

LECTURES ON BRAZILIAN AFFAIRS¹

I

GLIMPSES OF BRAZILIAN HUMAN GEOGRAPHY

I HAVE been asked to talk about my country. What a lot I should find if only time were given to me, but happily enough for you, minutes and not hours have been allotted to the task. So I have to try to put in a few words some definite information about a country of eight and a half million square kilometers and forty-five million inhabitants.

Accordingly, I am not going to tell you anything about our tropical climate or our great rivers, the Amazon, the Paraná, or the São Francisco. I am not even going to tell you either about our having been a European colony for three centuries (the fact is pretty common among us Americans), or about our empire that lasted almost seventy years (that has been our originality), or about our fifty-year-old Republic. All these facts of our national background are so well known in the States that mere allusion to them would make this discussion sound like the introduction to a traveler's guide. I shall rather point out to you a few characteristic features of our past and of our present, picked at random for their connection with our geography.

¹Several of a series of lectures delivered at the Rice Institute in March and April, 1940, by Dr. Carlos Delgado de Carvalho, Professor of Sociology in the Colegio Pedro II of Rio de Janeiro and Professor of the Geography of Brazil in the University of Brazil, accredited as Visiting Carnegie Professor to Washington and Lee University, the Rice Institute, and the University of Michigan, by the Carnegie Endowment for International Peace.

198 Lectures on Brazilian Affairs

I. TWO HISTORICAL FACTS

The first historical event I intend to submit for your consideration is that our frontiers were traced before we had been discovered. It is not strictly true to say *we*, because at that time *we* were in Portugal. This requires some explanation. As the discoveries of Columbus were possible causes of conflict between Spain and Portugal, Alexander VI, the Spanish Pope, divided the Western World from that of the East by the so-called Demarcation Line of 1493. The undiscovered part of the world was to be divided between Spain and Portugal with the imaginary line placed about one hundred leagues west of the Azores and Cape Verde Islands.

It is said that the Portuguese already had in their Archives of Overseas secret knowledge of the existence of continents in the Western World. Therefore they insisted on having an alteration of the Papal Bull, so that by direct negotiations of King John II of Portugal at Tordesillas in June 1494, the Demarcation Line was pushed westward by over 370 leagues.

The Spaniards, lured by the isles of Central America, left unknown South America to the Portuguese, who six years later, on their way to India, landed on their allotment here just to set foot on the land secured by their diplomatic victory. There was no other inconvenience in the discovery of Brazil. Yet the Tordesillas Line would not explain the present extent of Brazilian territory if there had been no further "pushing back of the meridian," as we say.

The second historical event I wish to point out is the result, the happy result, of the great unhappiness of Portugal, known as the "Sixty Years' Captivity," during which the Spaniards of the Philippine dynasty ruled the dominions of the Portuguese.

Brazilian Human Geography 199

Since Philip II ruled both Spain and Portugal, nobody paid any attention to the westward push of the Luso-Brazilians into the wilderness between 1580 and 1640. In these sixty years the sovereignty of the Portuguese State was lost, but the spirit of nationality did not abate; on the contrary, it seems that it took refuge in Brazil, where a steady stream of Portuguese and even Spanish immigration began to worry the Spanish monarchy. Protected against Spain by being Spanish and against French ambition, Brazilian pioneers, the *bandeirantes*, began to raid the hinterland, taking no notice of the Demarcation Line, that was soon crossed and left behind by these spirited explorers and conquerors. After 1640, it was late for the Spaniards to recover the ground unwittingly lost to the Portuguese. The treaty of Madrid, in 1750, recognized a *de facto* situation on the ground of the *uti possidetis*. The frontiers reached at that time obliterated the Tordesillas Line and outlined our present boundaries.

It is thus easy to understand that the primary geographical influence acting upon Brazilian history is that of geographical remoteness. It is the same principle we find in many colonial stories: the Brazilian settlements were far from Lisbon, as Britain was far from Rome, as New England was far from London, and the same fact acted in the same way. The autonomous institutions of the Portuguese isles of the Atlantic were applied to Brazil; captaincies were formed. A certain particularism was born that explains the federalism as a natural consequence of the traditions of our own past.

The local history of Pernambuco, Minas Geraes, and São Paulo is rich in episodes that illustrate the consequences of geographical remoteness. It took the indomitable strength of the *mamelucos* of São Paulo to keep together the different parts of the colony.

200 Lectures on Brazilian Affairs

During long years, the Brazilian historical centers, connected only by the sea, remained in isolation and acquired peculiar characteristics: Pernambuco appears to us as the symbol of republican and radical ideals, relentless throughout our history; Bahia is the watchtower of religious faith and Portuguese traditionalism; São Paulo carries the banner of liberalism in the constitutional monarchy as well as in the civilian republic; Rio Grande, with its frontier spirit, stands for federalism and strong nationalistic ideals. Rio de Janeiro, as a true political center, reflects, by turns, these different projections.

II. GEOGRAPHICAL INTERPRETATION OF HISTORY

The study of our history allows geographical interpretations of many of the present social features of Brazil. The coastline, the highlands, the rivers, and the climate have bearings of great interest on the development of the country. It is my purpose to refer briefly to each of these sets of conditions.

1. The continent of Brazil is massive and her shores extend over 36° of latitude. As land and water frontiers are equivalent, we may say that her "maritimity" is 50 per cent, in Ratzel's phrase. The littoral indentations and islands are few, and the articulations are small. The width of the coastal area varies from north to south: wide in the Amazonian latitudes, narrow in the neighborhood of Rio and Santos; alternatively low and sandy, high and rocky. The accessibility of the hinterland varies in the same terms.

It would be misleading to study the influences of such data on human occupation without bearing in mind that these geographical conditions had to act on newcomers belonging to a civilized, seafaring people, with a colonial policy of their own and addicted to the methods of the epoch.

The northern part of the country was occupied in turn by European seafaring peoples, the Portuguese, the Dutch, and even the French. The only ones that tried to develop inland resources were the Portuguese; the others had more commercial purposes and did not overstep the fall-line of the Atlantic rivers. These social elements, however, had to keep contact with the mother country. I suppose a native civilization would have been of less importance to it.

That fact helps us to understand the peripheral colonization which characterizes the first period of Brazilian history. This phase may be called the period of "hem colonization." "Thus, for nearly two centuries," says an early Brazilian historian, Vicente de Salvador, "the colonists went on scratching the coast like crabs." The highway of communications remained for a long time the sea; even today, the usual connection between north and south is still the sea.

As a political consequence of the peripheral or hem colonization we find in Brazil a striking application of the geographical law of "territorial continuity." Therefore, after the colonization of São Vicente and Espirito Santo, the connecting link, Rio de Janeiro, was founded; after Bahia and Pernambuco, Sergipe was needed; in the south, the occupation of Colonia do Sacramento led to the foundation of Laguna and Rio Grande do Sul. The law applies even when one of the terms of the series is foreign, as was the case with the French, where Maranhão led to the colonization of the connecting link, Ceará.

As an economic consequence, the soil and climatic conditions of the coastal fringe compelled the settlers to cultivate tropical colonial products. Sugar cane was the first staple product brought from the Portuguese islands to Pernambuco, São Vicente, and Bahia. Cattle breeding, tobacco, and Brazil wood were complementary industries. This was

202 Lectures on Brazilian Affairs

the sugar period of our commercial history, and our output became staple in the international trade of Portugal.

The historical meaning of our coastal topography has had a far-reaching influence on our civilization. Even now, our great centers of expansion and irradiation are on the coast or within a few miles of it. Their history has the deepest roots in our past.

2. The second geographical phase of Brazilian history has distinctive features: the approach to the highlands and the conquest of inland mineral treasures. It leads us to the gold period of our economic history.

It is a common saying among us that "our altitudes redeem our latitudes": the Brazilian highlands of the "Atlantic Massif" grant us temperatures that the latitudes denied. One could as well say that Brazil is a gift of her highlands as Egypt is a gift of the Nile, the British Isles a gift of the Gulf Stream, or Glasgow a gift of the Clyde.

The Brazilian Massif is a geographical complex of a core of ancient rocks, overlaid, in parts, by newer sandstone. In the group of schists, quartz, itabirites, and limestone, it contains rich deposits of gold, iron, manganese, lead, etc. Extensive areas of the interior are still unknown, although the principal rivers, Araguaya, Xingú, Tapajoz, and Madeira have been explored several times.

There is a marked contrast between the northern part of the Brazilian mountain ranges and the southern part. The contrast has bearings in political and in economic national life:

a. The Chapada Diamantina in Bahia and the Borborema in the northeast are much farther from the seashore than the Southern System of the Serra do Mar and Serra Geral; and more ground is thus yielded for cultivable plains in the north, where the fall-line is more inland.

b. The average altitudes of the southern ranges are more pronounced, though three thousand meters is seldom reached. The passes are few, higher, and therefore more important than in the north.

c. The direction of the ranges in Rio, São Paulo, Paraná, and Santa Catharina is almost parallel to the coastline, whereas in the northeast directions are different, but generally coastwise, thus opening highways towards the interior. Instead of being a barrier, as in the south, the more accessible system of the north affords natural roads of penetration.

d. The general aspect of tableland in Parahyba, Pernambuco, and even Ceará has a peculiar flat sandstone shape with bushy vegetation and rainless climate; it contrasts with the crystalline, half-orange, round features of the Rio-Minas-São Paulo relief endowed by heavy summer rainfall with forests and grasslands.

These two environments have acted differently on the colonists; two cycles could perhaps be distinguished for the sake of simplicity: one with Pernambuco as its center, the other with São Paulo as irradiating point.

Hundreds of Tupi tribes were found by the pioneers. In the south they were met on friendly terms; in the north they were driven back by the whites. In São Paulo, the Indians were protected by the strong barrier of mountains, and the Portuguese had to come to terms with them until they were allowed to climb up the highlands, where they were received as guests and could settle at last. The marriage of the adventurer, João Ramalbro, with an Indian chief's daughter was a striking episode of that attitude. In the north, the intention of subduing the natives was evident from the beginning, because it was easier to get at them.

The penetration of the northeast led the colonists to ex-

204 Lectures on Brazilian Affairs

pand cattle breeding and draw from the accessible “sertão” their own supplies. The south remained rather agricultural and, at the beginning, was held by small landed proprietors; the north saw the first developments of large colonial estates.

The second part of the sixteenth century was devoted to the defense of the new colony. For that reason our coastal towns were located at the entrance of harbors protected by rocks, as fortresses: Bahia and Rio de Janeiro, for instance, where the government was established in turn.

Becoming Spanish, the Portuguese colony got into the Spanish colonial entanglements and suffered from the great struggle for the liberty of the seas, between the Dutch *mare liberum* doctrine and the Spanish *mare clausum* monopoly.

During the Dutch occupation, after 1630, the economic necessity of conquering more inland pastures, of subduing the relentless Cariris Indians, and especially of organizing for defense against the Dutch, who dwelt on the coast, made the hinterland of Pernambuco a center of resistance. It was the most dramatic episode of our history: we had to fight for ourselves, for our faith and our language, for our laws and traditions, for the Latin race; from the Peninsular forces we had scarcely any help. After twenty-five years of struggle, we were able to oust the Dutch from our shores! We had started as a handful of planters and cattle breeders, colonists of a colony of Spain, and we woke up to find we were a country; it was the birth of our Nation, for our victory of 1654 over the Dutch gave us consciousness of our nationality and sealed our political unity. Spanish America had no such powerful external foe to struggle with: perhaps that is why Bolivar’s dream of unity never came true.

With the colonization of the São Paulo highlands by the diplomacy of the sugar planters of São Vicente, and the colonization of the Borborema interior by the armed con-

quest of the northern cattle breeders, the historical significance of the coastal mountain ranges seems to fade. But the importance of the Serras is still great and far-reaching in the economic story of the country.

3. In the second part of the seventeenth century and in the eighteenth, the part played by a third geographical element, the rivers, is of paramount historical importance. These are the centuries of the Brazilian rivers.

The needs of the cattle breeding industry in the north, the labor question leading to the enslavement of Indians in the south, and, later on, the lure of precious stones and mines, attracted populations to the interior.

Curiously enough, with the exception of the Amazon and the River Plate systems, there are no rivers navigable for any considerable distance from the sea; as a rule, the fall-line is not far inland. The São Francisco, for instance, offers 185 miles from its mouth to the first fall; the Parahyba has about 60 miles navigable in its lower part. If many Brazilian coastal centers are located at the mouth of a river the fact is chiefly due to the opportunity of free access to the sea where a river breaks the land barrier of the shore.

But most of our rivers have a navigable upper stream on the highlands and lead the way inland, as the São Francisco, which has a remarkable stretch of 830 miles on the plateau, and as the Parahyba and also the Tieté, the great river that flows from the neighborhood of the coast towards the Paraná.

The great rivers of the interior played a considerable part in the history of Indian pre-Colombian migrations from north to south and from south to north—the Tupis used freely the Tapajoz and the Xingú.

Penetration of the interior by way of her rivers opens another period of the history of Brazil: the era of the *bandeirantes*.

206 Lectures on Brazilian Affairs

The *bandeira* or "banner" was an armed expedition formed of bands of fifty or more men with horses, mules, civilized Indians, monks, and slaves, for the purpose of reaching unknown districts and capturing Indians, for manual labor was already lacking in the Portuguese colony.

The *bandeiras* of São Paulo, the most famous of all, used to follow down the river Tieté to reach Matto Grosso and Goyaz, or to follow the Parahyba down to cross the Montiqueira ranges and reach Minas Geraes. The *bandeiras* of Bahia followed up the São Francisco aiming also at Minas Geraes. But it was not until the last years of the seventeenth century that gold was actually found in the district at Caeté, in Minas Geraes.

The lure of gold and diamonds has been a powerful factor in the economic life of the Portuguese colony as well as in its social development, and thousands of male negroes were bought in Bahia and taken to Minas where they mixed with white adventurers and Indian natives. This explains why the black element of our population is scarce in the inner parts of the country, where it has been ethnically absorbed by the stronger *mamelucos* element.

An important part in our history is taken by the paulistas, or *bandeirantes* of São Paulo, to whom we owe the extension of our far-western limits. They attacked even the Indians of the Jesuit missions, on the Upper-Paraná and middle Paraguay; they reached Bolivia and Peru in 1649 and 1662. Towards the north, they followed the São Francisco and settled in Piahy.

A contemporary historian, João Ribeiro, has written that the São Francisco River has been the highway of Brazilian civilization: mining and cattle breeding, the two main peopling factors, were united by its stream, the connecting link of north and south, the "truly Brazilian Brazil," as he says.

Other writers, as Capistrano de Abreu and Euclides da Cunha, have celebrated the river as the "unifying factor of our ethnological elements."

It would be useless to emphasize the importance of the Amazon and the River Plate systems in the penetration movement. The Paraguay has been for centuries the only natural way to our Matto Grosso, therefore we were very deeply interested in the freedom of its navigation. Our international policy in the River Plate led us to the occupation of Spanish-speaking Uruguay. In the eighteen-sixties, we were unfortunately also involved in the Paraguayan war.

In Amazonia, on the other hand, we find a striking contrast between two facts of anthropo-geography: the Amazonian forest is the greatest obstacle to human penetration, and the Amazonian rivers the greatest help to it, for their network of navigable waters carries ocean-going steamers sixteen hundred miles from the sea. Pará was founded in 1616 as a fortress and so was Manáos in 1660. Colonization on the margins was taken up in the eighteenth century by Jesuits, Carmelites, and Franciscans. In the nineteenth century, the rubber trees attracted emigrants from Ceará, the so-called *paroáras*, fleeing from the periodical droughts of their province.

From the second half of the last century, railway building becomes a substitute for rivers and highways, and the historical rôle of the river system seems to fade accordingly.

4. It may be surprising to note that the fourth geographical element, the climate, has only recently been taken into consideration. The peculiar fact about it is that the first settlements in Brazil were not guided by any climatic conditions. No regard was ever paid to the heat or the drought in the early colonial settlements. The best climatic parts of the country, namely, the southern highlands and plains, were

208 Lectures on Brazilian Affairs

then considered second-rate for colonization and the plains of the extreme south were occupied merely for military purposes in the middle of the eighteenth century.

Early colonial Brazil was tropical. Later on, in 1763, the capital was removed from Bahia to Rio de Janeiro, and the leading political forces found their field of action in subtropical Brazil. With the twentieth century the shift of economic, if not of political, interest is still southwards. Through colonization with European elements, the southern part of the country increases every year in economic importance.

The heat and dampness of the equatorial forest, on the Amazonian rivers, is not unbearable, but does not seem suitable for large-scale plans of European settlement. Colonization by northeastern elements, already acclimatized as we saw in the case of the *paroáras*, is far the best plan. Thus the two equatorial districts, the semi-dry northeast and the super-humid Amazonia, are happily complementary to one another.

In the southern temperate part of Brazil, as well as on the tropical highlands, the chief social facts connected with climate and vegetation belong to our contemporary history and chiefly to our immigration policy.

J. F. Normano has applied to Brazil Professor Turner's expression, "the moving frontier," meaning by it the economic expansion of the country within her political boundaries. It does not mean political expansion—we have no territorial ambitions—but the mere adjustment of existing territories to the economic life of the nation: internal colonization, the pushing of the economic frontier towards the political frontier.

Forward-moving elements of that advance are bound to connect their activities with climatic conditions and hy-

gienic relationships. This leads us to the immigration problems of the country.

III. IMMIGRATION AND COLONIZATION

About five million immigrants have settled in Brazil since Independence was declared in 1822. Of course every year there is also a variable emigration from the country, but it is comparatively small.

The most important ethnic element in immigration is the Portuguese, yet it has not been predominant in all periods of our colonization. In colonial times, the Dutch, the French, and the Spanish, as I said, had occupied parts of the territory, but they left relatively few biological or cultural vestiges. It was only natural that Portugal should desire to remove from her colony foreign competition that could threaten the conquest of the country. She feared religious dissidence as much as political variance. And she restricted native competitive industries according to prevalent standards of colonial economy.

Foreign influences came to bear only after 1808, when the Portuguese Court arrived in Rio, leaving Portugal to the Napoleonic armies. Brazil became in turn the center of a new kingdom. In November 1809, Don João, the Regent, authorized by royal decree the concession of land tracts or "sesmarias" to foreigners as well as to Portuguese. The previous year he had already opened the ports to international trade.

The first colony formed with alien elements was Nova Friburgo, organized in 1818, in the neighborhood of the capital. A few years later, in 1824, under Emperor Pedro I, São Leopoldo was established in the extreme south, chiefly with German elements. During the eighteen-forties, private initiative was the leading factor in colonization. In São

210 Lectures on Brazilian Affairs

Paulo, Senator Vergueiro started the slow process of substituting free labor organization for slave labor, thus paving the way to emancipation without friction, which was declared in 1888, one year before the downfall of the Empire.

The policy of the Emperor, Pedro II, was carried on by the Provisional Government, but the Republican Constitution of 1891 altered the situation, handing over property in land to the newly-formed states; thus colonization became also their business.

Only fifteen years later was a reaction felt in our colonization policy: the Federal Government took back the responsibility and reverted to the traditional policy. It was a new era of organization and outside propaganda that started thus in 1906, under President Affonso Penna and Secretary Miguel Calmon.

A ministry of agriculture was established a little later. "Peopling of the Soil" became the slogan. New immigration laws were passed in 1907 and 1911. New colonial centers or "nuclei" were organized, but, we may say, not until postwar readjustment was the labor problem positively faced by the government. Labor was admitted in batches, almost without discrimination, so eager were we then to get numbers.

During the sixty earlier years of independent life, Brazil admitted half a million foreigners willing to settle on her territory. The twenty years that followed 1884 brought in free labor at an annual rate of ninety thousand immigrants. For the ten years that preceded the Great War, the annual average rose to about one hundred thousand; the ten years that followed 1914 record about half a million more aliens admitted. Since 1924, nearly a million immigrants have been registered at our ports.

Immigration restrictions started in 1930, and the Con-

stitutions of 1934 and 1937 adopted the quota policy followed in the United States ten years before. The purpose was not only to restrict competitive foreign labor and avoid unemployment, but principally to keep pace with a well-timed process of assimilation and national integration.

Brazil has started a new policy with the establishment of a National Council of Immigration. New enactments have been proposed to the government, especially in the year 1938. A rather important step was made in April 1939, in connection with Portuguese immigration. As a desirable ethnical element to mitigate alien inflowing streams, the Portuguese were exempted from the quota restriction. In March 1940, the quota restriction was removed for citizens of the American Republics.

Of the immigrants landing in Brazil under the quota rate of 2 per cent, we note that nearly 35 per cent were Italians, 30 per cent Portuguese, 12 per cent Spaniards, $3\frac{1}{2}$ per cent Germans; and that nearly 60 per cent of the total number of immigrants settled in São Paulo.

Among the immigration problems facing us lately and freely discussed in our papers, three questions have been conspicuous: the question of Japanese colonization, which, despite tremendous opposition, already incorporates a quarter of a million or so of subjects of the Mikado; the Assyrian colonization question, related to the proposed admittance of Irak laborers and cattle breeders of which the British wished to get rid in their mandated territory; and the question of Jewish refugees from Central Europe, who are being admitted in small groups.

We need labor, we want men to people our western lands. We are not raising a barrier to Humanity's ambitions and happiness, but we can no longer admit foreign elements without discrimination and thus endanger our national life

212 Lectures on Brazilian Affairs

by flooding our country. In the present turmoil of ideas, of interest, and rapacity, we are bound to have a colonization policy and to stick to it!

IV. THE GREATEST CIVILIZATION OF THE TROPICS

In civilization Brazil leads the Tropics, and, as far as population is concerned, it is the first Latin country in the world. Our culture is of occidental origin and therefore bears many European features. The ties are still very strong. They differ in their nature according to whether their European source is Portugal, England, France, Italy, or Germany. Cultural traits have been transplanted, and in their new surroundings are developing new ways of thinking through which we feel ourselves more intimately tied to our American neighbors and especially to the United States, which we are learning to know better every year and for whose people we feel an ever-growing sympathy.

Still, material civilization is becoming standardized all over the world, and Brazil has not escaped this world-wide evolution. Therefore, the chief difference between what we find in that country and what exists in temperate and cold zones is restricted to diversity of natural resources in raw materials and foodstuffs. It is often repeated that if Brazilian economic history had to be told in a few words, just three of them would be enough to describe our past: sugar, gold, and coffee.

American sociologists emphasize, as a rule, the importance of what they call "cultural complexes." Sugar, gold, coffee, have been, in turn, cultural patterns, made up of material traits, food habits, social and family systems, property and legal forms. Even the State has been influenced by these patterns.

Before the World War the coffee complex was the central

Brazilian Human Geography 213

cultural pattern, we may say, around which Brazilian economic life was organized. Coffee was directly or indirectly the determinant cause of activity, and Brazil was tied commercially, financially, and even socially to the condition of the international coffee market.

In the second decade of the nineteenth century, coffee did not represent more than 20 per cent of our exports; in the middle of the century its percentage was already 48 to 50. At the end of the century, it rose to 60 and over. Curiously enough, after the War, though the coffee complex was positively shattered, the percentage of coffee in Brazilian exports still reached 75 per cent in 1924. Last year, with the new economic trends, it had fallen to 45 per cent.

Many changes were brought about by the War. At the outset, Brazil lost the trade of the Central Powers, which amounted to four million bags; later, the Allies and the United States restricted their imports of coffee. Brazilian rubber exports were also greatly curtailed. Under these conditions, Brazil was led to adopt diversification of crops. The different states, with federal aid, devised various means of propaganda: free instruction, distribution of seeds, transportation facilities. The result was a powerful stimulation to domestic production to supply food for Europe and also to become, on the internal market, producers of rice, corn, beans, meat, cotton, woods, and fruits on a larger scale. Thanks to geographical diversity, a great variety was thus introduced into Brazilian agriculture and, though the international importance of coffee was not impaired, Brazil was no longer "carrying all her eggs in one basket."

Under present conditions, we find a population of about forty-five million, with density of twenty inhabitants per square kilometer in eastern coastal states, supplied by internal markets for all foodstuffs and other essentials.

214 Lectures on Brazilian Affairs

The national diet for the lower classes and lower middle classes—black beans, rice, manioc flour, meat, fresh and dried, corn, and fish—is now entirely provided by home production, whereas at the beginning of the century huge quantities of rice were still imported from Burma and beans from Portugal. Of course the diet of the well-to-do is influenced by external conditions; wheat, cereals, wines, and certain fruits are still imported, though Rio Grande do Sul is already increasing her participation in home supply of these staple products.

The second problem in our question of self-support is the supply of raw materials.

Cotton has a rather interesting story in Brazil. As in the case of wheat, plantations were encouraged by circumstances arising from the American Civil War. It can be grown almost anywhere in this country. The progressive industrialization of the country and the demand in foreign markets were alluring conditions for cotton growing. Since the World War, production has increased from below 100,000 tons to 456,000 tons—the amount recorded in 1937. The annual output is divided between the foreign buyer and the home spinner, who needs an ever-larger share for his three million spindles. Most of the cotton mills are in São Paulo, Rio, and the Federal District. The woollen goods industry is developed in Rio Grande do Sul. Jute, silk, and fibers, chiefly imported yarn, are also worked in our industry.

Rubber is, in the economic history of Brazil, the glorious and brief episode of Amazonian prosperity. It attracted immigrants, as we saw, and determined in the nineteenth century a rush towards the north, such as the gold rush of the eighteenth century that penetrated Minas.

Timber, one of the country's greatest riches, is trebling its exports almost every ten years, after supplying the home market.

Cement has as yet a very short history in Brazil, but important and promising. Ten years ago we were importing over half a million tons of cement, almost the total home demand. Today the home production has risen to half a million tons and imports have considerably declined.

Iron, coal, and petroleum are capital problems of our near future. The iron-ore deposits of Minas Geraes are supposed to be the greatest undeveloped reserves of the world.

The list of exports of the country includes many more products: on the one hand, cocoa, maté (the South American tea), sugar, fruits (oranges and bananas) and, on the other hand, such products as manganese, hides and skins, wax, and tobacco.

It would certainly be interesting to recall the history of each of the foregoing resources of Brazil, but we must conclude this discussion with some general account of our present economic situation.

V. THE NEW NATIONAL ECONOMY AND CONSTITUTION

There were, and still are, obstacles and hindrances to free and easy interchange of commodities in Brazil, nor has the task of overcoming such difficulties been a simple one. First of all, imperfect contacts by rail and road cause a certain isolation of the north from the south. In many promising zones, penetration is still difficult because of inadequate transportation facilities. Moreover, the lack of capital and of credit institutions hampers agricultural development to a great extent. There is a deficiency in heavy modern farming machinery. Some parts of the country face the further drawback of labor shortage. For all these reasons many of our natural resources are still unexploited.

There are, however, some striking advantages in our present economic position. In a large country of over three mil-

216 Lectures on Brazilian Affairs

lion square miles, there is a remarkable national unity disclosed by singleness of language, of religion, of traditions, of social structure, and consciousness of kind, if I may say so, for we feel strongly our insulation as the only Portuguese-speaking nation in the southern hemisphere.

Such national unity has worked for the perfect integration of Brazilian economy: regional diversity has merely revealed complementary resources, necessity of cooperation in social, political, and economic fields as well, with links forged by common interests. And the present phase of our history, which the friendly foreigner sometimes fails to understand adequately, might be described as the slow, but purposeful and sure, realization of such an ideal.

By keeping this in mind we may grasp the meaning of our new national economy as established by the Constitution of 1937 in which the "economy of production is organized in corporations as representative entities of national labor under the assistance and protection of the State" (Art. 140).

The new economic order is emphasized in the framing of the Constitution by the establishment of a Council of National Economy in close cooperation with the House of Representatives and the Federal Council. A very important part in economic initiative, guidance, and control will probably be taken by this powerful organization.

It would not be fair to gauge our present vitality in terms of export values, because we should consider our inland interchange, our coastwise trade figures, our raw materials and foodstuffs production, and our industrialization that is growing fast.

In conclusion, may I be allowed to quote some lines of a recent British Commercial Report:

Judged solely from the standpoint of foreign trade per capita of population, the criterion which overseas observers are naturally prone to

adopt, Brazil appears as a backward country; during the past few years the rapid diminution in the value of imports and exports alike has caused this impression to be widely held. In order, therefore, to depict the economic situation of the country in its true perspective it seems advisable to refer to the Republic's industrial development, which has reached a point in production and variety well in advance of other South American countries.

It must be remembered that by far the largest part of agricultural and industrial production is consumed by the country's forty-seven million inhabitants, a population greater than that of the rest of South America put together and hardly less than that of the United Kingdom. Viewed from this aspect the small exportable surplus is readily understandable and the impression of arrested development disappears.

By showing in his report of 1936 that Brazil is a self-supporting country in her industrialization phase, exporting merely her surplus production, His Majesty's Vice-Consul in Rio, Mr. N. A. P. Sands, seems to have put his finger, if I may say so, on what the poet called the "very pulse of the machine!"