite, the PP was a welcome development to the architect of party reform, retired General Golbery de Couto e Silva, who understood well the value of dividing the opposition. As a last resort, if the military had to accept defeat, better to concede to members of the traditional political elite than to the popular classes.

10. A politician from the old PSD, he served as President Goulart's prime minister, and was part of a minority that did not accept the military incursion into politics. He joined the MDB in formation, and remained with this party until its dissolution by the party reform law in 1979.

11. Expecting to be elected governor of Minas under the then current electoral and party systems, Tancredo Neves was understandably dismayed when the government's November, 1981 electoral package was made public. This electoral "reform", designed without input from PDS politicians, was decreed by the executive, over Tancredo Neves' personal protest, in response the congressional vote to abolish the sublegenda. Party discipline among the government majority could not be maintained because PDS politicians had cross-cutting interests in the sublegenda. PDS congressmen from the Northeast wished to retain it, while PDS representatives from the South, where this system benefited the PMDB, did not. The latter sided with the opposition. Military intelligence in the fall of 1981 discovered that without the sublegenda and under standing electoral arrangements, the government was in danger of losing the governors' races in more than a tolerable number of states.

Among its many provisions whose combined effect was to make opposition more difficult, especially that of smaller parties, the

"November package" banned electoral coalitions and prohibited ticket splitting. With each party forced to nominate its own candidates for all offices, including governor, Neves correctly reasoned he could not win the governorship as the candidate of only the PP (i.e. without the votes of traditional PMDB constituents and PDS voters who might otherwise have split their ballot).

12. Hélio Garcia, who oversaw the state merger, had been a member of ARENA until 1969, when, as a federal deputy, he became disgusted with the closing of congress. He did not run again in 1971. "Out of politics", he was appointed by Aureliano Chaves, then governor, as president of the state Caixa Econômica in Minas Gerais, a post which he held from 1975 to 1978. In 1979, he returned to politics under the PP banner. He was elected lieutenant governor in 1982, and jointly served as mayor of Belo Horizonte. Thus, the governor in 1984 had never been a member of the MDB. Affonso Camargo, the 'bionic' senator from Paraná who presided over the national merger, was also from the PP via ARENA.

13. Indeed, Francelino Pereira openly favored Maurício Campos.

14. The Planalto is literally the presidential palace. In common parlance in Brazil, it is used to signify the president and his advisors.

15. The left's role in the campaign was important if understated. Neves accepted the support of the left, but made no deliberate effort to mobilize it. In fact, he preferred its potential lay dormant. Taking for granted a PMDB victory in Belo Horizonte, he had no campaign planned for the state capital. Soon it became clear, however, that the campaign in the interior would be difficult: the PMDB had diretórios in only 303 cities (Estado de Minas, 11/20/83). To win, the party needed to carry Belo Horizonte and the 50 largest cities by a wide margin. The burden for delivering the urban vote fell to the left.

16. Luiz Otávio Valadares, Sílvio de Abreu Junior, Maurício de Pádua Souza, Ronan Tito, and Carlos Cotta were appointed to head the Departments of Administration, Interior and Justice, Public Works, Labor and Social Action, and Tourism and Sports (later Government and Political Coordination after the death of Renato Azeredo). Only Cotta detoured through the PP before rejoining the PMDB. At least once in Neves' short term in office two were threatened with dismissal. In August 1983, the Diário do Comércio reported: "According to an informed source, Tancredo [Neves] is studying the possibility of returning to the Assembléia Legislativa the deputies Luiz Otávio Valadares (Administration), Máuricio Pádua (Public Works), and Milton Lima (Science and Technology), in order to remove from the state legislature the alternate deputies Jaciel Pereira and João Barbosa." These two alternates belonged to the so-called "Bloco da Virada" which opposed much of Neves' proposed legislation.

17. The three economic secretaries were Luis Rogério de Castro Leite (secretary of Finance); Ronaldo Costa Couto (secretary of

Planning); and Márcio Garcia Vilela (president of the BEMGE). All three were tied to the PDS.

18. The opposition for some time debated how to approach the "indirect" election for president. With a government victory a foregone conclusion, many advocated boycotting the electoral college to be convened to ratify the government party nominee (and presumably hand-picked presidential successor) rather than legitimize an electoral farce. These people galvanized public opinion in favor of direct popular elections. A campaign for direct elections--"the most significant popular campaign in Brazilian history" (Veja, 1/16/85: 22)--took place in early 1984. It was highlighted by massive street demonstrations demanding congressional passage of an amendment providing for direct popular elections for president later that year. The campaign won the support of even the vice-president. While the amendment was doomed to fail from the beginning, the awakening of public opinion accelerated the regime change.

Never believing the congress would approve the amendment for direct elections nor that the military would permit them (he called the demonstrations "lyric"), Neves lent nominal support to the campaign while never losing sight of his candidacy within the electoral college. Minas Gerais was the virtually the last state, and Belo Horizonte the last major city, to organize public demonstrations for direct elections. According to one member of the Executive Commission of the state PMDB, the idea of the campaign was discussed only once: a sub-committee of three was appointed to study the idea, and two members, upon being named, departed immediately for personal vacations. (Interview with Roberto Martins, Belo Horizonte, August 16, 1985.)

19. Why Figueiredo behaved so passively has been the subject of much speculation. The reigning theory is that he, himself, wished to stay on as president for another four year term (Veja, 1/16/85: 24-27).

20. The fear of a coup attempt was not irrational. Security forces had attempted in 1981 to sabotage the political opening by planting a bomb (which exploded prematurely in the lap of a saboteur) at the Riocentro complex in Rio de Janeiro during a public gathering on May Day. Between August and November, 1984, once it became apparent Neves had the votes to triumph in the electoral college, the PMDB steeled itself for a coup. Expecting it to originate in Brasília under the command of General Newton Cruz, it even planned in detail a resistance. Veja (1/16/85: 40-45) provides a full account of the events of these months.

21. Tancredo Neves, according to Brazilian law, had to resign his post as governor in order to run for president. Thus Hélio Garcia became governor in July 1984. Much of the negotiations for the "Acordo" with Aureliano Chaves representing the FL fell to Garcia.

22. How the prerogatives to make these appointments were parcelled out to the dissident deputies illustrates the persistence of traditional

politics. Reportedly, when deputies could not agree amongst themselves on how to divide the spoils (different posts, of course, had different real and relative value), Israel Pinheiro provided the solution. Recalling how such disputes were resolved during the Estado Novo, he suggested that they employ the method he learned from Benedito Valadares (Vargas' interventor and later governor of Minas Gerais): the names of each post be put on separate pieces of paper, and the deputies pull these scraps of paper from a hat. Later, they could be traded amongst deputies seeking to strengthen their positions in different parts of the state (Veja, "Empregos Públicos: Como se Loteia o Governo", 7/17/85: 26-27).

23. On each count, the traditional elite was able to impose its preferences. Before naming two members of the Liberal Front to his cabinet, Helio Garcia had stated publicly he would not do so (Estado de Minas, 9/4/84), only that he would review the firings in the interior of those primary school directors, regional school administrators, and police chiefs who were PDS ward bosses (cabos eleitorais) associated with the FL. Secondly, the manner in which the issue of the comando político was resolved was an outright victory for the ex-PDS elite: the PMDB had wanted 'proportionality' to save at least some patronage resources. Finally, a fourth clause in the agreement called for direct elections for mayor to be held in the state's 13 estâncias hidrominerais in November, 1985, at the same time the mayor of Belo Horizonte was to be elected directly for the first time since 1965. The hidroestâncias, or spas, are resort or tourist cities with fountains and natural mineral water springs which possess alleged healing properties. In these cities, along with those designated "national security areas", mayors were appointed rather than directly elected. (There is no satisfactory explanation why the hidroestâncias were treated in this way.) As long as these posts were appointed by the governor and approved in the state legislature, the majority party was assured control over them. By having the schedule moved up, the PDS-FL dissidents hoped to recover by direct elections at least some of what they had lost for the first time in 1982. Thus they negotiated yet another point in their favor.

24. The command of the national PMDB was negotiated in November, 1983, prior to its ratification in the party's national convention that December. The Unidade (Unity) group loyal to Tancredo Neves emerged from the negotiations ahead of the Travessia group led by party president Ulysses Guimarães. Guimarães ceded half the posts on the Executive Commission and 43 percent of those on the national directory to the Unidade group. His own Travessia received 35 percent (the remaining 17 percent were allocated to a third Pro-partido faction composed of independents and first time congressmen). The complexion of the Executive Commission, too, changed. 'Radical' Francisco ("Chico") Pinto was pushed out of his position of first vice-president by 'moderate' senator Pedro Simon. In return for retaining the presidency, Guimarães allowed Neves to name the party's secretary-general, the post which controls the party's organization. Neves' choice, Affonso Camargo, the 'bionic' senator (appointed by the president) from Paraná who had only recently joined the PMDB via the PP and ARENA, precipitated

strong reaction from party regulars, including threats from the Travessia rank and file to organize a resistance, to cancel the convention, and to resign from the party. The threats were to no avail. By all accounts, Neves by this time was in extra-official command of the party.

25. Here we are following O'Donnell's (1985b: 8-9) useful distinction between such countries as Uruguay and Chile which had well-established democracies until their breakdowns in the 1970s and Peru, the Dominican Republic, Brazil, and Argentina, which at least since the 1930s and probably never had consolidated democratic regimes. In the former, current liberalizations represent "redemocratizations", in the latter, "democratizations". This distinction is important because in the latter group, of which Brazil is a member, democratic institutions are weak or not as yet effectively existent.

26. Huntington (1985: 149) points out the inherent difficulty in bridging the concepts of democracy as a normative ideal and one useful for comparative political analysis. Leaning toward the latter, he adopts Schumpeter's definition because, among other reasons, it can incorporate the two dimensions--contestation and participation--that Dahl sees as critical to his "realistic democracy" or "polyarchy".

Such an approach does offer the advantage of a clear yardstick by which to measure whether a regime can meet established criteria of democracy. This definition, however, is so broad as to encompass many regimes which in the eyes of even an untrained observer are questionable democracies. Does a regime with universal suffrage and regular elections for president and congress in which the military, for instance, exercises "behind the scenes" veto power, such as the Brazilian, qualify as a democracy?

27. He also doubts, I think correctly, that an advance of socioeconomic democratization is possible at the same time civilian rule is being consolidated.

28. Dahl (1971: 3) acknowledges institutions are needed to respond to citizen votes or "other expressions of preference" only in his third "opportunity"--to have preferences weighted equally in the conduct of government. In a functioning mass democracy, however, institutions, more broadly defined, are essential before the government is poised to take decisions.

29. Senhor (25/02/86: 43) reports that "The number of mayors who have sought refuge in the PMDB is about four or five per month. Two hundred mayors have submitted to [Governor Hélio] Garcia's charisma." PMDB vice-president Roberto Martins suggested that the time in which these 200 mayors converted to the PMDB was shorter, and furthermore that they were accompanied by entire PDS diretórios, during the Brazilian winter (June-August) months of 1985 (Author's interview, Belo Horizonte, August 16, 1985).

30. There were various charges levelled in 1983 and 1984 that

Neves was attempting to do just this. Paulo Maluf (25/9/84) claimed Neves fired 2000 public employees for political reasons when he became governor. The accuracy of these charges, given that Maluf was engaged in a presidential campaign with Neves, is open to serious challenge. Deputies from the PDS made similar, if less exaggerated, charges in late 1983.

31. Instead of supporting PMDB politicians in the interior who were the exceptions to this rule, Neves used the spoils of the governor's office to coopt PDS deputies. He deliberately courted PDS politicians and even used them to isolate the left of his own party who opposed his projects.

On one occasion in November 1983, the Legislative Assembly approved the creation of four new Secretariats (Transportation; Sports, Recreation, and Tourism; Culture; and Special Affairs) by a margin of 39-38. The PDS and the PT representative, Mares Guia, voted against the measure. Other than this, there is little indication of opposition to the governor, and less as time went on. Indeed, as indicated above in note 16, the more significant opposition came from the "Bloco da Virada" within the PMDB.

32. Guimarães (1985: 38-39) has pointed out that a coalition formed to hasten the dissolution of the old regime aims to be as broad as possible, and thus encumbers itself as a governing coalition.

33. Sylvia Raw has pointed out that while positive, the danger exists that enfranchising illiterates might reinforce clientelistic practices.

APPENDIX

THE MINAS ELITE, 1956-1982

Defining elites for the purposes of data analysis was an appreciably easier task than defining them in a conceptually satisfactory manner. The state elite was divided into three broad categories: technocrats, traditional political elites, and business/banking elites, and identification of its members according to sub-group was based on the route followed to power. Technocrats, to be classified as such, had to exhibit one or more of the following elements in their backgrounds: (a) an economics degree; (b) an engineering degree; or (c) service in the following public sector enterprises: CEMIG, the state electric company; USIMINAS, the federal steel company located in Minas; DER, the state highway division; and the BDMG, the state development bank. However arbitrary or deficient these criteria may seem, they go remarkably far in identifying members of the technocratic elite as conventionally viewed. Falling somewhat outside these guidelines are those professionals such as medical doctors in the Secretariat of Health and university professors in the Secretariat of Education, who are technocrats insofar as they gained their jobs on other than political grounds, an important consideration when contemplating the fate of a political class and whether or not the political system continues to reward political party service. For the purposes of this analysis, they were classified under the technocratic label.

Members of the private sector who rose in private banking and industry and commerce were the most easily distinguished. While some officeholders had served in both political posts and the private sector, the order of posts held was taken as the best indicator of the route to

power. Businessmen entered public service after careers in the private sector, and politicians joined the Boards of large corporations after many years in elective office.

Officeholders that pursued political careers were identified as members of the political or traditional political state elite. To belong to the political elite, an official must have demonstrated in his background elected (local, state, or federal) office, or membership in the executive committee of a political party (or its local or state branches) as the primary route to the high ranking offices included in this study. Members of the traditional political elite, additionally, either (a) hold a law degree (especially from the UFMG, the Federal University of Minas Gerais); (b) list landowner (fazendeiro) as one of their occupations; or (c) not least of all claim descent from a "traditional [oligarchical] family" -- "traditional families" are widely referred to in Brazil.

No minimum was placed upon the length of time an officeholders occupied a cabinet post; discrepancies in length of tenure were compensated for in the analysis by calculating the time (measured in months) that a post belonged to one or the other elite group. This study has an inherent bias away from political elites because by Brazilian electoral law, public officials wishing to contest elective office must resign their posts nine months before general elections to retain their eligibility. Hence, many politicians are replaced in the final months of a governor's term with administrators who do not intend to seek election.

Much of the elite data is from the archives of the Centro de Estudos Mineiros, a research facility connected with the Federal University of Minas Gerais. The Center's extensive holdings on Minas elites are the product of a massive research project whose end was to compile a dictionary of Minas elites from the Old Republic to 1975. Among the multiple data sources used by the Center's research staff were the records of the Arquivo Público de Minas Gerais, questionnaires completed by relatives and prominent informants from the subjects' hometowns, obituaries, personal interviews, the work of such historians as David Fleischer, and studies of congressmen conducted in the 1970s. The cross-checking of information already performed by the Center's historians attests to the reliability of the data employed in this thesis. To supplement this data, most notably for recent officeholders but also for posts in the state banking system, I obtained information from the secretariats and banks which these elites headed, newspaper and magazine accounts, and the curriculum vitae of officeholders obtained from the governor's staff.

The data upon which this analysis was based fall into the following categories:

I. Summary Information

Birth: place/date
Death: place/date
Father: name/occupation
Mother: name
Civil status: (if married, to whom)
Father-in-law's occupation
Education:
--secondary (name and place of school)
--university (name and place of school, faculty, date of graduation)
--any other courses, degrees, including foreign
Occupations (no limit on number)

Relatives in Politics: names, posts
Political Career (summary: posts, dates in office)
Local }
State } distinguished by executive and legislative service
Federal }
Political party affiliation(s)

II. Additional Information

Elite posts held in other states
Ambassadorships
Unsuccessful candidacies
Local, state, and federal positions in political parties (also floor
leaders, whips)
If practiced law, when and where
If practiced medicine, when and where
Other private sector activity (e.g. industries owned, bank offices held)
Experience in public enterprises
Any service in a department secretary's administration such as
undersecretary, personal secretary to a secretary, division lawyer,
and so forth. The same would apply for a major's administration,
especially for Belo Horizonte.
Other appointed posts (Director of the State Press, etc.)
Judicial posts (Supreme Court judgeships)
Children (names, number)
Foreign travel (including conferences, delegations, etc.)
Publications (political, technical, and literary)
Honors, Awards (Medalha de Inconfidência)
For Congressmen
--parliamentary commissions on which served (chairmanships)
--positions taken on monumental issues, such as adoption of the
parliamentary regime in 1961, nationalization of steel
--any distinguished service, such as introduction of important
legislation
If signed the Manifesto dos Mineiros (1943 document drafted by future
leaders of UDN protesting Vargas dictatorship)
Famous classmates (especially prevalent in the case of old UDN
politicians who attended the law school of the Federal University
of Minas Gerais)
Descent from traditional families
Courses at the Superior War College
Landholding
Elected offices in the state Legislative Assembly

All cabinet rank positions except military portfolios were included
in this study. While the analysis attempts to consider the implications
for traditional political elite persistence of the loss of the state

security apparatus (the Department of Public Security) after 1970, the social origins and career patterns of members of a military elite per se were not analyzed. Other executive positions in the state judged powerful were presidencies of state banks and the mayor of Belo Horizonte. In the federal arena, Mineiros who occupied national cabinet and bank positions were included in the study. The posts defined for analysis are:

A. State Office:

Governor
Lieutenant Governor
Secretary of the Interior and Justice
Secretary of Finance
Secretary of Agriculture, Industry, Commerce, and Labor (1956-1963)
Secretary of Agriculture (1963-1982)
Secretary of Education
Secretary of Public Works
Secretary of Health
Secretary of Public Security (1956-1970)
Secretary of Administration (1963-1982)
Secretary of Government (1963-1982)
Secretary of Planning (1970-1982)
Secretary of Industry, Commerce, and Tourism (1972-1982)
Secretary of Economic Development (1964-1966)
Secretary of Science and Technology (1977-1982)
Secretary of Labor (1963-1982)
Secretary of Social Action Affairs (1964-1966)
Secretary of Rural Credit and Supply Affairs (1964-1966)
President, State Development Bank
President, Banco de Crédito Real
President, Caixa Econômica do Estado de Minas Gerais
President, Banco Mineiro da Produção (1956-1967)
President, Banco Hipotecário e Agrícola do Estado de Minas Gerais (1956-1967)
President, Banco do Estado de Minas Gerais (1967-1982)
President, State Legislative Assembly
Mayor, Belo Horizonte

B. National Office:

President

Vice-President
 Head, President's Civil Cabinet
 Prime Minister (1961-1962)
 Minister of Justice
 Minister of Foreign Relations
 Minister of Finance
 Minister of Transportation
 Minister of Agriculture
 Minister of Education and Culture
 Minister of Labor and Social Security
 Minister of Health
 Minister of Mines and Energy
 Minister of Industry and Commerce
 Minister of Planning and General Coordination
 Minister of the Interior
 Minister of Communications
 President, Bank of Brazil
 President, National Economic Development Bank
 President, Chamber of Deputies
 President, Senate

Elites who occupied these posts:

A. State Posts

Governor

José Francisco Bias Fortes	Jan. 31, 1956 - Jan. 31, 1961
José de Magalhães Pinto	Jan. 31, 1961 - Jan. 31, 1966
Israel Pinheiro da Silva	Jan. 31, 1966 - March 15, 1971
Rondon Pacheco	March 15, 1971 - March 15, 1975
Antônio Aureliano Chaves de Mendonça	March 15, 1975 - July 5, 1978
Levindo Ozanam Coelho	July 5, 1978 - March 15, 1979
Francelino Pereira dos Santos	March 15, 1979 - March 15, 1983

Lieutenant Governor

Artur Bernardes Filho	Jan. 31, 1956 - Jan. 31, 1961
Clóvis Salgado da Gama	Jan. 31, 1961 - Jan. 31, 1966
Pio Soares Canedo	Jan. 31, 1966 - March 15, 1971
Célso Porfírio de Araújo Machado	March 15, 1971 - Sept. 13, 1974
Levindo Ozanam Coelho	March 15, 1975 - July 5, 1978

João Marques de Vasconcellos

March 15, 1979 -

Secretary of the Interior (and Justice)

José Ribeiro Pena	Jan. 31, 1956 - July 29, 1958
Cândido Martins de Oliveira	July 29, 1958 - March 13, 1959
Juarez de Souza Carmo	March 13, 1959 - Jan. 30, 1961
Osvaldo Pierucetti	Jan. 31, 1961 - April 19, 1961
Rondon Pacheco	April 19, 1961 - May 28, 1962
João Franzem de Lima	May 28, 1962 - Jan. 8, 1963
Mário Casasanta	Jan. 8, 1963 - March 31, 1963
Dilermando Rocha	April 2, 1963 - May 21, 1963
Raul de Barros Fernandes	May 21, 1963 - Jan. 3, 1964
Osvaldo Pierucetti	Feb. 26, 1964 - Sept. 30, 1964
Geraldo Martins Silveira	Oct. 1, 1964 - Dec. 8, 1964
Manuel Taveira de Sousa	Dec. 9, 1964 - July 1, 1965
Hélio Garcia	July 1, 1965 - Aug. 5, 1965
José Monteiro de Castro	Aug. 5, 1965 - Nov. 16, 1965
Jose de Faria Tavares	Nov. 19, 1965 - Dec. 22, 1965
Luiz Fernando Faria de Azevedo	Jan. 31, 1966 - Aug. 11, 1966
Ciro Franco	Aug. 12, 1966 - April 25, 1967
João Franzem de Lima	April 25, 1967 - March 14, 1971
Rafael Caio Nunes Coelho	March 15, 1971 - Feb 23, 1973
Expedito de Faria Tavares	March 2, 1973 - March 15, 1975
Bonifácio José Tamm de Andrada	March 15, 1975 - May 15, 1978
Elias de Souza Carmo	May 15, 1978 - March 15, 1979
Dênio Moreira de Carvalho	March 15, 1979 - Feb. 15, 1982
Lourival Brasil Filho	Feb. 16, 1982 -

Secretary of Finance

Tristão Ferreira da Cunha	Jan. 31, 1956 - June 30, 1958
Tancredo de Almeida Neves	July 18, 1958 - June 28, 1960
José Bolivar Drumond	June 28, 1960 - Jan. 30, 1961
Olavo Bilac Pereira Pinto	Jan. 31, 1961 - May 29, 1962
Darcy Bessone de Oliveira	
Andrade	May 29, 1962 - Jan. 2, 1963
José Monteiro de Castro	Jan. 8, 1963 - Dec. 30, 1963
Antônio de Pádua Rocha Diniz	Dec. 30, 1963 - March 30, 1964
José Maria Alkmim	March 30, 1964 - April 16, 1964
Miguel Augusto Gonçalves de	
Souza	May 4, 1964 - July 1, 1965
Domingos de Carvalho Mendanha	July 1, 1965 - Aug. 9, 1965
Guilherme Machado	Aug. 9, 1965 - Jan. 30, 1966
João Ewerton Quadros	Jan. 31, 1966 - May 6, 1966
Célso Cordeiro Machado	May 6, 1966 - Sept. 2, 1966

Jofre Gonçalves Souza	Sept. 2, 1966 - April 14, 1967
Ovidio Xavier de Abreu	April 14, 1967 - Jan. 13, 1970
Luiz Cláudio de Almeida Magalhães	Jan. 13, 1970 - March 14, 1971
Fernando Antônio Roquete Reis	March 15, 1971 - March 18, 1974
Lucio de Souza Assumpção	March 18, 1974 - March 15, 1975
João Camilo Pena	March 15, 1975 - March 15, 1979
Márcio Manoel Garcia Vilela	March 15, 1979 -

Secretary of Agriculture, Industry, Commerce, and Labor

Álvaro Marcílio	Jan. 31, 1956 - Jan. 24, 1961
Abel Rafael Pinto	Jan. 31, 1961 - Aug. 21, 1961
Paulo Salvo	Sept. 14, 1961 - June 22, 1962
Roberto Ribeiro de Oliveira Resende	June 22, 1962 - Oct. 4, 1963

Secretary of Agriculture

Roberto Ribeiro de Oliveria Resende	Oct. 4, 1963 - June 1, 1964
José de Alencar Carneiro	June 1, 1964 - July 1, 1965
Francisco Rafael Ottoni Teatini	July 2, 1965 - Sept. 13, 1965
Roberto Ribeiro de Oliveira Resende	Oct. 18, 1965 - Jan. 30, 1966
Evaristo Soares de Paula	Jan. 31, 1966 - Feb. 17, 1970
Vitor Andrade Brito	March 20, 1970 - March 14, 1971
Alysson Paulinelli	March 15, 1971 - Feb. 22, 1974
Renato Simplicio Lopes	Feb. 22, 1974 - March 15, 1975
Agripino Abranches Viana	March 15, 1975 - March 15, 1979
Gerardo Henrique Machado Renault	March 15, 1979 - Feb. 15, 1982
Antônio Álvares da Silva	Feb. 16, 1982

Secretary of Education

Abgar Renault	Jan. 31, 1956 - March 13, 1959
Ciro Aguiar Maciel	March 13, 1959 - Jan. 31, 1961
Oscar Dias Corrêa	Jan. 31, 1961 - May 17, 1962
José de Faria Tavares	May 17, 1962 - Feb. 7, 1964
Antônio Aureliano Chaves de Mendonça	Feb. 7, 1964 - July 1, 1965

Antônio Augusto de Melo	July 1, 1965 - Aug. 11, 1965
Cançado	Aug. 11, 1965 - Jan. 30, 1966
Bonifácio José Tamm de Andrada	Jan. 31, 1966 - Aug. 11, 1966
Gilberto Antunes de Almeida	Aug. 12, 1966 - Feb. 21, 1967
Gerson de Brito Mello Bozon	April 14, 1967 - Jan. 13, 1970
José Maria de Alkmim	Jan. 13, 1970 - March 14, 1971
Heráclito Mourao de Miranda	March 15, 1971 - March 20, 1973
Caio Benjamin Dias	April 25, 1973 - March 15, 1975
Agnelo Corrêa Vianna	March 15, 1975 - July 6, 1978
José Fernandes Filho	July 6, 1978 - March 15, 1979
Eugenio Klein Dutra	March 15, 1979 - (1980)
Paulino Cícero de Vasconcelos	(1980)
Eduardo Levindo Coelho	

Secretary of Public Works

Feliciano de Oliveira Pena	Jan. 31, 1956 - June 30, 1958
Belmiro Medeiros da Silva	July 18, 1958 - March 13, 1959
Ulisses Marcondes Escobar	March 13, 1959 - May 17, 1960
Bento Gonçalves Filho	June 20, 1960 - Jan. 30, 1961
José Ribeiro Pena	Jan. 31, 1961 - Oct. 13, 1961
Ademar Resende de Andrade	Oct. 13, 1961 - April 24, 1962
Temístocles Alves Barcelos	
Corrêa	Aug. 20, 1962 - Jan. 8, 1963
Lúcio de Souza Cruz	Jan. 8, 1963 - Jan. 30, 1963 and
	Jan. 31, 1963 - July 1, 1965
Felisberto Neves	July 1, 1965 - Aug. 10, 1965
Antônio Aureliano Chaves de	
Mendonça	Oct. 10, 1965 - Jan. 30, 1966
José de Lima Barcelos	Jan. 31, 1966 - May 29, 1968
Orlando de Andrade	May 29, 1968 - March 4, 1969
Joaquim Roberto Leão Borges	April 30, 1969 - Jan. 13, 1970
Eduardo da Silva Bambilra	Jan. 13, 1970 - March 14, 1971
Ildeu Duarte Filho	March 15, 1971 - March 1, 1974
Euler Martini Brina	March 1, 1974 - March 15, 1975
Fernando Fagundes Neto	March 15, 1975 - April 20, 1975
Chrispim Jacques Bias Fortes	May 6, 1975 - (1978)
Gilberto Antunes de Almeida	(1978) - March 15, 1979
Carlos Eloy Carvalho Guimarães	March 15, 1979 - Feb. 15, 1982
Cêlso Melo de Azevedo	Feb. 16, 1982

Secretary of Health

Washington Ferreira Pires	Jan. 31, 1956 - Aug. 1, 1958
Austregésilo Ribeiro de	
Mendonça	Oct. 7, 1958 - Jan. 30, 1961

Roberto Ribeiro de Oliveira Resende	Jan. 31, 1961 - June 22, 1962
José Pinto Machado	June 22, 1962 - Jan. 7, 1963
Ladislau Sales	Jan. 8, 1963 - April 1, 1964
Eurico Alvarenga Figueiredo	May 12, 1964 - Oct. 3, 1964
Salim Teófilo Nacur	Oct. 3, 1964 - June 8, 1965
João Vaz da Silva Sobrinho	June 9, 1965 - Aug. 11, 1965
Teófilo Ribeiro Pires	Aug. 10, 1965 - Jan. 30, 1966
Austregésilo Ribeiro de Mendonça	Jan. 31, 1966 - March 1, 1966 and March 3, 1966 - Aug. 11, 1966
Ênio Pinto Corrêa	Nov. 4, 1966 - April 19, 1967
Clóvis Salgado da Gama	April 19, 1967 - March 14, 1971
Fernando Megre Veloso	March 15, 1971 - March 15, 1975
Dario de Faria Tavares	March 15, 1975 - May 15, 1978
Francisco Gilberto Reis de Araújo	May 15, 1978 - March 15, 1979
Eduardo Levindo Coelho	March 15, 1979 - (1980)
João Valle Maurício	(1980)

Secretary of Public Security

Paulo Pinheiro Chagas	May 15, 1956 - July 6, 1957
Paulo Pinheiro Chagas	July 8, 1957 - June 30, 1958
José Ribeiro Pena	July 29, 1958 - Dec. 29, 1959
Célso Porfírio de Araújo Machado	Dec. 29, 1959 - Jan. 30, 1961
José de Faria Tavares	Jan. 31, 1961 - May 17, 1962
Mauro da Silva Gouvêa	May 22, 1962 - Jan. 2, 1963
Caio Mário da Silva Pereira	Jan. 11, 1963 - Jan. 16, 1964
José Monteiro de Castro	Jan. 16, 1964 - July 1, 1965
Gilberto Alves da Silva Dolabela	July 1, 1965 - Aug. 9, 1965
Manoel Taveira de Souza	Aug. 9, 1965 - Sept. 13, 1965
José Monteiro de Castro	Nov. 16, 1965 - Jan. 30, 1966
Crispim Jacques Bias Fortes	Jan. 31, 1966 - Aug. 11, 1966
Joaquim Ferreira Gonçalves	Aug. 12, 1966 - Jan. 16, 1970

Secretary of Administration

Paulo Neves de Carvalho	Oct. 15, 1963 - July 1, 1965
Glaura Vasques de Miranda	July 1, 1965 - Nov. 17, 1965
Paulo Neves de Carvalho	Nov. 19, 1965 - Jan. 30, 1966
Hugo Aguiar	Jan. 31, 1966 - Aug. 11, 1966
Raimundo Nonato de Castro	Aug. 12, 1966 - April 18, 1967
Francisco Bilac Moreira Pinto	April 18, 1967 - Jan. 13, 1970
Raimundo Nonato de Castro	Jan. 13, 1970 - March 20, 1970

Domingos de Carvalho Mendanha	March 20, 1970 - March 14, 1971
José Gomes Domingues	March 15, 1971 - March 15, 1975
Lourival Brasil	March 15, 1975 - May 15, 1978
José Antônio Vasconcelos Costa	May 15, 1978 - March 15, 1979
José Machado Sobrinho	March 15, 1979 - Feb. 15, 1982
Morvan Acaiaba de Resende	Feb. 16, 1982 -

Secretary of Government

José Aparecido de Oliveira	Oct. 15, 1963 - March 9, 1964
Roberto Ribeiro de Oliveria Resende	May 29, 1964 - July 1, 1965
Constantino Dutra do Amaral	July 2, 1965 - Aug. 9, 1965
Miguel Augusto Gonçalves de Souza	Aug. 9, 1965 - Jan. 30, 1966
Murilo Paulino Badaró	Jan. 31, 1966 - Aug. 11, 1966
José Pereira de Faria	Aug. 12, 1966 - May 26, 1967
Raul Bernardo Nelson de Senna	May 26, 1967 - Jan. 12, 1970
José Mesquita Lara	Feb. 15, 1971 - March 14, 1971
Abílio Machado Filho	March 15, 1971 - March 15, 1975
Márcio Manoel Garcia Vilela	March 15, 1975 - July 6, 1978
Eduardo Levindo Coelho	July 6, 1978 - March 14, 1979
Humberto de Almeida	March 15, 1979

Secretary of Planning

Vitor Andrade Brito*	June 5, 1969 - March 20, 1970
Raimundo Nonato de Castro	March 20, 1970 - March 14, 1971
Paulo José de Lima Vieira	March 15, 1971 - Oct. 29, 1973
Paulo Valadares Versiani Caldeira	Oct. 29, 1973 - March 15, 1975
Paulo Camilo de Oliveira Penna	March 15, 1975 - Sept. 28, 1976
Hélio Braz de Oliveira Marques	Nov. 18, 1976 - March 15, 1979
Paulo Roberto Haddad	March 15, 1979

*Served from May 30, 1967; formally ratified as secretary on June 5, 1969

Secretary of Industry, Commerce, and Tourism

Francisco Antônio de Noronha	Nov. 3, 1972 -
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Luiz Verano	March 15, 1975 - April 30, 1975
Fernando Fagundes Neto	April 20, 1975 - May 15, 1978
Márcio Manoel Garcia Vilela	May 15, 1978 - March 15, 1979
José Romualdo Cançado Bahia	March 15, 1979

Secretary of Economic Development

Célso de Melo Azevedo	Jan. 28, 1964 - Aug. 20, 1964
Darcy Bessone de Oliveira Andrade	Aug. 20, 1964 - July 1, 1965
José Cabral	July 2, 1965 - Aug. 9, 1965
Jarbas Nogueira de Medeiros Silva	Aug. 10, 1965 - Jan. 30, 1966
Luiz Gonzaga de Sousa Lima	Jan. 31, 1966 - April 20, 1966

Secretary of Science and Technology

José Israel Vargas	(1977) - March 15, 1979
Fernando Fagundes Neto	March 15, 1979 - Feb. 15, 1982
Hélio Machado	Feb. 16, 1982

Secretary of Labor*

Edgar Godoy da Mata Machado	Oct. 7, 1963 - April 6, 1964
Paulo Antunes	May 6, 1964 - July 1, 1965
Jenner José de Araújo	July 2, 1965 - Sept. 28, 1965
Arcélio Santim	Sept. 28, 1965
Euclides Pereira Cintra	Jan. 31, 1966 - Aug. 11, 1966
Agnelo Corrêa Viana	Aug. 12, 1966 - July 31, 1967
Geraldo Sardinha Pinto	May 2, 1969 - March 14, 1971
Cicero Dumont	March 15, 1971 - May 14, 1974
Ruy da Costa Val	May 24, 1974 - March 15, 1975
Mario Assad	March 15, 1975 - May 15, 1978
João Bello de Oliveira Filho	June 5, 1978 - March 15, 1979
João Pedro Gustin	March 15, 1979

Secretary of Social Action Affairs*

Milton Soares Campos	April 6, 1964 - Aug. 10, 1965
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Wilson Chaves	Aug. 10, 1965 - Jan. 30, 1966
Sebastião Navarro Vieira	Jan. 31, 1966 - Aug. 11, 1966

*Department of Labor and Popular Culture incorporated Department of Social Affairs on Oct. 14, 1966

Secretary for Rural Credit and Supply Affairs

Afonso Arinos de Melo Franco	April 6, 1964 - April 20, 1965
Aníbal Teixeira de Souza	April 20, 1965 - Aug. 9, 1965
Jorge Ferraz	Aug. 10, 1965 - Jan. 30, 1966
Feliciano de Oliveira	Jan. 31, 1966 - Aug. 11, 1966
Vitor Andrade Brito	Aug. 12, 1966 - Oct. 14, 1966

President, State Development Bank

Obregon de Carvalho	Sept. 21, 1962 - March 5, 1963
Paulo Camillo de Oliveira Penna	March 6, 1963 - Jan. 28, 1966
Nansen Araújo	Jan. 29, 1966 - March 15, 1966
José Monte Verne Rodarte	March 16, 1966 - Jan. 16, 1967
Hindemburgo Chateaubriand Pereira Diniz	Jan. 17, 1967 - Sept. 15, 1970
Silviano Cançado de Azevedo	Sept. 16, 1970 - March 21, 1971
Lúcio de Souza Assumpção	March 22, 1971 - April 3, 1974
Marco Tulio Felício da Silva	April 4, 1974 - March 20, 1975
Abílio dos Santos	March 21, 1975
Luiz Anibal de Lima Fernandes	

President, Banco de Crédito Real

Joel de Paiva Côrtes	1954 - 1961
Oswaldo Pierucetti	1961 - 1965
José Tostes de Alvarenga Filho	1965 - 1966
João Ewerton Quadros	1966 - 1967
Maurício Chagas Bicalho	
Paulo Abércio Baptista de Oliveira	March 2, 1970 - April 28, 1971
Bolivar Carvalho	April 29, 1971 - April 30, 1974
Paulo de Oliveira Naves	May 9, 1974 - April 23, 1975
Miguel Augusto Gonçalves de Souza	April 23, 1975

Antônio Ferreira Alvares da
Silva

President, Caixa Econômica do Estado de Minas Gerais

Hermelindo Paixão	March 14, 1955 -
Álvaro Batista de Oliveria	
Elias de Souza Carmo	Feb. 16, 1961
Milton Salles	
Nylton Moreira Velloso	Sept. 3, 1963
Milton Costa	
Paulo Veiga Sales	
José Rezende Ribeiro	April 15, 1971
Hélio Carvalho Garcia	March 20, 1975 - May 15, 1978
Feud Farhat	
Júlio Arnoldo Laender	

President, Banco Mineiro da Produção*

João Ewerton Quadros	Sept. 29, 1951 - Dec. 19, 1961
José Ribeiro Penna	Dec. 19, 1961 - July 1, 1965
Paulo Macedo Gontijo	July 1, 1965 - May 12, 1966
Paulo Veiga Salles	April 27, 1966 - Jan. 3, 1967
Maurício Chagas Bicalho	March 3, 1967 - Aug. 30, 1967

President, Banco Hipotecário e Agrícola do Estado de Minas Gerais*

Edson Álvares da Silva	April 29, 1951 - Oct. 16, 1961
Vicente de Araújo	Dec. 19, 1961 - Feb. 5, 1965
Joviano Rodrigues de Morães	
Jardim	April 28, 1966 - Jan. 3, 1967
Maurício Chagas Bicalho	Jan. 3, 1967 - Aug. 30, 1967

President, Banco do Estado de Minas Gerais*

Maurício Chagas Bicalho	Sept. 1, 1967 - Nov. 14, 1967
João Ewerton Quadros	Nov. 14, 1967 - Dec. 22, 1969
Paulo Abércio Baptista de Oliveira	Dec. 22, 1969 - March 19, 1970
Ângelo Amaury Stabile	March 19, 1970 - April 23, 1971

José Cabral	April 23, 1971 - June 6, 1972
Mauro Thibau	June 6, 1972 - Jan. 28, 1974
Armando Terra Caldeira	Jan. 28, 1974 - Feb. 22, 1978
Alysson Paulinelli	

*The Banco Mineira da Produção and the Banco Hipotecário e Agrícola de Minas Gerais merged on August 31, 1967, to form the new Banco do Estado de Minas Gerais (BEMGE).

President, State Legislative Assembly

José Augusto Ferreira Filho	1956, 1957, 1958, 1959, 1960
Francisco de Castro Pires Junior	1961
Pio Soares Canedo	1962
Walthon de Andrade Goulart	1963, 1964
Jorge Vargas	1965
Bonifácio José Tamm de Andrada	1966
Manoel da Silva Costa	1967, 1968
Orlando de Andrade	1969
Homero Santos	1970
Expedito de Faria Tavares	1971, 1972
Rafael Caio Nunes Coelho	1973, 1974
João de Araújo Ferraz	1975, 1976
Antônio Soares Dias	1977, 1978
João Carlos Ribeiro de Navarro	1979, 1980
José Santana de Vasconcellos Moreira	1981, 1982

Mayor, Belo Horizonte

Célso Melo de Azevedo	Feb. 1, 1955 - Jan. 31, 1959
Amintas de Barros	Jan. 31, 1959 - Jan. 31, 1963
Jorge Carone Filho	Jan. 31, 1963 - Jan. 31, 1965
Oswaldo Pierucetti	Jan. 31, 1965 - Jan. 31, 1967
Luiz Gonzaga de Sousa Lima*	Jan. 31, 1967 - March 18, 1971
Oswaldo Pierucetti*	March 18, 1971 -
Luiz Verano*	April 9, 1975 -
Maurício de Freitas Teixeira Campos*	April 4, 1979 -

*appointed

B. National Posts

President

Juscelino Kubitschek de
Oliveira Jan. 31, 1956 - March 31, 1961

Vice-President

José Maria Alkmim April 15, 1964 - March 15, 1967
Pedro Aleixo March 15, 1967 - October 14, 1969
Antônio Aureliano Chaves de
Mendonça March 15, 1979 - March 15, 1983

Prime Minister (also President, Council of Ministers)*

Tancredo de Almeida Neves approx. Sept. 1961 - July, 1962

*Following the resignation of Jânio Quadros as President in 1961, the military set as a condition for permitting Vice-President João Goulart (whom top military officers considered too radical) to assume the presidency the adoption of a parliamentary system of government, with the express intention to dilute the strength of the office of president. The presidential system was restored in January, 1963.

Head, President's Civil Cabinet

Victor Nunes Leal Nov. 5, 1956 - Aug. 10, 1959
José Sette Câmara Filho Aug. 10, 1959 - April 27, 1960
Oswaldo Maia Penido April 27, 1960 - Sept. 22, 1960
Darcy Ribeiro June 18, 1963 - April 2, 1964
Rondon Pacheco March 15, 1967 - Oct. 30, 1969

Minister of Finance

José Maria Alkmim	Jan. 1956 - June, 1958
Lucas Lopes	June 25, 1958 - June 3, 1959
Walter Moreira Salles	Sept. 9, 1961 - Sept. 14, 1962
Francisco Clementino de San Tiago Dantas	approx. 1963 - April 1, 1964

Minister of Industry and Commerce

Allyrio de Salles Coelho	(Kubitschek government)
Artur da Silva Bernardes Filho	(Jânio Quadros government - 1961)
João Camilo Penna	(Figueiredo government)

Minister of Foreign Relations

Francisco Negrão de Lima	(Kubitschek government)
Afonso Arinos de Mello Franco	1961
Francisco Clementino San Tiago Dantas	(Goulart, presidential regime)
José de Magalhães Pinto	March 17, 1967 - October 14, 1969

Minister of Justice

Tancredo de Almeida Neves	Sept. 8, 1961 - Oct. 13, 1961
Milton Soares Campos	1964 - 1965
Carlos Medeiros Silva	July 19, 1966 - March 15, 1967
Ibrahim Abi-Ackel	(Figueiredo government)

Minister of Transportation

Eliseu Resende	(Figueiredo government)
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Minister of Education and Culture

Abgar Renault	Nov. 24, 1955 - Jan. 31, 1956
Clóvis Salgado da Gama	Jan. 31, 1956 - July 1, 1960

Pedro Paulo Penido	July 1, 1960 - Oct. 18, 1960
Clóvis Salgado da Gama	Oct. 18, 1960 - Jan. 31, 1961
Darcy Ribeiro	Sept. 18, 1962 - Jan. 23, 1963
Pedro Aleixo	Jan. 10, 1966 - June 30, 1966

Minister of Labor and Social Security

João Pinheiro Netto	Sept. 18, 1962 - Dec. 6, 1962
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Minister of Mines and Energy

Gabriel de Rezende Passos	Sept. 11, 1961 - June 18, 1962
Mauro Thibau	April 17, 1964 - March 15, 1967

Minister of Health

Paulo Pinheiro Chagas	1963
Francisco de Paula Rocha Lagoa	Nov. 1969 - June, 1972

Minister of Agriculture

Alysson Paulinelli	March 15, 1974 -
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Minister of Public Works

Lucas Lopes	Nov. 14, 1955 - Jan. 31, 1956
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Presidents, Chamber of Deputies

Carlos Coimbra da Luz	Feb. 3, 1955 - Nov. 11, 1955
Olavo Bilac Pereira Pinto	Feb. 24, 1965 - March 1, 1966
Adauto Lucio Cardoso	March 2, 1966 - Nov. 28, 1966
José Bonifácio Lafayette de	Feb. 23, 1968 - Dec. 13, 1968 and

Andrada
Gerardo Freire da Silva

Oct. 22, 1969 - March 29, 1970
March 30, 1970 - Feb. 2, 1971

President, Bank of Brazil

Sebastião Paes de Almeida
Maurício Chagas Bicalho
Nilo Medina Coeli

Feb. 16, 1956 - June 3, 1959
June 3, 1959 - June 1, 1960
July 22, 1963 - March 31, 1964

President, National Economic Development Bank

Lucas Lopes
Tancredo de Almeida Neves

Feb. 1956 -
1957 - 1958

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