The Amazon's Last Pioneers

The Rise and Fall of Volkswagen's Development Project in the Brazilian Rain Forest (1973-1986)

Antoine Acker

Thesis submitted for assessment with a view to obtaining the degree of Doctor of History and Civilization of the European University Institute

Florence, October 9, 2014 (defense)
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Examing Board
Professor Kiran Klaus Patel, Maastricht University (EUI Supervisor)
Professor Claudia Damasceno Fonseca, EHESS
Professor Christof Mauch, LMU/RCC
Professor Dirk Moses, EUI

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THESIS SUMMARY

This thesis explores the rise and decline of the farming project Vale do Rio Cristalino, run by Volkswagen in the Amazon from 1973 to 1986. This large-scale development project was built within the framework of a colonization program launched by the Brazilian military regime to promote the territorial occupation of the region. Celebrated as a technological revolution in tropical farming, the ‘VW ranch’ was supposed to be a model of civilization in the jungle, to pave the way for the conversion of the Amazon into a modern export economy and to elaborate solutions to overcome hunger in the ‘Third World’. However, this consensual image was tarnished after Cristalino became the subject of various socio-environmental scandals, leading to the mobilization of transnational networks against the project. This thesis analyzes the transformation of Cristalino from a scientifically and politically legitimized project to a space of conflict. It is a multi-layered case study of how a development project was negotiated between different groups of actors and in dialogue with environmental factors.

It argues that there were three main reasons for the demise of Cristalino: the conflicting interests behind an apparent consensus of development, a growing awareness of the scarcity of resources, and disappointing results in the area of labor conditions. This historical example leads one to question the loss of authority of the politics of development in Brazil and at the international level from the second half of the 1970s. By showing how a deterministic view of development—which fixed the intensive exploitation of nature as the Amazon’s unique historical outcome—was progressively unravelled, this thesis reveals the process of politicization of a place. With the dismantling of the ‘developmentalist’ consensus, the future of the rain forest became an open issue, negotiated through the prism of multiple projections, viewpoints and scales of intervention.
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It is common in greater or lesser degrees of jest to characterize the preparation of a Ph.D. thesis as a solitary and monotonous path but nothing could be less true in the case of the present project. The number of people who have contributed at different levels and stages to the development of this research is incalculable. My supervisor Kiran Patel is the first of them. This work owes a lot to his dedication, his precision and his humanity. Claudia Damasceno, Dirk Moses and Christoph Mauch, who generously agreed to evaluate this thesis, have also been attentive and helpful interlocutors. I am equally grateful to former EUI professors Antonella Romano and Sebastian Conrad, who were available at crucial moments of my Ph.D., as well as to all the academic researchers who have taken time to comment upon my writing or share advice regarding my project: Olivier Compagnon, François-Michel Le Tourneau, José Augusto Pádua, Kevin Niebauer, Jana Otto and, very especially, João Klug and Corinna Unger. Julia Tischler warrants immense acknowledgement for her friendly and thought-provoking support, thanks to which I concluded the thesis.

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While the help of the above-cited people has been indispensable for me to process and finish this project in good conditions, I remain the person with entire and exclusive responsibility for the imprecisions, errors or lacks that the reader might see in the following text.
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ADFG</td>
<td>Ação Democrática Feminina Gaúcha (Gaúcha Democratic Female Action)</td>
</tr>
<tr>
<td>AEA</td>
<td>Associação dos Empresários da Amazônia (Association of Amazon Businessmen)</td>
</tr>
<tr>
<td>AERP</td>
<td>Assessoria Especial de Relações Públicas (Special Committee of Public Relations)</td>
</tr>
<tr>
<td>AGAPAN</td>
<td>Associação Gaúcha de Proteção ao Ambiente Natural (Gaúcha Association for the Protection of Nature)</td>
</tr>
<tr>
<td>AI-5</td>
<td>Ato Institucional Número 5 (Institutional Act Number 5)</td>
</tr>
<tr>
<td>AK3W</td>
<td>Freiburger Aktion Dritte Welt (Freiburger Third World Action)</td>
</tr>
<tr>
<td>ARENA</td>
<td>Aliança Renovadora Nacional (National Renewal Alliance)</td>
</tr>
<tr>
<td>BASA</td>
<td>Banco da Amazônia (Bank of the Amazon)</td>
</tr>
<tr>
<td>BDA</td>
<td>Bundesvereinigung der deutschen Arbeitgeberverbände (German Businessmen Confederation)</td>
</tr>
<tr>
<td>BN</td>
<td>Brasilien Nachrichten (German review)</td>
</tr>
<tr>
<td>BNC</td>
<td>Banco Nacional de Crédito (National Credit Bank)</td>
</tr>
<tr>
<td>BNDE</td>
<td>Banco Nacional de Desenvolvimento (National Development Bank)</td>
</tr>
<tr>
<td>CAMDE</td>
<td>Campanha da Mulher pela Democracia (Campaign of Woman for Democracy)</td>
</tr>
<tr>
<td>CDU</td>
<td>Christlich Demokratische Union (Christian-Democratic Union)</td>
</tr>
<tr>
<td>CEB</td>
<td>Comunidades de Base (Base Communities)</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CELPA</td>
<td>Centrais Elétricas do Pará (Electric Plants of Pará)</td>
</tr>
<tr>
<td>CIPA</td>
<td>Comissão Interna de Prevenção de Acidentes (Internal Commission for the Prevention of Accidents)</td>
</tr>
<tr>
<td>CNBB</td>
<td>Conferência Nacional dos Bispos do Brasil (National Conference of Brazilian Bishops)</td>
</tr>
<tr>
<td>CNDDA</td>
<td>Comissão Nacional de Defesa e pelo Desenvolvimento da Amazonia (National Commission for the Defense and Development of the Amazon)</td>
</tr>
<tr>
<td>CNP</td>
<td>Conselho Nacional de Pesquisa (National Research Council)</td>
</tr>
<tr>
<td>CONDEL</td>
<td>Conselho Deliberativo da SUDAM (Deliberation Council of the SUDAM)</td>
</tr>
<tr>
<td>CONTAG</td>
<td>Confederação Nacional dos Trabalhadores da Agricultura (National Confederation of Agricultural Workers)</td>
</tr>
<tr>
<td>CPFFR</td>
<td>Centro de Pesquisa Florestal da Região do Cerrado (Center for Forest Research in the Cerrado Region)</td>
</tr>
<tr>
<td>CPT</td>
<td>Comissão Pastoral da Terra (Pastoral Land Commission)</td>
</tr>
<tr>
<td>CVRC</td>
<td>Companhia Vale do Rio Cristalino (Vale do Rio Cristalino Company)</td>
</tr>
<tr>
<td>DBH</td>
<td>Deutsch-Brasilianische Hefte (German-Brazilian review)</td>
</tr>
<tr>
<td>DIESEE</td>
<td>Departamento Intersindical de Estatística e Estudos Sócioeconômicos (Interunion Department of Statistics and Socio-economic Studies)</td>
</tr>
<tr>
<td>DM</td>
<td>Deutschmark (former German currency)</td>
</tr>
<tr>
<td>EMBRAPA</td>
<td>Empresa Brasileira de Pesquisas Agropecuárias (Brazilian Enterprise for Livestock Farming Research)</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization of the United Nations</td>
</tr>
<tr>
<td>FAZ</td>
<td>Frankfurter Allgemeine Zeitung (German newspaper)</td>
</tr>
<tr>
<td>FBCN</td>
<td>Fundação Brasileira para a Conservação da Natureza (Brazilian Foundation for the Conservation of Nature)</td>
</tr>
<tr>
<td>FETAGRI</td>
<td>Federação dos Trabalhadores Rurais (Federation of Agricultural Workers)</td>
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</tbody>
</table>
FETRAF  Federação dos Trabalhadores na Agricultura Familiar (National Federation of Workers of Family Agriculture)

FIDAM  Fundo para Investimentos Privados no Desenvolvimento da Amazônia (Fund for Private Investment in the Development of the Amazon)

FINAM  Fundo de Investimento da Amazônia (Fund of Investment for the Amazon)

FRG  Federal Republic of Germany

GDR  German Democratic Republic

GEIA  Grupo Executivo da Indústria Automobilística (Executive Group for the Automobile Industry)

GM  General Motors

GPTEC  Grupo de Pesquisa Trabalho Escravo Contemporâneo (Research Group on Contemporary Slave Labor)

HP  horsepower

IBD  Inter-American Development Bank

IBDF  Instituto Brasileiro de Desenvolvimento Florestal (Brazilian Institute of Forest Development)

ICOMI  Indústria e Comércio de Minérios (Ore Industry and Commerce)

IFB  Institut für Brasilienkunde (Institute of Brazilian Civilization)

IFC  International Finance Corporation

ILA  Informationsstelle Lateinamerika (Point of Information on Latin America)

IMF  International Monetary Fund

INB  Indústrias Nucleares do Brasil (Nuclear Industries of Brazil)

INPE  Instituto Nacional de Colonização e Reforma Agrária (National Institute of Colonization and Land Reform)

INPES  Instituto Nacional de Pesquisas Espaciais (National Institute of Spatial Research)

ISI  import-substituting industrialization

MA  Monteiro Aranha (Brazilian company)

MDB  Movimento Democrático Brasileiro (Democratic Movement of Brazil)

MCV  Movimento Contra o Custo de Vida (Cost of Living Movement)

MIRAD  Ministério da Reforma Agrária (Land Reform Ministry)

MP  parliament member

MST  Movimento dos Sem-Terra (Landless’ Movement)

NASA  National Aeronautics and Space Administration

NGO  Non-governmental Organization

OA  Operação Amazônia (Operation Amazon)

OAB  Ordem dos Advogados do Brasil (Order of Brazilian Advocates)

PCB  Partido Comunista Brasileiro (Brazilian Communist Party)

PC do B  Partido Comunista do Brasil (Communist Party of Brazil)

PDS  Partido Democrático Social (Democratic Social Party)

PIN  Plano de Integração Nacional (National Integration Plan)

PMDB  Partido do Movimento Democrático Brasileiro (Party of the Democratic Movement of Brazil)

PNRA  Plano Nacional de Reforma Agrária (National Land Reform Plan)

PSB  Partido Socialista Brasileiro (Brazilian Socialist Party)

PT  Partido dos Trabalhadores (Workers’ Party)

RADAM  Radar na Amazônia (Radar in the Amazon)

SBPC  Sociedade Brasileira pelo Progresso da Ciência (Brazilian Society for the Progress of Science)

SEMA  Secretaria do Meio Ambiente (Secretariat of the Environment)
SNI  Serviço Nacional de Informações (National Service of Information)
SPD  Sozialdemokratische Partei Deutschlands (Social-Democratic Party of Germany)
SPVEA Superintendência do Plano de Valorização Econômica da Amazônia (Superintendence for the Economic Development of the Amazon)
STR  Sindacato de Trabalhadores Rurais (Union of Rural Workers)
SUDAM Superintendência do Desenvolvimento da Amazônia (Superintendence for the Development of the Amazon)
TV  Television
UCF  União Cívica Feminina (Feminine Civic Union)
UFRJ Universidade Federal do Rio de Janeiro (Federal University of Rio de Janeiro)
UN  United Nations
UNESCO United Nations Educational, Scientific and Cultural Organization
US(A) United states (of America)
USAID United states Agency for International Development
Volks Volkswagen (in Brazil)
VW Volkswagen
VWB Volkswagen do Brasil
WWF World Wildlife Fund
Esse assunto ainda me causa sofrimento quando dele me lembro ou falo.¹

Wolfgang Sauer, former President and Chief Executive Officer (CEO) of Volkswagen do Brasil

**Introduction**

The year 2012 was one of triumph for Volkswagen (VW). The firm achieved record results at global level, while in Brazil it came close to recovering the leading position it had lost to Fiat in the early 2000s.² The close of such a successful year was the ideal moment for Wolfgang Sauer, the former hero of Brazilian industry, to publish his autobiography *O Homem Volkswagen* (‘The Volkswagen Man’) in Brazil, an account which was interspersed with patriotic evocations of major events in recent national history. ‘Volkswagen Man’ Sauer was President of Volkswagen do Brasil (VWB) for two decades. His memoir contains all the ingredients of an irresistible success story: how Sauer went from poverty in a devastated post-war Germany to become the most powerful businessman in Latin America, how he allegedly transformed the VWB plant into an ideal social world, how he made Brazil into a significant vehicle exporter, as well as other self-revealed exploits. Even the worst misfortunes (the destructive consequences of the Second World War, the great strikes that threatened to destabilize VWB in the late 1970s, the debt crisis of the early 1980s) are recycled into episodes of regeneration, making Sauer stronger and VW’s place in Brazilian history greater.

However, one of the book’s chapters does not conform to the general conquering tone for it seems like an open wound in this landscape of pride, an unexpected concession of weakness within this great catalog of a businessman's achievements. This particular passage

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¹ ‘This subject still hurts me when I remember or talk about it’: Maria Lúcia Doretto, *Wolfgang Sauer: O Homem Volkswagen. 50 Anos de Brasil* (Sao Paulo: Geração, 2012), 343.

of the book describes a ‘truly spectacular project’, which turned into a ‘splendid disaster, if any disaster can be splendid’.\textsuperscript{3} A ‘dream which transformed into a nightmare’, this intriguing project only brought ‘grave difficulties’, ‘criticisms’ and ‘threats’ for Sauer. Above all, it generated ‘slanders’, ‘transforming [him] into a destructive monster’.\textsuperscript{4} Unlike the other difficult moments of his life, Sauer saw no redeeming features in this drama. He says of the episode that ‘this was one of the factors, which aborted my professional ascent towards the presidency of global Volkswagen’.\textsuperscript{5} These pathetic confessions of the ‘Volkswagen Man’ appear under an enigmatic chapter title, which glances off-topic in a book otherwise mainly dedicated to the automobile industry: ‘Uma fazenda em estado de arte em plena selva amazônica’ (‘A state-of-the-art farm in the midst of the Amazon jungle’). It refers to the farming project Vale do Rio Cristalino (CVRC or Cristalino), run by VW in the Brazilian Amazon from 1973 to 1986.

**Approach**

This thesis explores the rise and decline of Cristalino, a large-scale development project built within the framework of the colonization program launched by the Brazilian military regime in the late 1960s to promote the territorial occupation and agro-industrial modernization of the Amazon. In this process, the government selected, funded and supervised private firms investing in farming, extractive or industrial activities. Depicted in Sauer's memoirs as ‘monumental’, VW's contribution consisted in a high-tech cattle ranch of 140,000 hectares situated in the eastern Amazonian state of Pará.\textsuperscript{6} The analysis presented in this thesis consists in a multi-layered case study of how a development project was planned, negotiated and unraveled between different groups of actors and in dialogue with environmental factors. Moreover, it engages with key concerns of global history, the history of development in the Amazon and environmental studies.

While most of the other companies embarked on similar projects to take advantage of the government’s fiscal incentives or pursue speculative goals, the German automobile firm had a different, politically more ambitious approach. As Sauer underlines, ‘We were not just

\textsuperscript{3} Doretto, Wolfgang Sauer, 342, 50.
\textsuperscript{4} Ibid.
\textsuperscript{5} Ibid., 351.
\textsuperscript{6} Ibid., 344.
cattle-producers, we were bringing civilization’. By claiming to introduce civilization into Brazil’s least populated and least scientifically known territory, VW intended to position itself as a contributor to the national challenge of territorial expansion, which was intended to help Brazil become a world power. Cristalino was a step in VW’s strategy of ‘Brazilianization’, which consisted in constructing the firm’s local image in harmony with nationalist symbols, in order not only for VW products to take root in the country, but also to create a political context favorable to the company. In fact, VW’s selection as a key actor in the colonization policy for the Amazon highlighted both the public authorities’ recognition of VW as a partner in national progress and VW’s determination to underline its participation in national unity.

Celebrated by political, business and media actors as a technological revolution in tropical farming, the ‘VW ranch’ was supposed to be a model of civilization in the jungle, to pave the way for the conversion of the Amazon into a modern export economy and to function as a laboratory of solutions to help overcome hunger in the ‘Third World’. However, this consensual image was tarnished after Cristalino became the subject of various socio-environmental scandals, leading to the mobilization of transnational networks of protest against the project. This pressure left no other possibility for VW than to sell the ranch off after only thirteen years of business.

This thesis analyzes the transformation of the CVRC from a consensual project into a contentious object—in other words, the passage from a scientifically and politically legitimized project to a space of negotiation and conflict. My argument is that there were three main reasons for the demise of the CVRC: the conflicting interests behind a constructed, apparent consensus of development, a growing awareness of the scarcity of resources, and the project’s disappointing results in the areas of labor conditions and human welfare. This historical example leads one to question the loss of authority of the politics of development in Brazil from the second half of the 1970s. How did the idea of development lose its framing role in politics? Why, in particular, did the project of developing the tropical forest fade a few years after it had been put into practice?

These questions can be asked in the light of the Brazilian national imaginary, which traditionally saw the Amazon as a horizon for completing the territorial integration of the country. They must also be considered against the recent emergence of the rain forest agenda as a global issue. The intervention of a multinational company into Brazil's internal

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7 Ibid., 345-6.
colonization project should draw attention to the international context of deforestation. The latter is not only linked to a global demand for tropical commodities but also gives rise to transnational chains of protest in the name of biodiversity and human rights. It is worth asking how much the construction of the Amazon as a global place was intertwined with the decline of a particular worldwide narrative. This narrative had held that, in economically disadvantaged nations, nature had to be exploited more and more for the sake of development.

Global historians have never quite known in what box to classify development for it has alternatively taken the form of a western ideology or of non-western nationalism. While this transfer of a biological term into the vocabulary of governance is said to have inspirers as diverse as Adam Smith, Karl Marx or Sun-Yat Sen, it became systematically used by economic experts in the context of the later British and French Empires. It referred to the politics of socio-economic improvement of the colonies, according to measurable standards such as the degree of industrialization, per capita income or literacy rate. With the emergence of a new wave of international governmental organizations at the end of the Second World War, with accelerating decolonization and competition between the United states and the Soviet Union to expand their influence in the southern hemisphere, development became a global reference for ‘good change’. Fixing the standards of political

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*Note on the citation of journal articles and book chapters in the present text:* following the recommendation of the 16th edition of the *Chicago Manual of Style*, the specific page numbers of works consulted, if any, are listed in the corresponding footnote. The page range for the entire article or chapter is listed in the bibliography: [http://www.chicagomanualofstyle.org/tools_citationguide.html](http://www.chicagomanualofstyle.org/tools_citationguide.html), access date 3 September 2014.
organization, economic production and social welfare of industrialized societies as an ideal to achieve for every nation, it was intended to pull the so-called Third World countries out of poverty.

This model established a dividing line between those who possessed the technical knowledge enabling good social change (the developed, or alternatively, ‘modern’ world), and those who had to be taught and developed (the ‘underdeveloped’ countries). Drawing on the post-colonial call to de-centralize knowledge, critical writings later deconstructed the development model as a discourse through which the ‘West’ imposed its norms and controlled the social practices of the ‘rest’.

These writings denounced development as the Trojan horse of a neo-colonial ideology based on a concept of knowledge transfer, whose role was to legitimize the political authority of those who claimed to be modern.

My thesis retains the definition of development as a legitimizing discourse but rejects the ‘West to the rest’ (diffusion) hypothesis. Scholars have shown how southern nationalist approaches of development were able to emancipate themselves from western influence. However, their analyses have mainly remained one-sided. They have looked at how actors from states of the world’s South have adapted, transformed, and sometimes deliberately deformed or even parodied western patterns of modernization with the purpose of consolidating national or local identities. The transformations of development have been depicted as a one-way street in most scholarly literature. Whether they approved or regretted the historical importance of developmentalist patterns, historians have generally analyzed development as a ready-to-consume product from the ‘West’, which left the ‘rest’ with nothing other than to build on it, deform or reject it.

I also suggest examining actors with western roots who attempted to integrate themselves into a national development project and

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14 This ‘light’ conception of ‘non-Western’ agency in co-shaping development can be summed up by Ekbladh’s stance on the reception of development in so-called Third World countries: ‘people within the countries receiving U.S. aid were not passive recipients of these ideas. In various forms, they negotiated, collaborated with, or resisted these schemes’. Ekbladh, *The Great American Mission*, 11. According to such a view, people of the West are endowed with a power of historical initiative while non Westerners are ‘actors’ only insofar as they ‘react’ to Western initiative.
sought to position themselves within the nationalist agenda of the ‘receiving’ country in the South, as in VW’s case in Brazil. The politics of development of the Amazon opened the door to European and North American investors as the Brazilian government saw in them the carriers of a model of development. However, to be qualified to participate in the colonization of the rain forest, foreign firms had to prove their Brazilian patriotism and their intention to implement development as a process of enhancing the Brazilian nation. In this sense, we should see development not as a rigid vehicle of power, but as a discourse constantly in the making, which was an object of bargaining between competing authorities.

The late 1960s in Brazil marked the climax of a discourse of development resulting both from global entanglements and nationalist impetus. It took place under the lead of an authoritarian regime, which, in the favorable context of rapid economic growth and political stability, was at the same time demonstratively patriotic and widely open to foreign investment. A showcase of this ecumenical model of development, the project of state-planned colonization of the Amazon emerged in 1966 with the consensual support of the Brazilian elites and under the admiring eyes of foreign observers. It was both a platform for transfer of capital and ‘know-how’ from industrial countries and intended to assert Brazil's national sovereignty over its northern territory. The widely shared belief that the Amazon was an endless reserve of natural resources convinced both the Brazilian government and multinational companies that it had to be ‘populated’, ‘civilized’ and ‘developed’. Big farming development projects like Cristalino, where high-level technology associated with ambitious politics and considerable supposed economic benefits, were the main testing places for this integrative model of forest colonization.\footnote{Laak, \textit{Weisse Elefanten}, 10.}

Yet, this euphoria did not survive the empirical experience of colonization. From the mid-1970s, deforestation reached previously unseen proportions and violent land conflicts proliferated, so that socio-ecological disturbance in the Amazon began to worry actors from the areas of science, journalism, activism and politics around the world.\footnote{Gerd Kohlepp, ‘Conflitos de Interesse no Ordenamento Territorial da Amazônia Brasileira’, \textit{Estudos avançados} 16, no. 45 (2002), 147-60; ‘Como Frear o Desmatamento?’, \textit{Tempo e Presença} 11 (1989).} It also awakened numerous voices of Brazilian nationalism, created opportunities for constructing a major topic of identification for the Brazilian environmentalist movements and gave rise to local Amazonian protest initiatives against big development projects.

The CVRC project is a fruitful case to expose the disruption in the politics of
development in the Amazon in the process of their implementation. In partnership with multinational companies and with the support of international organizations such as the Food and Agriculture Organization (FAO) or the World Bank, the Brazilian government designed an agenda of development based on a set of certitudes: human willpower would win the war against nature; soil and subsoil resources would be integrated into a process of production making the Amazon a global exporter; technical progress would connect the region to the rest of the country. Big development projects like the CVRC were conceived as local avatars of this irresistible march towards development, mapping the progress of colonization. My study shows that this triumphant vision of development repeatedly encountered its limits as the CVRC project took shape. The process of taming nature through modern techniques and turning the peasants of northern Brazil into obedient and sedentary workers did not unfold as planned. What is more, the project of colonizing the Amazon attracted international attention to the region and transformed it into the subject of lively political debates, notably about ecological sustainability and human rights, calling the certitudes of development into question.

**Historical context**

The historical timeframe analyzed in this thesis, stretching from 1973 to 1986, corresponds to the lifespan of the VW cattle ranch, while the concluding part briefly analyzes the transformation of the estate after VW left it. This timeframe is meaningful not only with regard to the CVRC project but also with a view to the politics of development in the Amazon, in Brazil and even globally. The CVRC unfolded in a period of major intellectual and political shift regarding the question of development at these different scales.

At the local scale, the early 1970s corresponded to the beginning of an accelerated mechanization and territorial expansion of farming in the Amazon, sustained by a flux of capital from industrialized foreign countries and richer states of south-eastern Brazil.\(^17\) This (re-)integration of the region into the national and international economy created new social

and ecological risks.\textsuperscript{18} Ecological risks needed only a few years to become perceptible even to farmers themselves through the impoverishment of the soils cleared for cultivation or breeding. By the late 1980s, most state-funded agricultural projects by big companies had proved unproductive, had been abandoned or sold off. Social risks became manifest in the exponential intensification of land conflicts, culminating between 1985 and 1987 when, according to the Brazilian Ministry of Land Reform, 458 rural workers and their exponents were murdered, the majority of whom in the Amazon.\textsuperscript{19} In 1988, the murder of trade-union and environmental leader Chico Mendes by a southern Brazilian family of landed farmers became a symbol of the conflicts provoked by farming extension in the Amazon. It was clear, at the time VW left the region, that agricultural colonization had been a factor of social disintegration rather than of stability through development.

At the national scale, the life of the CVRC started at the highest stage of authoritarian rule, when the military regime, on the basis of a strong repressive apparatus, followed a hard-line developmentalist policy. Making economic growth the supreme goal of all political undertakings, state developmentalism was interwoven with an aggressive nationalist rhetoric, illustrated by Brazil's obstructive attitude during the United Nations Conference for Environment and Development in 1972.\textsuperscript{20}

However, this historical context only accompanied the launching of the CVRC. The larger part of the project’s lifespan actually corresponded to a long period of political transition in Brazil. The phases of distensão (easing of authoritarian control from 1974 to 1979), abertura (gradual opening to democratic standards from 1979 to 1984) and democratização (the period from the demise of military rule to the adoption of a new constitution in 1988) created a space for civil society to mobilize and for new actors to participate in politics. These transformations deeply affected the authority of top-down narratives such as development.

Over roughly the same period, development as grand narrative for worldwide history also saw itself contested by cross-border initiatives. In the early 1970s the writings of Ivan Illich, embedded in the thought of liberation theology, laid the theoretical ground for other

\textsuperscript{18} The Amazon region had known another historical moment in which its economic exchanges with the outside world increased dramatically: the rubber boom from 1879 to 1912: Warren Dean, \textit{Brazil and the Struggle for Rubber: A Study in Environmental History} (Cambridge: Cambridge University Press, 1987).

\textsuperscript{19} By comparison, 646 such murders had been committed during the previous twenty years: Anthony Gross, ‘Amazonia in the Nineties: Sustainable Development or Another Decade of Destruction?’, \textit{Third World Quarterly} 12, no. 3-4 (1990), 22.

actors to reject the politics of development, which were promoted by industrial nations in the southern hemisphere.\textsuperscript{21} The thinkers of the Club of Rome published an internationally discussed report dismissing the idea that economic growth was a synonym for good change.\textsuperscript{22} In the 1980s, global NGOs set an agenda for preserving biodiversity and indigenous rights in the rain forests against governmental policies of agricultural colonization.\textsuperscript{23} Even international development organizations like the World Bank integrated ecological and humanitarian clauses in their funding programs.\textsuperscript{24} By starting to speak of ‘human’, ‘cooperative’ or ‘sustainable’ development, they rubber stamped the end of the concept’s symbolic hegemony in the late 1980s.\textsuperscript{25} Development did not disappear from institutional discourses but the simple evocation of development no longer sufficed to legitimize policies.

This multi-scaled shift affected the legitimacy of the CVRC. Big development projects that looked modern in the early 1970s appeared in the late 1980s as the products of old-fashioned intellectual software disconnected from any kind of long term vision. As Sauer explains, VW was acclaimed as a pioneer hero when it arrived in the Amazon, but was then decried by Brazilians and foreigners as ‘criminal’ after the Amazon had risen from the status of endless reserve of resources to that of ‘lungs of the earth’ and the local population from ‘primitive tribes’ to ‘endangered peoples’.\textsuperscript{26} The ‘Volkswagen man’ realized that the key word ‘development’ had progressively ceased to be an uncontested paradigm, as it used to be when the CVRC project started:

Theories about environmental preservation and sustainability would be part of the future, but in early 1973, when the government called me, a representative of Volkswagen, and a group of entrepreneurs, to occupy areas close to the [farming] frontiers, develop the regions and settle Brazilians in their habitat, the key word was development.\textsuperscript{27}

\begin{thebibliography}{99}
\bibitem{sachs2005development} Sachs, \textit{The Development Dictionary}.
\bibitem{doretto2005wolfgang} Doretto, \textit{Wolfgang Sauer}, 350.
\bibitem{doretto2005wolfgang3} ‘Teorias sobre preservação do meio ambiente e sustentabilidade fariam parte do futuro, mas, nos idos dos anos de 1973, quando o governo chamou a mim, representante da Volkswagen, e a um grupo de empresários para ocupar áreas próximas das fronteiras, desenvolver as regiões e fixar brasileiros em seu habitat, a palavra-chave era desenvolvimento’: \textit{Ibid.}, 342-3.
\end{thebibliography}
State of the art

Any debate on rain forests as a global issue can benefit from considering a history of the CVRC, for the case offers an exceptional angle from which to examine the politicization of the Amazon and the decline of developmentalism. This example involves a particularly broad array of actors (from seasonal workers to international managers, from grassroots church activists to high ranking politicians), institutions (international NGOs, political parties, private companies, state agencies, trade-unions), scales and issues (from deforestation to forced labor, from import-export models to land distribution). Consequently, the following chapters feature a representative sample of the competing visions of nature, the diverging expectations from development and rival agro-economic models, which collectively negotiated the making of the modern Amazon on a transnational basis.

The historical negotiation of the Amazon as a global place can be understood only if one considers the representations of the forest as nature, looks at social disruptions caused by environmental change and analyzes the politics of resource competition. A study of the CVRC entails engaging with core questions of environmental history. At the same time, this work is structured along an integrative logic, which distances itself from the division into subfields that has underpinned the academic institutionalization of environmental history since the 1980s. While McNeill has pointed out the three varieties of environmental history by differentiating their focus (‘one that is material […], one that is cultural/intellectual, and one that is political’), the present study sees it as more fruitful to consider these three categories as overlapping and permanently interacting areas. The developmentalist discourse guiding the colonization of the forest contained a specific representation of nature as declining and realizing its potential only through aggressive human intervention. In other words, a cultural representation of nature produced an essentialist discourse that excluded nature from the field of political negotiation, by presenting nature’s exploitation as a condition for Brazilian society to reach modernity. While it could be classified as a ‘cultural’ issue, the production of a developmentalist discourse about nature was accomplished through integrated fiscal and infrastructural policies. This process obviously impacted the material history of nature, as it produced landscape transformations such as deforestation and road building. The present work is also an attempt to show how interlinked the different aspects of the mutual history of humanity and nature are.

This study also addresses a surprising historiographical gap. While many works have delivered a macro-analysis of Amazonian development, treating the relationship between state and multinationals in very general terms, historical studies focused on concrete examples can be counted on the fingers of one hand.²⁹ Besides, historical studies have been silent on the question of environmental risks in any interpretation of the developmentalist politics of the Brazilian military regime. Still more surprisingly, historians have been reluctant to research the reasons for the major changes, which, according to statistical data on deforestation, capital investment and farming expansion, took place in the Amazon from the 1970s.³⁰ To come at a notion of the enmeshment between local, national and international actors in the debates on Amazonian development, and to trace the connections between state, multinational companies and civil society in this process, it is necessary to look beyond the field of history.

The economic-sociological viewpoint of Cardoso and Faletto is a first, indispensable reference for situating the question of development in modern Brazil.³¹ Based on a historical reconstruction of the structure of Latin American industrialization since the nineteenth century, their work on ‘dependence and development’ has been extremely influential in redesigning the contours of the debate on Brazilian development. Breaking with the previously dominant idea that development was synonymous with the building of a self-sustainable national economy, they exposed the dependence of Brazilian industrialization on the capital of industrialized nations.

Under the influence of Wallerstein’s theory that the global economy was a world system organized around a core whose needs determined the global division of labor, Cardoso’s definition of development became increasingly assimilated with the historical rise of Brazil from peripheral to semi-peripheral status—that is, from an exporter of primary products, dependent on foreign demand to an industrializing country where foreign investors held the major means of production.³² Aruda et al, and above all Evans's much-quoted work on the ‘triple alliance’ between the Brazilian state, the national bourgeoisie and foreign firms,

²⁹ Lúcio Flávio Pinto, Jari: Toda a Verdade sobre o Projeto de Ludwig. As Relações entre Estado e Multinacional na Amazônia (Sao Paulo: Marco Zero, 1986); José Augusto Drummond, ‘Environment, Society and Development: an Assessment of the Natural Resource Economy of the State of Amapá (Brazil)’ (University of Wisconsin, 1999).
³⁰ That the 1970s were a benchmark decade for the Amazon is demonstrated in Almeida, The Colonization of the Amazon.
pointed to the central role of multinational companies in this system of dependency. This 1970s scholarship delivered a first critique of the politics of development. The main target of this critique was the military regime in power, whose model of development, by focusing on economic sectors controlled by foreign capital, was seen to work against the agenda of national sovereignty.

Two criticisms can be made of this position. First, the dependent character of development as an economic process—as Cardoso intended it—in no way means that development as a discourse was ever emptied of its nationalist substance. What shows through the example of Amazonian colonization is the Brazilian government’s efforts to justify foreign-financed projects with nationalist arguments and use the perspective of economic development to legitimize an agenda of national security. At the same time, the participation of multinational firms in the so-called ‘national developmentalist’ project was a reason of conflict between different factions within Brazilian state and society. Second, one might question whether the term development in the context of 1970s Brazil can be reduced to a process of economic change, as was done by the ‘dependency’ scholarship. The conflicts resulting from the ambiguous relationship between development and nationalism show that development should rather be conceived as a policy-legitimizing label negotiated between competing powers.

The development debate in Brazil relates closely to the Amazonian question. The colonization of the Amazon was both a major dimension of the development model, which was proposed by the military regime, and a showcase of its alliance with multinational firms. In fact, ten years after he presented his dependency theory, Cardoso produced a book applying it to the Amazonian case. It analyzed the peripheral function imposed on the region since the late 1960s and early 1970s with regard to the production of primary goods. The export of these goods had been intended to gain currency which in turn would finance the importation of capital and machinery necessary for the industrialization of south-eastern Brazil. Apesteguy, Ianni and Pompermayer described the authoritarian state’s role in organizing this process of capitalist accumulation. The state did so by creating the legislative, infrastructural and fiscal conditions to advance big private farming and extraction projects in the region.

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33 Marcos Arruda, Herbet de Souza, and Carlos Afonso, Multinationals and Brazil: The Impact of Multinational Corporations in Contemporary Brazil (Toronto: Brazilian Studies, 1975); Peter Evans, Dependent Development: the Alliance of Multinational, State, and Local Capital in Brazil (Princeton: Princeton University Press, 1979).
34 Fernando Henrique Cardoso and Geraldo Müller, Amazônia: Expansão do Capitalismo (Sao Paulo: Brasiliense, 1977).
Martins examined the mechanisms of labor exploitation resulting from this process and argued that the increasing integration of the Amazon into global cycles of exchange, achieved by accentuating pressure on local production, provoked the re-appearance of slavery-like networks.36

Undeniably, the above-cited works highlighted the political project of land concentration, capitalist accumulation and authoritarian control which lay behind the claim to develop the Amazon. However, this literature confined Amazonian populations to a passive historical position. Besides, it almost ignored the ecological question, although, as I show in this study, this question had become unavoidable in political debates on the Amazon as early as in the mid-1970s.

It was necessary to await the following decades for the ‘dependency’ approach in Amazonian studies to be refined in the light of local resistance movements and the environmental question. Bunker argued that the politics of development produced underdevelopment locally because they were based on an extractivist philosophy, which by over-exploiting nature under the pressure of global demand undermined the soil and ruined the perspective for a sustainable local agriculture.37 Barbosa identified the Amazon as a place of struggle for environmentalists, indigenous peoples and grassroots social movements against the alliance between the Brazilian government and ‘world-systemic institutions’ such as the World Bank or multinational corporations.38

While Barbosa’s study of the political struggle of subaltern actors is noteworthy, the reified conception of institutions implied by the world-systemic approach remains problematic. This thesis argues that the state, development agencies or private businesses are far from being homogeneous actors. For example, VW managers disagreed about the relevance of running a business in the Amazon. Riven by internal divisions and subject to the influence of the sometimes highly emotional motivations of human beings, a company or a state agency does not always pursue a goal that is totally explicable by economic rationality. Moreover, world systemic studies of the Amazon ignore many factors likely to influence the policy of such institutions: for example, the sometimes blind ideological bias driving them,

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the pressure from public opinion or ecological occurrences playing a role in the territorial advancement or setbacks of colonization.

Slowly but surely, the world-systemic approach is starting to lose its hegemonic position in Amazonian studies and leave space to identify factors of change beyond the sole framework of production relationships. Hecht, Pádua or Escobar suggested that endangered tropical rain forests are places of confrontation between different perceptions of nature, whose encounter is decisive in producing socio-environmental change.\(^\text{39}\) Partly drawing on the example of deforestation in the Amazon, Lipschutz explained how a context of rapidly altering nature, disputed resources and growing needs for ecological sustainability affected the structure of social relations.\(^\text{40}\) Political scientists like Keck, Hochstetler and Sikkink challenged the idea of a static power struggle between the promoters and opponents of capitalism in the Amazon, by pointing at the moving alliances that took place in the debate on deforestation.\(^\text{41}\) Foresta, a geographer who analyzed Amazonian policy in the 1970s and 1980s, also demonstrated how conservationist forces within Brazilian developmentalist institutions could ally with civil society actors in a struggle against deforestation.\(^\text{42}\) These authors have reinterpreted the globalization of the Amazon in the last third of the twentieth century as the constitution of a complex political arena. Amerindian representatives learned how to use the mass-media of industrialized societies to address the Brazilian state; environmentalists influenced the World Bank agenda, Amazonian subsistence communities sometimes made pacts with neighbouring ranchers to earn a space within capitalist society.\(^\text{43}\) This produced blurred networks of actors, perceiving their non-human environment from different levels, but coming into contact through conflict or alliances. Given this dynamic background, it is important to prioritize approaches that discuss how human actors position and define themselves in relation to what they dispute: the rain forest. This perspective implies understanding the rain forest as a multiple, transformable and negotiable space, rather


than as a homogeneous and consensually defined object.

A few historical studies of big development projects driven by foreign firms in the Amazon also contributed to overcoming the dominant deterministic view instigated by dependency theory. Such works challenged the cliché of the supposed unlimited power of multinational companies, by showing how the latter had to bargain with the Brazilian state, how they came to grips with ecological misfortunes or were incapable of educating local workers as they had intended. Pinto drew attention towards emotional factors in big projects, as he underlined the megalomania that underlay the failure of the northern American multi-millionaire Daniel Ludwig, who tried to organize the greatest farming project in the whole region from 1967 to 1982. Drummond studied the effects of the ICOMI mining company, associated with the northern American giant Bethlehem Steel, in the Amazonian state of Amapá from 1957 to 1998. His work challenged the dominant presupposition that big development projects in the Amazon necessarily generated socio-ecological disruption.

Another contribution which warrants mentioning—although its subject is from an earlier period—is Grandin's *Fordlândia*, which analyzed Henry Ford's various attempts to grow rubber in the rain forest between the 1920s and 1940s. Grandin underlined the gap between the simplicity of Ford's discourse (the idea of reproducing the U.S. Midwest in the Amazon) and the complexity of the forest ecology, which rejected Ford's graft in all senses of the term. Literally, Ford's rubber crops never managed to acclimatize to the local environment. Figuratively, Amazonian workers refused to accept Ford's civilizing operation. Some striking similarities between Fordlândia and Cristalino make it hard not to wonder whether and how Ford's historical experience served as a pedagogic (counter-) example for VW. In this sense, Grandin's work has been a source of inspiration in my study although my research does not exactly address the same issue. *Fordlândia* is first and foremost a work about United states imperialism, focused on Ford's megalomania. While other, especially local, actors—nature included—are nicely incorporated in Grandin's study, they mainly

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44 Pinto, Jari.
appear according to their role in facilitating or hindering Ford’s path. By contrast, my approach concerns the Amazon as an object of negotiation, upon which different imaginaries are projected. VW constitutes only one network of actors among others in this process where state policies, international debates, protest or support coming from society and the agency of non-human objects all contribute to the politicization of the rain forest.

As far as the specific experience of VW is concerned, a few, short analyzes on the topic already exist. Certain German left-alternative publications from the 1980s contained documented papers that critiqued the CVRC as the expression of a German model of unfair exploitation of the Third World’s resources.48 These critiques are to be understood against the background of the conflict between Third World solidarity groups and Helmut Kohl’s conservative government, which promoted a new agenda of development aid centered on the defense of German economic interests.49 In Brazil, Pinto discussed in various—mainly journalistic—papers the environmental impact of the CVRC project.50 He also pointed at the incoherence of the military regime’s developmentalist discourse, which claimed to protect national sovereignty in the Amazon while supporting the implementation of multinational projects there.51 Various specialists of the topic of modern slavery have presented the VW-ranch as an important example of the increase in forced labor occurrences in the Amazon during the 1970s and 1980s.52 While they do not devote more than a few pages to the case, they all underline its historical relevance. Buclet, a sociologist, delivered the most analytical, documented and generalist point of view in two academic articles about the project, in which he discussed it mainly as a typical example of a growth-centered model of development, which neglected socio-environmental impacts.53 These publications all only tackled a few aspects of the project and looked at it in a relatively static way, disregarding the changes

48 I extensively comment and quote these publications in Chapter 5 of this thesis.
49 The history of the CVRC project is situated in a period during which Germany was divided into two different states. However, the activities of VW in Brazil had no direct connection with the German Democratic Republic (GDR). For reasons of legibility, I will always refer to the Federal Republic of Germany (FRG), its society, state and interests as ‘German’. Therefore, ‘German’ has to be understood here and in the following chapters as a simplifying term for ‘West German’.
50 Pinto’s first analysis of the case was Lúcio Flávio Pinto, ‘O Tamanho do Fogo’, O Liberal, 8 February 1986. His other articles are quoted in chapter 4 of this thesis.
which happened during the lifetime of the CVRC. The following study hence provides the first comprehensive account of the CVRC project, including its entire lifespan as well as a broad range of social, political and environmental dimensions.

**Sources**

The making and unmaking of development politics in the Amazon mobilized a large spectrum of actors, leading to a confrontation of viewpoints, which is a central subject of this study. In this perspective, I worked with a diversified body of sources so as to consider the history of the CVRC in a wider aspect than the sole viewpoint of a company, state institution or protest group.

Company documents form one part of my corpus. At the official company archive in Wolfsburg (Germany), I consulted transcriptions of Board of Management meetings, press documents and farm pictures. I collected unpublished, sometimes more confidential information in German public archives such as the Lower Saxony state Archive in Hanover (Lower Saxony being one of VW's main shareholders), the Political Archive of the Ministry of Foreign Affairs in Berlin and the Federal Archive in Koblenz. I also collected preparation documents and transcriptions of parliamentary debates and hearings on the topic of the CVRC at the Bundestag archive in Berlin, as well as in the databases of the Parliament of Lower Saxony. The main problem I encountered in Germany was that sources were highly dispersed: as far as I know, no governmental institution consistently monitored the unfolding of the CVRC project. Even the relevant files in the VW archive seem to indicate that the German company’s interest in its Brazilian ranch was chronologically unequal. It was thus necessary, in many cases, to place sources from various German institutions side by side and view how they overlapped and/or completed each other so as to reconstitute a coherent chronology of German engagements in the CVRC. To help perform this task, I also used German newspaper articles, whose mainly clear-cut positions on the CVRC project provide a glimpse into the lines of division within Germany about the country's economic intervention in the world’s South and they help to inform the chronology of German involvement in the CVRC. While conservative newspapers such as Die Welt or the Frankfurter Allgemeine Zeitung, sympathetic to the Brazilian military regime’s economic policy, always maintained their support for the CVRC, center-left publications like the Süddeutsche Zeitung published more critical remarks.
about the subject.

As for the Brazilian institutions, the FINAM (Fund of Investment for the Amazon) archive in Belem was my main source for practical data and statistics, in particular the annual FINAM evaluation reports on the CVRC. Together with the archive and library at the Superintendence for the Development of the Amazon (SUDAM), also located in Belem, consultation of FINAM documentation was essential in retracing the Brazilian government’s official position regarding VW in the Amazon over the entire 1973-1986 period. The FINAM and SUDAM sources were primarily conceived for administrative use. They have the advantage of furnishing concrete information on the CVRC’s ecological characteristics and economic performance, which is more realistic than the information provided in company or governmental propaganda. The oral and written archives stored in the online databases of the Brazilian federal legislative assembly and Senate were also useful for determining how the issues at stake in the CVRC could be reflected and even co-shaped by national politics. As the CVRC was a widely reported media issue in the 1970s and 1980s, reading the Brazilian national and regional press proved enlightening for an idea of how the project was received in the country. It also helped to understand how the various scandals affecting the CVRC changed the image of VWB and how they triggered broader debates about revising development politics and the necessity for preserving the rain forest.

The archive of the Research Group on Contemporary Slave Labor (GPTEC) at the Federal University of Rio de Janeiro (UFRJ) constituted my main source for labor relations at the VW-ranch. This archive houses a considerable amount of documentation about the CVRC, essentially workers’ testimonies, administrative and court documents, as well as sources produced by Brazilian and German NGOs. Besides GPTEC, the study draws on two further collections in the NGO category. The regional office of the Pastoral Land Commission (CPT) in the Amazon city of Belem, which is close to liberation theology, offered an insight into a collection which partly overlapped that of the GPTEC. In the 1980s, the Brasilieninitiative organization in Freiburg (Germany) published dozens of pages about the CVRC in its various press organs. These included reproductions of official documents, testimonies, interviews with key actors in the project and mail exchanges with the VW Company. All these sources related to labor regimes at the VW ranch are discussed in more detail in Chapter 5 below. I reflect on how the Cristalino workers expressed themselves through different communication channels and analyze the use of the term ‘slavery’ in NGO documents to describe labor relations on the ranch.
Thesis plan

Before arriving at the core of this thesis, based on the history of the CVRC project, the first chapter situates the project in its deeper historical context. The historical construction of the Amazon as a region, a forest and an object of debate, the progressive building of a developmentalist consensus in Brazil as well as the historical journey of VW from Germany to Brazil constitute the outline of chapter 1.

Chapter 2 explains how the CVRC was born out of the national-developmentalist compromise between the Brazilian state and a multinational firm between 1973 and 1975. I argue that behind the obvious ambition of the project to showcase Brazilian modernization there existed different, sometimes hardly compatible, expectations, often grounded on the tension between nationalist feelings and openness to foreign capital. To demonstrate this, I examine the backstage negotiations which preceded the project, observe the conditions of its beginning and analyze the plans according to which the ranch was built. In a first section, I reveal the reasons that led the military regime to call private firms into the Amazon and convinced VW to participate in the colonization. Subsequently, I discuss the internal tensions that the CVRC project caused both within VW and the Brazilian development institutions. The third section of the chapter analyzes how a multifunctional model of technique and civilization was created against the background of this tension.

Chapter 3 shows how the project became enmeshed in the debate on the scarcity of resources from 1976 onwards. I pose the hypothesis that the awareness of scarcity became a major dimension of the debate on development politics in Brazil by the mid-1970s. This awareness emerged out of the entanglements between the ecological vicissitudes of farming, colonization, the increasing disputes over land properties, and international factors such as the 1973 oil shock and the emergence of a global environmental agenda. A deforestation scandal, which damaged the reputation of VW in the Amazon, is the subject of the first section of this chapter. The second section analyzes how VW answered environmentalists’ attacks, which agro-ecological issues it had to cope with locally, and how it tried to give a new impulsion to its cattle-project by opening a slaughterhouse. The last section tackles the issue of land as a rarefying resource, by explaining how the VW estate became a latifundio in the context of rising land conflicts.

Chapter 4 details a forced labor scandal which became linked with the CVRC image
from 1983 and was criticized by protesters as a case of ‘modern slavery’. I contend that this scandal caused the end of the project because it created a gap between the promises of social improvement contained in the CVRC project and the perceived enmeshment of VW with primitive forms of production and labor. The actors protesting against Cristalino, from Amazonian clearing workers to German Third World solidarity groups, attacked what they saw as the incoherence of a dominant discourse of modernization, which produced the contrary of what it had announced it would do. This chapter starts with a section detailing the Amazonian networks of forced labor, which furnished a workforce for the CVRC. It continues with an analysis of the coalition of actors which mobilized against the case in Brazil. The last section examines the internationalization of the affair, mainly through the implication of German protest groups in transnational networks of solidarity.

The topics approached in these three chapters are synthesized and reflected upon in chapter 5, a concluding section dedicated to the end of the VW-ranching project and what the geographical place, Cristalino, became after VW left the Amazon.

By concretely showing how the deterministic rallying cry of development—which fixed the intensive exploitation of natural resources as the Amazon’s unique historical outcome—was progressively unravelled, this thesis unveils the process of politicization of a place. With the dismantling of the developmentalist consensus, the management and representation of the rain forest became an open issue, negotiated through the prism of multiple projections, viewpoints, actors and scales of intervention.

At the crossroads between global and Brazilian history, my research brings a triple contribution to these fields. It proposes a rupture with the traditional interpretation of developmentalism as a mere agenda of economic policies by evidencing the complex articulations of a discourse of development, on which the Brazilian authoritarian power partly founded its legitimacy. It presents the arrival of environmental topics within the Amazonian debate in a new light, by showing how concern with endangered natural resources contributed to re-shaping the idea of development and interrogating the latter’s coordinating role within forest politics. Finally, it furnishes a historical case study on the link between agricultural modernization and the regeneration of forced labor networks in the Amazon, contributing to the rapid deforestation that has transformed the region’s landscape since the late 1960s.

I pursue these three analytical objectives by bringing institutional and protest politics into dialogue. The aim is to evidence the link between the multi-scaled dismantlement of the top-down consensus of development and the construction of the Amazon into a transnational
symbol of socio-environmental injustice.


1. Background

1.1. One imagined place, many histories: an introduction to the Amazon

At the conclusion of a two-year river voyage, which had begun from the volcanoes of Ecuador in 1541, the Spaniard Francisco de Orellana, reported seeing female warriors next to the mouth of the river where he emerged after his long trip.1 He called them Amazons in reference to figures from Greek mythology. After his return to Spain, Europeans associated this name with the hydrographic basin through which Orellana had travelled. Thus, the very name of the region is the result of a projection drawn by exogenous actors.

The circulation of legends and the creation of fictive human and non-human characters have strongly contributed to the construction of the Amazon as a regional unity ever since.2 At the same time, the Amazon cannot be reduced to a web of myths. In this section, I provide a short account of the multiplicity of migration waves, human encounters, and human approaches to a selective dialogue with nature, which forms part of the region's history.3 The Amazon in which VW arrived in 1973 was a ‘virtual’ place on which various visions of nature had been projected. But it was also a space bearing the socio-ecological traces of a long history of agricultural experiments, adaptation of human communities to their—changing—environment and even strategies of natural conservation. It is necessary to introduce these experiences insofar as the official discourse of development in which VW took part tended to negate the region's history and ignore the existence of local cultures and knowledge, in order to justify the colonization of the Amazon by incoming farmers.

1.1.1. The untraceable forest

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3 Here is not the place for an extended natural and human history of the rain forest. Other scholars have attempted to sketch the region's history over millennia: David Cleary, ‘Towards an Environmental History of the Amazon. From Prehistory to the Nineteenth Century’, Latin American Research Review 36, no. 2 (2001).
One common definition of the Amazon is to consider it, as did Europeans in reference to Orellana's ‘discovery’, ‘all the territory drained by rivers flowing into the Amazon system’, encompassing an area of nearly seven million square kilometers from the Atlantic to the Andes. Nonetheless, some students of the region, such as the archeologist Betty Meggers, find it unsatisfactory to limit to the Amazon watershed the geographic extent of the Amazon, because of ‘the upper courses of the major tributaries drain regions that differ greatly in altitude, rainfall pattern, temperature, topography and many other climatic and edaphic features that affect subsistence’. For her, what makes the Amazon a distinctive ecosystem is the dominant vegetation below 5000 feet in elevation, where annual average temperature variation does not exceed 5° F., where rain falls on 130 or more days of the year, and where relative humidity normally exceeds 80 percent.

This South American lowland tropical forest would include most of the Amazon basin but also extend northward over the Guianas. There may be different, less complex ways of defining the Amazon, for example by drawing singly on the climatic aspect, relief or dominant vegetation types. To select one of these criteria of geographical delimitation would not bring one much further, as most evocations of the Amazon, which emerge in the history of the CVRC, correspond to projected ideas on a territory. This territory's limits vary according to the cultural background, economic interest, social imaginary or political position of the actors evoking the Amazon. Just as Orellana named and defined the region out of his own cultural and travel experience, the Amazon’s delimitation as a region is a varying product of manifold imaginaries.

As relative as they might be if one considers them singly, these many ‘visions’ of the Amazon sometimes converge into consensual representations: for example that of a region dominated by exuberant vegetation, a high density of trees, a forest. Admittedly, even this idea of forest is no satisfying synthesis of all the potential definitions of the Amazon (metropolises like Belem and Manaus are strong symbols of Amazonian identity, although the cityscape they offer is far removed from the common conception of forest). However, there is a consensus among NGOs, the media, governmental organizations and even indigenous organizations in the north west region of Brazil, to consider the Amazon as the World's largest area of tropical forest. This vision appears for example in a famous quotation imputed to

4 Ibid., 13.
6 Ibid.
7 Candace Slater, Entangled Edens: Visions of the Amazon (Berkeley: University of California Press, 2002).
Chico Mendes, Amazonian rubber-tapper, anti-deforestation activist and ‘ecological martyr’ murdered in 1987. After having founded the Forest Peoples Alliance, gathering indigenous and rural communities federated against the destruction of the Amazon, he allegedly said: ‘First I thought I was fighting to save rubber trees, then I thought I was fighting to save the Amazonian Forest. Now I understand that I am actually fighting for humanity’.

The Amazon is, in fact, the largest forest on earth, as according to various estimations it contains between 25% and 40% of the world's organic species and 10% to 20% of its fresh waters.\(^8\) It extends throughout almost one third of the South American continent and covers over half of Brazil’s territory. It is viewed as one of the most puzzling ecological systems on the planet, especially insofar as it combines very nutrient-poor soils with rich and dense forests, displaying an extremely high level of biodiversity. It is estimated that the region is home to over 250,000 plant species, over 300 mammals, 2,000 species of fish and two million species of insects as well as microscopic forms of life.\(^9\)

As this biodiversity exists not only at the regional scale but even on tiny parcels of forest—in the area of Manaus, botanists have counted nearly 300 species of trees on one single hectare—single species are often geographically dispersed.\(^10\) This dispersion has been a challenge to human beings in their extraction of forest resources. It was for this reason that rubber collection—the Amazon's main economic activity in the late nineteenth century—required an extremely high investment in labor. The distance between trees could be up to one hundred meters, and a fungus peculiar to the region has been known to rapidly spread through closely planted rubber trees making plantation cropping impossible.\(^11\) Attempts to homogenize zones of the forest to favor agricultural exploitation have often been unsuccessful. The historical misfortune of Ford investing to grow rubber in the Tapajos, or of the American multibillionaire Daniel Keith Ludwig, who failed to implement massive cellulose production through gmelina plants in the late 1960s, illustrated the Amazon’s resistance to large-scale cultivation.\(^12\) The move by Brazilian authorities and private firms like Volkswagen towards cattle-breeding in the last third of the twentieth century resulted partly

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\(^12\) Grandin, *Fordlandia*; Pinto, *Jari*. 
from the hope that pasturing, as a very basic and adaptable form of cropping, would survive in the forest ecology with less difficulty.

The region's diversity and its resistance to homogenization have led Hecht to underline that the Amazon constitutes ‘a mosaic of forests of similar structure (and seral states)’ rather than ‘a heterogeneous but essentially uniform formation’. This mosaic is reflected in the many forest soil typologies, whose three main categories are the ‘terra firme’, which never experiences flooding; the ‘igapós’, where the water remains stagnant for a certain time after flooding; and the ‘várzea’, which are inundated over the entire rainy season and remain dry the rest of the year. As they do not display a uniform landscape, there are potentially different critiques regarding their exploitation by man. Agricultural techniques, which are ecologically devastating in certain parts of the Amazon, might prove suitable in other parts. This is not surprising as the Amazon has continental dimensions: while it is summer in its eastern half, intense rainfalls pour down on the western one. Paradoxically, the region seems to rebel against concepts such as nature or forest, which could situate it as an ‘objectifiable’ unity, even if various ecological parameters such as those advanced by Meggers can lead to the conclusion of its having certain homogeneous features. These features have influenced the widespread perception of such a vast territory as a distinct geographic ensemble. Needless to say, they are not pre-given but result from a complex history over the longue durée, for example at the inorganic level, which led to the formation of this vast ecosystem. The rising of the Andes mountain chains between forty and seventy million years ago, which caused the formation of an extensive freshwater lake eastward, is for example an often cited element of geological history that led to the formation of the Amazon.

1.1.2. The Amazon forest as inhabited human space: dynamics of exchange and disruptions

It is a widely known but a frequently oversimplified fact that non-human life in the Amazon has stood in a dynamic of exchange with various human groups. This history is more nuanced than the widespread dichotomous chronology dividing it between a pre-Colombian era of harmony between 'primitive' peoples and nature on one side, and an ecologically

13 Hecht, ‘Cattle Ranching in the Eastern Amazon’, 182.
15 Lucio Flávio Pinto, ‘O Garrancho Amazônico’.
16 Pádua, ‘Biosphere, History and Conjuncture in the Analysis of the Amazon Problem’, 407; Meggers, Amazonia, 9; Hecht and Cockburn, The Fate of the Forest, 19.
devastating colonial era on the other side. Undeniably, some forms of economic exploitation of the forest proved to have greater effects than others on the ecological balance of the Amazonian region. However, forest landscapes had been encountering the economic activities of human groups long before the arrival of, for example, Portuguese colonizers. Moreover, the Amazon's ecosystem did not undergo any major deregulation due to massive human exploitation until the last third of the twentieth century.

Indigenous populations have lived there for over ten thousand years—estimations differ, most of them in riverine communities distributed in the várzea flood plains. Early reports of European travelers as well as archeological evidence point at a dense Indian population at the arrival of the Portuguese colony in the sixteenth century. The total number of human inhabitants could have reached about seven million for the entire Amazon watershed—a figure comparable to the region's population in the 1960s—and there were densities of at least thirty inhabitants per square kilometer in the vázeas.\textsuperscript{17} By coordinating hunting, fishing and agriculture with the seasonal fluctuation of river water levels, the Amerindians extracted resources in a relatively balanced and sustainable mode.

This is not to say that their activities did not produce transformations—including in a destructive sense—on non-human life. Various animal species, for example, disappeared due to intensive hunting. There are also discussions on whether the Cipó, a forest type patchily occurring on a surface of 100,000 hectares at various places within the actual territory of the eastern Amazonian state of Pará, is the result of Amerindian activity. The production of Cipós might have been influenced by the extraction by indigenous populations of Brazil and Babaçu nuts, the process being facilitated through clearing and the formation of open forest gaps.\textsuperscript{18} The Cipós, constituted by thick vines and occasionally emerging trees, are areas, which contrast with the high biomass forest with which they intergrade. As the viney species densely present in Cipó forest are known to be the major pasture invaders after forest is cleared for pasture, there are strong suppositions that Cipó is the result of the practice of slash-and-burn by early Amerindian populations. At least until the 1960s there was still a significant Indian population in the Cipó areas.\textsuperscript{19} This example, very limited in scale, is in no way the sign of a massive predatory relationship between Amerindian groups and the forest. No large-scale movement of deforestation provoked by Amerindians has been discovered so far. In this sense, while narratives of a perfect harmony of Indians with the forest belong to an

\textsuperscript{17} Bunker, ‘Modes of Extraction, Unequal Exchange, and the Progressive Undervedevelopment of an Extreme Periphery’, 1023.
\textsuperscript{18} Hecht, ‘Cattle Ranching in the Eastern Amazon’, 189-92.
\textsuperscript{19} Ibid., 195.
idealization of history, it remains that interventions of Indians on the Amazonian environment had nothing of the dimensions that occurred under the impulsion of state-planned colonization from the 1970s.

No significant waves of deforestation resulted from Portuguese colonialism from the sixteenth to the nineteenth centuries either. The new crops —mainly cocoa and sugar—as well as the cattle-raising activities introduced by early settlers into the region remained largely limited to reduced areas next to the river banks, which were in part already cultivated by Indians. However, some serious ecological disruptions due to colonial production provided a bitter foretaste of the imbalances an enlarged colonial occupation might be able to engender. For example, the massive exploitation of turtle eggs for oil export nearly provoked the decimation of the species, broke the river's ecological chain and deprived Indian communities of vital fishing resources. Such disruption, together with the colonial enslavement of Indians and the introduction by the Europeans of infectious diseases, led to a drastic reduction in the indigenous population of the Amazon.

At the same time, colonialism led to the formation of the Caboclo culture, mixing Indian and Portuguese influences. This culture developed into a riverine population of poor settlers, many of whom moved further in the direction of forest areas by travelling on the tributaries in the Amazon basin. Some Caboclos practiced slash-and-burn agriculture on a reduced scale and thus provoked the transformation of portions of rain forest into areas of secondary vegetation. Here again there is no evidence of massive forest degradation—in the early 1970s less than 1% of the Amazon had been cleared and the Caboclos were not the only farmers or extractors in the region. Nevertheless, Caboclo farming practices, often dismissed as primitive and unsustainable, have served as justification for the Brazilian governments promoting planned and technologically assisted forms of forest colonization in the 1960s and 1970s. The Caboclo were constructed into a symbol of the irrational exploitation of nature, justifying the importation of new technologies and foreign knowledge into the region. Ironically, large-scale cattle ranches such as the CVRC ended up recuperating the slash-and-burn method to limit their costs of production, this time with much more serious

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20 Pádua, ‘Biosphere, History and Conjuncture in the Analysis of the Amazon Problem’, 408.
22 Ibid., 1026-8.
24 Dean, With Broadax and Firebrand, 258.
consequences for the environment due to the alliance of traditional slash-and-burn with the use of powerful defoliants.

Many other human groups have contributed to transforming the Amazon and its perception by men. The forest's thick vegetation proved an ally for the black, fugitive, 'quilombolas' slaves who founded independent communities dispersed over various parts of the Amazon in the late eighteenth and nineteenth centuries, sometimes mixing with Indian or Caboclo populations. Mestizo, Mulatto and Indian insurrectionists, after making war on the colonial elite in Belem in 1835-40, also sought refuge within the forest. The jungle even functioned as a hiding place in the following century for leftist guerillas, fighting the military regime in Araguaia County between 1967 and 1974. On the contrary, many of the hundreds of thousands of north-eastern peasants, who migrated to the Amazon to extract hevea during the two 'rubber booms' of 1880-1920 and the Second World War, lived in the forest as a place of captivity. Middle-men contracted by rubber entrepreneurs maintained these workers in a state of financial indebtedness and physical dependence similar to a regime of slavery. The first rubber boom ended in a drastic impoverishment of the region as the British, out of seeds originally collected—some have said, stolen—in the Amazon, managed to develop large rubber cropping farms in Malaysia. There, the local ecology allowed much cheaper, large-scale modes of extraction of the hevea. Nevertheless, other actors enriched the Amazon rain forest with new species, one group being Japanese settlers, which in the 1930s and 1940s settled there to start the production of jute or black pepper.

A multitude of other human agents, whose historical interaction with local ecology might seem less spectacular, have played a role in fashioning the image of the Amazon. In particular, they have constructed it as a place of encounter between nature and man. Religious missionaries, scientific explorers, prospectors of resources, adventurers (the most famous of them being the American President Theodore Roosevelt in 1913-1914), published reports of the extended trips they made through the region. In the nineteenth century, Carl Friedrich

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27 Oscar de la Torre Cueva, ‘Freedom in Amazonia: The Black Peasantry of Para, Brazil, 1850-1950’ (University of Pittsburgh, 2011); Berta Gleizer Ribeiro, Amazônia Urgente: Cinco Séculos de História e Ecologia (Belo Horizonte: Itatiaia, 1990), 123.
Philipp von Martius noted how frightening Brazilian forests were for the local inhabitants, while Alexander von Humboldt saw the Amazon as the world’s ‘future granary’. This double image—on one side that of a place of submerging natural ferocity, on the other side the myth of an opulent Eldorado—have predominated in European representations of the Amazon, but also in the reputation of the region among the south-eastern Brazilian elites. Perceived untamed, wild and abundant nature provided fuel for dreams of human conquest, because it appeared as a challenge to men. The wild was seen as free, available land, unoccupied space having to be converted to civilization. Its natural opulence implied economically exploitable resources. However, this perception ignored the historical experience of interaction with nature, which characterized the diverse human groups populating the area. The politics of development in the 1970s proved strongly influenced by this vision of the forest as a virgin space, as if the obsession with the future contained in the concepts of development and modernization had to go hand in hand with ignorance of the region's past.

1.1.3. The pioneer frontiers: dynamic spaces, multiple visions of nature

From the late 1960s, the Amazon started to be submerged with large development projects similar to Cristalino. Private companies and governmental organs argued that it was time to build the ‘future’ of the region and tended to negate or despise past experiences of human occupation in the Amazon. The central actors, which were cast in this developmentalist vision, were the ‘pioneers’, a vague denomination comprehending all those who participated in pushing forward the ‘frontier of civilization’ in the Amazon. In fact, the idea of forest as a space to be conquered is at the origin of what geographers call the pioneer frontier: a ‘free space’—or rather, seen as such by incoming settlers—in the process of being economically appropriated. In the late 1960s south-eastern Pará, where VW chose to locate its ranch like many other incoming farmers, became Brazil's principal pioneer frontier. The occupation of south-eastern Pará was the third major process of frontier colonization in twentieth century Brazil. It succeeded to the southward spread of coffee between the 1940s and 1960s in the state of Paraná, and the expansion of cattle farming into the plains of the

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center-west, around Brasilia and in regions close to the Amazon, within the states of Goiás and Mato Grosso in the 1950s and 1960s (see map below). \(^{35}\)

In the Brazilian Amazon, the pioneer frontier as a dynamic notion of space moved hand in hand with the farming colonization of geographic areas considered by newcomers as

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\(^{36}\) Source: Foweraker, *The Struggle for Land.*
empty, or at least underexploited by humans. The transformation of the Amazon from a region of extractive economy into an agricultural region was the main process driving the advancement of the pioneer frontier. Understanding themselves as pioneers gave to the actors in the colonization such as VW a historical legitimacy; being those who traced a new frontier made them masters of the land they claimed to civilize. The pioneers intended to replace traditional activities such as nut gathering, rubber-tapping or fishing, by new objects and modes of production responding to the alleged needs of the modern economy, for example, cattle-raising.

Pioneer farming was in part the result of spontaneous migrations of people, encouraged to move into the forest by the expansion of transport technologies and road networks.\textsuperscript{37} The pioneers came from different parts of Brazil and were not only farmers or business ranchers. The hope of discovering or exploiting mineral resources also attracted a great deal of migrants.\textsuperscript{38} The constitution by migrants of pioneer cities absorbed in turn the arrival of new migrants, through the development of an economy of services. In the county of Conceição do Araguaia, next to which VW opened its ranch in 1973, less than one third of the population was born in the state of Pará; two thirds had migrated from other states of Brazil. Nearly 74\% of these two thirds had arrived in Conceição after 1965.\textsuperscript{39}

Pioneer frontier migrants rarely arrived in regions that were actually empty of human population. They encountered extractivist communities that often opposed the agricultural colonization of the forest and came into physical conflict with or were expelled by farmers, ranchers or state authorities.\textsuperscript{40} These communities often had an idea of the use of resources and a representation of the forest completely different from that of the so-called pioneers. Many Amerindian peoples located in the watersheds of Tocantins, Xinguaí or Tapajos, in the state of Pará, envisaged non humans such as certain animals, river waters or spirits as full members of communities of exchange crossing the human/non-human dichotomy.\textsuperscript{41} As Pádua underlines, the encounter of migrants with natives made of pioneer frontiers places in movement, where new actors entered onto the stage every day and humans, animated by diverse or opposed conceptions of time and space, lived within incomparable levels of reality.

\textsuperscript{38} Ibid.
and perception.\textsuperscript{42} Situated in the Amazon, the pioneer frontiers were places in the process of being reinvented by a multitude of actors with very different cultural backgrounds, economic interests and representations of space.

In such a context, the migrants did not share common rules from which to distribute and handle natural resources. As Schmink and Wood underline, the frontier in south-eastern Pará was not only a physical delimitation within the human occupation of space but also a boundary ‘between alternative definitions of what resources are to be appropriated, how and by whom’.\textsuperscript{43} This made of social conflict a central element in pioneer frontier advancement, as, paradoxically, pioneer spaces no longer had anything to do with the myth of opulent forest, where the land and its resources are endlessly available. On the contrary, a pioneer frontier like south-eastern Pará in the 1970s was a place of dispute over the use of resources, a place of increasing scarcity, where forest was being cleared to give place to contested land.

Conflicts in Amazonian pioneer lands by the early 1970s were marked by robbery, murders, illegal appropriation of land goods, poaching. Nothing glorious seemed to emerge from such places that the famous Amazonian journalist Lúcio Flávio Pinto once called the ‘frontier of chaos’.\textsuperscript{44} Yet, especially after the phase of state-planned colonization started in the late 1960s, governmental organizations and nationalist newspapers made of the ‘pioneer’ advancement in the Amazon a chapter in the national epic. It is useful here to recall that the Amazon is not only located within Brazilian territory. Although more than 60\% of the Amazon forest is legally part of Brazil, it extends over six other countries. This territorial division is the result of centuries of diplomatic maneuvers and/or military confrontations, first in the colonial period between the Spanish and the Portuguese Crowns—with French, English and Dutch implications—then between diverse independent states in Latin America.\textsuperscript{45} In this context, the progressive occupation of the region by farmers included a patriotic meaning and the extension of the pioneer frontier was seen as an act of national construction. The pioneers were often compared in the late 1960s and early 1970s with the ‘bandeirantes’—patriotic figures glorified by the military regime in power, the Bandeirantes were settlers from Sao Paulo who, notably in the seventeenth century, marched into Brazil's backlands in search of mineral riches and enslaved Indian groups on their way.\textsuperscript{46} Thus, Manchete, one of Brazil’s

\begin{footnotes}
\item[42] Pádua, ‘Biosphere, History and Conjuncture in the Analysis of the Amazon Problem’, 404.
\item[45] Onis, \textit{The Green Cathedral}, 43-5.
\end{footnotes}
main illustrated magazines at the time, published an article in 1969 dedicated to entrepreneurs and settlers in the tropical rain forest, under the title ‘The Bandeirantes of the Amazon’. A number of members of the team, who first organized the Cristalino settlement for VW, appropriated this image for themselves. One such person was an assistant of Sauer who declared: ‘We were the trailblazers, pioneers, we were ‘bandeirantes’ on Amazonian soil’.

1.2. Waste with remorse: the political economy of deforestation until 1930

The ‘pioneer frontier mentality’ that drove the colonization policies in the Amazon in the early 1970s might give the first impression of Brazil as a nation insensible to the equilibrium of the environment. This impression is false, although it is clear that a certain carelessness for the forest and the soil has marked the different steps of Brazil’s economic expansion and territorial occupation since colonial times. According to a suggestion by the environmental historian José Pádua, the fact that the Portuguese gave to their South American colony the name of its main export item, the Brazilwood, made ‘the founding act of Brazil a project of predatory exploitation of nature’. Within a couple of decades, the Brazilwood, which the first settlers envisaged as an unlimited resource, had almost disappeared. With it, a significant part of the colony's coastal forests were lost. In view of such tragic development, it is tempting to see the Brazilian state’s Amazonian policy in the 1970s as the perpetuation of a national tradition of forest devastation. But repeated domestic initiatives for the protection of forests contributed at the same time to shaping the relationship of Brazilian society to nature. A nuanced appraisal of the history of deforestation is necessary to understand that there existed a basis for environmental concern in Brazil, even in moments of rapid deforestation such as the colonization of the Amazon in which VW participated. In the following section, I will analyze the complex historical dialectic between forest destruction and forest protection in Brazilian history. This dialectic helps in understanding why the

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48 Doretto, Wolfgang Sauer, 344.
history of the Cristalino ranch is not only a history of forest clearing, but also a history of environmental controversies.

Even the colonial history of Brazil included features, which must lead historians to exercise caution when drawing the political inventory of deforestation. For Shawn W. Miller, forest destruction was not part of the colonial project; rather it occurred accidentally. Ironically, it was the conservationist policy of the Portuguese Crown, maintained through the King’s monopoly on timber, which accelerated the eradication of Brazilwood. Since farmers had no right to sell timber, they preferred to destroy it and transform the forest into farms, as obviously the Crown ‘could not prevent the colonists from felling colonial timber, it could only prevent them from profiting by the activity, hence the subsequent widespread burning’. Paradoxically, the Crown's monopoly on resources, meant as a measure of conservation to prevent the reduction of available timber, created a culture of waste.

In fact, as accidental as the reasons may be, deforestation did happen in Brazil. The most spectacular illustration of this was the step-by-step destruction of 93% of the Mata Atlântica, a collection of tropical and subtropical forest covering about one million square kilometers. The Mata Atlântica once extended along the major part of the Brazilian coastline, from approximate Latitude 8° to 28° S (South). It extended from the coast into the interior for about one hundred to five hundred kilometers. Dyewood (mainly Brazilwood) cutting eliminated most of the woods located on the coast and river banks. However, it was sugar planting, which, as the leading export activity of the colony from the seventeenth century onward, transformed the north-eastern area of Brazil into a region of drought. From the late seventeenth century the mining of gold in the south-east brought large waves of population into areas of the interior. It came at a high cost to the forest to supply these populations in food and fuel sources, besides the fact that miners burned off hillsides in order to dig trenches to access gold. After independence in 1822, coffee, which was transferred from Africa to the

52 Ibid., 214-6.
53 Ibid., 224.
54 Dean, With Broadax and Firebrand.
55 Ibid.
Brazilian north-east in 1723, progressively became the main export activity. Coffee was planted in coastal south-eastern regions around Rio de Janeiro and Sao Paulo, where it expanded dramatically westward, leading to the progressive burning of forest surfaces.\(^{58}\) Next to these respective export staples (which constituted as many cycles of forest devastation), food crops and the raising of livestock developed from colonial times into structural factors of deforestation. These activities adopted increasing dimensions along with the growth of the Brazilian population, which was boosted by strong immigration and a high birth rate: between 1855 and 1933, 4.1 million free migrants settled in Brazil while between 1872 and 1930 the Brazilian population increased from 9.9 to 35 million people.\(^{59}\)

For Pádua, the environmentally destructive character of colonial occupation in Brazilian territory can be interpreted by a four-factor formula, which continued to influence patterns of relationship to nature during the economic expansion of independent Brazil.\(^{60}\) First, the immense size of the land properties permitted under colonial legislation created a habit of nomad agriculture: once a field’s soil was exhausted, farmers abandoned it for the next one.\(^{61}\) Second, as farming expansion occurred mostly through the burning of further forest areas, Brazilians did not develop techniques of fertilization and replanting. Third, the slavery system produced actors who had no direct interest in caring for the soil: slaves did not enjoy the fruit of their labor and land properties were big enough to give their owners a perception of endlessness. Fourth, the colonial mentality gave no intrinsic value to natural resources, seeing them as a huge reserve bound to be “destroyed and ruined”.

Even historians calling for a nuanced evaluation of deforestation recognized that the colonial spirit of conquest over nature durably influenced the Brazilian way of handling the forest.\(^{62}\) Nonetheless, historical evidence also shows that the destruction of nature was not a homogeneous feature in the country. In particular, the Amazon forest did not undergo the same devastation as the Mata Atlântica. As Miller and Warren Dean both underline, the Amazon even enjoyed a long period of vegetal regeneration from the start of Portuguese colonization until the twentieth century. Due to the dramatic decrease of the Amerindian population after the arrival of the Portuguese, flood agriculture partly deserted the Amazon’s

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\(^{58}\) Ibid.


\(^{60}\) Pádua, \textit{Um Sopro de Destruição}, 73.

\(^{61}\) Ibid., 74-5.

river banks, which were quickly covered by new trees.63

Moreover, the rapid nature, and extension, of the destruction in Brazil’s coastal forest specifically created an early awareness of the value of natural landscapes, at least for a visible fraction of the political and literary elites. Pádua reports upon the writings of a series of major figures in Brazilian history, who from the eighteenth to the nineteenth centuries denounced the environmentally damaging character of the country's main production activities. One such person was José Bonifácio, the main artisan of Brazilian independence and head of government between 1822 and 1823; others were Bahian statesman Miguel Calmon du Pin e Almeida, several times government minister following Independence; but also Joaquim Nabuco, the poet and politician who founded the Antislavery Society of Brazil in 1878.64 These personalities warned against deforestation, advocated the protection of animal and vegetable species and called for a more sustainable agricultural system. They often underlined the environmentally destructive consequences of slavery and large land ownership.

Going even further than conservationist logic, a call to render a fraction of Brazil’s natural areas off limits to human activity took place as early as in 1876, when the famous abolitionist André Rebouças published a paper arguing for the creation of national parks.65 In 1913, the politician Alberto Torres embarked in a similar preservationist path in his proposal for a new constitution, which comprised a provision for the ‘defense of the soil and natural resources of the country’.66

In the second half of the nineteenth and first third of the twentieth century, only small-scale, regional conservation experiments translated the political calls for forest protection in Brazil. The success of such experiments owed at least as much to the determination of strong individuals as to the action of state authorities. For example, the first reforestation phase in the Tijuca forest in Rio de Janeiro, which started in 1861, was accomplished thanks to the titanic efforts of one forest manager and a handful of slave assistants.67 The fast pace of Rio’s demographic and economic growth had caused the progressive deforestation of the nearby Tijuca, which used to shelter the city’s main watersheds. Although in the 1840s it became clear that Rio would run out of water supplies if nothing was done to replant the forest, it took

63 Dean, With Broadax and Firebrand, 66-91; Shawn William Miller, An Environmental History of Latin America (New York: Cambridge University Press, 2007), 57.
66 Dean, With Broadax and Firebrand, 244.
time for the imperial government to become fully aware of the extent of the problem.\textsuperscript{68} However, various waves of reforestation in the nineteenth and early twentieth century made of rejuvenated Tijuca the world’s biggest urban forest.

The example of the Tijuca shows that although forest destruction was a notable movement in Brazilian history, it was neither a pre-determined, nor a continuous process: there is also a long tradition of defending nature in the country. Environmental destruction is not to be seen as a defining characteristic of Brazilian identity. Brazil’s environmental history rather shows a muted tension between careless tendencies of devastation and conservationist remorse, expressed through repeated calls in favor of a harmonious relationship to nature. This tension also traverses all the conflicts on environmental issues that emerged in the history of the Cristalino project.

\textbf{1.3. The setting of national-developmentalism: the Amazon as a horizon (1930-1973)}

Just as colonial Brazil was traversed by initiatives of both forest destruction and forest conservation, it is hard to identify any coherent, nationally homogeneous discourse defining the place of nature in the construction of Brazil during the imperial period (1822-1889). The absence of a strong state coordinating the project of economic growth and territorial integration partly explains why forest destruction remained mainly confined to coastal regions and almost did not affect the Amazon. To be sure, the central state continued to be weak after the transition from the Empire to the First Republic. That Republic was organized from 1889 to 1930 along alliances and rivalries between the local oligarchies of Brazil's richest federal states. This fragile political system, under submission to the interests of big coffee producers, came to an end as the Brazilian army forcibly installed the statesman Getúlio Vargas into power in a move intended to curb the hegemony of the land oligarchy from Sao Paulo. From then on, the country’s government sought to put in place a national project of centrally controlled expansion of production activities. ‘Modernity’ and then ‘development’ became a motto distilled from the top to all sectors of society and was assumed to unify the Brazilian

\textsuperscript{68} Ibid., 91-92.
nation behind a common objective.

A political triptych, grossly articulated by the successive governing elites as a progressing national project, surfaced out of this discourse of modernization. It included first, the march towards industrialization and economic expansion, supposed to make of Brazil a great power; second, the construction of a rationalized administrative apparatus in order to plan this economic expansion territorially; third, the economic occupation of the vast, under-populated territories of the Brazilian west, as a way to achieve the spatial integration of the country and guarantee its national security. In this perspective, the occupation of the Amazon, considered the least exploited and most forest-dense part of the country, emerged as a horizon for the national project. The country’s statesmen gave various signs of this vision of the Amazon’s conquest as the final stage of Brazil’s path toward development.69

In the following, I will examine decisive moments of construction of the national-developmentalist ideology. First, I will address the reforms, which occurred under the rule of Getúlio Vargas. Vargas governed Brazil at the head of a provisional government (1930-1934) and subsequently a constitutional government (1934-1937), then as a dictator (1937-1945) and finally as a democratically elected president (1950-1953). He introduced the national-developmentalist rhetoric into Brazilian politics. Then, I will address the mandate of President Juscelino Kubitschek (1955-1960), who made developmentalism a national consensus, and in a transitional section I will explain the passage from populist democracy to a military dictatorship. Finally, the section will analyze the first seven years of the military regime (1964-1973), whose leaders resorted to the discourse of development as top-down political motto to legitimize authoritarian rule. For each of these political moments, I will observe the process of political consolidation of the elements which compose the national-developmentalist triptych (industrialization, enhancement of state authority and territorial integration). The aim of this section is to furnish a historical background to Brazilian politics until the start of a joint project between VW and the Brazilian state in the Amazon. This section is built on a top-down approach so as to reflect how the developmentalist consensus found its way in Brazil through impulses coming from governmental targets. The semi-authoritarian design of big industrial projects, their pompous announcements and the spectacular orchestration that accompanied their building, often intertwined with a personalized representation of the executive power, drove the establishment of development

politics.

### 1.3.1. Putting the state at the service of development: the Varguist reforms

There have been discussions on whether Vargas came to power in 1930 thanks to the support of the army with the conscious project of making Brazil an industrial country, in order to free it from its dependency on coffee. In 1929 the latter still represented over 70% of Brazilian export receipts.\(^{70}\) It is certain, however, that the context of the world depression, which engendered a dramatic crisis of liquidity through a brutal fall in coffee export prices, convinced his government to act in that direction. As a consequence, the Varguist years turned out to be a flourishing period for the ideology of modernization.

Vargas claimed that Brazil should develop its own industry to reduce dependency on foreign economies.\(^{71}\) He endowed the country with new tools supposed to sustain this perspective, such as a substantial increase of state investment in education and training, first brush-strokes of a policy of economic planning and the creation of various credit institutions.\(^{72}\) He also launched a basic labor protection structure as well as a system of labor control and organization partly inspired by Italian fascism. To measure the country’s economic progress he created a state department of statistics.\(^{73}\) This structural shift in the governmental organization of production activities showed results, as between 1933 and 1939 the average annual growth of industrial production reached 11.2%.\(^{74}\)

This success was equally due to the government’s efforts to attract foreign capital and firms in order to finance the creation of basic infrastructure and a national industrial park.\(^{75}\) At the same time, such efforts stood in apparent contradiction with Vargas' strong national

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\(^{73}\) Hilton, ‘Vargas and Brazilian Economic Development, 1930-1945’.

\(^{74}\) Ibid., 757.

populist discourse, put into practice through some decisions thought to increase Brazil´s sovereignty. For example, the government engaged in a process of nationalization of the soil and subsoil resources, which culminated in a law of 1953 establishing a state monopoly over the exploration and refining of petroleum.\textsuperscript{76} Vargas' approach, identified by historians as the emergence in Brazil of ‘national-developmentalism’ was to combine economic development with national interest.\textsuperscript{77} It did not take form immediately in the early 1930s, but rather in the long run over the various Vargas governments, with the adoption of a policy of import-substituting industrialization (ISI). The ISI strategy resulted in measures such as the 1953 prohibition of the import of built-up motor vehicles, thought to favor the creation of a local auto-industry.\textsuperscript{78}

Industrial growth under Vargas partly profited from a new government philosophy, according to which the central state would oversee the economic modernization of the country. The creation, between 1930 and 1945, of expert councils, planning institutes, state companies, foundations orienting the legislative process, financing industrialization and developing technological research, served this goal.\textsuperscript{79} The state became a coordinator of all economic activities, under the supervision of technicians supposed to stand above private or regional interests.\textsuperscript{80}

The dedication of all government policies to the development of industry, prioritizing heavily polluting sectors such as steel, petrochemicals or mining, left only little room for environmental concern. However, the consolidation of the administrative structure and the generalized promotion of technical expertise offered spaces for lobbying for those who, in Brazilian educated circles, had conservationist tendencies. The capacity for political articulation of a handful of scientists and technocrats concerned with nature, and well positioned in prestigious institutions such as the National Museum or the Geographical Society of Rio de Janeiro, proved legislatively efficient.\textsuperscript{81} Drummond sees in the early Vargas

\textsuperscript{76} Evans, \textit{Dependent Development}, 91-2.
\textsuperscript{78} Helen Shapiro, \textit{Engines of Growth: the State and Transnational Auto Companies in Brazil} (New York: Cambridge University Press, 1994), 76.
\textsuperscript{79} Laurent Vidal, de \textit{Nova Lisboa à Brasília. L'invention d'une capitale (19e-20e siècles)} (Paris: IHEAL, 2002), 158.
\textsuperscript{80} Ibid.
\textsuperscript{81} Dean, \textit{With Broadax and Firebrand}, 260.
era an ‘explosion of conservationist laws’ in the areas of flora protection, animal welfare, hunting and fishing, or irrigation.\footnote{J\~{o}se Augusto Drummond, ‘A Legislação Ambiental Brasileira de 1934 a 1988: Comentários de um Cientista Ambiental Símpático ao Conservacionismo’, \textit{Ambiente & Sociedade} 2, no. 4 (1999): 135.}

In 1934, the government passed a ‘Forest Code’, which constituted the first serious legislative basis for a federal policy of forest conservation. It created a public fund to finance initiatives of conservation, oriented by a Federal Forestry Council, whose representatives were recruited in institutions known for their conservationist concern, such as the National Museum, the Botanic Garden of Rio de Janeiro and the Touring Club of Brazil.\footnote{Roseli Senna Ganem and Titan de Lima, ‘Código Florestal: Revisão Sim, mais Desmatamento Não’, in \textit{Os 30 anos da Política Nacional do Meio Ambiente Conquistas e Perspectivas}, ed. Suzi Huff Theodoro (Rio de Janeiro: Garamond, 2011), 253.} The Code, which distinguished forests destined for economic exploitation from forests requiring measures of soil, water and biodiversity protection, had limited effects. Although sixteen national parks were created on its basis from 1934 to 1965, their areas did not receive serious infrastructural or even research support, as the objective of natural protection remained subordinated to the imperative of industrial development.\footnote{Drummond, ‘A Legislação Ambiental Brasileira de 1934 a 1988’, 133; Jos\~{e} Luiz de Andrade Franco and Jos\~{e} Augusto Drummond, ‘Wilderness and the Brazilian Mind (I): Nation and Nature in Brazil from the 1920s to the 1940s’, \textit{Environmental History} 13, no. 4 (2008), 737; Regina Horta Duarte, ‘Pásaros e Cientistas no Brasil: Em Busca de Proteção, 1894-1938’, \textit{Latin American research review} 41, no. 1 (2006), 124-5.}

Thus, the appraisal of the small body of conservationist laws from the Vargas era both highlights the potential role of the state as a space which can expand the advocacy of nature, and the difficulty for conservationist and industrialist goals to merge into a common politico-economic model. When development projects demanded it, forest reserves created by environmental laws were ignored, such as in 1946 when Sao Paulo governor Adhemar de Barros permitted a railroad to cross the Pontal forest (at the western extremity of his state) decreed a reserve only five years earlier.\footnote{Dean, \textit{With Broadax and Firebrand}, 278-9.} At the end of the Vargas era, it was clear that the ‘industrial imperative’ had gained the upper hand over conservationist concerns in daily administrative practices, as Dean illustrated in the following anecdote:

In the early 1950s, a professor at Viçosa [a university in Minas Gerais] went to the state capital to claim 100 hectares of public land—awarded by law to all graduates of agricultural schools. He intended to turn his grant into a forest preserve. His petition was not recognized, however, and at last he was taken aside and given to understand that his title would be awarded only on condition that he sell it immediately to a contractor, who intended to sell the timber to the Belgo-Mineira [steel] mill.\footnote{Ibid., 277.}
The Varguist objective of an economy growing at full speed did not constitute a favorable basis for the building of sustainable environmental policies, because it implied that natural resources had to be placed rapidly at the service of industrial production. The interior, still widely forested, parts of Brazil were seen by the national-developmentalist planners as spaces to be conquered rather than protected, in order to make their soil and subsoil resources economically exploitable. From the early 1930s, the Varguist discourse started to link its vision of modernization more strongly with the idea of national unity, by promoting the economic integration of Brazil’s less populated regions. The motto started to be the ‘interiorization of development’, concretely applicable through the occupation of the countryside and the decongestion of the littoral.\textsuperscript{87} In his traditional end of year speech on 31 December 1939, Vargas said it was ‘an urgent reality to climb the mountain, step on the central plain and stretch ourselves into the latitudes’.\textsuperscript{88} The government encouraged this ‘march to the West’, through the establishment of ‘national farming colonies’ absorbing waves of migration principally in the states of Goiás and Mato Grosso during the 1940s.\textsuperscript{89}

At the end of the Vargas era, this expansionist view expressed itself in the idea of a national policy of colonization of the Amazon, illustrated by the creation in 1953 of the first federal agency in charge of the economic development of the region, the Superintendência do Plano de Valorização Econômica da Amazônia (SPVEA) or Superintendence for the Economic Development of the Amazon.\textsuperscript{90} In practice, the colonization of the Amazon remained little more than patriotic poetry during Vargas’ rule. In the absence of substantial state investment, the Amazon’s gross regional product continued until 1956 to grow about two points below the national average, and SPVEA even defined itself as a mere ‘experimental’ project.\textsuperscript{91} Yet, Vargas marked minds through his famous ‘Speech of the Amazon River’ in October 1940 in Manaus. The speech exhorted the country to ‘resume the crusade of deforestation and overcome step by step the great enemy of Amazonian progress - immense

\textsuperscript{87} Maurício Andrés Ribeiro, ‘Origens Mineiras do Desenvolvimento Sustentável no Brasil: Ideias e Práticas’, in Desenvolvimento, Justiça e Meio Ambiente, ed. José Augusto Pádua (Belo Horizonte: UFMG, 2009), 82.

\textsuperscript{88} Vidal, de Nova Lisboa à Brasília, 163.


\textsuperscript{90} Mário de Barros Cavalcanti, Da SPVEA à SUDAM: (1964-1967) (Belén: SUDAM, 1967).

and unpopulated space’. By elevating the conquest of the Amazon to a necessity for completing the Brazilian national project, the speech would serve as historical shibboleth for national policies of Amazon conquest implemented in the following decades. It also made clear that the penetration of the Amazon appeared as a necessary step in the process of territorial unification, which underpinned the notion of national development.

1.3.2. Making national-developmentalism into a consensus: Kubitschek’s ‘fifty years in five’

That the notion of national development had become the main governing principle in Brazil is illustrated by Vargas’ last official trip in 1954. Like many of the President’s public appearances, this trip to the state of Minas Gerais was meant to celebrate the emerging heavy industry sector: it brought Vargas together with state governor Juscelino Kubitschek at the inauguration of a giant steelwork mill run by the Mannesmann Company. Although nobody could predict that Vargas would die in power two weeks later, seen from today’s point of view this moment might look like a symbolic transfer between the two men of the governmental task of developing Brazil. A political heir of Vargas, Juscelino Kubitschek was elected President in 1956 representing the Social Democratic Party. He similarly articulated the processes of industrialization, state consolidation and territorial integration, merging into a political project of modernization. He also skillfully achieved a balance in his rhetoric between two apparently incompatible goals: on the one hand, acquiring the technological capacity and industrial level of developed countries (and as such, making of Europe and the United states a model); on the other hand reinforcing Brazilian independence and national cohesion.

Certainly, the developmentalist ideology, which Kubitschek pushed through with ambitious policies of infrastructure building, industrialization and urbanization, was in agreement with the Eurocentric view of development as the direction of history. Sikkink sums up by the following formula the idea that was prevailing during the Kubitschek era: ‘if the

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92 Mary Helena Allegretti, ‘A Construção Social de Políticas Ambientais - Chico Mendes e o Movimento dos Seringueiros’ (Universidade de Brasília, 2002), 113.
93 Sikkink, Ideas and Institutions, 122.
country did not move quickly to promote development, history might pass it by’. Kubitschek’s term slogan ‘fifty years in five’ implicitly put the industrialization of the world’s North as a model to follow, because it meant that Brazil would achieve in five years the modernization that Europe had accomplished in fifty years. It called for an acceleration of history as if history were development.

Kubitschek incarnated like no one before the synthesis of national-developmentalism, between dependent development and nationalism. He saw true models for Brazil in North America and Europe. In his autobiography, he wrote about his trip to Canada and the U.S. in 1948: ‘I saw and I felt the path that we would have to follow’. Besides, his developmentalism was clearly connected to the economy of richer countries through the capital it needed. In order to finance his ‘Targets program’, a five year plan was devised based on heavy industrialization, and as part of its remit, the Kubitschek government dramatically expanded foreign investment and borrowing. The ‘Targets program’, which contained thirty precise objectives distributed over five big sectors, namely energy, transport, agro-food, basic industries and ‘education to development’, aimed at repeating in Brazil the western model of industrial revolution. Kubitschek's objective of boosting industrialization through planning proved effective insofar as economic growth reached a yearly average of 7.8% during his time in office.

Kubitschek's national-developmentalism, in spite of the foreign influences that traversed it, also reshaped development by linking it to certain historical processes that were proper to Brazil. His main achievement, the city of Brasilia, which was indeed constructed in five years rather than fifty, was a demonstration of the power of the Brazilian state, since Brasilia was destined to be the new capital of the nation. As Sikkink put it, developmentalism was not only the cement of the Brazilian nation but also the explanation for the stability of its governance: ‘shared developmentalist ideas were part of the glue that held together Brazilian elites’. In fact, Kubitschek had been criticized even within his governmental coalition for opening the Brazilian economy too much to foreign capital. In early 1958 falling coffee prices, provoking an increase in the balance of payment deficit, drew attention to the cost of

94 Ibid, 36.
96 Ibid., 153.
97 Vidal, de *Nova Lisboa à Brasília*, 203.
state-planned industrialization in terms of machinery, energy and credit imports. However, the President reached the apogee of his popularity precisely in 1959, as in the middle of the deficit crisis he stood against an International Monetary Fund (IMF) deflation plan. He decided to leave the international organization in order to continue to invest massively in the development programs, which were supposed to shape the country’s future. This event was crowned as an act of national courage, as if Brazil had decided to pursue its own way of development regardless of the international pressure.

Kubitschek's pompous conception of national-developmentalism seemed to implicitly fix the integration of the rain forest as the horizon of Brazil's modernization. The building of Brasilia, from 1956 to 1960, on an unpopulated plateau of the Brazilian central steppes, gave a decisive impulsion to the territorial penetration of the country, a goal that Kubitschek expressed in sentences such as ‘We must conquer our land, possess our soil, march toward the West, turn our back to the sea’ (1957). Brasilia moved Brazil's center of gravity closer than ever to the forest areas of the north. This historical march of the nation took on a nearly mystical dimension, as it featured in the first mass celebrated in the new capital city, when the Archbishop of Sao Paulo, Dom Carlos Carmelo de Vasconcelos, announced that ‘Brasilia is the trampoline to the conquest of the Amazon’. As a next step, the federal government started the construction of the Belem-Brasilia, the first highway to cross the Amazon. The project attracted waves of spontaneous migration to the region, long before the road was finished. Many environmentalists would later see this highway project as the founding step of a predatory colonization, leading to an accelerated deforestation of the Amazon in the last third of the twentieth century. The senator Evandro Carreira declared in a parliamentary speech in June 1976 that Kubitschek, by building the new capital and the highway linking it to Belem, ‘was one of the great criminals in relation to the Amazon’.

1.3.3. Towards military rule

Ibid., 144-5.
Dieter Richter, Die Fazenda am Cristalino: eine Rinderfarm im Gebiet des feuchten Passatwaldes Brasiliens; ein Film der Volkswagenwerk AG; Lehrerbegleitheft (Wolfsburg: Volkswagen A.G., 1980), 4.
Neither were Vargas and Kubitschek the only leaders to govern Brazil from the 1930s to the 1960s, nor did they invent the discourse of modernization, which they continuously resorted to. Projects favoring mobility within the national territory, unifying its regions, freeing Brazil from its neocolonial position as a primary goods exporter and coordinating productive capacities via a stronger central state had existed in intellectual debates since Independence. Vidal’s study on the various hinterland city projects that preceded Brasilia in the nineteenth and twentieth centuries shows this.\textsuperscript{105} These city projects were thought to extend human occupation over the entire territory of Brazil and thus reinforce the Brazilian nation.

But Vargas and Kubitschek did even more. They gave life to a national imagery of development through their common taste for crowd contact and grandiose inaugurations of building projects. They cultivated an esthetic association between top-down central power and economic progress, not least by regularly posing in pictures together with ‘modern’ objects symbolizing productive activities, such as motor vehicles, factories or skyscrapers. Their personalities incarnated developmentalist willpower, for they physically irradiated energy, rapidity and even territorial unity through their multiple, well-orchestrated and media reported travels throughout the country. In 1940 Vargas, the first President to ever visit Brazil’s central regions, portrayed himself as a twentieth century \textit{bandeirante} as he flew to Mato Grosso and rode on horseback in a forested river island where he came to break the geographic ‘isolation’ of a ‘fierce’ Indian tribe.\textsuperscript{106} Kubitschek displayed his determination to push through territorial unification as soon as in 1955, when he logged over 205,000 kilometers in a record time, performing the first truly nation-wide electoral campaign in Brazilian history.\textsuperscript{107} Eager to prove that natural obstacles were not to rattle his ambition of opening up the country’s remote interior, he did not hesitate to travel on river launches or horses where local infrastructure did not enable motor transportation.

Besides, these two presidential figures incarnated a populist leadership, which perfectly fitted with the national-developmentalist tune. They were populists insofar as they sought the direct support of lower social classes and resorted to emotionalizing evocations of patriotism. Their socially colored conception of industrial development, which they sold as the path to improve the patterns of living of the mass, ensured Vargas and Kubitschek high

\textsuperscript{105}Vidal, de \textit{Nova Lisboa à Brasilia}.
\textsuperscript{107}Joel Wolfe, \textit{Autos and Progress: the Brazilian Search for Modernity} (Oxford: Oxford University Press, 2010), 113.
esteem within the population. At the same time, this unmediated relationship between a President and the people—especially the numerically expanding urban working class, which Vargas and Kubitschek helped to increase through their policies of industrialization—were intolerable to certain fractions of the Brazilian elites. At different stages of the populist governments, entrepreneurs, right-wing politicians or churchmen feared a Marxist turn in state policies. Especially conservative sectors of the Brazilian army, organized around structures of corporatist reproduction such as the National School of War, which trained military officers, saw in populism a perverted form of government.\textsuperscript{108} Populism, many officers thought, was bound to weaken Brazil's ability to make war and as such, constituted a threat to national security. Conservative officers worked in favor of the army's growing intervention into politics, which they saw as a virtuous ‘counter-elite’, necessary to counterbalance the allegedly weak moral values of classical populist politicians.\textsuperscript{109} This tendency became influential enough within the army to force Vargas' deposition by a movement of generals in 1945, and then contribute to the pressure that led him to suicide in 1953.\textsuperscript{110} The military also unsuccessfully attempted to block Kubitschek's investiture as President after his electoral victory.

Kubitschek maintained sufficient support among progressive sectors of the army and within the Brazilian elites to guarantee himself an entire term. He managed to remain in power because he successfully preserved the balance between his national-popular rhetoric and a relatively pragmatic view concerning the participation of foreign and private capital in the country's development. For example, he favored economic sectors dominated by multinational companies, such as the automobile. Another President reclaiming, just as Kubitschek did, the populist heritage of Vargas, failed to match the same political equilibrium: the laborist João Goulart, who acceded to presidential office in 1961 although one year earlier he had only been elected as Vice President. From the start of his mandate, his legitimacy was fiercely contested: he came to power due to the unexpected withdrawal of Kubitschek's successor Jânio Quadros and incarnated, for many conservative Brazilians, the far-left of Varguism. Unlike Kubitschek, ‘Jango’, as he was called, gave the feeling of pushing the populist face of national-developmentalist policies too far.\textsuperscript{111}

\textsuperscript{109} Ibid., 42.
\textsuperscript{110} Ibid., 46-8.
Despite a context of inflation crisis (in part in consequence of Kubitschek's policies of state-funded growth), Jango projected a substantial income redistribution in favor of the working class and was tempted by a radical reform of the land property system.\textsuperscript{112} He also established restrictions on the circulation of foreign capital (for example by firmly increasing the limits of profit remittances) and promoted a strict implementation of the ISI.\textsuperscript{113} In a global context of Cold War, he resumed relations with socialist countries and opposed sanctions against Cuba. To be sure, Jango defended an independent diplomacy. This policy aggrieved the general staff of the army, which saw Brazil’s traditional alignment with the U.S. as a central component of their national security strategy. As the Congress refused to follow the President in this path, Jango's term turned into a crisis of democratic institutions, sharpened by a constitutional dispute.\textsuperscript{114} A large coalition of interests (bankers, businessmen, industrialists, rural landlords, salesmen, conservative politicians and not least an important part of the middle class), feeling threatened by Jango's political projects, organized an intensive propaganda campaign against the President.\textsuperscript{115} On the pretext of institutional division, corruption and communist danger, the military overthrew him on 1 April 1964.

The conspiracy was connected with aspirations exogenous to the army: the coup had a popular base, at least within the middle-class.\textsuperscript{116} Especially women's associations like the federal Campaign of Woman for Democracy (CAMDE) or the Feminine Civic Union (UCF), but also a myriad of local women's leagues, close to the conservative segments of the Catholic Church and financed by business circles, campaigned actively against the 'bolshevization of Brazil' during the last months of Goulart's government.\textsuperscript{117} Several urban demonstrations in March 1964, called the 'marches of the family, with God and for freedom', gathered millions of participants and contributed to preparing the social basis for the support of the coming military coup.\textsuperscript{118} Such waves of support for the overthrow of Goulart have recently led historians to insist on denominting the political system created in 1964 a 'civilian-military'
However, as Carlos Fico underlines, even though the movement that politically destabilized Goulart was civilian, the coup of 1964 was undoubtedly planned by military officers and carried out by the army. The governments instituted after this coup were all coordinated by and in a large majority composed of military actors. This makes the appellation ‘military regime’ acceptable, as long as one recognizes the notable role played by civilian actors in support of the coup. In the following chapters, I will mainly call the regime ‘military’, although I might sometimes resort to the expression ‘civilian-military’ either when insisting on the social support or civilian participation in the dictatorship or to underline the political diversity of the regime.

1.3.4. The ‘war of development’ of the ‘civilian-military’ regime (1964-1973)

Whereas for populists like Kubitschek or Vargas development was a condition for the social ascension of the poor, for the military regime it was a guarantee of national security. Economic progress, together with territorial integration and the growing presence of the national state that this progress was expected to beget, was an instrument of dissuasion towards foreign foes and an argument to eliminate the power of nuisance of internal foes. Development, in that sense, was envisaged as the central piece of a strategy of continuous war.

The first military president, Castelo Branco, felt assigned by the ‘revolution’ of 1964 to restore the economic order. His government abandoned social concern for the working class, limited credit and purchase power in order to recover a healthy economy and stopped the restrictions for the participation and growth of foreign capital in Brazil. This radical rupture between the economic line under Goulart and that under Castelo Branco only prevailed for a short historical moment as the new orthodox cure lasted just a few years. Looking at the long-term period going from 1930 to 1980, economic historians have rather

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120 Fico, ‘Versões e Controvérsias sobre 1964 e a Ditadura Militar’.

121 Alves, Estado e Oposição no Brasil, 56-61.

122 Ibid.
noted a remarkable continuity of the various federal governments on major features such as import-substitution, focal points of economic growth (essentially heavy infrastructure and durable goods industries), or the progressive intensification of foreign participation in the Brazilian economy. Most of the civilian (until 1964) and then military heads of state distinguished themselves less by the content of their economic policies than by the focus of their discourse and the meaning they gave to the notion of national development.

Nonetheless, the spectacular change of policy that characterized the passage from the Goulart to the Castelo Branco government made historians reluctant to describe the discourse of the military regime as ‘national-developmentalism’. Scholars have tended to restrict ‘national-developmentalism’ to a synonym for the economic side of political populism, characterized mainly by policies of ISI and nationalization of soil and subsoil resources. Yet, in spite of their hatred of populism and their antipathy for figures such as Vargas and Kubitschek, the military leaders called themselves national-developmentalists as well. Even Castelo Branco, one of the Brazilian presidents who was most monetarist and open to foreign interaction, resorted to national-developmentalist rhetoric—linking development with the national interest—and called his goals ‘national-developmentalism’. Therefore, it should be clear to the reader familiarized with the literature on Brazilian economic history that I do not use the term national-developmentalism to describe an economic doctrine or a set of economic policies. I rather intend it as a state discourse articulating together in a very flexible way the two malleable notions of nation and development.

Instead of pursuing Castelo Branco’s monetarist line, the following military presidents returned to a policy of state-funded growth. Despite this major discontinuity, the politics of development during the military regimes featured a number of common characteristics. This common platform comprehended an almost unrestricted openness towards foreign capital and the financing of growth to a significant extent through foreign loans. It also included a policy favorable to industrial monopolistic expansion through the intervention of the state in the production process, notably via economic planning. Finally, it comprised a redistribution of the national income in favor of capitalist accumulation and at the expense of workers, and the

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125 The use of national-developmentalist rhetoric by regime dignitaries, including the term ‘national-developmentalism’ itself, is particularly visible in collections of speeches such as: SUDAM, ed. Operação Amazônia; Discursos (Belém: SUDAM, 1968).
increase of economic investment in regions categorized as underdeveloped, especially the Amazon.\textsuperscript{126}

In this perspective, the growth policy of the military regime was not disposed to restricting itself through preoccupations about the environment. Particularly the government of President Emílio Garrastazu Médici (1969-1974), marked by Pharaonic highway and dam projects, displayed an absence of awareness of pollution and its consequences for ecology and human health. For Viola, the Medici mandate was the paroxysm of an ‘ideology of accelerated and predatory growth’.\textsuperscript{127} In the midst of the Médici years, the Brazilian government went so far as to publish advertisements in the media of industrial countries, inviting polluting industries to transfer to Brazil where they would not undergo any ecological control or tax.

More than ever, development under the military regime took the form of a top-down political project underpinned by the consolidation of central rule and the repression of dissident initiatives. From 1965 to 1968, a series of laws and ‘institutional acts’ set the basis of authoritarian rule, limiting civil rights, creating a ‘crime against national security’ that would serve to eliminate political opponents and transferring a large part of the legislative competencies to the executive power.\textsuperscript{128} The existing political parties were dissolved, the media started to be systematically subjected to censorship. In this climate of inhibition, many newsheets or magazines became vehicles to praise the grandiosity of the government’s infrastructural projects and ‘educate’ Brazilians about the virtues of industrial growth. In fact, a law of 1970 explicitly defined the role of the Special Committee of Public Relations (AERP), an agency in charge of the circulation of governmental propaganda in the mass media, as that of ‘motivating and stimulating the collective will to the national effort of development’\textsuperscript{129}

In order for dissident voices not to disturb the idyllic image of a country marching towards material wealth, political purges led to the dismissal of thousands of civil servants and the abrogation of dozens of political mandates—including Kubitschek’s mandate as senator; he, just like Goulart, saw his political rights quashed and took the way of foreign

\textsuperscript{126} Günter Schölermann, ‘Volkswagen do Brasil: Entwicklung und Wachstum unter den wirtschaftspolitischen Verhältnissen in Brasilien’ (Universität Oldenburg, 1982), 12.
\textsuperscript{128} For this and the following information about the formation of the military regime: Alves, Estado e Oposição no Brasil; Thomas E. Skidmore, The Politics of Military Rule in Brazil. 1964-85 (New York: Oxford University Press, 1989).
\textsuperscript{129} Luisa Maria N. de Moura e Silva, ‘Segurança e Desenvolvimento’: a Comunicação do Governo Medici’, Intercom 9, no. 55 (1986), 44.
exile. An intelligence agency, the National Service of Information (SNI), was created to track down politically subversive individuals, and started to resort frequently to the use of torture. This system of persecution supposed to preserve national security against ‘internal foes’ especially targeted leftist groups, trade-union activists and followers of the former president, Goulart. The escalation towards dictatorial rule culminated in 1968 with ‘institutional act number 5’ (AI-5), which suppressed the fundamental right of the accused for habeas corpus in case of ‘crime against national security’. Interestingly, the governmental concept of ‘national security’ was intimately linked with the much proclaimed development imperative, as the military considered economic growth and the achievement of western social standards a necessity to deviate a fantasized communist threat.\textsuperscript{130}

AI-5 also relieved the judiciary system from the treatment of such crimes of national security, which would be judged within military tribunals.\textsuperscript{131} Besides, it gave considerable power to the President of the Republic, authorized to close the Congress, suspend the civil rights of individuals or dismiss civil servants and judges.\textsuperscript{132} In spite of these severe restrictions to the state of right, the regime maintained the appearance of a democracy on the basis of a two party system. The National Renewal Alliance Party (ARENA) constituted the political base of the military governments. The Democratic Movement of Brazil (MDB), in fact the only authorized parliamentary opposition, was an aggregation of politicians covering a large spectrum that went from Marxism to moderate conservatism.

The authoritarian logic of the regime implied that no part of Brazil should escape state control. Therefore, the interest of the military for regions perceived as desert was even greater than in the previous, democratic governments. In particular, the occupation of the Amazon was a central preoccupation. This attention for the rain forest area corresponded to the geographic continuity of the Varguist march to the West and the building of Brasilia. But it also lay in the lineage of the successful prospecting effected in the region in the years preceding the military coup. Many major and potentially lucrative discoveries had been made in the Amazon from the mid-1950s to the early 1960s. The oil refining company Petrobrás found salgema, oil and gas ores, notably around 1955 in Nova Olinda, in the state of

\textsuperscript{130} Gilvan Veiga Dockhorn, \textit{Quando a Ordem é Segurança e o Progresso é Desenvolvimento} (Porto Alegre: EDIPUCRS, 2002), 56-8.
\textsuperscript{132} Alves, \textit{Estado e Oposição no Brasil}, 161.
In the late 1950s - early 1960s, gold-seekers found new gold and cassiterite ores in the Tapajos (Pará), while some private companies discovered reserves of manganese and bauxite there in the mid-1960s. The ever enlarging inventory of mineral riches excited the appetite of statesmen for the exploitation of the forest.

There was another reason why the military made the Amazon a laboratory of their development policy. The objective of full economic exploitation of the Amazon integrated itself perfectly into the military doctrine of development as a condition to national security, as expressed in the writings of General Golbery, the most influential ideologue of the Superior School of War. His book ‘Geopolitics of Brazil’, published in 1966, exerted much influence on the Government’s economic and military strategy. It synthesized the regime's doctrine of national security. One of the points of this doctrine was to see the occupation of the Amazon as a necessity for preventing foreign penetration of the region. Golbery defined the integration of the ‘empty spaces’ of Brazil (made ‘passive’, ‘devitalized’ and ‘deprived of creative energy’ because of their ‘lack of people’) as a national priority. Therefore, it was urgent to ‘overflow with civilization’ the Amazon watershed.

Before Golbery, other intellectuals had warned that if Brazil ‘did not fully occupy the Amazon, someone else would’. In particular, the historian Artur Cesar Ferreira Reis published a successful book in 1960 called *Amazonia and the International Greed*, warning about the hypothetical risk of a foreign invasion in the region. After the military coup, Reis was appointed governor of the state of Amazonas by Castelo Branco. In the middle of the 1960s, a project of the U.S.-based research center ‘Hudson Institute’ speculated about the possibility of building a huge artificial lake situated on the border of various Amazonian countries. Although it was nothing but a scientific study, the Hudson initiative spread panic among Brazilian nationalists, who saw behind it the imperialistic hand of the U.S. Journalists and intellectuals started to write that the Hudson plan heralded the perspective of an international protectorate dispossessing Brazil from its control over a major part of the rain forest. Members of Brazilian state organizations such as Professor Eudes Prado Lopes, chief-engineer at Petrobrás, saw as a great danger the simple fact that foreign scientists might be

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135 Golbery do Couto e Silva, *Geopolítica do Brasil* (Rio de Janeiro: José Olympio, 1966), 44.
researching on the Amazon.\textsuperscript{139} The investigations pushed through by the Hudson institute, he said, ‘put considerable information about the country's politico-econoic structure into their hands, chiefly regarding its natural wealth infrastructure and conditions of soil exploitation’. ‘This’, he added, ‘evidently is a threat to the equilibrium of national security’.

In this xenophobic context, essentially fomented by the regime's own ideologues, Castelo Branco and his henchmen were prompt to make of the Amazon a showcase of their politics of development. In the logic of the military regime, the Amazon was to Brazil what developing countries were to the world: an area where economic modernization should intervene as a priority. Thus, in a speech on front of an audience that included Castelo Branco, Reis depicted Brazil as a country divided into three areas.\textsuperscript{140} The first was the area of prosperity. It corresponded to the south and south-east of the country and was characterized by strong indicators of progress, welfare and civilization. The second was an area ‘marching to development’, the north-east, a region of poverty moved by its determination to go forward. Finally, the Amazon was ‘the Third World’ of Brazil, a geographically declining and listless area that needed to be developed urgently.

There existed a consensus in considering the Amazonian question a priority, but not everybody within the regime agreed with the same conception of national development. The oil shocks of 1973 and 1978 as well as a debt crisis, which grew in the early 1980s, brought about lively debates within the political arenas of the regime about sticking points such as the participation of foreign capital and firms in Brazilian development. To be sure, the civilian-military regime was never completely unified ideologically. Since 1964, internal rivalries and discords on what the different components of the regime saw as the goal of the ‘revolution’ impeded Brazil’s being governed by a classical ‘Caudillo’ regime. In twenty years of military rule, there were five different presidents, each governing between three and five years. The ideology and practices of their administrations were by no means linear, especially as regards monetary policy.\textsuperscript{141}

In fact, historical studies have pointed out the diversity between the different phases of the regime and contributed to breaking the representation of Brazilian military rule as a homogeneous chronological bloc.\textsuperscript{142} However, only little has been said about the political

\textsuperscript{139} “Albuquerque Aceita Dolares na Amazônia”, A Folha de São Paulo, 8 January 1968.
\textsuperscript{140} SUDAM, ed. \textit{Operação Amazônia}, 55-56.
division occurring at given moments—if not constantly—within the regime's institutional structure. In reality, there was a broad spectrum of shades within the political expression of the military regime's actors. Questions like the role left to free enterprise, the distribution of the social benefits of growth or the place of oil-consuming activities in the economy were often the subject of diverging views. Divisions did not necessarily occur at the top of the government but certainly within the ministries, the federal administration, the ARENA party, or even between different institutions of the regime.

A large study of this multi-layered politico-economic spectrum is missing. The following chapters, which do not have the divisions within the military regime as a central theme, will not fill such a gap, but they will provide an insight into the very complex, often concealed war that took place within the regime between different conceptions of development. Unexpectedly, the question of the management of natural resources offers a window through which the complexity of the spectrum of opinions within the regime becomes visible.

1.4. From the ‘Deutsches Wirtschaftswunder’ to the ‘Milagre Brasileiro’: Volkswagen as travelling model

The civilian-military regime, behind the apparent consensus of development and the hardening of authoritarian rule that took place until 1973, was a complex political body. So also was VW. The German firm managed to take root in Brazil in 1953 because its strategy of making a car for the middle class fitted into the national-developmentalist intentions of Vargas. In its first decades in the country, VW manage to appear not as a representative of European imperialism but as a truly ‘Brazilianized’ institution. This certainly helped the Brazilian government to encourage the company to participate in the colonization of the Amazon. In the following, I will first sketch the historical construction of a positive image of...
VW in Germany and then analyze how VW succeeded in ‘Brazilianizing’ this image in order to appear as a crucial partner and a popular actor in the project of developing Brazil.

1.3.1. From German ‘social enclave’ to ‘partner’ of the Third World: a story of ‘humanist’ expansionism

The VW that the Brazilian population learned to know in the second part of the twentieth century apparently had nothing to do with the ‘Volkswagen’ project elaborated in Germany in the 1930s. However, it is useful to briefly recall the origin of the company, born out of Hitler's wish of making a people's car, as this idea actually remained VW's *raison d'être* for the post-war decades. The people's car was supposed to break with the German tradition of luxurious cars for the few richest people in order to adopt patterns of production and a consumption target closer to the Fordist model. This meant reaching a scale of mass production capable of offering the middle-class an affordable small vehicle for everyday use. The project took the form of an industrial company with limited liability in 1937 under the name ‘Society for the Preparation of the German Volkswagen’.

To define Volkswagen as a mere Nazi project would make no sense. The people's car idea did not concretize under Nazi rule, as in wartime the Volkswagen factory served as an armament production plant. It was in the first place the British occupier, which, after Germany was defeated by the allies, decided to continue the processing of the people's car project. At the same time, Volkswagen's Nazi origins left indelible traces, especially in view of the massive exploitation of slave labor during the war period. Over 11,000 forced laborers especially from Russia and Poland, often pulled from concentration camps, were held in the VW factory against their will and in dehumanizing conditions.

Even decades later, this troubled past has occasionally been an angle of attack for critics of the VW Company. The interweaving between VW and the Nazi regime until the end of the Second World War have often incited external critics to demand of the company a strong ethic of responsibility towards workers, especially in economically marginalized

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countries. This exigency appears in an allusion made by the sociologist Reinhard Doleschal in 1982:

Especially in view of Volkswagen history, we have to ask whether everything has been undertaken until now to remove as fast as possible the unbearable conditions reigning in the Brazilian and South-African VW factories.\textsuperscript{148}

Such historical awareness did not particularly animate VW leadership during the company's international expansion in the 1950s/1960s. Neither in Germany nor in the countries where VW opened foreign branches did the firm organize the conditions to reflect upon its own history of slave labor—at least until the late 1980s, when the company asked a team of historians to research about the topic.\textsuperscript{149} That the case had been little researched until this date explains why, when a forced labor scandal appeared at Cristalino in the mid-1980s, nobody thought about drawing a comparison with forced labor in the Volkswagen factory during the war.

The company's Nazi past proved an almost absent topic as the German economy, from 1948 on, re-emerged out of its ashes to become one of the world's main industrial powers, with VW being a foreground actor of this 'economic miracle'.\textsuperscript{150} In the context of an impressively expanding German market of durable goods, VW became by far Germany's main motor vehicle company. It largely surpassed its German competitors in export sales.\textsuperscript{151} Beyond its commercial success, VW also symbolized the economic miracle because, especially along the 1950s, it built the image of its plants as 'social enclaves', demonstrating that market expansion was profitable to the workers.\textsuperscript{152} ‘Class struggle is dead at VW’ was the motto of the firm’s leadership as it offered the best salaries of all the sectors, workers' profit-sharing or social services at reduced tariffs.\textsuperscript{153} The social friendly image of VW, first German company to introduce the forty hour week in 1958, was in part due to its model of democratic governance, which included a high degree of bargaining and an above-average influence of


\textsuperscript{149} Hans Mommsen and Manfred Griefer, Das Volkswagenwerk und seine Arbeiter im Dritten Reich (Düsseldorf: Econ, 1996).


\textsuperscript{151} Wellhöner, ‘Wirtschaftswunder’, 85.

\textsuperscript{152} Heidrun Edelmann, Heinz Nordhoff und Volkswagen: Ein deutscher Unternehmer im amerikanischen Jahrhundert (Göttingen: Vandenhoeck und Ruprecht, 2003), 151-67.

the trade-unions.\textsuperscript{154} For these reasons, VW was seen as the archetype of ‘good’ development: an economic growth that favored both the elites and the working-class.\textsuperscript{155} The middle-class was also included in this project of good development, not only as consumers but also as share-holders. Indeed, as a result of the ‘VW law’, adopted in 1960 in the aftermath of a compromise made between the main German political parties, VW became a joint stock company held at 60\% by small shareholders.\textsuperscript{156} The remaining 40\% was divided equally between the West German federal state and the state of Lower Saxony, where the main VW plant was located. By virtue of a specific system of governance, the exponents of public authorities in the company board had a veto right over all important decisions. Together with workers’ representatives, they held the majority. The VW law also foresaw the creation of a ‘Volkswagen Foundation’ to promote knowledge and techniques, financed out of part of VW dividends.\textsuperscript{157}

All this meant that VW, as it started in the early 1950s to expand abroad, did not only have the profile of a successful German company. It was also in a certain sense an ambassador for a German model of market economy, turned toward the general interest rather than the obsession with profit.\textsuperscript{158} VW symbolized Germany’s international renaissance. As \textit{Der Spiegel} magazine wrote in 1968 in the obituary of VW’s first post-war CEO, Heinrich Nordhoff,

\begin{quote}
With Heinrich Nordhoff, 69 years old, died a worldwide symbol of the economic miracle and of German proficiency. Abroad, the chief of Wolfsburg was called ‘Mister Volkswagen’. The humpy vehicles coming out of his factories signified in 140 countries the re-birth of the defeated people. The Beetle showed the whole world that the Germans were starting to move again.\textsuperscript{159}
\end{quote}

In light of this international reputation, VW advertised throughout the world the export of a German model of capitalism with a human face. A subsidiary was founded in Canada in 1952, Brazil 1953, the U.S.A. 1955, South Africa 1956 and France 1960. Others opened in the 1960s, including in several Latin American countries. Volkswagen was present as an export company on the international market even before the creation of these foreign branches, as the

\begin{footnotes}
\item[154] Ibid.
\item[155] Doleschal, ‘\textit{Zur geschichtlichen Entwicklung des Volkswagenkonzerns}’, 46.
\item[156] Ibid., 48-9
\item[157] Ibid.
\item[158] Edelmann, \textit{Heinz Nordhoff und Volkswagen}.
\end{footnotes}
export strategy was the condition for pushing through the logic of mass production.\textsuperscript{160} The higher the number of units produced in the German factories, the more the company could profit from the advantage of an economy of scale. VW needed foreign markets to unload this production. Yet, in some of the export countries, local conditions made it unsustainable in the long run not to install a local company branch with its own plants. This was the case in western countries like the U.S.A. or France, where the well-established local competition made local establishment a condition for being able to compete with equal weapons.\textsuperscript{161} This was also the case in countries finding themselves in the opposed situation, namely the lack of an existing automobile industry, for example Brazil, Australia or South Africa. There, governments set measures to hinder the access of vehicle importers to the national market, in order to favor the emergence of a local automobile industry.\textsuperscript{162}

Together with the strengthening of the national economy, a growing part of the German population and media became concerned with the problems of poverty in the so-called ‘Third World’. Volkswagen started to portray its activities within the world’s southern countries as a humanist mission. ‘More than cars’: ‘a partner of the world’ became in the 1970s the motto of VW’s expansion in the world’s South.\textsuperscript{163} This meant, for example, that Volkswagen identified in its transmission to Brazil, Argentina, Mexico or South Africa of economic, social and technological instruments for development one of its missions. In its advertisements the firm claimed that it was investing in these places to help them improve.\textsuperscript{164} In communication campaigns, VW boasted about bringing ‘development aid in the best sense’ and putting the human being at the center of its action.

Brazil was the main showcase of this strategy of establishment in emerging countries. As Carl Horst Hahn, President of VW in the U.S.A. in the 1960s and VW Chairman in Germany in the 1980s, remembers in his memoirs, ‘Brazil was our flagship object number one: besides our products […], exemplary social services spoke for our entrepreneurial philosophy there’.\textsuperscript{165} In a country like Brazil, where a President had convinced voters by claiming to achieve fifty years of development in five, VW’s intimate link with the German economic miracle was an asset. The recovery achieved in a few years by a German industry that everybody thought destroyed by the war, was a suitable symbol for emerging countries
hoping for accelerated growth. It could not but raise the enthusiasm of the Brazilian developmentalists. That VW's social-humanist propaganda was particularly focused on Brazil also had to do with the growing importance taken by the country in the company's global strategy. In the 1950s, Volkswagen do Brasil became—by far—VW's most important financial engagement outside Germany. The importance of the Brazilian subsidiary grew even more during the 1970s, when Brazil had its own ‘economic miracle’. From 1971 to 1975 VW’s volume of production in Brazil in comparison to that of VW in Germany grew from 17% to 48%. The growth of VW do Brasil (VWB) processed at a speed, which VW senior management in Germany probably did not expect as it hesitantly started a business in the country in the early 1950s.

1.3.2. VW's ‘Brazilianization’

‘Authentic Volkswagen pieces. The people's car’, a smiling mechanic informed the public in 1950 in a commercial from the Brásmotor Company, which sold VW Beetles assembled in Brazil out of imported pieces from Germany. Yet, with German industry still in a phase of reconstruction and the VW brand lacking any kind of popular identification in Brazil, there was no sign that the Beetle would become the main ‘people's car’ in the country. It was quite unexpectedly that at about the same time internal VW market research identified Brazil as the most appropriate Latin American country for the construction of an automobile plant. Besides the size of the country's population and certain technical considerations relating to Brazilian patent protection policy, the repeated will of the local political class to endow Brazil with a strong durable goods industry encouraged VW to make this choice.

The fact that in 1953 Vargas assured the project of building a VW plant in Sao Paulo of his support (on the condition that it would serve the national interest) confirmed the existence of a favorable political climate in Brazil for the expansion of the auto industry. The same year, VW made its first step into the Brazilian market by opening a small assembly

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166 Ibid., 222.
168 Alexander Gromow, Eu Amo Fusca (Sao Paulo: Ripress, 2003), 55.
169 Ibid.
171 Ibid.
172 Luiz Alberto Moniz Bandeira, Das deutsche Wirtschaftswunder und die Entwicklung Brasiliens - Die Beziehungen Deutschlands zu Brasilien und Lateinamerika. (Frankfurt am Main: Vervuert 1995), 86.
plant, whose few hundred workers mounted 3,000 passenger cars until 1957. While Ford or General Motors (GM) had been offering large-size quality cars for the happy few, the Beetle immediately found its public in the emerging Brazilian middle-class thanks to its comparatively low price, good resistance, simple mechanics, small size and low fuel consumption. As early as in 1962, VW became market leader with 53,342 vehicles produced that year. While in the late 1950s a majority of vehicle parts were imported from Germany, in 1962 98% of the components were manufactured in Brazil. This figure was reached under pressure from Kubitschek himself, who hoped for great results from VW’s establishment in his country.

Anxious to put industrial progress at the service of national integration, Kubitschek believed that the access of a growing number of Brazilians to personal vehicles would contribute to opening up the country’s barely-populated interior. By facilitating individual travel within the national territory, passenger cars should also strengthen Brazilians’ patriotic feeling. Hence Kubitschek launched a historically unprecedented highway building program. He also ordered that the new capital city, Brasilia, be designed and built according to technical criteria facilitating car travel.

Kubitschek almost built the Brazilian automotive industry from zero, intervening personally to convince reluctant car brands to develop their production in the country. In 1956, he created the Executive Group for the Automobile Industry (GEIA), a commission organizing the expansion of the automotive industrial park in Brazil. GEIA was responsible for fixing nationalization and production targets. Its role was also to validate single investment projects and monitor their progress. For Kubitschek, the automotive industry was purely and simply a synonym of development. He counted on this industry to correct the unfavorable position of Brazil in the international division of labor. In his logic, developing the auto-industry was a national act, even if it meant increasing Brazil's dependence on foreign capital. In this respect, Kubitschek's strategy of industrial growth did not substantially differ from the choices later made by the military regime: the dynamic of growth was entirely based on the production and consumption of durable goods, collective transport was neglected and the railway networks literally left abandoned, in favor of road transport. This meant that multinational car companies became the central actors in Brazilian economic growth.

With his outspoken demands addressed to VW senior management (‘The Volkswagen

173 Shapiro, Engines of Growth, 110.
174 Wellhöner, ‘Wirtschaftswunder’.
175 Shapiro, Engines of Growth, 48-9.
is the ideal vehicle for our roads. [...] I need your car’), Kubitschek personally contributed to VWB’s development into a mass-producer.177 As on 1 March 1959 the first Beetle entirely produced in Brazil came off the assembly line, Kubitschek himself was sitting in the vehicle, smiling to photographers side by side with Sao Paulo’s governor and VWB’s general director.178 As a couple of months later VW’s international head Heinz Nordhoff inaugurated the first VW factory in the industrial outskirts of Sao Paulo, it was again in the presence of Kubitschek.179

VW’s ability to develop good contacts with the top Brazilian political elites was largely thanks to its partnership with the local firm Monteiro Aranha (MA), which held 20% of VWB’s shares.180 Originally a glass producer founded in 1917, MA had a long experience of negotiation with political decision makers because of its participation in a wide array of businesses, many of them linked with public contracts.181 MA’s help proved crucial for VW to obtain import licenses—a delicate task, due to the strategy of import-substituting industrialization practiced by Brazil since the 1950s. However, VW knew convincing ways to overcome the restrictions implied by the import-substitution policy, as was proved in 1961 by delivering free personal vehicles to Brazilian senators and Congressmen before the vote of a law on duty-free imports.182

Only in 1962 did the understanding between VW and the political class start to be in serious jeopardy, as Goulart came out with a strongly protectionist platform. The government set a series of obstacles in the way of multinational companies. It introduced higher restrictions on import licenses, increased from 100% to 150% the obligatory deposit for multinational firms to leave at the Banco do Brasil for every dollar spent in import purchase, and pressed VW to completely stop importing vehicle components from Germany.183 The galloping inflation under Goulart was another problem that preoccupied VW and threatened the cost-effectiveness of its Brazilian branch.184 In reality, most of Brazil’s business circles and foreign partners, particularly the U.S., were preoccupied by Goulart’s leftist measures and radicalizing nationalism and supported the military coup that toppled the government.

178 Gromow, Eu Amo Fusca.
180 Evans, Dependent Development, 156.
181 Ibid., 110, 12, 53, 56.
183 Ibid., 287.
VWB itself did not necessarily lean toward dictatorship, as the company's rise had largely begun through its collaboration with democratic governments. Still, the military regime offered to solve most of the issues that preoccupied multinational companies under Goulart: the political instability, a still underdeveloped infrastructural network, the high inflation and the growing influence of workers' unionism. At VWB, the favorable economic climate created by the governing junta mattered more than the state violence established to maintain this new economic order. As VWB's national Chief Werner P. Schmidt synthesized in an interview of 1971 about economic progress in Brazil:

> Of course the police and the military torture prisoners [...] political dissidents are [...] shot. But an objective report should always add that things just do not go forward without severity. And things are going forward.\(^{185}\)

Things were also going forward for foreign investors thanks to a revised nationalist approach, which was both industrialist and pragmatic. In spite of the monetarist phase that marked the regime's first three years, aimed at gaining back the confidence of foreign lenders, the military leaders ensured continuity with the national-developmentalist pomposity of the democratic cabinets. They exalted the geographic conquest of the interior territories, endorsed road transport as the backbone of Brazil's development and claimed the imperial necessity of modernizing the country's infrastructure. However, they handled the ‘national’ pole of this national-developmentalist discourse with more flexibility than their predecessors. Multinational firms ceased to be the scapegoats of politicians in periods when governments sought to restore their popularity. Economists defending import-substitution lost the upper hand in government think-tanks, which relieved the pressure on the firms' conditions of production.\(^{186}\) More remarkably, the regime’s political leaders did not balk at saying publicly that Brazil needed foreign capital if it wanted to become a great industrial power. In the absence of fair electoral competition, the military governments were not concerned to the same degree as their predecessors with losing popular support. They could dedicate a greater part of their public discourse to gaining the confidence of investors.

This approach encouraged VW to appropriate the official nationalist rhetoric, since this rhetoric was no longer embedded in a hostile discourse towards foreign economic actors.


In an article about VW commercials, Marques shows that the firm's advertisement strategy changed after the arrival of the military into power, when VW started to refer intensively to the link between automobile production and national development. VW commercials sought harmony with key elements of government propaganda, which had the advantage of appealing directly to the patriotic vein of middle-class consumers. A significant part of this middle-class was in agreement with the regime's discourse of national progress and restoration of a stable economic order. In this context, VW was both helping national feelings to develop and using these feelings to build itself a Brazilianized image, on the basis of a liberal version of the national-developmentalist discourse, close to the government's rhetoric.

Even in Germany, VW executives made no secret of their sympathy for certain orientations of the regime, especially the economic ones. A senior management member in Wolfsburg declared in 1970 that VWB needed 'an economic policy, which recognizes that private entrepreneurial initiative is indispensable for success'. He added: ‘During my talk with President Médici in Rio, I again received confirmation that this policy will continue’. Concretely, ‘this policy’ first consisted in making the automobile industry a focus in state planning, principally through massive state investment to improve road networks. Besides, various labor policy measures contributed to reducing VWB’s production costs. Under the official motive of containing inflation, the military acted to maintain low wages. It also passed a law in 1966 to facilitate dismissals, thus provoking an augmentation of worker turnover at VWB. The company could also take advantage of the repression of protest unionism.

Needless to say, the high growth over a long period of military rule was not the least factor to favor VW. Castelo Branco, who took power in a context of exploding deficit, governed until 1967 under the motto of recovering stability through credit restriction. Instead of prolonging this policy, the successive military governments used the readjusted economy left by Castelo Branco as an opportunity to finance growth. Through massive state intervention in infrastructural sectors such as communications, energy or heavy (not least

188 Carlos Fico, ‘La Classe Média Brésilienne Face au Régime Militaire’; Alves, Estado e Oposição no Brasil; Aarão Reis Filho, Ditadura Militar, Esquerdas e Sociedade.
190 Real wages shrank by between 20% to 25% over the period 1964 to 1967. Baer, Biller, and Donald, ‘Austeridade sob Diversos Regimes Políticos’, 11.
transport) industry, and a large opening towards foreign credit, they successfully oriented Brazil on a path of double-digit annual growth that did not slow down between 1968 and 1973. VW knew its take-off during these 'miraculous' years, with a clear hegemony among passenger car brands (stable over 50% of the market share) and a rapidly increasing production and visibility on Brazilian roads. By 1975, three million vehicles had rolled out of the VWB plant. This success had positive consequences in terms of profit, especially in 1971, when VWB made the highest profits of all private companies in Brazil with dividends of about US$103 million.

Not only did the military boost VWB's profits, it also simplified the transfer of an increasing part of these profits to Germany. The government enlarged the possibilities for sending profit remittances abroad, and showed a limitless tolerance towards the diverse maneuvers of VW to circumvent the remaining maximal remittances limit. For example, VWB paid unusually high counseling fees to, and bought machinery equipment for overvalued prices from, the German parent company. Besides cautioning such practices through a public discourse systematically glorifying European know-how and technological expertise, the Brazilian government even made the counseling fees tax-free.

There is no doubt that VW benefitted from the Brazilian economic miracle. Remarkably, the firm also managed to feature as a decisive contributor to this miracle. VW constructed this image primarily by addressing the public: not only the potential car consumers of the Brazilian higher and middle class, but also the lower social categories that might aspire to the same living standards. Brazilians appropriated the Beetle to the point of giving it a proper local name, ‘Fusca’ (derived from the Brazilian pronunciation of ‘Volks’). The Fusca became part of Brazilian daily life and gained a kind of cultural hegemony in the car sector, so much so that literature professor Maria Vollny in a ‘Study of the Character of the Brazilian People’ (1976) compared the Fusca in modern Brazil with the supremacy of the German piano in the late nineteenth century. VW’s visibility in Brazilian cities contributed to this tendency: in Sao Paulo—by 1967 the city with the biggest quantity of VW vehicles in

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194 Conjuntura Económica, July 1972.
the world, the entire police was equipped with VW vehicles as well as nearly all taxis.198

The company also owed its fame to a clever communication strategy. When it started producing the Beetles, VWB inaugurated a historically unseen relationship between a firm and the media in Brazil, by opening the doors of its factory to reporters and photographers. In the 1960s VW published commercials in almost every single issue of the country's main magazines. In 1961, VWB senior management invited Alair Gomes, a reputed TV journalist, to build a specific media relations section within the company.199 Close to the political milieu, Gomes had worked as a counselor of the ex-president Jânio Quadros (his father-in-law), elected as the candidate of a conservative party that became the political basis of the coup of 1964. Gomes created for VW the first press office in Brazil’s business history. This first initiative of a company in Brazil to establish a ‘planned, systemized and permanent relation with the press’ enabled VW not only to reinforce its advertising, but also to become an actor in shaping Brazilian public opinion, as is underlined by Chaparro: ‘The press sector [of VW] became a compulsory source of query for publishers, assignment editors and economic reporters of the big printed media, it took the role of an agenda-setter’.200

This rigorous public relations work became the brand's main instrument for spreading the message that VW was a symbol of socioeconomic improvement in Brazil. VW even portrayed itself as an actor financing economic growth and producing national cohesion, for example by publishing commercials, which recalled VW's contribution to national tax revenues—as VW's spokespeople liked to repeat, the company was Brazil's biggest taxpayer.201 VW commercials also suggested to consumers that they imagine the price of ‘progress infrastructure’ (electricity, factories, hospitals, schools, and roads) in numbers of Beetles, thus creating a mathematical association between VW and the concrete benefits earned by Brazilians from economic growth. Many commercials for the Beetle also invited Brazilians to recognize the benefit of rapid industrialization on their own daily life. In 1964, for example, VW asked consumers, as it compared the picture of an old mud road to that of a brand new asphalted highway on which VW cars were driving:

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198 Wellhöner, ‘Wirtschaftswunder’; Werner Würtele, ‘VW do Brasil’.
199 Lino Geraldo Resende, ‘Economia, Valor Notícia e Assessorias de Imprensa’ (Faculdade Cândido Mendes, 2003), 27.
201 Marques, ‘O Progresso sob Quatro Rodas’.

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Do you remember how this road [...] used to be? [...] terrific, isn't it? Progress, growth, dynamism. It feels good thinking about it. Look at how many people today have their own car (more than 2 300 000 have a Volkswagen), television, washing machine. [...] Living standards are improving. Always more, and for always more people. Don’t you think this is good?202

This kind of advertisement made of the VW vehicle a typical national-developmentalist product, driving Brazilians towards a glorious, prosperous future on the path of growth—not only economic growth, but also growth of the nation's size in all senses of the term. For example, a 1971 commercial celebrated the building of highways in the country's western regions as a way of expanding human occupation in the national territory.203 Another commercial even expressed pride in seeing the Brazilian population rapidly increasing, underlining how VW was apt to meet this challenge and accompany demographic growth with an even more rapid increase in Beetle production.204

This advertising was not unjustified, as VW had participated in the economic development of the country, in the first place by creating nearly 40, 000 jobs.205 VW's arguments, praising itself as a humanist firm and distributing to Brazilians the fruits of development, were countless and found a large echo in the media. According to company figures, by 1974 VW was indirectly contributing to the maintenance of 330 000 jobs (enabling a living for 1.5 million individuals). It had helped its suppliers to develop with loans, bridge financing and advance payments. The increase in production at VW had enabled 803 VW resale companies to open.206 Besides, VW's sales credits - an innovation in the Brazilian car sector - had helped the middle class to equip themselves with vehicles.207 By 1974 even one third of VW-employees themselves had a VW.208 VWB claimed to distribute to its workers the highest wages in the sector as well as healthcare, pension insurance, financial aids for public transport and canteens, and a wide range of cheap entertainment offers.209 A company brochure of 1980 said that VWB was ‘one of the most progressive and social enterprises of the country’ and, more importantly, ‘a successful symbiosis between industrialization and the

202 ‘Você lembra como esta estrada [...] era antes? [...] assombroso, não é mesmo? O progresso, o crescimento, o dinamismo. Faz bem a gente pensar nisso. Reparar quantas pessoas hoje possui seu carro (só de VW são mais de 2300.000), seu televisor, sua máquina de lavar. [...] O nível de vida melhora. Cada vez mais, Pará cada vez mais gente. Você não acha que isto é bom?’: Ibid.
203 Ibid.
204 Ibid.
206 Ibid., 298, 302.
207 Ibid., 304.
208 Ibid., 302.
How far this eulogistic self-portrait differentiated from reality has been discussed by authors like Doleschal, Schölermann or Würtele. They have pointed to the negative weight of VW in the Brazilian trade-balance, discovered that wages at VW were actually lower than in other multinational firms or denounced the firm's repressive attitude towards workers. Although these criticisms are often backed up by serious statistics, they fail to address the impact of VW within the Brazilian industry and the chain of demand created by the company’s investments. However, it remains that behind VW’s alleged progressiveness, there was a clear tendency to maximize profits at the expense of human aspects. In these conditions, VWB needed more than good corporate responsibility marketing to conquer the sympathy of the nation. From 1973-4, as the Brazilian miracle faced the beginning of its end, due to the uncertainty brought by the first global oil shock, it became clear that VW had to invest its self-promotion efforts in other fields than its sole identification with economic growth: it had to demonstrate even more clearly its Brazilian patriotism. The Cristalino farming project in the Amazon would be a contribution to this.
In the 1970s, most of the information written in the mainstream newspapers about the Cristalino farm was furnished by VW, either through printed documentation, press conferences with VW officials, or guided tours of the ranch, which were offered to reporters. Although VW published information both in Brazil and Germany, there were some slight but significant differences in the communication strategy between the two countries. These differences (reflected in most of the newspaper articles) reveal much about the image that VW wanted to convey of its ranch project to the Brazilian and German audiences. For example, German and Brazilian readers heard different stories about the origins of the VW farm. Brazilian publications tended to depict the CVRC project as the invention of Wolfgang Sauer, VW do Brasil’s CEO. It was said that Sauer's bravery led him to take up the ‘challenge’ of Amazonian colonization, which the Brazilian government had addressed to all entrepreneurs. The German media were more likely to state that VW had been directly ‘invited’ by the Brazilian government to start an Amazonian adventure.

Why were there two different versions of Cristalino’s origins? Most probably, the Brazilian version represented VW’s pledge of commitment to the national ‘march to the interior’. Once again, VW wanted to assert its avant-garde position on the Brazilian path to development. In Germany, the company attempted to handle the topic more carefully, since it

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1 ‘There, they produce automobiles, here they want to produce zebu, liquidating the last great forest reserve on earth. German public opinion is creating pressure for this not to go on, they are aware of the gravity of all this. So, the Counts at ‘Volks’ [Volkswagen] here, the executives, reply to this pressure; ‘don’t worry, oh don’t; the Brazilian government itself is paying us to proceed like this. It is their own government which is subsidizing us’: Edilson Martins, Amazônia, a Última Fronteira (Rio de Janeiro: CODECRI, 1981).
was clearly difficult for a major car company to ‘sell’ a tropical ranching project to a *Bundesrepublik* (Federal Republic of Germany) strongly affected by the oil shock of 1973. Given that Wolfsburg announced a drastic redundancy plan for its German factories in 1974, how was it to justify the spending of profits in such an alien economic sector as tropical farming?\(^4\)

Moreover, concern over the lack of equality and freedom in the Third World was growing in Germany, especially since the Chilean military coup of 1973, widely reported in the western European media and by social movements.\(^5\) In 1974, the Federal Parliamentary Commission for Economic Cooperation in Bonn invited the VW executive, Horst Backsmann, as representative of the company, for a hearing.\(^6\) In the event, German Congressmen posed aggressive questions about supposed unethical practices by VW in Brazil: low wages, a restrictive credit policy, the outsourcing of German production combined with insufficient adaptation to the needs of Brazilian consumers. Although the Commission consisted mostly of parliament members (MPs) with a Third World bias, their questions reflected how concerned a segment of German society was about the behavior of its ‘multis’ in the Third World.\(^7\) In this context, VW could only cautiously evoke its Amazonian ranching project. Above all, it could not raise any suspicion that the ranch project was encroaching upon Brazilian sovereignty. This is probably why Wolfsburg informed the German press that VW was creating a project in the Amazon not as a result of its own will, but because the Brazilian government insisted on finding private partners to ‘develop’ the country.

This chapter will demonstrate that there existed both enthusiastic and embarrassed reactions to the CVRC’s establishment, whether from within the management of VW itself or on the part of the Brazilian authorities. In the end, it does not make much difference whether the idea of creating a ‘VW-ranch’ was first conceived in the office of a Brazilian minister or during a talk between company executives. Nevertheless, there are two reasons why it makes sense to stress that the creators of the project spread two different stories about its origins.

First, the existence of these two distinct narratives, constructed for two separate audiences, points towards the multifunctional dimension that marked the CVRC from 1973 to

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5 Balsen and Rössel, *Hoch die internationale Solidarität: zur Geschichte der Dritte Welt-Bewegung in der Bundesrepublik* (Kölner Volksblatt, 1986); chapter 4 of this thesis.
7 ‘Multi’ is a rather pejorative German designation for ‘multinational firms’.
1986, that is, for the entire duration of its existence as a development project. Not only was the CVRC both ‘German’ and ‘Brazilian’; it was also both a private and state project, a personal and collective creation, a nationalist and global idea, among other seemingly irreconcilable polarities. As such, the planning and implementation of the CVRC turned out to be the result of a negotiated conception of development, rather than the product of a unified developmentalist ideology. The CVRC was praised as a model ranch because it was a project of reconciliation between different visions of development.

Second, the fact that VW told two versions of the CVRC's genesis in two different countries demonstrates the complex situation in which the project had its beginnings. The CVRC was squeezed between different cultures, public opinions, and contexts of pressure—because of its genuine multifunctionality. The use of different strategies of communication in Germany and Brazil demonstrates that the CVRC, which was aimed at being a model in at least two different contexts, had to satisfy different expectations of the development promise. In Germany and in Brazil, the social, political and economic representations of what development should bring to the people were not the same. Obviously, the fact that VW was able to publicize different explanations about the same thing, according to the country, illustrates the considerable resources in terms of communication and power, which are available to a multinational company. However, it also highlights the limits of this power, because it shows that VW had to deal with a multitude of actors who might project their own idea of development onto the CVRC project.

Only by considering the CVRC as a response to a plurality of expectations is it possible to envisage the model of development that VW and its allies attempted to construct with this project. This chapter depicts the making of a model ranch as a paradox, resulting from complex and sometimes conflicting negotiation between two poles. One pole was the Brazilian military regime and the other was Volkswagen as a multinational company. Both poles were themselves heterogeneous structures combining the expectations of multiple actors. As will be seen, this made the model ranch both powerful (as the result of an alliance between powerful institutions) and fragile (as a project squeezed between various contexts of pressure).

The model ranch was also developed within a context of political transition, a factor which tended to blur even more the intentions of the developmentalist government. The Medici presidency was marked by the influence of the regime's hardliners as much in the area
of the environment as that of state institutions.\(^8\) It was also a period of consolidation for the repressive state apparatus, through the generalization of torture, imprisonment of opposition politicians and repeated intimidation operations on local populations organized by the army.\(^9\)

On the contrary, Ernesto Geisel, who succeeded Médici in 1974, under the impulsion of the moderate wing of the military, announced that his mandate would be a period of *distensão*.\(^10\)

Concretely, this meant that the regime gradually opened the valve of political participation, particularly through the partial suspension of censorship, the controlled liberalization of electoral politics and decreasing repression on political activists. Although some of these objectives would suffer serious setbacks during Geisel’s mandate, the *distensão* proved a fertile ground for political inflections in the area of ecology, especially regarding rain forest questions.

It is thus crucial to understand that the VW farming project, planned in the years 1973-1974, started at the crossroads of two fundamentally different political options: a hardline authoritarian climate under Médici, and a framework of *distensão* under Geisel.

### 2.1. The ‘invitation’

As mentioned above, VW spokespeople continued to inform their German interlocutors that the company entered the Amazonian farming sector because the Brazilians wanted it to. Even the company’s President, Rudolf Leiding, introduced the CVRC project as the direct consequence of an ‘invitation’ by the Brazilian authorities.\(^11\) He asserted that the Brazilian Minister of the Interior had solicited him personally via a letter, to start an agribusiness in the frame of an Amazonian development programm. The film director, Wolfgang Büblitz, in a reportage published in the VW corporate journal *Autogramm*, went beyond the ‘invitation’ thesis, alleging that the Brazilian government had ‘forced’ VW to undertake a colonization project.\(^12\) A leading conservative newspaper in Germany depicted the proposal made to VW as the kind of ‘invitation’ a company does not really have the choice to refuse, a sort of duty that VW owed to the Brazilian state if it wanted to maintain its

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\(^8\) Elio Gaspari, *A Ditadura Escancarada* (São Paulo: Companhia das Letras, 2002).


\(^12\) ‘Der Urwald Überwuchert Alles’, *Autogramm*, September 1985.
privileged position in the country. Given the fiscal advantages offered to VW and the enthusiasm of certain high-ranking company leaders in opening the Amazonian ranch, that thesis distinctly lacks credibility. The present study will show, however, that substantial efforts were made by the Brazilian government to make a cattle ranching project in the south-eastern Amazon attractive in the eyes of a large multinational company of VW’s profile.

2.1.1. *Operação Amazônia*

Everything started two years after the Revolution of 1964, under pressure from nationalist intellectuals, who exhorted the government of Castelo Branco to finally assert Brazilian control over the northern territory of the country. This time the government was determined to show that it was serious about the Amazon. The modernization of the region, ‘Brazil’s Third World’ would provide flamboyant evidence of development, akin to the *Brasília* of the 1964 Revolution. In October 1966 a law package christened ‘*Operação Amazônia*’, created the political and financial conditions for a strategy of massive Amazonian development based on public planning. According to an official document, *Operação Amazônia* is a complex of laws and measures that aims to promote definitive integration of that region into the national socio-economic context. The way to achieve this result is to exploit the region’s natural potentialities, to enhance the level of income and well-being of the region’s populations, and to enable consequent settlement and amplification of these populations in the area.

The *Operação Amazônia* laws defined a planning territory of five million square meters: about 60% of Brazil’s total territory, including nine Brazilian states grouped together under the concept of ‘*Amazônia Legal*’. SUDAM (*Superintendência do desenvolvimento da Amazônia Legal*)

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14 Including Law n°5.122/66 creating the *Banco da Amazônia*, completed in 1969 by its nationalization and the increasing of the institution’s capital; Law n°5.173/66 substituting SPVEA by SUDAM; Law n°5.174/66 instituting the concession of fiscal incentives for the Amazon region. A series of other laws was passed in the following months and years to complete the package. BASA, *Nacionalização e Aumento do Capital do BASA: Repercussões* (Belém: BASA, 1969); SUDAM, *Investimentos Privilegiados na AMAZONIA* (Belém: SUDAM, 1966).

15 ‘Operação Amazônia é um complexo de leis e medidas administrativas que visam promover a definitiva integração daquela região ao contexto sócio-econômico nacional. A via para atingir esse resultado é a do aproveitamento de suas potencialidades naturais, e elevação do nível de renda e bem-estar de suas populações e consequente fixação e ampliação das mesmas na área’: SUDAM, *Investimentos Privilegiados na AMAZONIA*, 226.

16 Three of these nine states (Mato Grosso, Goias and Maranhao) had only parts of their territory integrated into *Amazonia Legal*. 
Amazônia), a powerful institution which would plan and manage the development of this administrative super-region, was set up. Under the umbrella of Operação Amazônia, the old Rubber Bank of Amazonia was transformed into a large public development bank, BASA (Banco da Amazônia), with a widely expanded banking network. One of the bank’s missions was to distribute public funding for the development projects selected by SUDAM. Furthermore, the Operação Amazônia laws stipulated that 1% of federal tax revenue would now flow to the so-called ‘Fund for Private Investment in the Development of the Amazon’ (FIDAM), making up BASA’s incentive and research credit fund. Such an amount of public investment for a region traditionally neglected by federal spending was a previously unseen political step.

Hardly had Parliament adopted Operação Amazônia than a propaganda campaign began, constructing and publicizing the ‘new attitude’ toward the forest. A few years later, VW elaborated its ranch project. How nature was represented in Operação Amazônia certainly influenced the way in which the ranch was conceived. The patterns of thinking of the ‘new attitude’ in Brazil were made public through a cycle of meetings, debates, conferences, and publications, and they were echoed both in radio-television shows and in the newspapers. To sensitize the nation, a yearly ‘Amazonia Day’ was instituted in 1968. Operação Amazônia asked Brazilians to reject the two images that had cohabited until then in representations of the rain forest: the ‘picturesque region worthy of a literature topic’ on the one hand, and the ‘green hell’ feared by men on the other. These pictures symbolized passive attitudes. They were to be replaced by the ‘new philosophy of development’ marked by willpower and action.

In this context, nature had to be redefined. The frightening, wild and untouchable landscapes, which used to be feared or admired for their abundance, diversity and exuberance, were discursively transformed into ‘empty spaces’ of ‘green desert’ needing to be conquered and dominated. After a SUDAM meeting in December 1966, a group of Amazonian governors, federal ministers and national businessmen issued the Declaration of the Amazon, which promoted a confident and dominating attitude toward the rain forest:

19 Law n°10.113/68.
20 Cavalcanti, Da SPVEA à SUDAM, 676.
21 SUDAM, ed. Operação Amazônia, 70.
Today the Amazon, seen as a whole, still constitutes one of the largest desert spaces of the world, and a challenge to our capacity for realization. [...] The rational occupation of this empty space is the main necessity for our own national security.²³

As proclaimed in a special edition of the pro-regime magazine Manchete in 1968, the ‘immense area of 5 million square kilometers’ of Brazilian rainforest constituted the ‘scenario’ that Operação Amazônia had to rewrite, thus ‘awakening’ the region and reshaping its identity in the ‘battle of Amazonian development’.²⁴ Modernity was thus to write the story of the forest, as if the Amazon had no history yet and no possibility for creating its own future. Only modernity gave sense to things; developmentalism saw no meaning but emptiness in forest spaces if these were not massively exploited.

There lay the difference between development and sub-development. In development, ‘man overcomes nature’ whereas in sub-development, the dialectic of domination was reversed: it is nature which imposes its rule.²⁵ Therefore, the war against nature instituted by Operação Amazônia was also a war against the sub-developed mentalities that, according to the official discourse, still reigned in the Amazon: that ‘beggar region’ characterized by ‘parasitism’, with an ‘entrepreneurial mentality in a primitive state [...]’, hesitant, coward’, a ‘culture deprived of [...] creative expression’ with ‘low productivity’ and ‘technical skill in a state of inferiority’.²⁶ Operação Amazônia would ‘overcome the terrible sore of misery and sub-development’, thanks to the ‘Brazilian economy’, ‘marching to the interior’ as an army would do, to quote the words of President Castelo Branco in 1966.²⁷

The regime wanted to make of Amazonian colonization a project that would unify the different social classes within the nation. The Amazon contained the promise of fruitful
resources to be capitalized upon by the economic elites as well as new land to be distributed among the poor. Under the horizon of Amazonian development, the military, which was at the same time pushing through socio-economic policies that aggravated the gulf between rich and poor, had found a way to unify the diverse parts of Brazilian society into one single national project.

In this spirit, in 1970, the new President Médici infused Amazonian development programs with a strong social colour. The official story recounts that, in June, the President remained shocked after a visit to the north-eastern town of Recife and its hinterland, where he was faced with the dramatic social consequences of a devastating drought. Having in view both the chronic precarity of north-eastern peasant classes and the ‘problem’ of ‘Amazonian emptiness’, Médici idealized the project of a massive stream of human migration proceeding from the north-east to the Amazon. In a sentence which remained etched in the national imaginary, he described this new objective of interregional planning as ‘the solution to two problems: men without land and land without men’. Médici’s dream was written into law via the National Integration Plan (PIN), adopted and completed between 1970 and 1971. One of PIN’s main measures was the construction of the Transamazonian, a highway of nearly five thousand kilometers which would cross the rain forest from East to West. Another highway, the Cuiabá-Santarém, would traverse the Amazon from South to North. A margin of one hundred kilometers on either side of these roads was reserved for agricultural colonization. The federal agency Instituto Nacional de Colonização e Reforma Agrária (INCRA), created for the occasion, would plan the process of colonization. Its principal mission was to distribute small plots of land to about one hundred thousand migrant families until 1975 (so, at least, was the plan), and to launch a series of small centers of urbanization along the two highway axes.

As enlarged territorial integration meant a greater necessity for motor vehicles for Brazilians, VW openly supported the official Amazon policy. In 1970, the company, which was used to articulating its own communications in the governmental discourse of modernization, launched a TV commercial for the Volkswagen ‘Beetle’ praising the building

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28 On how propaganda images encouraged the identification of different social classes with the conquest of the Amazon, see the examples of Cerri, ‘Espaço e Nação na Propaganda Política de ‘Milagre Econômico’’, 131.
30 Ibid.
of the Transamazonian.\textsuperscript{33} The advertisement, which staged bulldozers clearing a path within the immensity of the forest, contained a message which extended Médici’s triumphal declarations of conquest over nature as a condition for national development. Preceded by a pompous, aggressive musical introduction, a narrator’s voice declared:

\begin{quote}
This is the Transamazonian, the work of definitive conquest of one of the world’s richest regions. Men and machines are fighting restlessly against the forest, against the climate, to give Brazil its masterpiece highway; but the effort and victory will be rewarded; within a short time, any vehicle will be comfortably driving here, in all security.\textsuperscript{34}
\end{quote}

The end of the commercial displayed the future arrival of the Beetle on this road, as a symbol for taming the ‘green hell’ and making it accessible to Brazilians. With this commercial movie, VW was not only helping the government to push through its highway building policy, which could only favor the growth of the auto-industry; the company was also underlining its contribution to the national effort demanded by the President for conquering the Amazon region. In sum, VW was both carrying out advertising for itself and propaganda for PIN.

Designed on the basis of efficiency and rapidity, and sustained by a heavy propaganda apparatus, PIN was a typical national-developmental product. Nevertheless, its results proved highly disappointing, even in the government’s own opinion.\textsuperscript{35} By 1975, only 6,500 of the planned 100,000 families were farming land in the Amazon within the framework of the INCRA colonization program. The building of new roads and state propaganda presenting the Amazon as an Eldorado for men without land did attract hundreds of thousands of north-eastern migrants. However, most of them came on a spontaneous basis, outside the supervision of INCRA and elsewhere than in the state-planned colonization villages. Nevertheless, the failure of the INCRA colonization programs was not so much due to a low number of incoming migrants. It was rather due to the high rate of families leaving the nucleus of colonization after a few months of residency. In some regions, this rate largely exceeded the majority of the migrants.\textsuperscript{36} Bad harvests, the geographic isolation of the plots offered by INCRA (often too distant from water points or badly connected to secondary road

\begin{thebibliography}{99}
\bibitem{34}‘Esta é a Transamazônica, a obra da conquista definitiva de uma das regiões mais ricas do mundo. Sem descanso, homens e máquinas lutam contra a selva, contra o clima, para dar ao Brasil a sua maior obra rodoviária, mas o esforço e a vitória serão recompensados, dentro de pouco tempo por aqui rodarão confortavelmente quaisquer veículos com toda segurança’: \textit{Ibid}.
\bibitem{35}Branford, \textit{The Last Frontier}, 65.
\bibitem{36}Kohlepp, ‘Planung und heutige Situation staatlicher kleinbäuerlicher Kolonisationsprojekte an der Transamazônica’, 194.
\end{thebibliography}
networks), the lack of access to consumer markets and the spread of tropical infectious diseases were probably the main causes of these departures.\textsuperscript{37} The responsibility of public powers for this failure has been unanimously pointed out by academic observers.\textsuperscript{38} Most of the infrastructural investment announced by the government did not come. There was no notable technical help from INCRA, which often supervised the planning of crops in an improvised way. Undermined by recurrent affairs of corruption, the agency proved unable to use its financial resources efficiently and to distribute the land to the advantage of small peasants.\textsuperscript{39}

When Médici left power in 1974, most governmental voices were already saying that PIN had not produced the expected results.\textsuperscript{40} INCRA's shortcomings served as an argument for disqualifying the small colonization strategy, and as a call for a colonization policy which would work with massive private investment. SUDAM especially saw PIN's unpopularity as an opportunity to increase its power and to make more intensive use of the political competence it was given in 1966, regarding the distribution of tax incentives to private companies. In a public document, the organization stated that small settlers ‘carry out the only and most dangerous activity they can undertake: deforestation and the exhaustion of soil for subsistence agriculture’.\textsuperscript{41} The German embassy in Brasilia shared this opinion. In a communication in 1974 to the German Ministry of Foreign Affairs, partly written to legitimize the VW-ranch project, the institution stated that the small settlers implanted by INCRA were not able to make a rational economic use of the land placed at their disposal.\textsuperscript{42}

With the socially distributive colonization falling into disgrace, the idea that large-scale and capital intensive development projects were more efficient invaded the institutional discourse. It is no accident that in 1974 the VW development project was definitely accepted by SUDAM, after a year of complicated talks between the German company and the Brazilian authorities. The climate was again becoming much more favorable for big investors expecting support from the public powers. In May 1974, the government’s national radio program \textit{Voz do Brasil} stated that

\begin{itemize}
\item \textsuperscript{37} Ibid., 194-5.
\item \textsuperscript{38} Ibid., Branford, \textit{The Last Frontier}; Hochstetler and Keck, \textit{Greening Brazil}. \\
\item \textsuperscript{39} Kohlepp, ‘Planung und heutige Situation staatlicher kleinbäuerlicher Kolonisationsprojekte an der Transamazônica’, 194-7.
\item \textsuperscript{40} Hecht, ‘Environment, Development and Politics’, 673.
\item \textsuperscript{41} Ibid.
\item \textsuperscript{42} BArch B102/8643, Botschaft der BRD to Auswärtiges Amt, 4 November 1974.
\end{itemize}
Without ignoring the problem of the landless peasant farmer, it is imperative that entrepreneurial agriculture be brought to the Amazon as it is the only type of farming which can produce an agile response to the need to increase national production of foodstuffs.\(^43\)

In addition, on 10 November 1974, the government member Raymundo Nonato de Castro made it clear that ‘the government’s aim is the economic occupation of the region, not its settlement. And this will be achieved more through capital and technology than through labor.’\(^44\) The *Operação Amazônia* laws comprised a series of fiscal measures favoring investments in the Amazon region. These tax breaks became the main legislative tool to favor the shift from small peasant colonization to a strategy of economic integration of the region based on the implementation of big projects.

### 2.1.2. Calling big business

The incentive system proposed to potential investors was generous and particularly adapted for companies like Volkswagen do Brasil. Three kinds of incentives created in the perspective of Amazonian development were relevant for agribusiness: reinvestment tax credits, income tax exemptions, and fiscal breaks on import/export activities.

Reinvestment tax credits were the most spectacular possibility. According to the rules established by *Operação Amazônia*, a corporation could invest up to 50% of its tax liability in a development project of its own, if it was located in *Amazônia Legal* and declared of national interest by SUDAM. Up to 75% of the shares in a development project could be financed with credit funds coming from the tax liabilities of the investing company.\(^45\) Distributed to the individual companies by BASA, these monies made up the FINAM (*Fundo de Investimento da Amazonia*) fund, whose sovereign manager was the SUDAM high council (*Conselho de Deliberação, CONDEL*). In actual fact, this made SUDAM (a state agency) virtually the largest shareholder of the projects it funded; except that it had no voting rights on the board of management of individual projects, and no right in connection with the projects’ profits.\(^46\) Nonetheless, since CONDEL decided which project could benefit from the tax incentive

\(^{43}\) Branford, *The Last Frontier*, 73.

\(^{44}\) Ibid., 67.

\(^{45}\) Hans P. Binswanger, ‘Fiscal and Legal Incentives with Environmental Effects on the Brazilian Amazon’ (World Bank 1987), 12.

\(^{46}\) VW Unternehmensarchiv 373/190/2, 18 August 1976, ‘Brasilien-Schlachtprojekt’
mechanism and for what amount, SUDAM was clearly in position to negotiate the content of the projects with their private investors.

Volkswagen do Brasil had the best possible profile to take advantage of the tax reinvestment system. First, as Hecht notes, it was the first time in history that state legislation stipulated the eligibility of foreign firms for incentives in the Amazon. Until then, the traditional paranoia of the Brazilian elites towards foreigners interested in the rain forest had made such a provision taboo. Second, it was not ‘just anybody’ who sat in CONDEL - besides the heads of the various Brazilian agencies and lenders involved in Amazonian development, it included major political figures such as ministers and state governors (or, in case these could not attend a CONDEL meeting, their direct representatives). The prestigious composition of the high council could be said to favor investors who enjoyed either excellent relations in governing circles, or a strong institutional support. VWB enjoyed both. Third, as stressed by World Bank expert Hans Biswanger, ‘reinvestment tax credits would only be relevant for non-agricultural enterprises which have positive taxable profits’. As Brazil's biggest tax-payer, VW might be interested by this fiscal offer in the first place.

Besides the reinvestment tax credits, agribusinesses selected by SUDAM could benefit from two other kinds of incentives. There was an exceptionally generous income tax exemption. The financial results of a project validated by SUDAM remained up to 100% tax-free for a period of ten to twelve years after the starting date of the business. Finally, exchanges with the exterior were fiscally stimulated. The import of foreign machinery and equipment were completely free of charge, as long as no material of the same technological level was available in Brazil. This point would turn particularly interesting for VW, which would partly build the reputation of its ranch on technical superiority and a mechanization structure on par with the standards of industrial countries. SUDAM-approved companies were also exempted from export duties for a series of tropical products classified as regional, such as timber—a product which would be exported by the VW-ranch. Needless to say, all the tax incentives previously cited were cumulative. As a result of this combination of credits and fiscal advantages, the risk of financial losses in an Amazonian project was considerably reduced for private investors, at least in a short-, or even mid-term perspective.

48 Biswanger, ‘Fiscal and Legal Incentives with Environmental Effects on the Brazilian Amazon’, 12.
50 Ibid., 670.
These uncommonly generous public funding mechanisms show that the Brazilian authorities were ready to seek the support of private companies at any price. Indeed, the advertising campaign accompanying the incentives was massive and all the arguments were honed to attract private firms, especially foreign ones. Brochures, conferences, seminars and public ceremonies addressed to a business audience emphasized the works effectuated throughout the Amazon by state-owned companies to build roads, expand the electricity networks and develop telecommunications.\textsuperscript{51} This new infrastructure should facilitate the implantation and reduce the costs of large agro-industrial projects in the region as well as optimizing their connection with the rest of the Brazilian territory. The message that the rain forest was finally about to be connected with the world economy was also publicized abroad. The Brazilian Trade Bureau in New York was particularly active in generating advertisements about the new investment conditions in the Amazon.\textsuperscript{52} SUDAM also published its ‘manuals for businessmen in the Amazon’ in several foreign languages. The Brazilian embassies in developed countries were in charge of circulating promotion documents produced by BASA.\textsuperscript{53}

\textsuperscript{51} SUDAM, \textit{Operação Amazônia; Discursos}, 49; SUDAM, ed. \textit{Sudam 4o Ano} (Belém: SUDAM, 1970), 11; Extracts of the \textit{Revista Manchete}, at: Archive of the Biblioteca Amilcar Cabral, Bologna.

\textsuperscript{52} Frances M. Foland, ‘A Profile of Amazonia: Its Possibilities for Development’ \textit{Journal of InterAmerican Studies and World Affairs} 13, no. 1 (1971), 70.

\textsuperscript{53} Extracts of the \textit{Revista Manchete}, at: Archive of the Biblioteca Amilcar Cabral, Bologna.
Cattle ranching was a particular subject in advertising. Media and officials, drawing on the studies of scientists working for the regime (but whose credibility was highly controversial among environmental specialists) speculated about the future benefits of this activity.\(^{55}\) The Ministry for Agriculture estimated that within a couple of decades, twenty million head of cattle would graze in the Amazon—a very optimistic objective in view of the fact that the region was home to hardly two million cattle in 1970.\(^{56}\) The massive transformation of forest into pastures, implied by the development of tropical cattle ranching, was presented as an excellent technique for adding value to soils. This collective belief, spread by Brazilian development agencies such as SUDAM, was particularly strong around

\(^{54}\) Ibid.

\(^{55}\) Branford, The Last Frontier, 74-6.

1974, as shown by Fearnside, who explains how cattle ranching was considered as an activity which would improve the soil quality, and thus favor the stability of the land economy.\footnote{Philip M. Fearnside, ‘Os Efeitos Das Pastagens sobre a Fertilidade do Solo na Amazônia Brasileira: Consequências para a Sustentabilidade de Produção Bovina’, \textit{Acta Amazônica} 10, no. 1 (1980).}

The agronomist Henrique Pimenta Veloso offered the main scientific caution to this point of view.\footnote{‘A Volks no Rio Cristalino’, \textit{Opinião} (1974).} His research sought to demonstrate that the Amazon was ‘senile and gradually suffocated by creepers’ and therefore, needed to be urgently cleared.\footnote{Branford, \textit{The Last Frontier}, 75.} He participated as a specialist in various governmental programs. However, the Brazilian scientific community mistrusted his work. During a summit on forestry held in December 1972, Pimenta’s peers condemned his theses as ‘pseudo-scientific’ and ‘turned towards the research of publicity’.\footnote{‘A Volks no Rio Cristalino’.}

Joaquim de Carvalho, President of the Brazilian Institute of Forest Development, said that ‘Pimenta’s ideas are, at best, anti-scientific’.\footnote{Ibid.} In reality, according to Branford ‘the move into cattle-farming [in the Amazon] took place extremely quickly, without any prior analysis of its ecological or economic viability’.\footnote{Ibid, 74.} The warning of some northern American scientists that cattle ranching might be an unviable and dangerous way of occupying the rain forest was dismissed by the Brazilian ministers as a strategy for dissuading Brazil from securing sovereignty over its own territory.\footnote{Ibid.}

Why did VW and other foreign companies believe this entire propaganda campaign by the Brazilian government about the promising future of Amazonian agribusiness? Maybe, because the media and experts in developed countries did. In December 1974 for example, \textit{Die Welt} seemed convinced that thanks to the development of the Amazon, within a few years Brazil would become as big an exporter of meat as Argentina.\footnote{Antonio Nogueira, ‘Neuer Aufbruch in den Westen’, \textit{Die Welt (Supplement)}, 4 December 1974.} Internationally renowned professors shared this thesis. In a widely commented article of 1970, the German geographer Wolfgang Brücher had already sought to demonstrate that livestock farming was an economic form with a great future for tropical rain forests in South America.\footnote{Wolfgang Brücher, ‘Rinderhaltung im Amazonischen Regenwald. Beiträge zur Geographie der Tropen und Subtropen’, \textit{Tübingen Geographische Studien} 34 (1970).} A few years later his Dutch colleague Jan Kleinpenning wrote that cattle-production in the Brazilian Amazon could be increased many times if the Brazilians

were to change to a more intensive form of farming, […] with regular applications of fertilizers and the growing of special fodder crops, if they were to build an
extensive network of cold-stores and to use refrigerated lorries for meat transports”.

Since the mid-1960s, United Nations Food and Agriculture Organisation (FAO) experts had also encouraged countries of the world’s South to explore and expand the reserves of resources found in their rain forests, and in which worldwide demand was increasing, such as timber or meat. Even the World Bank was indirectly helping to increase cattle production in the Amazon through granting significant loans for building highways in the region, and through offering funds to modernize Brazilian livestock agriculture, including in tropical areas. If such expert international organizations acted as patrons of Brazilian agricultural policy, why should a foreign company not trust the perspectives painted by the Brazilian government? This helps to understand why companies like VW could envisage participation in a cattle-breeding project without even relying on scientific expertise.

Moreover, far from being reduced to a merely Brazilian mania, the enthusiasm for cattle-production was a global trend. In the early seventies, trade in beef in the global market was characterized by a clear dynamism, with an annual increase of 12% in the global exchange volume of beef. Brazil had already succeeded in conquering a promising position in this expanding market, since the country's contribution to global beef sales increased from 1% to 5% between 1965 and 1975. In these conditions, Brazil appeared as an interesting place for foreign companies to invest in cattle-production, be it in a still ecologically unknown region such as the Amazon.

2.1.3. Introducing the Amazon to VW

The last half of Médici’s mandate (1973 and 1974) was marked by this climate of growing sympathy, even beyond Brazilian borders, towards private investment in the tropical forest. Some important company directors began to seriously envisage the possibility of joining the colonization movement. As for Wolfgang Sauer, it is impossible to say if the idea originally came from his own initiative, or was directly suggested to him by a representative of the government—some voices said that the idea might have been whispered to Sauer by ex-

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69 Hecht, ‘Cattle Ranching in the Eastern Amazon’, 52.
President Castelo Branco himself. Since his arrival at the head of VWB, Sauer had discussions about this topic with important politicians in the regime. He asked his friend the agronomist Oscar Thompson Filho for advice. Thompson was Minister for Agriculture under the Castelo Branco government, and would later become VW’s special farming adviser, helping to set up the CVRC. In his quality of former farming minister, Thompson could be both a Brazilian person who represented caution for Sauer's multinational project, and the interface between VW and the regime's political circles.

In 1973 Thompson introduced Sauer to his son Mário. Mário Thompson Filho had failed the university selection exams to the Faculty of Agronomy, but his passion was to go hunting partridge in varying places throughout the countryside. Therefore, he had knowledge of Brazilian rural territories, which impressed Sauer. The company chief immediately enrolled him to supervise the installation of the future ranching project. After Sauer was dissuaded by Mario to start a project in Mato Grosso, the most southerly state of Amazônia Legal (‘too dry’), they both agreed that southern Pará could be an interesting option.

Located along the axis formed by the newly-built Belem-Brasilia roadway, the southeastern part of Pará state had been deemed by SUDAM experts as ‘the most prosperous cattle-raising area in Brazil, maybe in the world’. The government wanted to make this region a pole of technical excellence and intensive capital investment, and therefore to attract the country’s richest corporations. In August 1973 the government selected twenty major businessmen, mostly based in industrial São Paulo, and invited them to visit southern Pará. The tour, whose organization and unfolding were then reported in the national media, was organized by BASA. Four federal ministers (including the Ministers of Planning, the

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70 Buarque, ‘A capitania da Volkswagen’.
71 This role would not bring luck to Thompson Filho. While he was on a business trip for the CVRC in the Amazon he died in an airplane crash on 13 March 1975, together with famous land speculator Carlos Ribeiro and the German business executive Ernest Otto Klinger, who had travelled to the Amazon to discuss a slaughterhouse project with VWB. As the three men had met with Sauer in Belém the day before, the accident caused much emotion in São Bernardo do Campo as well as in Sao Paulo's newspapers. For a few hours most VW-executives and journalists believed that Sauer had travelled in the same airplane (which was flying from Belém to Sao Paulo) and perished in the crash. In reality Sauer had taken another flight to Rio de Janeiro: ‘Jatinho Cai no Pará e Provoca 4 Mortes’, O Estado de São Paulo, 14 March 1975; A Folha de São Paulo, 18 March 1975.
72 ‘Jovem Executivo. Amazônia, o Desafio para o Administrator’
73 SUDAM, ed. SUDAM 4o Ano, 5.
Interior, and Farming) accompanied the entrepreneurs. Wolfgang Sauer, the best paid executive in Brazil, was probably the most important of the guests from the private sector.

The BASA visit to the Amazon had a highly symbolic meaning: it sealed the alliance between public powers and private capital for the colonization of the forest. Even if some of them rapidly forgot this engagement, all the invited entrepreneurs swore to the government, during a somewhat orotund ceremony, that they would invest considerable sums in a monumental farming project. The Planning Minister announced that ‘with the mission, a new phase in terms of economy of scale is beginning in the Amazon region’. He also provided ecological reasons for this strategy which was sympathetic to big business groups. ‘Until now’, he said:

The Transamazonian has emphasized colonization, but the necessity for us to avoid predatory occupation, with the deforestation process going with it, and to promote maintenance of the ecological equilibrium, leads us to invite the big companies to assume the task of developing the region.

To legitimize this discourse, the businessmen even received a master class in ecology during their trip, delivered by Henrique Pimenta himself. The military regime’s favorite natural scientist told the company chiefs why they were the most appropriate actors to colonize south-eastern Pará:

This is an area for big properties […]. The climatic characteristics and the cipós, principally, are leading on the one hand to the death of the trees, and on the other hand [they] are impeding the growth of new trees. Therefore, never will small landholders be able to establish investment criteria, which could simultaneously achieve an optimal utilization of the forest in terms of realizing the value of timber and preserving the forest through conservation and reforestation.

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77 O Estado de São Paulo, 18 August; 4 September 1973; ‘O Mercador de Volkswagens’, Quatro Rodas, November 1983.
79 ‘Até aqui, a Transamazônica deu ênfase à colonização, mas a necessidade de evitarmos uma ocupação predatória, com um consequente processo de desmatamento, e a de promovermos a manutenção do equilíbrio ecológico, nos leva a convidar as grandes empresas a assumirem a tarefa de desenvolver a região’: ‘A Volks no Rio Cristalino’, Opinião, January 1974.
80 ‘é uma área para grandes propriedades […]. As características climáticas e os cipós, principalmente, estão de um lado, provocando a morte das árvores e, de outro, impedindo o crescimento de novas árvores. Por isso jamais os pequenos proprietários poderão estabelecer critérios de investimentos que possam, ao mesmo tempo, alcançar uma utilização ótima da floresta, em termos de aproveitamento da madeira, e a sua preservação através da conservação e do reflorestamento’: Lúcio Flávio Pinto, “Grandes Planos para a Amazônia”, Opinião, August 1973.
Pimenta summed up the core of his message in one sentence: ‘Either the businessmen conquer the forest now, or it will disappear by the force of its own nature’. The Minister of the Interior, who was in charge of the colonization, added that ‘the future of the Amazon lies in the hands of businessmen, whether Brazilian or foreign, for Brazil has lost its fear of foreign capital’. This reference to foreign capital was undoubtedly an allusion to Sauer’s participation in the visit. Thus, the BASA mission was a public demonstration of common interests, in which the investment policy of big companies such as VW, and the nationalist goals of the regime (to secure the Amazon area, to populate it and find powerful actors for showing the way towards a massive exploitation of forest resources) converged.

2.1.4. The birth of the CVRC

Only a few weeks after Sauer’s visit to the Amazon, VW had already selected the ideal location for its ranch. At that point, Leiding traveled for seven days to Brazil with the head of VW’s supervisory board, Franz-Josef Rust (Christian-Democratic Union, CDU), the state Secretary at the German Finance Ministry, Hans Hermsdorf (Social-Democratic Party of Germany, SPD), also a member of the supervisory board, and their respective spouses. They were only peripherally interested by VW’s biggest foreign factory at São Bernardo do Campo. The entire object of the trip was more about land purchase and cattle-raising. Without informing the rest of the VW Board of Directors, they acquired a portion of land of 58,000 hectares, which was traversed by the Cristalino river, a sub-affluent of the Araguaia. The terrain, situated on a hillside and supposedly endowed with great aquatic potential, was located in the County of Santana do Araguaia, south-eastern Pará, the next town Barreira do Campo, lying at a distance of 90 kilometers from the ranch.

Above all, the south-eastern border of the estate brushed the future layout of the BR-158 (see MAP below). The BR-158 was a highway, which the federal government planned to expand during the following years, in order to link the northern-Amazonian city of Altamira

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81 Branford, The Last Frontier, 71.
82 Die Zeit, 14 December 1973; der Spiegel 19 November 1973. In Germany the Aufsichtsrat (supervisory board or board of supervision) is a committee in a stock corporation that oversees the decisions of management. It is distinct from the board of management or managing board, which forms the executive management of the company. The author expresses thanks to Corinna Ludwig for this clarification.
with the very south of Brazil, up to the Uruguayan border.\textsuperscript{84} The road would cross most of the state of Pará from north to south and pass by the state of Sao Paulo—this of course, meant a lot for the future supply of the VW-farm, for connection with the national headquarters of VW do Brasil and commercial outlets for cattle-production.

The sellers of the estate were the Lunardelli, an influential Italian family from Sao Paulo.\textsuperscript{85} The Lunardellis had bought nearly 700,000 hectares of rain forest land in the mid-1960s as they sensed that state initiatives to develop the Amazon were becoming the trend. The Lunardellis were at the head of the Association of Amazon Businessmen (AEA), a powerful lobby group of entrepreneurs, mostly from Sao Paulo, with interests in the Amazon. The family, of sulfurous reputation, later became involved in various scandals concerning forced labor.\textsuperscript{86}

The property purchased from the Lunardellis was still completely covered by vegetation, and virtually unreachable by any vehicle. In September 1973, a pioneer staff enrolled by VWB, and headquartered in the Santa Cristina ranch, fifty kilometers from Cristalino, cleared a first path providing access to the edge of the future CVRC site.\textsuperscript{87} By mid-November, Leiding revealed to a surprised and somewhat incredulous Board of Directors in Wolfsburg that the land transaction had taken place with the sole preliminary agreement of Rust.\textsuperscript{88} He further required the Board to vote the extension of the land to 183,000 hectares and the start of a ranching project designed to accommodate up to 200,000 head of cattle. In December, VWB bought 81,000 hectares of land adjacent to the already acquired terrain, thus amounting to an estate of ‘only’ 139,000 hectares, with an objective of up to 100,000 head of cattle by the mid-1980s.\textsuperscript{89} Although the support of SUDAM (and above all its financial resources) was still uncertain (at least officially), the Sociedade Civil Agropecuária Companhia Vale do Rio Cristalino Ltda was founded as a limited liability company at the end

\textsuperscript{84} In the end the BR-158 was built in a hurry, following improvised directives. It became an irregular, low quality road, badly maintained, especially in the Amazonian fraction of its layout. As such, this road is another symbol of the faded glory of the military regime's developmentalist programs. 

\textsuperscript{85} Brasilien Nachrichten, (81) 1983. Note: The publication of this magazine being irregular, citations of Brasilien Nachrichten in the thesis will always be made by issue number and issue year rather than quoting the complete issue date. The other magazines are quoted with the complete issue date.

\textsuperscript{86} Ricardo Rezende Figueira, ‘Por que o trabalho escravo?’, Estudos Avançados 14, no. 38 (2000), 33.

\textsuperscript{87} Volkswagen do Brasil, Cristalino (São Bernardo do Campo 1980).

\textsuperscript{88} VW Unternehmensarchiv 174/533/2, 14 November 1973, ‘65. Sitzung des Aufsichtsrats der VW-AG’.

\textsuperscript{89} Richter, Die Fazenda am Cristalino, 14.
of 1973.\textsuperscript{90} 82\% of the company's capital was owned by VWB and 18\% by VW's Brazilian partner Monteiro Aranha, whose participation in VW's investment operations in Brazil used to be almost systematic.\textsuperscript{91} VW was officially becoming a farmer.

\textbf{MAP 1—final territory and region of the Cristalino fazenda}\textsuperscript{92}

\textbf{MAP 2: geographic position in the Brazilian territory}\textsuperscript{93}

\textsuperscript{90} Ibid., 9.
\textsuperscript{91} Arquivo do FINAM, SUDAM, Parecer 037/74, 29 November 1974, 'CVRC Agropecuária, Comércio e Indústria. Colaboração financeira dos recursos oriundos do art. 1\textdegree, alínea 'b' do Decreto-lei nº756 de 11 de agosto de 1969'.
\textsuperscript{92} Source: Richter, Die Fazenda am Cristalino.
\textsuperscript{93} Source: 'Brasilien', Brasilien Nachrichten, (81) 1983, 64.
There was no ambiguity that the ranching project was above all an operation of fiscal optimization. As VW representative, Backsmann did not hesitate to confess in his hearing before the Commission for Economic Cooperation in Berlin in 1974:
You know [...] that, in the framework of the regional development plans of the Brazilian government for the north of the country, we invest in the agricultural sector. We obviously do not do it just out of mere ethical duty; in fact we do it in the first place because it gives us a series of advantages regarding profit taxation.94

In order to recycle profits that otherwise would have flowed into the Brazilian tax department, Volkswagen do Brasil had already been investing in the most unexpected sectors, as was made possible by Brazilian fiscal legislation.95 VW had shares in hundreds of businesses: from fisheries to cement factories or breweries, mostly registered in the poor north-eastern regions that were the target of federal development programs and tax incentives.96 However, this strategy was not only due to the attractiveness of tax cuts: since VWB profits largely exceeded the amount allowed to be transferred to the holding company in Germany, it was virtually obliged to invest the surplus in the most varied branches.97 But these were mere financial participations, and VWB had no influence on the development of the corresponding industries. Considerable amounts of money had got lost in these operations.98

Meanwhile, the car company had been looking for years for a possibility to acquire a business on its own. The idea was to invest a certain amount of tax credits every year, and have a better overview and control over their use.99 Leiding argued (probably rightly, given the very favourable fiscal regulations on opening Amazonian businesses) that there existed no better possibility of doing this than starting a farming project in the tropical forest. The other niches offered by the government were already exhausted by rival companies.100 Leiding saw the Amazonian project as a dreamed occasion to invest profits. He knew that given the financial configuration of the project, the likelihood that VW would register gross losses in the operation was very low, even in the case of disappointing business results. He believed that it would be a mistake not to avail of such an advantageous opportunity, since it was

97 NLA-HStAH NS V.V.P. 70 (187/97) Nr111, 1978, untitled.
100 VW Unternehmensarchiv 373/169/1, 5 October 1973, ‘Sitzung des Vorstands der Volkswagenswerk-AG’.
virtually offered to VW by the Brazilian government.\footnote{VW Unternehmensarchiv 174/533/2, 14 November 1973, ‘65. Sitzung des Aufsichtsrats der VW-AG’.

One might object to Leiding’s argument that tax exemptions, especially when they serve as tools for attracting investment in a targeted ‘pole of development’, are most likely transitional instruments. Hence, for the long-term, getting involved in the farming modernization sector remained a risky bet for a car company. Still, Leiding and Sauer had true economic ambitions for the project, which they believed could be a source of long-term profit. The cattle-raising activities, after a first consolidation phase of fifteen years, were expected to generate a profit margin of 9% per year that could be used either for new investments by VWB or poured back to Wolfsburg.\footnote{Ibid.; Laurette Coen, ‘Les Multinationales Révent Aussi’, L’Hebdo, 16 February 1983.}

It was not just about cattle-raising, however: the two VW leaders had a grandiose project in mind, which encompassed the entire chain of beef production and marketing. In a press conference in May 1974 Leiding stated that the fazenda would be equipped with its own slaughterhouse, cold storage buildings and even meat factory.\footnote{‘VW Auf vier Beinen’, Handelsblatt, 18 May 1974.} After a few months, preparatory works were already under way to build a slaughterhouse.\footnote{‘Wir vertrieben keine Indianer’, Autogramm, November 1978.} By mid-1974 company sources announced to the international press that VW planned to export its future tropical beef to Europe, Japan and the U.S.\footnote{Marvine Howe, ‘VW Adding Cattle to Beetle in Brazil’, New York Times, 25 July 1974.}

Most probably, the FAO’s assumption that tropical farming was a promising response to exploding beef consumption in developing countries contributed to convincing VW that the operation would prove fruitful. In addition, the forecasts of the Brazilian authorities, which foresaw that all investments in the CVRC would have recouped their value within six years (even shorter than in VW’s expectations, resting on a basis of ten to fifteen years) seem to have been taken for granted by Sauer.\footnote{CONDEL, ‘Reunião Ordinaria, 22/11/1974’, in Reuniões Do Condel. Atas Ordinarias. Jul./Dez. 1974, ed. SUDAM (Belém: SUDAM, 1978), 86; ‘VW Konzern. Durchgewirbelt’, der Spiegel, 12 March 1973.} This was maybe due to the confident relationship he had with several members of the federal government.

Of course, one thing was to sail on the enthusiasm of the Brazilian developmentalist government; another was to convince VW executives in Germany that the project would be viable eventually. In front of the company’s Board of Management in November 1973, Leiding contended that the acquired estate (at the time it was still only 58,000 hectares) was profitable \textit{per se}, for it contained exploitable wood at a value of fifteen million Deutschemarks
Moreover, the scramble for land was still at its beginnings in the Amazon and the government encouraged landlords to sell their properties to large-scale modern companies. As Hecht noted in accordance with Mahar, ‘the influx of incentives that permitted acquisition of land as part of the development cost created a situation where the value of Amazonian land was increased by 100% per year in real terms’ in the 1960s and 1970s. In these favorable circumstances, the land purchase made by VW, which in the end amounted to only 7.3 million DM for 139,392 hectares (52.37 DM/hectare), was at least an excellent operation in speculation.

This shows that the project could be of potential economic interest for the VW Company. However, a further aspect which has often been overlooked in past observations about the topic is the economic interest for Germany as a nation. Although this was not necessarily the main factor, it was certainly a noteworthy one, in VW’s action in Brazil. It should not be forgotten that, by virtue of its juridical status and management structure, VW was interwoven with the highest sectors of German politics. This plays a role even regarding issues taking place thousands of kilometers away from Wolfsburg and Bonn. It is no casual coincidence if a visit to the ‘VW-farm’, though the latter was not exactly a suitably reachable destination for such very short trips, rapidly became a usual part of the travel programs of German officials coming to Brazil. In September 1974, important German interests underlay the visit to Germany of the just-nominated governor of Pará, Aloyso da Costa Chaves, as appears from the communication between the German embassy in Brasilia and the German Ministry of Foreign Affairs. It was not only ‘the building of an exceptional export oriented cattle business (the VW-project)’ which interested the German authorities in Pará but also the launching of two large mining projects and an electric plant. Indeed, the VW-ranch was only the most visible of several large-scale projects including (or potentially including) German participation in the Amazon region.

In the scramble for the exploitation of the newly discovered primary resources in the Amazon, Germany had every reason to secure a good position for itself. For its access to

crucial natural resources like timber, uranium or valuable minerals, Germany could not resort to the same neo-colonial networks as other world industrial powers such as the U.S., Great Britain or France. Volkswagen’s status as a pioneer and major ally of the Brazilian government in the Amazonian colonization might serve as a springboard for the implantation of German investors in the crucial extractive projects that were being planned in the region. That is one reason why the German government favored the creation of the CVRC project.

Moreover, a very specific economic concern, quite distinct from Sauer and Leiding’s beef production fantasies, triggered Bonn to push for the expansion of the VW-ranch: Germany needed timber. The German cellulose and paper industry was in crisis. The countries exporting timber to Germany were developing their own cellulose factories, thus threatening the very existence of the German ones. The Scandinavian countries continued to export unprocessed timber, but exportable wood production in Finland and Sweden was showing signs that this resource might become scarce. The German paper industry faced the risk of running out of its most vital resource. In addition, the Scandinavians had been running a cartel-like export price policy, placing the German paper producers in a position of constant fragility.

The Federal Minister for the Economy Hans Friderichs (SPD) hoped that Amazonian wood would save the German paper industry. He imagined that the 1.5 million hectare pole of farming development (the Xingu-Araguaia pole), in which the VW-ranch was the leading unit, could become Germany's timber reserve. VW and its potential partner farms should cover the needs of the paper industry and guarantee Germany's independence from the Scandinavian countries. As early as in 1974 the Ministry of the Economy was playing the role of intermediary between Wolfgang Sauer and the timber production businessman Karl Richtberg, encouraging them to design a common project of massive timber extraction. As the Vice-President of the German Society of Timber Research (Deutsche Gesellschaft für Holzforschung), Richtberg was truly interested in the undertaking, and was ready to mobilize a team of experts to evaluate the timber potential of the VW estate. It scarcely needs to be said that the idea of developing the CVRC and the surrounding ranches into a sort of German timberland contradicted the nationalist goals of SUDAM. Thus, this idea remained discreetly handled, and was never mentioned in VWB's declarations to the Brazilian authorities or media. Although VW's activities in the Amazon, in the end, had too short a life for the German government's timber production plan to be fully realized, VW would rapidly start to

112 BArch B102/172779.
113 Ibid.
export a yearly average of 30,000m³ of timber to Germany.\textsuperscript{114}

At the symbolic level, the project of a VW-ranch could be envisaged in Wolfsburg or even the German capital city Bonn as a further symbol of Germany’s technical excellence and economic success. As Unger notes in a study on German investment in the 1960s in India, the German Government saw the reinforcement of connections between German companies and developing countries as a precious tool for improving the ‘international prestige’ of the Bundesrepublik.\textsuperscript{115} A few decades after the Second World War, Germany’s weak diplomatic influence could be partly balanced by the international presence of its economy: German firms became essential actors in restoring the reputation of their country on the basis of its new image as a generous industrial nation eager to share its expertise with the needing ‘Third World’.

From German to Brazilian government members, Sauer was able to efficiently mobilize his personal networks so as to guarantee the best political conditions for the making of his ‘model ranch’. As a matter of fact, the CVRC was in a certain sense ‘his’ ranch. Opening it was Sauer's first major decision after he took the leadership of VWB in 1973. His personal dreams, ambitions and engagement certainly played their part in the origin and establishment of the ranch. Sauer knew that the project of creating a cattle ranch in the tropics was observed with scepticism by some observers.\textsuperscript{116} However, guided both by passion and the search for personal prestige, he was ready to defend the project against pessimistic minds. As a collaborator remembers, Sauer felt in the Amazon forest like a fish in water. No sooner had he arrived at Cristalino than he had great ambitions for the place:

We were standing in the place of the project, where there was nothing apart from forest and the river that cut through this huge portion of land. Sauer was walking with a knife kept in a thick belt, because there were many jaguars prowling around. He pulled it out of his belt and, holding it firmly, sat down on the ground. With this knife, he sketched the project. It was as if he had it designed in his mind [...]. He pointed to the place of the pasture, the buildings, the housing, the bridges, the slaughterhouse, and verbally he described the project’s logistics to me.\textsuperscript{117}

\textsuperscript{114} CPT Belém, Keith Hayward, 25 March 1985, ‘Algumas informações sobre a Cia. Vale do Rio Cristalino’.
\textsuperscript{116} BArch B116/61917, Sauer to Ertl, 3 September 1975.
\textsuperscript{117} ‘Estávamos no local do projeto, onde não havia nada além de floresta e do rio que cortava aquela porção enorme de terra. O Sauer andava com uma faca enfiada em um grosso cinto, porque havia muitas onças rondando por ali. Tirou-a da cintura e, segurando-a firme, sentou-se no chão. Com aquela faca, ele riscou o projeto. Era como se ele o tivesse delineado na cabeça […]. Apontava o local da pastagem, das casas, dos
Sauer loved the Brazilian countryside and was fascinated by agronomic innovations.\textsuperscript{118} He owned his own \textit{fazenda} in the hinterland of Sao Paulo, where he raised 580 head of nelores cattle and rode his purebred horse ‘Tabasco’.\textsuperscript{119} Probably because of his personal passion for farming, Sauer was extremely enthusiastic about participating in the Amazonian colonization, and could hardly hide his pride as the farm began to take shape.\textsuperscript{120} He liked to repeat in interviews that agriculture was the best trump card for the future of the Brazilian economy.\textsuperscript{121} He began to bring his guests and friends to Cristalino regularly, and to enjoy attending the yearly rodeo organized on the farm.\textsuperscript{122} Some observers noted that by 1974 Sauer grew much more excited in showing the ranch than the São Bernardo do Campo car factory to visitors.\textsuperscript{123}

His assistant Christian Bruno Schües remembers how Sauer excelled in transmitting to others the idea that Cristalino would be the place of an exceptional historical experiment:

\begin{quote}

This piece of land was gigantic and it filled us with courage and bravery. I was very young and imagined transplanting to this lost place progress, civilization, social and economic growth. […] Impossible not to catch the contagion of the creative exaltation that seized Sauer every time he set foot there.\textsuperscript{124}
\end{quote}

This is not to say that the CVRC was like a giant toy at Sauer’s disposal for his entertainment. On the contrary, Sauer took his new role as a farming businessman very seriously, taking positions at the national level with respect to Brazilian agricultural policy. In August 1974, he spoke in favor of a Green Revolution in Brazilian farming during a meeting of a business club he presided, the ‘\textit{Clube dos Exportadores}’ in the presence of Agriculture Minister Alysson Paulinelli:

alojamentos, das pontes, do frigorífico e verbalmente me descrevia a logística do projeto’: Doretto, Wolfgang Sauer, 344.
\textsuperscript{119} ‘O Novo Homem Da Volks’, Veja, 11 July 1973; ‘Interview’, Quatro Rodas, January 1974. Nelores were a breed of cattle raised at the Cristalino ranch (see part 3.3. of this thesis).
\textsuperscript{121} Quatro Rodas, January 1974.
\textsuperscript{122} Die Welt, 30 August 1977; ‘Aufbruch zur letzten Grenze’, der Spiegel, 10 October 1983.
\textsuperscript{124} ‘Aquele pedaço de terra nos enchia de coragem e bravura. Eu era muito jovem e imaginava transplantar para aquele lugar perdido o progresso, a civilização, o crescimento econômico e social. Éramos os desbravadores, pioneiros, enfim, bandeirantes em solo amazônico. Impossível não sofrer o contágio da exaltação criadora que tomava conta do Sauer, a cada vez que ele lá botava os pés’: Doretto, Wolfgang Sauer, 344.
The time has come to speak seriously about [...] the increasing necessity of transforming merely agricultural enterprises into industrial companies, endowed with industrial planning, industrial management, industrial mentality and, above everything, industrial engagement.\textsuperscript{125}

Sauer's point was to massively re-equilibrate Brazil's balance of payments through a dramatic increase in farming production. He had no sooner arrived into the farming business than he was already teaching plans to the federal government about how to make agriculture a pillar of Brazilian economic policy.

The other motor of Sauer's overactive motivation was prestige: the prestige of associating his name to what he saw as a major step in Brazilian history. Sauer was not ‘only’ German. He had lived in several places in the Iberian (including Portugal) and Latin American worlds (his wife was Venezuelan), and in Campinas, Sao Paulo state, since 1963 as the Chief Executive of Robert Bosch do Brasil.\textsuperscript{126} He probably sincerely identified himself with a South American national project. Celebrated by the Brazilian media as an authentic ‘líder Latino’ since his arrival at Volkswagen, Sauer's fame in the country grew even more in 1974, as the press reported on his visionary Amazonian plans.\textsuperscript{127} The CVRC was the personal masterpiece which would lend his name to Brazilian history. To make this clear, Sauer not only became president-director of the Companhia Vale do Rio Cristalino Board of Management.\textsuperscript{128} He also represented the CVRC personally in the diverse steps of negotiation with SUDAM, even if this meant travelling regularly from Sao Paulo to Belem.\textsuperscript{129} His portrait was also hung everywhere in the buildings of the fazenda—even on the fridge behind the bar in the ranch's club.\textsuperscript{130} The school that opened in 1978 in the ranch to teach the employees’ children was named ‘Escola Wolfgang Sauer’. But tribute was not only paid to Sauer inside the VW-fazenda. The Brazilian authorities also rewarded him in 1982 with Brazilian citizenship, five years after bestowing upon him the highest national decoration, directly delivered by the President of the Republic.\textsuperscript{131}

Without Sauer's pugnacity, the CVRC would probably never have come into existence.

\textsuperscript{125} ‘chegou a hora de falar-se seriamente de uma indústria já existente, mas principalmente à necessidade cada vez maior de transformação de empreendimentos puramente agrícolas em empresas de unho industrial, dotadas de planejamento industrial, gerência industrial, mentalidade industrial, e acima de tudo, de desempenho industrial’: Correio da Manhã, 12 August 1974.
\textsuperscript{126} Econorte, Cia Vale do Rio Cristalino Agropecuária Indústria e Comércio. Processo de Avaliação (Belém: SUDAM, 1974); Frankfurter Allgemeine Zeitung, 4 July 1973.
\textsuperscript{128} Arquivo Nacional, Acervo do SISNI, VT2/00960/100/B7B/85, 1985, ‘Influência Externa na Região Amazônica’.
\textsuperscript{129} A Folha de São Paulo, 18 March 1975.
\textsuperscript{130} Coen, ‘Les multinationales rêvent aussi’.
\textsuperscript{131} ‘VW Konzern. Durchgewirbelt’.
Indeed, the man was well-known for his stubbornness in pushing through the ideas he believed in, even when they seemed irrational to everyone else. He had gained this reputation in the 1960s through his obstinacy in producing car-radios at Bosch do Brasil while everybody around was telling him that this market was saturated—an operation which turned out to be a great success in the end.132

Sauer's eccentric ideas at the head of VWB could only be concretized because someone gave them a chance: this ‘someone’ was his friend Leiding in Wolfsburg, who seemed to trust each of Sauer’s decisions about VW’s Amazonian investments. Leiding himself had directed VWB from 1968 to 1971, the period during which the two men developed a friendly relationship, and he thus shared with Sauer a certain identification with Brazil.133 All along, Leiding also proved mysteriously stubborn in advocating the CVRC project, to the exaggerated point of risking his position for it.

2.2. Tensions and discussions concerning the birth of a multifunctional project

The CVRC was a VW project, but it was also a project integrated into a Brazilian national plan: it had multiple purposes. This multifunctionality turned out to be a source of contention from the very inception of the project. Multifunctionality does not only mean that the CVRC was inspired by two main backgrounds—Brazilian national-developmentalism and German multinational business. Multifunctionality also means that Brazilian developmentalists on the one hand and VW businessmen on the other, saw the CVRC as both their own and an alien project. In other words, neither the Brazilians, nor the Germans participating in developing the project—except for a few directly involved individuals—succeeded in identifying themselves completely with the CVRC. At VW, the ranch gave rise to polemic because it was alien to the company’s traditional activities and social objectives. Among actors in Brazilian governing circles, the CVRC encountered criticism because it meant that Brazil, in order to achieve the nationalist goal of colonizing the Amazon, allied itself with a powerful foreign institution, and it was believed that this alliance with foreign capital might erode Brazilian sovereignty.

2.2.1. An inconsequential project? Internal polemics at VW

When in 1973, Leiding presented the land transaction effected in the Amazon to the VW Board of Directors, he found himself advocating the project alone. The other council members were divided between scepticism and indifference -or even in one case, indignation. No clear support was to be perceived among board members, who only seemed to agree on validating the project because they considered it a minor topic. In addition, Leiding had already purchased one third of the property before consulting the board anyway. He justified this by arguing that he was under time pressure to buy the fazenda as he was travelling in Brazil and, thus, felt confident to settle for the sole agreement of Rust, as was permitted by VW statutes. The ranch was bought by the two men and their colleague Hermsdorf without any consultation with other VW executives—except Sauer, and without drawing up any detailed plan of what would happen with it afterwards.

For many German executives, especially within VW, the project made no sense, and Leiding's decisions in its regard were simply inexplicable. Even those who had sympathy for the project, like the German General Consul in Brazil, expressed serious doubts about its long-term viability. In this case, why did Leiding, Sauer and Rust made this unexpected deal with the Lunardelli family? In addition to the causes already addressed in these pages, was there not a certain amount of irrationality in the establishment of the VW model ranch? Was the CVRC not, in part, the result of incomprehensible audacity on the part of three company leaders? As Brazil enthusiasts, were Sauer and Leiding not intoxicated by the growing Amazon mania that affected entire sectors of the Brazilian elite since the launch of Operação Amazônia? There was a gap between the enthusiasm of Sauer, Leiding and Rust on the one hand, and the lack of credit that other VW chiefs gave to the project on the other hand.

It seems that, aware of the very peculiar character of their project, the three men bought the ranch without informing anyone, only because they feared that the VW Board of Directors might veto the transaction if the board members were not faced simply with a fait accompli.

In one sense, they might have been right to do so. The cattle ranch was launched without too much formal resistance from the Board, since the Amazonian property already

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134 VW Unternehmensarchiv 373/169/1, 5 October 1973, ‘Sitzung des Vorstands der Volkswagenswerk-AG’.
belonged to VW anyway. In another sense, Leiding and Rust's method of not asking company executives and shareholders for their opinion provoked harsh informal reactions from some VW-insiders, and contributed to tarnishing, at least internally, the image of the company’s management. According to Die Zeit, the acquisition of the cattle-raising estate in Brazil triggered a 'palace revolt' in the company, especially against the Head of the VW supervisory board, Josef Rust. While he was travelling in Brazil and buying the Amazonian estate together with Leiding, other members of the supervisory board, having heard of the operation, engaged in intrigue to force Rust out of the leading position he had occupied for seven years. To sum up the situation, one board member told the Spiegel that ‘the cattle-raising project in Brazil really showed that it's time for him [Rust] to go’. Rust, having been made responsible by the new chancellor and rival party leader Helmut Schmidt (SPD) for the financial losses suffered by VW during the sales crisis of 1974, was dismissed a couple of months later.

However, the Amazonian episode also weakened Leiding’s reputation as company chief. Eugen Loderer, workers' representative on the Board of Directors and federal President of IG-Metall, the main German trade-union, strongly protested against Leiding's way of dealing with the ranching project. He stated to Leiding that it was not enough that the President of the Board of Directors only inform the President of the supervisory board about his decisions. He added that in the future approval would no longer be granted by the workers' representatives if an important decision was processed in that manner, and insisted that he and his union colleagues did not appreciate having been informed of the ranching project through the press. However, Loderer did nothing to stop the project, in spite of the perplexity shared about it by various VW-insiders.

One senior VW executive, for example, told the Spiegel that he did not understand the utility of the project, guessing with irony that it was ‘probably a place where to send our fired managers’. Others were worried about Leiding's alleged nonchalance. The engineer H. S. Stremme, for example, warned Leiding that the project was unsustainable. Stremme mentioned the monumental failure of Fordlandia a number of decades earlier, with the reminder that Ford's experience was built on much better plans and in much better geographical and infrastructural conditions than the VW-ranch. Besides, he said, whereas it

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139 VW Unternehmensarchiv 174/533/2, 14 November 1973, '65. Sitzung des Aufsichtsrats der VW-AG'..
140 'VOLKSWAGEN. Freier Austritt.'
was coherent for a car company to grow rubber, seeking to raise cattle made no sense. He was no more indulgent about what he saw as poor consideration, by the project’s designers, of the region’s environmental conditions:

In the Amazon high forest it is impossible to create pastures and to resolve the issue of transportation costs; these things are only possible in the steppes region which lies a thousand kilometers to the south. Yet, even these regions very much lack water and rain and are threatened by ever recurring droughts.\footnote{Ibid.}

Greatly disappointed by the ‘evasive answers’ Leiding gave to his criticisms, Stremme complained directly to the German Finance Ministry in February 1974, characterizing the Amazonian ranch as a ‘squandering of VW finances’.\footnote{Ibid.} He argued that the reinvestment of savings made on Brazilian taxes did not provide a sufficient amount of money for creating such a large-scale agro-industry and that the project necessitated a much greater amount of supplies than ‘what Mr Leiding wants to make believe’. What irritated Stremme the most, however, was Leiding's incomprehensible stubbornness in defending the project without considering the objections being made against it, and without even seeing it necessary ‘to justify these plans of his’.

In fact, Leiding’s behavior was particularly difficult to understand, especially in the years 1973-74, in which he was traversing a very uncomfortable period as VW Chief Executive. The company's poor results and growing deficit were already increasing shareholder protests against him.\footnote{Handelsblatt, 10 September 1974.} In this context, insisting on such a risky and apparently incoherent project as the CVRC contributed to Leiding losing his job. 1974 was to be his last year as Board Director. Called into question for his governing style, the CVRC plan being a significant example, he had to leave at the end of December.\footnote{‘Gearbeitet wie ein Berserker’, der Spiegel, 30 December 1974.}

For the VW Company, it was already too late to step back: a deal with the Brazilian authorities had just been signed; the cattle-project was firmly on its way, even if the new Wolfsburg management board was not particularly delighted with this legacy. At the very least, it is certain that Leiding's successor, Toni Schmücker, did not share Sauer's enthusiasm for the ‘ranch of the future’. Schmücker hardly hid his lack of interest for the CVRC and gave the impression of considering it as a waste of money and time. Asked by the German press
about this topic, he said he had no time to care about the project and finished with a cold ‘I have the feeling; there are more important things to do’.\textsuperscript{146}

2.2.2. A project revealing the ambiguities of Brazilian nationalism

The CVRC project had the potential to provoke strident opposition not only in Germany, but also in Brazil, because it contradicted certain principles of Brazilian nationalism. Support for the participation of foreign groups in developing Brazil had never been unanimous, even within the military regime. Successive military cabinets had prioritized a growth strategy centered on ‘dependent development’. In their earliest years in power the men of the 1964 Revolution had opted for a monetarist approach by freezing wages and prices, to entice international lenders and investors back to the Brazilian economy.\textsuperscript{147} However, the massive loans which were an effective result of this policy, and which came from the Inter-American Development Bank (IBD) and the United states Agency for International Development (USAID) including other institutions, had a political price: besides the commitment of Brazil to a solid alliance with the US, the US government began to intensively oversee Brazilian macro-economic performances and send its experts to the Brazilian administrations.\textsuperscript{148}

The military regime also prioritized the export of natural resources such as iron, timber or food products, whose rapid expansion, in turn, required a high participation of foreign capital.\textsuperscript{149} Delfim Netto, Minister for Finance in the Costa e Silva and Medici Governments and the leading figure behind the regime’s economic policy, was convinced that only a massive capital inflow from abroad would enable Brazil to develop quickly. Hence, from his nomination in 1968 he continued to advocate a policy of high interest rates in order to attract foreign loans. He also adopted a currency policy based on frequent mini-devaluations to prevent the Brazilian currency, the Cruzeiro, from being overvalued or speculated against, while keeping the rate of devaluation substantially lower than the domestic inflation rate.\textsuperscript{150}

This strategy succeeded in boosting exports, which were also favored by an offensive tax incentives policy. However, it also made borrowing from abroad particularly attractive for

\textsuperscript{147} Skidmore, \textit{The Politics of Military Rule in Brazil}, 32-5.
\textsuperscript{148} \textit{Ibid.}, 38-9, 55.
\textsuperscript{149} \textit{Ibid.}, 59.
\textsuperscript{150} Werner Baer, \textit{The Brazilian Economy: Its Growth and Development} (Colombus: Grid, 1979), 119-20.
Brazilian firms. At the same time, while Brazilian foreign exchange reserves increased tenfold under Medici's mandate, the country's foreign debt also doubled. A symbolic threshold was crossed as early as 1972, as Brazil surpassed Japan as the largest debtor of the U.S. Export-Import bank, and became the largest borrower from the World Bank.\textsuperscript{151} This increasing economic dependence triggered criticism from the Brazilian Opposition and the more nationalist areas of the regime.\textsuperscript{152}

In fact, since the early years of the military regime, certain fractions of the political majority had expressed their opposition against this foreign-friendly economic policy. In 1969, a key-figure within the nationalist arena, General Albuquerque Lima, resigned from his position as Minister of the Interior in protest against Delfim Netto’s policy, which he rejected as too favourable to foreign capitalism.\textsuperscript{153} The regime’s nationalists also criticized the government’s industrial strategy, which they saw as too focussed on the automobile industry and highway building as key sectors.\textsuperscript{154} Not only was the automobile industry predominantly in the hands of foreign multinational companies, they argued, they also saw these sectors’ reliance on oil imports as a major obstacle to the strengthening of Brazilian sovereignty. Geisel’s response to the oil shock of 1973 exacerbated the various criticism, as the President’s strategy consisted almost exclusively in borrowing even more money abroad, by passing measures to deregulate foreign capital inflows.\textsuperscript{155}

Among those who criticized the opening-up of the Brazilian economy, an important current, composed of both majority and opposition politicians, was firmly opposed to the opening of Operação Amazônia to the estrangeiros. This current spread many rumors about supposed U.S. capitalist villains, depicted as professional speculators in forest land.\textsuperscript{156} The most prominent political representatives of this point of view were active in the National Commission for the Defense of the Amazon (CNDDA), which had been especially created during the Operação Amazônia wave, with the added support of high-ranking nationalist military personnel.\textsuperscript{157} Many (but not all) members of CNDDA were strong partisans of the colonization but promoted even larger state investments and a very restricted opening to foreign capital. They denounced the privatization of Amazon resources as an ‘antinationalist

\textsuperscript{151} Shelton H. Davis, Victims of the Miracle: Development and the Indians of Brazil (Cambridge: Cambridge University Press, 1977), 41.
\textsuperscript{152} Schneider, ‘Order and Progress’, 265-6.
\textsuperscript{153} Skidmore, The Politics of Military Rule in Brazil, 89.
\textsuperscript{154} Ibid., 144.
\textsuperscript{155} Ibid., 180.
\textsuperscript{157} Elmar Altvater, Sachzwang Weltmarkt: Verschuldungskrise, Blockierte Industrialisierung und Ökologische Gefährdung; der Fall Brasilien (Hamburg: VSA, 1987), 147.
policy’. Allied with prestigious intellectuals and supported by certain Government members, they secured the establishment of an official inquiry commission to investigate irregularities committed by foreign groups in land purchase.\footnote{A Amazônia Em Foco’, 32.}

The question of opening up the Amazon was a veritable source of division within Brazilian politics, including inside the governing regime: pro-opening actors were no less aggressive than their counterparts. As early as in 1967, the new Director of SUDAM warned the nationalists that ‘a maximum of realism’ was demanded in order to get the Amazon out of the ‘develop or disappear’ dilemma.\footnote{SUDAM, ed. \textit{Operação Amazônia}, 132-3.} He argued that the region could not be managed ‘if it is disconnected from the capital available outside our borders’. To refuse foreign capital, he said, was nothing other than to express the ‘dishonesty of pseudo-nationalism’ which resulted in keeping underdeveloped areas in situations of stagnation. Far from the xenophobic discourse of the intellectuals who had inspired \textit{Operação Amazônia}, he concluded that ‘all those who desire to help us in this developmentalist crusade’ had to be received ‘without fear or mistrust’.

What were the consequences of these internal controversies for the stability of VW’s development project? Composed of representatives from about thirty different public institutions, CONDEL (SUDAM’s high council) reflected the military regime’s diverse sensibilities. As such, it may well have become the theatre of a political conflict on the subject of foreign participation. Projects like the CVRC may have had to pay the price for such a conflict, since divisions within CONDEL could jeopardize the solidity of their partnership with SUDAM.

True enough, Volkswagen was not a North American firm. And, as it has probably appeared in the present study so far, the move against foreign investments in Brazil, and particularly in the Amazon, consisted essentially in attacking so-called United states imperialism. The case, which was most emblematic of this anti-US movement was the opposition voiced by certain military men, as well as the regime’s traditional critics, to the Castelo Branco Government’s approving concessions to the U.S.-owned Hanna Corporation so as to mine and export iron ore.\footnote{Raymond F. Mikesell, ‘Iron Ore in Brazil: the Experience of the Hannah Mining Company’, in \textit{Foreign Investment in the Petroleum and Mineral Industries: Case Studies of Investor-Host Country Relations}, ed. Raymond F. Mikesell and William H. Bartsch (Baltimore: Johns Hopkins University Press, 1971).} At a certain point, fear of U.S. domination among nationalists grew so strong, that it drew their attention away from the actual influence coming
from other foreign countries. Thus, during the military regime, Brazil increasingly opened its economy to other western countries, especially Germany, without provoking criticism from nationalists. The government even implicitly utilized Brazil's partnership with non-U.S. foreign firms or official institutions as proof that its policy was not dictated by its powerful North American ally.

Concerned with demonstrating that it was not acting in the pay of U.S. rule, Geisel looked particularly at ‘Germany as one of the poles [...] in the structure of Brazil's new geopolitical relations’. In this strategy of diversifying Brazil's international partnerships, Germany had the advantage of representing an economic and technological model, but without the neo-colonial connotation that existed in the case of the United States. German economic and political actors were aware that they could benefit from being citizens of a (historically) ‘forgotten colonial power’ and as such partly immune from suspicions of imperialism. German foreign policy easily cultivated this positive image, for the German authorities actively promoted technological exports to Brazil, while at the same time they refrained from intervening directly in Brazil's governmental decisions.

The question of nuclear technology illustrated this clever tactic. In the aftermath of the 1973 oil shock, Geisel turned towards the nuclear option as an alternative source of energy and decided that Brazil needed to increase its recourse to nuclear energy ten-fold. While Brazil had previously contracted the U.S. Company Westington Electric to construct its first nuclear power plant in 1972, Geisel declined to renew this partnership in 1974. This was due in part to the political conditions set by the U.S. government, which wanted to frame the nuclear contracts with a series of measures preventing Brazil from moving toward the acquisition of nuclear weapons technology. The West Germans used this opportunity to open negotiations with the Geisel government in order to become Brazil's new atomic industry provider.

This opening towards Germany—but also other western European countries and Japan—which had been increasing since 1964, resembled a compromise between the nationalist area of the regime (which wanted to avoid foreign political intervention in Brazilian affairs) and the military's dominant economic doctrine (which prioritized opening toward world capitalism as the basis of Brazil's development strategy). Therefore, from 1965 to 1974, in spite of a context in which the number of Brazil's trade partners sharply expanded,

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162 Unger, ‘Export und Entwicklung’, 77.
163 Ibid., 193-4.
German imports increased from a share of 9% to 12.5% of total foreign imports. At the same time, U.S. imports decreased from 30% to 24%.\textsuperscript{164} While between 1969 and 1974 U.S. investments declined from a share of 47.7% to 33.5% of total foreign investments in Brazil, German investment increased from 10.4% to 11.8%, in spite of a context of widening competition.\textsuperscript{165} German companies such as Bosch or Volkswagen also enjoyed a positive image in influential media, like the magazine \textit{Veja}, which often praised them as commercially audacious, technologically advanced, socially generous and culturally adapting to Brazilian expectations.\textsuperscript{166} However, it would be wrong to assume that this positive picture was bound to last forever. It was unsure how long the German label could be spared from the accusation of imperialism frequently raised against U.S. companies. Although Volkswagen enjoyed excellent backing within the government, the risk that the more nationalist parts of the regime would become critical of Volkswagen's project in the Amazon could not be discounted.

The farming project submitted by Wolfgang Sauer was discussed three times within CONDEL before approval: in June, November and December 1974. This was a surprisingly long period of probation, so long that at the end of 1974 General Geisel himself had to intervene and ask SUDAM to approve the project.\textsuperscript{167} The truth is that this project embarrassed SUDAM because it threatened to gain symbolic significance showing that Brazil was selling off valuable resources to the \textit{estrangeiros}. Although the federal government’s obvious support of Volkswagen did not leave much room for protest by CONDEL members, a part of the high council sought to show its irritation by more subtle means. Instead of rejecting the project, they criticized certain significant aspects of it, demanded its revision and delayed its validation.

CONDEL’s role was not only to approve or reject a private development project, but also to decide upon its level of ‘priority’. Projects awarded ‘priority 1’ status could benefit from a state subvention amounting to 75% of their capital, while the remaining 25% should consist of the private investor’s own funds. Priority 2 meant that SUDAM made available 50% of the capital, while a project labelled ‘priority 3’ could not lay claim to more than 25%.

\textsuperscript{165} Faucher, \textit{Le Brésil des Militaires}, 100.
\textsuperscript{167} Buarque, ‘A capitania da Volkswagen’.
of incentive credits, the investing corporation having to provide 75% of the capital.\footnote{168} Not surprisingly, SUDAM’s Executive Secretary proposed to CONDEL that the CVRC be granted the highest priority.\footnote{169} However, the National Development Bank (BNDE) representative sparked a fire as he made his CONDEL colleagues aware that the CVRC project was both one of ‘exceptional profitability’ and ‘foreign’—for him a problematic combination.\footnote{170} Although the main official shareholder of the CVRC was a Brazilian company called Transalme, this company belonged in reality to the VW-Aktiengesellschaft, with headquarters in Wolfsburg, Germany. Subsidizing this project to a level of 75% of its capital would even contradict the words of SUDAM’s General Director who, in a previous meeting, had reminded CONDEL that ‘priority 1’ should put companies that were ‘eminently national’ first. As a consequence, BNDE’s representative asked that the CVRC be only offered a ‘priority 3’ subvention. Although this intervention did not convince the Director of SUDAM, it was followed by a long technocratic dispute, which divided CONDEL into two blocs. Quoting various SUDAM regulations, as well as paragraphs and amendments of the Operação Amazônia laws that partially contradicted each other, the council members debated whether the highest category of state subvention could be applied to a project whose main private investor was not ‘eminently national’. This somewhat Kafkaesque controversy illustrated the ambiguities of the entire Operação Amazônia package, which could become a tricky piece of legislation when it came to its application in concrete cases. On the one hand, Operação Amazônia was a product of nationalist inspiration. On the other hand, one of its main political innovations was to open the door to foreign capital.\footnote{171}

Moreover, the question of natural resources emerged as a sticking point during the examination of the VW-project. Various members of CONDEL feared that VW’s economic interest might not lie in the cautious exploitation of resources available on the land purchased by the company. They were not anxious about the overexploitation of the forest, rather about its possible squandering. They saw deforestation as a useful process, but only as long as it was rationally planned, so that no valuable resource ended up destroyed or unexploited. For example, Bento Souza Porto, a representative of the Agriculture Minister, was embarrassed by a phrase he found in the dossier submitted to SUDAM by VW: ‘Clearing: after cutting down the trees, the windrowing is done, when then the burning of the vegetation can be carried out’.

168 ‘Der Urwald Überwuchert Alles’.
171 Part 3.1. of this thesis.
To Souza Porto, the right way would be to first engage in a program of evaluation of the valuable resources, so that the clearing be meticulously processed, without destroying potential primary products that could be lucratively made available in a cycle of production. By suggesting—he thought—the indiscriminate clearing of the vegetation, VW was proposing an approach that might lead to the squandering of certain valuable species, especially rare timber species such as the mogno, jatobá or babaçú. He thought that the VW project was far too focussed on cattle-raising and did not give enough place to timber harvesting, although, he said, VW’s country of origin had one of the best technological levels in the world regarding forestry.

This argumentation convinced the rest of CONDEL, which feared that VW’s only intention was to produce cellulose from Cristalino’s least valuable woods while neglecting to use valuable wood. The council members agreed that it should be avoided that the CVRC become a project of mere forest devastation. The President of SUFRAMA, a state organization selecting projects for the tax–free zone at Manaus, used the opportunity to deliver a vibrant speech in support of the preservation of Amazon biodiversity. It was November 1974 and the discussion on the CVRC, which had been going on for months, was not yet over. The council voted a motion that forced Volkswagen to emphasize the dimension of timber exploitation in its farming project, and to give it more technical precision. Only under this condition would the project be accepted by SUDAM.172

The following CONDEL session at the end of December 1974 finally saw the CVRC project validated under the ‘priority 1’ category, guaranteeing subventions and tax exemptions for a period of eleven years (renewable), on the basis of a greater involvement by VW in timber exploitation.173 For juridical reasons the VW-ranch also had to change its status and become an anonymous company, taking the new name of Companhia Vale do Rio Cristalino Agropecuária, Comércio e Indústria. It was time that SUDAM recognized the project. On the ranch, 4,000 hectares had already been cleared and the first 3,000 head of cattle were expected by February 1975.174 Once again, however, the debate at CONDEL hardly proceeded harmoniously. Councilors from both the Minister for Employment and BNDE threatened to vote against the motion, and they were supported in this by the representative of the Minister for Finance. The latter did not see why foreign capital, which already had a

173 Ibid.
174 ‘Volkswagen züchtet Rinder’.
strong position in the country, needed financial support.  

The Director of SUDAM attempted to calm the nationalist zeal of his colleagues. He insisted that the CVRC was a very special project, specifically wished for by the Federal Government and demonstrating the success of *Operação Amazônia*, since the CVRC was the first concrete result of the famous entrepreneurs' visit organized in southern Pará by BASA in 1973.

The discussions about the VW-project during different CONDEL meetings of 1974 provide a view of the gap existing between two poles within the institutions of the regime. One pole was nationalist, wishing to limit control by foreign investors over Brazilian forest resources. It did not hesitate in mobilizing conservationist considerations to defend its point of view. The other pole was pragmatic, convinced that foreign participation would add precious capital, as well as technological and scientific value to the development of the Amazon. Nevertheless, there was no clear-cut division between the nationalist and pragmatic groups: the two sensibilities often emerged in the discourse of the same CONDEL member. In this regard, the debate on timber exploitation at the CVRC had an element which may be deemed as inconsistent. Let us look again, for example, at the position of Souza Porto regarding the question of timber exploitation. He insisted that SUDAM, as representative of the national interest, should be sovereign over ‘the rules of the game’ and impose its view on Volkswagen. He was worried that VW might clear the vegetation indiscriminately and provoke the destruction of precious species. But, at the same time, he argued that SUDAM should push VW to exploit the forest’s resources even more, so that ‘the Amazon could be occupied on a more economic basis, with greater technological density and a more rational benefitting from these immeasurable riches’.

In view of this hardly coherent stance, one can legitimately raise doubts about the nationalist strain, which was expressed during CONDEL debates. How much sincerity can be interpreted from this nationalist discourse? How much posture? Everybody in the high council knew that the project was supported by President Geisel anyway. It was possible to ask VW to revise the project's modalities, but SUDAM could not reject the CVRC. All in all, it seems that the main preoccupation of some of the council members, perhaps of SUDAM as a whole, was to show VW the muscles of Brazilian sovereignty. The point was to make clear that the Brazilian state had its word to say in the making of the development projects it subsidized.

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176 Ibid., 147-8.
177 Ibid., 150.
178 Ibid., 97.
179 Ibid.
The only problem in this strategy, is that SUDAM, and behind it the entire military regime, did not think as a block, at least regarding the Amazonian question. In fact, since the launching of *Operação Amazônia*, capital–friendly, pragmatic positions cohabited with national-populist invectives; productivist discourses inviting Brazil to a ‘war against nature’ were balanced by conservationist approaches claiming the necessity of handling the rain forest’s natural resources with caution. Consequently, VW, as it engaged in its partnership with SUDAM, not only implicitly accepted to produce a multifunctional project that would integrate, in addition to VW's own objectives, features responding to nationalist aspirations. It also exposed the CVRC to becoming (at least occasionally) hostage of the military regime's internal divisions over the question of opening towards the outside world.

### 2.3. A model of development

As it has appeared so far, nationalist hesitations in approving the CVRC say much about the ambiguity of the regime's Amazonian policy, but they represented no serious threat to the project’s immediate implementation. In CONDEL, nobody opposed its major features, which were supposed to push forward social welfare, civilized values, economic progress and technological modernization. A part of the council was shocked that so much public money ended up in the finances of a foreign firm. Another part was concerned about timber exploitation. But even the council members who were sceptical did not hesitate to praise the CVRC as a model ranch. During the meeting that voted ‘priority 1’ status for the CVRC, Souza Porto insisted that VW had ‘contributed in a very meaningful way to the process of Amazonia's development’ and stated that he had ‘absolutely no doubt that Volkswagen is a company, which has deserved all the trust of this country’.

After a few weeks, all opposition to the CVRC seemed to have vanished from CONDEL, as Souza Porto, without raising any dissenting remarks from the other councillors, reported very positively about a visit he had just made to Cristalino. During a council meeting at the end of January 1975, he explained that the deal on timber exploitation, which had been made with VW, had brought excellent results. In Cristalino he had noticed an optimal use of timber and a desire to

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180 Extracts of the *Revista Manchete*, at: Archive of the Biblioteca Amílcar Cabral, Bologna.
exploit the valuable wood in a rational manner. He remained impressed that even the rotten wood was recycled for building fences or for provisional farm installations.

In fact, VW had good reason to respect its commitments towards SUDAM: CONDEL had voted to invest over 116 million Cruzeiros (about nineteen million US dollars) in the CVRC project.\(^{183}\) This sum, amounting to over one fourth of SUDAM’s total investments in cattle-breeding, stood largely above the average subvention granted by the agency to private projects.\(^{184}\) With a property about five times the size of Cristalino and greater objectives in terms of quantity of cattle, the Agropecuária Suiá Missu, located in the same region and subject to similar ecological conditions, did not even receive half of this sum.\(^{185}\) It is clear that CONDEL saw the CVRC as an exceptional project and a good business opportunity to enhance SUDAM’s reputation; the latter was attempting to expand its international prestige in order to attract southern Brazilian and foreign investments in Amazon colonization. When the CVRC was launched, it seemed that SUDAM had made an excellent choice. The ‘model ranch’ (a term used by both SUDAM and Volkswagen) created a stir in the Brazilian press, beginning with the major pro-regime political magazine Veja, largely read by São Paulo’s economic elites.\(^{186}\) But the project also raised enthusiasm in developed countries, particularly in Germany and the U.S., where it was identified by the New York Times as the start of a new trend in tropical framing.\(^{187}\)

It is, understandably, the Germans who were the most inspired by VW’s Amazon novelty. The German embassy in Brazil was the first to react to the news, in September 1974, as during a conference in Brasilia the head of the embassy’s farming division stated that projects like the CVRC were the only ones capable of achieving a systematic clearing and cultivation of the ‘virgin forest’. Multinational firms, he argued, were in a position to apply scientific findings and practical experiences to the Amazon, which they had collected elsewhere in the world.\(^{188}\) In a communication sent the same day to the Ministry of Foreign Affairs in Bonn, the embassy mentioned VW’s cattle ranch as a project of much importance for German interests.\(^{189}\) German business circles were also seduced by VW’s Amazon

\(^{183}\) Arquivo do FINAM, SUDAM, Resolução nº 2067, 20 December 1974.
\(^{185}\) SUDAM, Amazônia Legal: Manual do Investidor (SUDAM, 1972), 70.
\(^{187}\) Howe, ‘VW adding cattle to beetle in Brazil’.

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promise, celebrated in the national business newspaper of reference *Handelsblatt*.\textsuperscript{190} The *Deutsch-Brasilianische Hefte (DBH)*, the newssheet of German investors interested in Brazil, stated in an laudatory article of January 1975 that

VW’s business in the Amazon can show new and original ways for Germany to participate in the Brazilian development process. It offers […] Brazil a model, which can have great impact and effect for economically making the most of the Amazon region; it brings the country new sources of protein; it brings new goods and new markets for exports.\textsuperscript{191}

The CVRC did not only interest businessmen or elites with a special knowledge of Brazil, but it also appeared in German large circulation newspapers as an unexpected, somewhat curious, but still promising project. Publications linked to the two main West German political blocs encouraged VW in its plans. While the moderate conservative *Frankfurter Allgemeine Zeitung (FAZ)* issued a very positive report in its business supplement, the *Neue Rhein Zeitung*, (very) close to the governing center-left party SPD, depicted the CVRC as a subject of national pride.\textsuperscript{192} Saying that ‘The Volkswagenwerk has a pilot function in the battle for the North of Brazil’, the newspaper stressed that VW had taken the lead in a state-subsidized development area of one million hectares and 400,000 head of cattle, to produce ‘meat for the world’. VW, according to the article, had the support of Germany in this adventure: ‘Here again: the Germans are present. The middle class is following the firms.’ Only a few far-left limited circulation publications questioned the CVRC as an unethical enterprise enriching European investors at the expense of nature and the poor.\textsuperscript{193} For example, the newssheet *IZ 3.W*, which articulated Third World issues, was scandalized by the laudatory articles published in the German press about the VW-farm. It stated that:

VW contributes millions to land speculation in the Amazon region. After the state invested billions to open that region to transportation with the Transamazonian, capital can now make its profit. VW builds giant cattle-farms managed by only a

\textsuperscript{190} ‘VW auf vier Beinen’.
\textsuperscript{191} *Deutsch-Brasilianische Hefte / Cadernos Germano-Brasileiros*, January 1975.
few workers. Even the beef adheres to the ‘Produced in Brazil – Consumed in Europe and the USA’ framework.\textsuperscript{194}

IZ J.W’s analysis represented a lonely voice in the desert. German multinational companies, and Volkswagen particularly, were seen by many as an efficient vehicle for German social-liberal values and as carriers of a certain German business ethic in the world—especially in non-democratic Third World countries. This is probably one explanation for the positive welcome given to the CVRC in the German media. Certainly, interest for the project was also amplified by increasing German involvement in the booming Brazilian economy. Indeed, the German press was not only infatuated with VW do Brasil, but also with Brazil's high growth in general. The country's main newspapers saw the military regime’s economic policy as successful, and celebrated the colonization of the Amazon. Die Welt, for example, praised Brazil and ‘its head of state of German decent, Geisel’ as ‘a model for the development of Latin America’, and was so fascinated by the country's economic growth that it came to the point of minimizing the violence of the dictatorship.\textsuperscript{195} Brazil, the newspaper wrote,

compared to the communist countries and socialist states of the Third World, has a free society. In comparison with the other military governments in South America, Brazilian law makes itself appear very generous and soft.\textsuperscript{196}

Die Welt also complimented Brazilian policy for the Amazon, which it saw as a revitalizing program for the rain forest: ‘The ‘green hell’ is coming back to life again’.\textsuperscript{197} The positive reception of both Amazonian colonization and the CVRC by the German press fitted the plans of the project’s designers, who wanted to make it not only a model ranch for Brazilian agribusiness, but also a model of agricultural development for the world. The plot of the CVRC was written as the success-story of a win-win partnership between a ‘northern’ company sensitive to the improvement of Third World economies, and a ‘southern’ state open to the business spirit of the developed world.


\textsuperscript{195}‘Brasilien’, \textit{Die Welt (Supplement)}, 4 December 1974.

\textsuperscript{196}‘Gemessen an den kommunistischen Ländern und sozialistischen Staaten der Dritten Welt, hat es eine freie Gesellschaft. Verglichen mit anderen Militärregierungen in Südamerika, nimmt sich das brasilianische Recht grosszügig und milde aus’: \textit{Ibid.}

\textsuperscript{197}\textit{Ibid.}
SUDAM needed this model ranch as a showcase to attract investors, and used it explicitly in this way, particularly by asking VW to produce advertisements for the colonization program. For example, in 1977, VW published an advertisement in business magazines which was illustrated by the picture of a grazing cow, subtitled ‘Volkswagen Sudam, model 77’. Explaining that VW was using SUDAM’s incentive program, the text talked about the ‘excellent returns on investments’ of such an operation. It concluded by an address to potential investors:

We […] invite you to apply your fiscal incentives in the area of Sudam. In your fiscal declaration, chose Sudam and come here [to the Amazon] be our neighbour. You would be giving your company a place in this task of national interest, which is the creation of new poles of progress. And this way, you will be proving your love for this country. […] And this way, you will also earn more money.\textsuperscript{199}

The following year, a similar advertisement, carrying the VW logo and slogan (‘The brand that knows our ground’) featured a sketched cow, with a smile and two healthy red cheeks, with a message to pass to Brazilian investors:

We are going to make you, businessman or entrepreneur, an invitation: use the program of fiscal incentives […]. And, in your next fiscal declaration, you too make a love declaration to this Country. Choose SUDAM.\textsuperscript{200}

As for VW, it had excellent strategic reasons to place itself at the head of Amazonian colonization and mark the region with the positive image of a cutting-edge model. As the DBH rightly stressed, in the long-term such a project meant a secure presence for VW in a region that might soon witness a dazzling growth process.\textsuperscript{201} The company hoped that in participating in a decisive phase of Brazilian development, it would reap benefits in terms of image. The CVRC’s symbolic reputation, framed within a national unifying colonization project, signified a further step in VW’s cultural implantation in Brazil. Showing good will in contributing to the modernization of the nation’s interior could become particularly advantageous, if not necessary.

\textsuperscript{198} Amazônia, April; July 1977.
\textsuperscript{199} ‘Portanto, é com absoluto conhecimento de causa que nos dirigimos a você, para convidá-lo a aplicar seus Incentivos Fiscais na área da Sudam, na sua declaração de rendimentos opte Sudam e venha ser o nosso vizinho. Você estaria incorporando a sua empresa na tarefa de interesse nacional que é a criação de novos polos de progresso. E com isso estará provando seu amor por este País. […] E com isso acabará ganhando mais dinheiro’: \textit{Ibid.}
\textsuperscript{200} ‘vamos fazer um convite a você que é empresário e empreendedor: utilize o programa de Incentivos Fiscais […]. E, na sua próxima declaração de rendimentos, faça também uma declaração de amor a este País. Opte SUDAM’: \textit{Amazônia}, April-May 1978.
\textsuperscript{201} Deutsch-Brasilianische Hefte / Cadernos Germano-Brasileiros, January 1975.
2.3.1. A way paved for the modernization of Brazilian agribusiness

The Brazilian government, which was behind SUDAM, did not want Volkswagen to appropriate the whole region surrounding Cristalino for its own corporate interest, but rather to be an economic motor, pushing local agro-industry and favouring the development of Brazilian companies. By its own initiative Volkswagen was supposed to revitalize a region considered economically inactive and culturally stagnant. SUDAM argued that it had classified the CVRC as priority 1 because the project was likely to attract financial and technological resources at a high level which would benefit the region of implantation. By creating a previously unseen demand for regional workforce, services and primary products, Volkswagen should also accelerate the socio-economic development of the south-eastern Amazon, one of the strategic pioneer areas from which the Brazilian state sought to start the colonization process for the entire Amazon region.

For these reasons, SUDAM did not view the CVRC as an isolated enterprise but as the leading unit in a large-scale project. The county of Santana do Araguaia was located at the core of Xingu-Araguaia, an area of 70,000 square kilometers which was one of the fifteen development poles, according to which SUDAM had ‘rationally’ divided Amazônia Legal. This program of division by poles was created by a presidential decree on 14 September 1974, marking the start of the U-turn in the government strategy of Amazonian integration from colonization by small peasants to that by big companies. Each pole of this development program called ‘Polamazônia’ was mainly dedicated to a specific economic activity according to the ecological potential of its geographic area. Thus, Xingu-Araguaia was to be specialized in cattle ranching. The different firms active in the poles were expected to exchange knowledge resources and undertake common initiatives.

According to this expectation, CONDEL had welcomed VW’s project application to the SUDAM incentives program in June 1974 as meaningful, because it was not only a

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202 Arquivo do FINAM, SUDAM, Processo n° 04206/74, 29 November 1974, ‘Projeto da CVRC Agropecuária, Comércio e Indústria’.
203 Branford, The Last Frontier, 73.
204 Richter, Die Fazenda am Cristalino, 8.
farming project but also a future ‘pole of integrated development’. After its cattle raising plans there should follow both industrialization activities with regard to meat and massive production of cellulose, under the coordination of VW, but in association with other—mostly Brazilian—groups. Once this large-scale project was established, SUDAM would be ready to help it with an exceptional investment of one billion Cruzeiros (about nine times the subvention already accorded to the CVRC on its own). Since this possible investment implied that the CVRC first reach its economic maturity, it was a mere projection based on no concrete agenda. Still, it was an exceptional encouragement addressed by Brazilian public powers to VW’s undertakings in the Amazon region. This encouragement is not surprising because the CVRC was SUDAM’s biggest hope within the Xingu-Araguaia pole. A report by the state agency stated that the ‘effects of the enterprise are unquantifiable’, quoting its probable impact in increasing the revenues of the state of Pará and the county of Santana do Araguaia, improving the Brazilian herd through modern and more rational methods, or enhancing the region’s stockbreeding productivity through developed zoo-technical measures, ‘in rupture with traditional practices’. In sum, VW’s ‘modern’ skills were needed to improve a ‘non-modern’ region.

SUDAM, for example, expected that VW would help to build up a strong timber export sector in Brazil. Most importantly, VW should introduce a model of livestock-raising and, as the company itself announced in advertisements, create the ‘ox of the future’. Cristalino’s pastures were ‘planned to feed a herd expected to be standard for the Amazon’. Everything, in Cristalino’s cattle-raising model, seemed to obey ultra-modern technical standards and extreme scientific rigor. The pastures and herd were monitored by a computerized system based at VWB’s headquarters in São Bernardo do Campo, supervised by renowned scientists from the FederalPolytechnicCollege, Zurich and from the University of Georgia in the United states. The ranching activities were evaluated by experienced agronomists and veterinarians. Soil and fodder were analyzed annually to determine the level of minerals that should be supplemented by salt, while sowing and fertilizing were done by airplane. Three-hundred radio-transmitters were implanted among the herds so as to

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206 Econorte, Cia Vale do Rio Cristalino Agropecuária Indústria e Comércio.
208 ‘O Gado Do Futuro’.
209 Volkswagen do Brasil, Cristalino.
210 Ibid.
measure the animals’ pulse rates, temperature variations and respiration frequency.\textsuperscript{211}

Through a long-term engagement in experimental agronomic studies, VW wanted to develop a robust breed of cattle that would improve Amazonian productivity. Often described as stagnant by international farming experts—including the FAO, the Brazilian livestock sector’s productivity indicators were poorly ranked by international standards.\textsuperscript{212} Whereas the Brazilian average for producing a ton of meat was fifty-two head of cattle, VW had the objective of reaching a number close to the European standard, about fourteen head of cattle for a ton of meat.\textsuperscript{213} VW carried out research that it was hoped would result in inventing the cattle breed best adapted to tropical farming and at the same time similar physically to cows bred in temperate climates, in order to meet the habits of western consumers and have a chance to break through in the export market.\textsuperscript{214} This new breed could then guarantee the general expansion of Amazonian cattle production. The first cattle selected to be raised at the VW-ranch were Nelores, an Indian breed of Zebu extensively tried by Brazilian farmers, and resistant to tropical infectious disease. VW’s mid-term objective was finding a breed that ‘joins the virtues of the hardy Zebu with the productivity of European breeds’.\textsuperscript{215}

The agronomic study supposed to achieve this objective was undertaken together with a German private laboratory, the \textit{Rinderproduktion Niedersachsen}, which specialized in artificial insemination, and the College of Veterinary Medicine in Hanover, the oldest veterinary school in Germany, ranked as one of the most productive in the world. The research began concretely in 1979 with a selection of five-hundred Zebus receiving semen from five of the best European breeds and being placed under intensive observation. The best categories of Nelores Zebus existing in Brazil were selected to be crossed with European cows. Afterwards, Zebus crossed with different European breeds were tested in the Cristalino fazenda and classified according to a complex selection program. The research was processed as in the European scientific tradition and consisted in identifying the superior animals and separating them into groups that provided the parameters for the parents of subsequent generations. Following a precise agenda running over fifteen to twenty years, the ranch would ‘obtain its own stock of improved Nelores bulls and cows, superior in all aspects to those of

\textsuperscript{211} ‘O Gado Do Futuro’.
\textsuperscript{212} Hecht, ‘Cattle Ranching in the Eastern Amazon’, 28.
\textsuperscript{214} Robert Wilton Wilcox, ‘Cattle Ranching on the Brazilian Frontier: Tradition and Innovation in Mato Grosso, 1870-1940’ (NYU, 1992), 5.
\textsuperscript{215} Volkswagen do Brasil, \textit{Cristalino}. 
Interestingly, Cristalino’s Nelores of the future, crossed from European cows and Brazilian Zebus in order to achieve an exceptional rate of productivity, appear as a metaphor for the multifunctional development model proposed within the framework of the entire CVRC project: an alliance between European techno-scientific excellence and Brazilian elites, supposed to pull the rest of the country towards a process of growth in order to achieve the standards of developed countries.

The VW-ranch rapidly became a place of excellence for Brazilian agro-industry. By the late 1970s, it was the theatre of an annual trade-show exhibiting the CVRC’s results in terms of ox raising and gathering together the region’s main businessmen, farmers and cow-boys. But the Brazilian authorities were confident that besides achieving exemplary production rates, VW was capable of pushing boundaries in Amazonian agricultural research. While drawing from European scientific networks, the CVRC’s aim should be to enable technological innovations to circulate within the Brazilian farming sector.

In May 1975, Wolfgang Sauer, the Brazilian Agriculture Minister Paulinelli and Josef Ertl, German Minister for Food, Agriculture and Forestry, discussed a first concrete project which went in that direction. On the basis of providing qualified professionals for the VW-farm as well as importing European know-how to the Amazon, the three men projected to create a large research institute for agrarian and forestry economy and techniques. The institute would be located on the VW-estate and include an educational center training specialists for the region. Sauer saw the creation of this institute as a solution to the agronomic, veterinarian and ecological difficulties that were bound to arise in Cristalino given the newness of the project and the general lack of human knowledge about the Amazonian ecosystem. Paulinelli and the Brazilians envisaged this research and training center above all as a unit of excellence that would produce the Amazon’s future agronomic elite. The idea managed to raise the interest of the German Ministries of Technology and Economic Cooperation, as well as of the Austrian government, ready to participate financially and through the transfer of expertise. Above all, the project of creating this school managed to receive the full support of the Brazilian National Research Council or CNP (Conselho Nacional de Pesquisa), Brazil’s main public organ for research incentives.

Besides creating regional economic demand and introducing innovative farming

216 Ibid.
218 BArch B116/61917, Sauer to Ertl, 3 September 1975.
techniques, large-scale ranching, if it was carried out with serious ambitions, could perceptibly expand infrastructural equipment in the ranch’s geographic areas of influence. For example, Cristalino set up a complete weather station measuring temperature, humidity, pressure and rainfall, to help programme planting on the pastures in spite of seasonal imbalances. Such meteorological equipment was exceptional for a cattle ranch in Brazil and provided precious data about the Amazon region, which were put at the disposition of the other Amazonian farms.\textsuperscript{219}

The construction by VW of an airstrip and airplane base at Cristalino virtually offered a new airport to the county of Santana do Araguaia. To guarantee access to the CVRC at various entrance points—bearing in mind that the ranch was the size of Luxemburg—to enable the ranch to be connected with urban centers and reduce transportation costs over the long term, VW built an efficient road network over a number of years as an alternative to the expensive use of air transport. By the beginning of 1980 the company had already constructed 141 kilometers of road and 452 meters of bridges.\textsuperscript{220} As VW rightly stressed, ‘the road which has been opened and preserved by the large businesses is facilitating the settlement of smaller companies and small ranches’.\textsuperscript{221} In fact, the Brazilian state used the mediation of the big companies it funded to achieve what it could not plan and implement alone: expanding infrastructure in the Amazon region and making formerly isolated areas accessible, not only to other private companies and development projects but also to the state itself. The transport networks and facilities established by the big ranches would enable the army, police or other public services to expand their presence and control in the Amazon region. At the same time, the state tried to signal (whether true or not) that it was not dependent on, but was supervising, the private projects it funded. As such, state organs made sure to render visible their presence within these projects, so as to stress their own role in the creation of infrastructure and services that came along with the projects. For example, this is why SUDAM demanded that, in exchange for its financial participation, all CVRC machines and vehicles carry the SUDAM logo.\textsuperscript{222}

\textit{2.3.2. A social model: the welfare ranch}

\textsuperscript{219} Volkswagen do Brasil S.A., \textit{Cristalino}.
\textsuperscript{220} VW Unternehmensarchiv 174/842/2, January 1980, ‘CVRC Agropecuária Comércio e Indústria’.
\textsuperscript{221} Volkswagen do Brasil, \textit{Cristalino}.
\textsuperscript{222} Arquivo do FINAM, SUDAM, Parecer n°037/74, 29 November 1974, ‘Projeto: CVRC Agropecuária Comércio e Indústria’.
Volkswagen's expansion was useful for Brazilian development, and Brazilian development was useful to Volkswagen: this exchange underpinned the CVRC's construction as a model of balanced development, benefiting all actors involved, from the international businessman to the Amazonian rural worker or the average Brazilian consumer. Development for the poor necessarily started with the concentration of capital as a condition for its rational investment. An undated VW poster advertisement, probably from the late 1970s, which praised the social improvements introduced by the CVRC in the Amazon, stated under a glittering picture of the ranch:

This pioneer work: the building of roads, the production of electricity, the building of a school for the children and the provision of all things necessary for the people, only companies that are economically strong can afford it.\(^{223}\)

In conclusion to this capital-focused representation of development, typical of the 1970s (as was shown earlier, it reflected the military regime’s development policy) the poster asked: ‘Why is Volkswagen investing so much in this project?’ It answered ‘because only a positive future for Brazilians means a positive future for Volkswagen in Brazil’.

The CVRC—according, at least, to its designers and supporters—was based on this idea of community of interests between businessmen, the working-class and consumers, inspired by the German model of *soziale Marktwirtschaft* (‘social market economy’). This model was created in the early 1950s by the West German Employers’ Confederation - BDA (*Bundesvereinigung der deutschen Arbeitgeberverbände*) and popularized by the Christian-Democratic Finance Minister Ludwig Erhard (1949-1963, then Chancellor for three years).\(^{224}\)

Although it was defined in diverse ways by post-war German economists—some stressed that the concept’s elasticity made it above all an empty formula available for electoral campaigns—it can be retained here that the *soziale Marktwirtschaft* assigned to business initiative the mission of producing social progress and enhancing the standards of living of the population.\(^{225}\) Elaborated in the context of the Cold War and a divided Germany as a concept

\(^{223}\) In VW Unternehmensarchiv.


\(^{225}\) Hans-Rudolf Peters, *Wirtschaftspolitik*, (Oldenbourg: Wissenschaftsverlag, 2000), 171; While Erhard's conception of the *soziale Marktwirtschaft* was summed up by the motto ‘the more the economy is free, the more it is social’, other economic and/or political actors considered that the *soziale Marktwirtschaft* could be achieved only through a certain degree of market regulation, the setting up of social measures protecting the working class and an active mediation role for Workers’ organizations: Paster, *The Role of Business in the Development of the Welfare State and Labor Markets in Germany*. 
of welfare competing with the ‘democratic socialist’ proposal of the German Democratic Republic, the *soziale Marktwirtschaft* was supposed to stress the social benefits produced by capitalism. It was a way of defending the free market, competition and free trade as an ideal ground for rising productivity and a starting basis for implementing social justice, for example through wage increases.226

VW, together with the Brazilian actors supporting its ranch project, applied this discourse on the macro-level by profiling the CVRC as a decisive contribution to the fight against poverty on a large-scale. But they also staged the *soziale Marktwirtschaft* at a micro-level by constructing their model ranch into an idyllic social village, whose inhabitants' privileges were depicted as desirable standards for the future Brazilian middle class.

The CVRC's social vocation was rooted in a global rhetoric of Third World development aid, made explicit by Leiding in July 1974 as he explained that VW's farming undertaking was necessary because ‘this world not only needs cars, but also meat’.227 Providing protein to a hungry world was a constantly asserted goal of the CVRC, which had been oriented toward this mission by the Brazilian Government itself. Minister for Agriculture, Paulinelli, used to say that only two countries on the earth had the potential resources to alleviate the hunger catastrophes that jeopardized the ever increasing world population: Australia and Brazil; and Brazil, if it succeeded in transforming the Amazon into the world's biggest cattle ranching territory, would play the largest role in preventing the world from a lack of protein.228 As a VW commentator in Wolfsburg stressed, Volkswagen's first contribution to feeding the Third World was the ‘*fazenda* at Rio Cristalino’ as ‘a convincing answer to Brazil’s needs in terms of food’.229 The idea was to produce meat for the poor in Brazil, so as to contribute to the global fight against hunger.

Feeding a country that allegedly lacked protein was one of the humanitarian pillars legitimizing the CVRC project. But Uwe Holtz, a Federal Member of Parliament from the SPD and President of the Commission for Cooperation in the *Bundestag*—the German Federal Parliament—strongly doubted VW's philanthropic intentions. For him, as he expressed in 1974 in front of VW executive Backsmann, the CVRC project was not conceptualized for the Brazilian market; it was just a capital intensive and industrial form of farming, designed for export, unhelpful for small Brazilian farmers and not corresponding to

226 Ibid., 115.
229 Adams to Hax, 2 August 1982, in: Dritte-Welt-Haus e.V. Arbeitsgruppe Brasilien, *Die Farm am Amazonas*.
the priorities of Third World development. Holtz’s position, obviously, was that of a politician who was particularly sensitive to the themes of fair cooperation and development aid. However, it is easy to demonstrate that there was a gap between VW’s ‘feed-the-poor’ discourse and the company’s actual—and confused—commercial intentions.

For example, at the German embassy in September 1974, it was said that VW’s primary commercial objective was the exportation of beef to developed countries. In an internal communication emitted by VW’s shareholding department (1976), it was also stated in cold print that VW in the Amazon should produce beef ‘principally for export’. During a party meeting at Cristalino at the end of 1977 involving half a dozen prestigious politicians belonging to Brazil’s governing majority, Sauer stated that Volkswagen, together with its partner farms in south-eastern Pará, would slaughter 600 head of cattle a day ‘intended for exportation’. This is also what the German journalist G. Moser understood during his visit to Cristalino. Asked to clarify this point during the hearing he attended at Holtz’s commission, VW representative Backsmann hardly answered whether his company would produce for the domestic or for the export market: ‘we will do both’, he said, ‘we will produce for all sectors which will take delivery of our merchandise, so first for the domestic domain, obviously also for export’. Yet, at a public debate about social inequalities in Brazil, organized in the German city of Recklinghausen by a Catholic NGO, Otto Adams, the leader of VW’s Brazil department in Wolfsburg, described the CVRC exclusively as a ‘meat producer for the Brazilian internal market’. In addition; articles dedicated to Cristalino in the Autogramm magazine, which was published for German employees, insisted on the ranch’s contribution in feeding the Brazilian poor.

It seems that VW answered differently about its commercial aims depending on the audience which it was addressing, A German conservative journalist, a European businessman or a Brazilian administrator worried about Brazil's trade balance would hear VW say that it was producing meat for export. A left-wing journalist or a German VW worker reading

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230 Although a member of a governmental party usually supportive of VW’s actions in the Third World, Uwe Holtz was particularly concerned with the legal ‘vacuum’ from which multinational firms benefited, because the latter’s international activities could partly elude national legislations or control. He argued that multinational firms were jeopardizing democratic sovereignty: Uwe Holtz, Europa und die Multis: Chance für die Dritte Welt? (Baden-Baden: Nomos, 1978).
233 ‘O Anfitrião Sauer’, A Folha de São Paulo, 20 December 1977
234 Moser, ‘Besichtigungsobjekt für Gäste’.
237 Autogramm, October 1976.
Autogramm would retain that the meat would end up on the tables of hungry Brazilian families. And the German MPs in the Commission for Economic Cooperation, for they represented different parties and ideological sensibilities, would get a convoluted answer amounting to every possible meaning.

The truth is that VW had no long-term business plan. Not a single company document —unless it has been kept secret until now—gave details of the CVRC’s sales objectives, be it for the import or the export market. In any case, as Schölermann explained, it was very unlikely that CVRC beef directly contributed to filling the lack of protein experienced by the poorest sectors of the Brazilian population.

Since the CVRC set out to produce meat of exceptional quality and resorted to high technical investment, its meat would probably end up being sold at a high price and, even if in the domestic market, addressed to upper class consumers. Again, the CVRC project was aborted before it really established itself in an identifiable business cycle. Production from the VW ranch, in its first and only thirteen years of life, was principally consumed in the VW canteens at São Bernardo do Campo and by the farm’s inhabitants, while the CVRC’s profits essentially came from the export of timber and cellulose. However, numbers unveiled by the Brazilian organization of slaughterhouses in May 1986, when the CVRC was just beginning to establish itself on the beef market, revealed that the company offered ready-to-slaughter cattle at over 1.5 times the price normally paid in the country.

This figure partly confirms the tendency suspected by Schölermann that VW would essentially produce meat for socially more affluent classes.

Releasing Brazilian society from hunger, at any rate, was only one side of VW's humanitarian coin. The other was the allegedly privileged treatment offered to the farm’s 450 employees, who with their families composed an ‘employee village’ of over 800 inhabitants in 1974-1975. Unlike the administrative staff, mainly coming from São Paulo, the employees came predominantly from the states of Amazônia Legal and had grown up in forest or pioneer frontier areas. A great majority of them came from Goiás, an Amazonian state with low socio-economic ratings bordering the eastern side of Pará. Since Goiás was historically a weakly populated forest region, many of its inhabitants came from migrant (frequently north-eastern) families. VW, in its advertising documents, often insisted that the company had

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238 Autogramm, July 1974.
239 This observation has been made possible by Schölermann, ‘Volkswagen do Brasil’, 86.
240 Ibid.
241 Econorte, Cia Vale do Rio Cristalino Agropecuária Indústria e Comércio.
243 Öffentlichkeitsarbeit Volkswagenwerk A.G., Volkswagen, 41.
244 Buarque, ‘A capitania da Volkswagen’. 
pulled these people out of a precarious nomad life marked by poverty. ‘In this huge project’, so went a company document on the CVRC, ‘there is included, and this is not a secondary feature, a big social engagement on the part of an industrial enterprise for the people working for it’. 

The CVRC project comprehended a series of social services, presented as advantages offered to the farm workers. One of these was the ‘Wolfgang Sauer Grammar School’, featuring modern, audio-visual teaching equipment, and benefiting not only the Cristalino children but also the children of employees in certain neighbouring fazendas. From 1978, a VW-vehicle traveled over 300 kilometers daily to transport the students. The children received ‘medical assistance’ and ‘free snacks’. Even the farm workers could go to school and avail of literacy classes. For VW, the school was an important contribution to the process of ‘settling man on the ranch, where he receives a good salary, modern functional housing and an excellent social structure’. The ranch’s employees, indeed, could count on basic comfort, which, compared to the living standards of the Amazon region at the time, was exceptional. They lived in small personal or family houses fitted with electricity and running water. They had—at least according to VW public documents—good salaries, leisure schedules and spaces—a soccer field, a bar, a dancing-club, cinemas and swimming-pools, including other distractions—as well as free medical and dental services. They could buy essential goods like milk, meat or rice at prices below their standard market value. Vegetables, grown on the farm itself, were distributed free of charge, thus providing easy access to a healthy and balanced diet. VW publications stressed that all these social-friendly principles were imported from the welfare policy already applied in its German factories. This was the case, for example, as regards the low prices of products sold in the farm canteens and shops, which according to ‘an […] age-old instruction from Wolfsburg, are only allowed to be sold at cost rates, hence they cannot make a profit’. 

As if to prove the sincerity of its social commitment through an argument based on coherence, most VW-company communications about the privileges of farm employees were concluded by statements about the common interests between firm and workers—for example:

245 Volkswagen do Brasil S.A., Cristalino.
247 For this and the following: Volkswagen do Brasil, Cristalino.
248 ‘O Gado do Futuro’.
249 ‘Der Urwald überwuchert Alles’.
Workplace turnover among the farm’s collaborators is low. This shows how worthwhile it is to familiarize the worker with the comfort of a house with electric light and running water, and pay him well, build schools for his children, afford him medicinal and dental care.  

A confidential document consigned to SUDAM by VW in 1974 detailed the nature of this common interest in somewhat more corporate–centered language:

To be effective and able for required productivity, the worker also needs to be well fed, healthy, strong and—as a human being—encircled, together with his family, in certain, though modest, conditions of dignity.

That a business’s financial interests automatically gave rise to corporate generosity is a debatable statement, making it worth asking the following question: could the CVRC’s self-proclaimed social vocation be taken for granted? How far was the CVRC a model ranch with regard to the welfare structure offered to employees—leaving aside, for the moment, any possible practical deviations from the ranch’s official welfare package? Looking at the details of this package, it appears that the generosity that the CVRC claimed to demonstrate towards its workers was limited. Wages, for example, were not as high as VW documents stated. The majority of CVRC workers (cow-boys, mechanical workers, woodworkers) earned only about 14% to 15% more than the official Brazilian minimum wage, even if a number of tractor drivers, working team leaders and bulldozer drivers received a more advantageous income (35%-36% more than the minimum wage for the former, and approximately. 2.7 and 3.6 times the minimum wage respectively for the latter categories). Although the numerous free or low cost services available to the employees contributed to sharply reducing their cost of living, it is worth noting that the Brazilian minimum wage constituted a very low basis. In principle, it was calculated to cover the vital needs of a worker's family with four children (food, housing, clothing, transport and hygiene). However, the cost of living that served as the official basis for determining the official minimum wage was largely underestimated by the government—especially because it only partially took the ever rising inflation into consideration. According to a German NGO, the Brazilian minimum wage did not even cover

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250 ‘Der Arbeitsplatzwechsel unter den Mitarbeitern der Farm ist gering. Es lohnt sich also, den Arbeiter mit dem Komfort eines Hauses mit elektrischen Licht und fließendem Wasser vertraut zu machen sowie ihn gut zu bezahlen, Schulen für seine Kinder zu errichten, ihm ärztliche und zahnärztliche Betreuung zu gewähren’: Ibid.
251 ‘O trabalhador para ser eficiente e apto para a produtividade precisa, igualmente, ser bem nutrido, saudável e forte e – como ser humano – cercado, juntamente com sua família, de certas condições de dignidade’: Econorte, Cia Vale do Rio Cristalino Agropecuária Industria e Comércio.
252 Schölermann, ‘Volkswagen do Brasil’.
253 Arbeitsgruppe Brasilien, ed. Die Farm am Amazonas, 17.
the daily needs in calories for an individual rural worker—hence, it was far from enabling a decent livelihood for an entire family.\textsuperscript{254} Besides, the material advantages listed in VW advertising were only distributed to CVRC employees. The hundreds of seasonal laborers employed in clearing and infrastructure building did not receive a single one of these advantages.\textsuperscript{255}

The exclusion of seasonal workers from the CVRC’s social advantages testifies to how this welfare structure was reserved for a micro-population and was in part limited to VW’s legal obligations. In fact, what VW presented as privileges offered to its workers often corresponded to mere compliance with Brazilian law or with VW’s contractual commitments with SUDAM. In the agreement which was a condition for receiving SUDAM subventions for the project, it was listed under the ‘economic goals to achieve’ category that the ranch should develop ‘additional services; social, moral and civic assistance; livelihood’ for its human population.\textsuperscript{256} It was also SUDAM which obliged the companies it funded to supply hospital services and guarantee access to school for the children, although Volkswagen alleged to the German public that these services were ‘set up without any legal obligation’.\textsuperscript{257}

VW’s prospectus also boasted of the fact that

The Volkswagen ranch was also one of the first enterprises to set up an industrial safety structure and to organize an Internal Commission for the Prevention of Accidents (CIPA) in the rural zone of Pará\textsuperscript{258} or that

Cowboys receive pants, shirts and boots for their activities. Those that work in specific areas, as in mechanics or the sawmill, receive adequate clothing—boots with steel toecaps, gloves, hard hats and safety glasses.\textsuperscript{259}

These were certainly positive precautions that were part of improving the workers’ conditions. Nevertheless, far from being spontaneous acts of protection granted by a firm to its employees, these measures were already stipulated by Brazilian legislation. The setting up of commissions for the prevention of accidents was compulsory for every company of over one

\textsuperscript{254} Ibid.
\textsuperscript{255} Chapter 4 of this thesis.
\textsuperscript{256} Arquivo do FINAM, SUDAM, Parecer n°037/74, 29 November 1974, ‘Projeto: CVRC Agropecuária Comércio e Indústria’.
\textsuperscript{257} Ibid.; Autogramm, September 1985.
\textsuperscript{258} Volkswagen do Brasil, Cristalino.
\textsuperscript{259} Ibid.
hundred employees in Brazil since 1944, and the labor law established under Vargas implied that working equipment could not be deduced from salaries.  

Did Volkswagen's social contribution to Amazonian development merely consist in respecting the ranch’s legal obligations? After all, the firm bragged about ‘the new patterns of behavior’ it was introducing in the Amazon, quoting in first place its respect for ‘tax-paying and labor legislation’: being faithful to the law was, in VW’s eyes, a humanitarian innovation that deserved to be mentioned. This point of view was not, in fact, absurd. Most of the other southern Pará farms did not supply the services that VW provided for its employees. Many of these farms hardly took account of the minimum wage. Some of them did not even draw up legal contracts for their employees. In this regard, the VW-farm was indeed a socially-friendly oasis in the middle of the jungle. Ironically, the unethical practices of the surrounding ranches legitimated the CVRC as a model ranch regarding social services.

2.3.3. Between ‘tropical Wolfsburg’ and ‘Brasilia in miniature’: a civilization laboratory

Due in part to its ranchers’ reputation for treading upon the law, the Amazon was considered by many external observers to be a chaotic place. As they began to elaborate their colonization plans, the VW-executives in Wolfsburg started to define the Amazon as an ‘underdeveloped’ region. They surely meant it in an economic sense, but as Esteva describes, the allusions contained in the ‘underdeveloped’ epithet go well beyond this limited sense. The term points toward the ‘undignified condition’ of not living according to the standards of industrial countries. 'Underdevelopment', according to Esteva, is a rhetorical construction, which belittles an area and its population into a condition they are supposed to ‘escape from’ through development. In this regard, escaping from underdevelopment does not only take place through economic transformation. It is also a process of ethnological

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260 ‘Os empregadores, cujo número de empregados seja superior a 100, deverão providenciar a organização, em seus estabelecimentos de comissões internas, com representantes dos empregados, para o fim de estimular o interesse pelas questões de prevenção de acidentes, apresentar sugestões quanto à orientação e fiscalização das medidas de proteção ao trabalho, realizar palestras instrutivas, propor a instituição de concursos e prêmios e tomar outras providências tendentes a educar o empregado na prática de prevenir acidentes’: Decree-Law nº 7,036/44, Art. 82.

261 Volkswagen do Brasil, Cristalino.

262 Branford, The Last Frontier.

263 Pinto, Amazonia.


transformation, which aims to change mentalities, educate people to productive work, a spirit of initiative and self-confidence. This was one of the tasks undertaken by the CVRC, which, as well as being a social and economic project, was also a civilization laboratory.

As the building of the ranch structure progressed, VW’s discourse was increasingly marked by the idea of creating a nucleus of civilization in the middle of a wild area.266 Advertisements declared that the CVRC was ‘almost a city’, ‘worthy of a city in the middle of the jungle’, or, more explicitly, ‘the civilization which has arrived’ in the Amazon.267 The word ‘city’, often placed with that of ‘civilization’ or ‘development’ meant something different to the traditional Amazonian villages and countryside communities of the Amerindians or Caboclos, which in comparison to the developing urban south were seen as living in a state of immobility. The ‘city’ was a place in movement, striving for modernity, as opposed to the ‘village’ symbolizing ‘timelessness and rooted traditions’.268 But the city was also a community of human beings, sharing the same way of life framed by a collective imaginary.

This project of a ‘city in the middle of the jungle’ was reminiscent of different past experiments. For example, impressed by the modern infrastructure of the ranch’s buildings, its airport, club and swimming pool, a local Brazilian priest saw the CVRC as a ‘Brasilia in miniature’.269 Just like Brasilia, the CVRC symbolized Brazil's national move toward development, and was erected from scratch in the middle of an unpopulated area in the interior of the country.270 This comparison stops where the CVRC's actual function begins, however: unlike Brasilia, the colony at Cristalino was built to sustain an agro-industrial project. The small city was organized so as to connect the private fulfilment of the inhabitants with their duties as workers, and encourage them to identify with their employer, VW.

In this aspect, Cristalino was in the lineage of the tradition in which Wolfsburg itself was founded almost out of nothing in 1938 under the name ‘City of the KdF-Car at Fallersleben’, to house the workers of the very first Volkswagen factory.271 Wolfsburg is not the only historical example of a city created by and for a company. Henry Ford carried out

266 Veja, 31 December 1980.
267 Ibid.
268 Cullather, The Hungry World, 5, 78, 84.
269 Ricardo Rezende Figueira, A Justiça do Lobo: Posseiros e Padres do Araguaia (Petrópolis: Vozes Ltda, 1986), 33. The comparison with Brasilia was also made by Sauer himself: Chapter 3 and Conclusion of this thesis.
270 Vidal, de Nova Lisboa à Brasilia.
271 In German ‘Stadt des KdF-Wagens bei Fallersleben’. The KdF-Wagen was the first model for the VW-Beetle, while Fallersleben was the name of the small village around which the city was built: Christian Schneider, Stadtgründung im Dritten Reich: Wolfsburg und Salzgitter: Ideologie, Ressortpolitik, Repräsentation (München: Moos, 1978).
several such experiments in the American Midwest and even built his jungle city Fordlândia as part of his search for the ideal north-American small town. That Fordlândia served as a model for Cristalino, is mentioned nowhere—probably, the legendary failure of Ford’s project dissuaded Volkswagen from risking any such comparison. But there are some resemblances between the two colonies, in spite of the decades that separate the founding of Fordlandia (1928) and that of Cristalino (1973) (PICTURE 1 and 2, below). Cristalino’s housing complex, for example, is at least partially reminiscent of that of Fordlândia, with its small family houses with identical masonry, harmoniously aligned on regular, large avenues. However, there were architectural differences between these two cases. Nonetheless the way individual housing was organized invited the inhabitants to a similar, westernized way of life, with a fence to demarcate the family’s perimeter, a small, flower garden and a private parking lot.

1. Traditional North-American house having served as model for the employees’ houses at Fordlândia
2. Third-generation housing at Cristalino (from the late 1970s)
3. Employees’ house with garden at Fordlândia
4. Employees’ house with garden at Cristalino

Sources: Grandin, Fordlandia; Volkswagen do Brasil S.A., Cristalino.
However, there was a major difference between the two jungle cities. Fordlândia was a deliberate—and quite ingenious—attempt to transpose the architecture and customs of an industrial U.S. city into a tropical forest area. For example, the Midwestern styled houses there, if they corresponded to Henry Ford's vision of American modernity, were ‘totally inappropriate for the Amazon climate’ for the choice to build metal roofs lined with asbestos

Sources: Ibid.
instead of the traditional Amazonian materials made them ‘hotter than the gates of hell’. A
witness stated that they seemed to be ‘designed by Detroit architects who probably couldn’t
everning a land without snow’. Cristalino, on the contrary, was something other than a
tropical clone of Wolfsburg, because it had to fulfill the expectations of Brazilian national-
developmentalists. Still, as an international experiment partly driven by Germans, conceived
to consolidate the reputation of a private firm, neither was it a ‘little Brasilia’. It was a new
invention, in which (mainly) European businessmen claimed to both import their industrial
know-how and place their model into a genuinely Brazilian national project.

The particular draft of the project, which was dedicated to social structure and human
resources, and which was handed by VW to SUDAM in 1974, described clearly that the
CVRC was an enterprise of civilization, which not only envisaged revolutionizing agricultural
techniques, but also the human mind. The ranch would show ways to modernize human self-
perception and behavior in the Amazon, starting with educating its own workers in
modernization. Making the workers aware of a common industrial objective, encouraging
them to perceive themselves as an integrated part within a collective pioneer adventure, were
key objectives of this civilizing mission. Thus, in the VW project, we learn that:

The spirit of community will be first developed by strengthening the awareness of
the inhabitants, and then maintaining it at the highest level, so that the community
leans toward a gradual evolution, predisposing the men to labor, and making sure
of the importance that they will grant to entrepreneurial success,

or still more that VW wanted to make of the ranch-worker a ‘man aware of his value and
responsible’ because this was ‘the most important key to entrepreneurial success’. In the
context of geographic isolation, hard work and the health risks that characterized life at the
ranch, VW proposed establishing measures that could strengthen group cohesion and to teach
the workers to be socially responsible and capable of living in community:

Man will not be seen as a singular being, but rather as an individual in a
community, a socialized being, who thinks and acts according to the patterns, to
the traditions of his group, adapting to the social situations that, at every step, take

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275 ‘O espírito comunitário será inicialmente desenvolvido mediante conscientização dos habitantes e
posteriormente mantido no mais alto grau, de modo a que a sociedade tenha para evolução gradativa,
predispondo o homem ao trabalho, na certeza da importância que eles têm [SIC!] para o êxito empresarial’: 
Econorte, *Cia Vale do Rio Cristalino Agropecuária Indústria e Comércio*. 

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shape around him.\textsuperscript{276}

For those who designed the project, the introduction of a solid settler mentality was a necessary condition for single individuals adapting to the spirit of community and to the tasks they had to accomplish for VW. Settlement, in turn, could be achieved only through a solid family life, as a guarantee of the workers’ private stability. Families were modeled according to the working necessities of the company. This meant that the Amazon workers had to renounce their previous life customs. As the company’s communication service did not hesitate to explain in a public brochure, VW intervened in the workers’ private lives, for example by inciting cohabiting partners to marry:

‘Living together’, the most common form of relationship in the region [...], does not give the family stability necessary for men to settle. As a result, the Companhia Vale Do Rio Cristalino encouraged the legalization of these de facto situations\textsuperscript{277}

It was for this reason that, in 1977 for example, CVRC management called a magistrate and organized a collective marriage ceremony to ‘regularize’ the situation of the thirty non-married couples living on the farm.\textsuperscript{278} The company celebrated the success of this interventionist strategy in the following terms: ‘the man of the region, formerly of a nomadic disposition, began to put down roots, making for a low turn-over rate in the manual labor of the ranch’, as if to show that familial stability was also a factor of stability for the CVRC. The company’s regulation of private behavior had other aspects, however, sometimes approaching bodily control, such as to ‘enlighten about the dangers of consanguine marriages’ or ‘making families aware of the advantages of having habits of body, house, clothing and even mental hygiene’. For example, management paid attention to the capacity of the workers’ families to run their homes. The ranch family keeping its house in the ‘most beautiful and ordered way’ received a refrigerator as a Christmas present from the company.\textsuperscript{279} An education in the area of ‘balanced diet’ was also planned. The establishment of familial norms compatible with the employees’ working duties went so far as to provide

\textsuperscript{276} ‘O homem não será encarado como ser singular, mas sim como indivíduo comunitário, ser socializado, que sente, pensa e age, de acordo com os padrões, com as tradições de seu grupo, ajustando-se às situações sociais que, a cada passo, se formam em torno a ele’; \textit{Ibid.}
\textsuperscript{277} Volkswagen do Brasil, \textit{Cristalino}.
\textsuperscript{278} ‘Der Friedensrichter Kam Zur Sammelhochzeit’.
\textsuperscript{279} ‘VW als Viehzüchter’, \textit{Institut für Brasilienkunde e.V. Informationen}, January-April 1977.
familial orientation, chiefly regarding the notions of child education, of relations between spouses, between parents and children and between brothers and sisters, aiming, as the highest point of this process, towards familial harmony.\footnote{280}

Not surprisingly, women, viewed as important contributors to the workers’ stability and welfare, were taught how to become skilled housewives, receiving sewing, homemaking and embroidery lessons.\footnote{281} However, the manner in which VW was concerned with influencing and controlling the family life of its employees in the Amazon, was not invented from a clean slate. It was partly drawn from practices already applied in the giant VW-plant at São Bernardo do Campo. The establishment of a maternity ward in the private VW-clinic at São Bernardo, for example, was a way of strengthening the company’s symbolic patronage of its employees’ families. An advertisement explained that in this clinic ‘a daily average of eight ‘VW-babies’ comes into the world; and the father who plans for the long-term sees in a baby, especially when it is of male gender, a future employee at VW do Brasil’.\footnote{282}

In sum, this form of managing private life illustrated how a modern company understood the process of modernizing a population seen as underdeveloped. VW saw this education about modern family life as a process of transposing people from a culture of nomadic life to settlement, from unofficially framed to legalized ways of living together, moving practically from instable non-modern forest life to the legible rules of civilization. In this narrative of civilization, separating the human from the forest, as a condition for mastering the natural world at the service of an economic project, constituted an important dimension of the story VW told about itself. In a document published in the early 1980s, VW told the epic story of the first pioneers who arrived during the ‘difficult times’ of 1973-4, when the CVRC was not yet an organized ranch, but still a patch of forest.\footnote{283} Food sometimes had to be dropped by airplane, when the weather forbade the movement of vehicles, but still the VW employees managed to survive the difficult natural conditions. The first ranch headquarters were built with mud walls and covered by wild banana leaves, replaced after a few months by houses made of wood, and some time later by ‘third generation housing’ in masonry: this was the story of pioneer men—women were almost inexistent in this “pioneer” narrative—overcoming the hard conditions imposed by nature to finally embrace a modern life.

\footnote{280}‘orientação familiar, mormente no tocante às noções de educação dos filhos, do relacionamento entre os esposos, entre pais e filhos e entre irmãos, visando, como ponto alto do processo, a harmonia familiar’: \textit{Ibid.}

\footnote{281}\textit{Volkswagen do Brasil, Cristalino.}

\footnote{282}‘kommen pro Tag durchschnittlich 8 “VW Babys” zur Welt, und der Vater, der langfristig plant, erblickt in einem Baby, besonders dann, wenn es männlichen Geschlechts ist, den künftigen Mitarbeiter bei VW do Brasil’: \textit{‘Multis’}. \textit{Volkswagen do Brasil, Cristalino.}
The way in which VW advertisements described family gardens in the ranch housing complex was a meaningful illustration of this narrative of man’s detachment from natural contingencies: ‘Even the individual gardens of the houses are wrenched from the wild. And, of course, these gardens have a proper fence, so as to keep wild animals away’.\(^{284}\) What matters here is the physical distinction from the wild encouraged by VW, with the intention of the ranch families being solidly settled within the borders of civilization. The more ranch men and women were educated and prepared, according to the educational material outlining the CVRC project, the more they ‘will be able to decisively confront the obstacles of [...] hostile nature, taming it, placing it more effectively at the service of the entrepreneurial community’.\(^{285}\) As may be seen, CVRC inhabitants were educated according to *Operação Amazonia* guidelines, which encouraged Brazilians to adopt a new, more offensive and ‘rational’ attitude towards nature. The CVRC needed workers who were able to resist and dominate nature, unlike traditional peasants who, according to a VW-document, had failed to exploit Amazonian land because they ‘helplessly faced the climate, distances and soil conditions’ of the forest.\(^{286}\)

By providing models to the families and staging them as pioneer heroes in a victory of civilization over wilderness, VW may well have sought to develop a strong attachment between the workers and their company. In this spirit, VW also inculcated a sense of loyalty in its rural workers towards their employer, and, as a consequence, cultivated pride in belonging to the great multinational VW family. Constructing an emotional link between worker and employer could only have positive effects on the worker's productivity. The VW project outline stated that the duality of social supplies and education programs provided to the worker were aimed at conferring upon him ‘permanency and true integration into the company, as a factor and as a person’.\(^{287}\) In 1980, a VW brochure seemed already to consider this goal as accomplished, for it asserted that the workers had already found a ‘homeland’ (‘*Heimat*’) in VW, because they identified themselves with the corporation.\(^{288}\)

Besides encouraging the Cristalino laborers to perceive themselves as much VW workers as, for example, the car assemblers at Wolfsburg or São Bernardo do Campo, VW management sought to integrate the farm into the VW global community by bringing the


\(^{285}\) Econorte, *Cia Vale do Rio Cristalino Agropecuária Indústria e Comércio*.

\(^{286}\) Volkswagen do Brasil S.A., *Cristalino*.

\(^{287}\) Econorte, *Cia Vale do Rio Cristalino Agropecuária Indústria e Comércio*.

\(^{288}\) Richter, *Die Fazenda am Cristalino*, 12.
urban automobile workers into—virtual—contact with the colonization process led by the company in the Amazon. The German VW-workers regularly received, via Autogramm, news of the advancement of the clearing job and farming experiments in Cristalino. The magazine also relayed images of suntanned Cristalino cow-boys in picturesque photographs that showed them riding horses, posing in front of cattle herds or leaning on a pasture guardrail which carried the metallic VW brand logo.

The pictures were accompanied by captions insisting on these workers’ belonging to the VW family, such as ‘even these four weather-beaten and adventurous-looking boys are VW-employees, who carry out their work—as we can see—under the same logo as all’—or still more (PICTURE 3) ‘Strangers’ faces, marked by life in the virgin forest, and still in the widest sense VW-employees’.  

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289 Source: ‘Der Urwald Überwuchert Alles’.  
290 ‘Wir vertrieben keine Indianer’; ‘Der Urwald Überwuchert Alles’.
‘Even these are VW-employees with cow-boy hats on short and sturdy horses’

Source: ‘Der Friedensrichter kam zur Sammelhochzeit’. 
‘The Gauchos proudly show the VW logo, under which they are happy to work.’

As for the Brazilian car workers, the CVRC was rendered materially present in their social and working life. The meat and vegetables produced at Cristalino were served in the VW canteens of São Bernardo do Campo. Some of the Amazonian timber was recycled to build boxes and packaging used by the car workers in their factory. In counterpart, new models or technical innovations produced by the VWB workers were tested by inhabitants of the ranch property before being put into commercial circulation.

The CVRC’s mission, however, could not be limited to promoting the VW world community. In the economic integration of the Amazon SUDAM saw a way to expand the authority of the Brazilian central state. After all, *Operaçao Amazônia* was integrated into the doctrine of national security that aimed at reinforcing the nation’s sovereignty over its territory. Consequently, VW was also expected to help promote national values, as one of the counterparts for the subventions it received from the Brazilian state. As SUDAM validated the allocation of state subventions to the project, it was clear, for the state agency, that ‘the Company Vale do Rio Cristalino was organized with the supreme purpose of contributing proficiently to the aspirations of the developmentalist movement in the Amazon’. A meaningful picture published by VW shows, for example, the children of the Wolfgang Sauer Grammar School gathered in line, standing to attention behind several flags being hoisted at the same time. Of the two central flags, one carries the emblem of VW, while another bears the Brazilian national colours. Jacky Mendonça, one of Sauer’s collaborators, remembers the ritual immortalized by this picture:

The children were there, in front of us, all dressed in their uniforms, standing side by side, singing the national anthem, while the Brazilian flag rose along the mast, shaken by the movement of the wind.

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294 *Volkswagen do Brasil, Cristalino; Volkswagen do Brasil S.A., Cristalino.*

The Children of the ranch standing behind four flags representing, from left to right: the Cristalino Company, Volkswagen, the Brazilian nation and the state of Para.296

This was coherent with VW’s commitments, in which it promised SUDAM to provide the ranch population with lessons in moral and civic education transmitting ‘respect for the authorities and laws of the country, thus awakening the spirit of nationality and patriotism’. The CVRC would also organize ‘civic celebrations on the most relevant national days’, so as to keep the workers’ national feeling alive in spite of their relative geographic isolation from the rest of the country’s human population.297 VW was bringing the national state into the deep interior of Brazil, and thus delivering to the governing military regime and its civilian supporters a demonstration of its Brazilianization. In an advertisement for Cristalino published in 1976 in popular Brazilian magazines, VWB underlined its strong territorial presence, right up to the pioneer frontier of the rain forest:

We, who are here, can testify. Occupying the great empty spaces of Brazilian territory today is the most fascinating and promising undertaking in the whole world, contributing to turning into reality the motto […] of ‘integrar para não entregar’.298

296 Volkswagen do Brasil S.A., Cristalino.
297 Econorte, Cia Vale do Rio Cristalino Agropecuária Indústria e Comércio.
298 ‘Nos que estamos lá podemos falar. A ocupação de grandes vazios do território brasileiro é hoje o empreendimento mais fascinante e promisor de todo o mundo, contribuindo para tornar realidade o lema […] de integrar para não entregar’: ‘A Volkswagen planta uma idéia para os empresários que gostam do Brasil’, Manchete, 8 May 1976.
That a multinational firm could reclaim the xenophobic message driving the military regime's doctrine of national security, according to which Brazil had to ‘integrate’ the Amazon in order to protect the region from foreign greed, illustrated the deep paradox of *Operação Amazonia*.

Another of the military regime’s demands, which held to Christianity as a force cementing national cohesion, was embraced by VW: that of spiritual education. This education would have its place in the ranch ‘as pinnacle of the educational process [...] staging man as God’s creature, moulded after his own image and likeness’.\(^{299}\) For this purpose, a Church was built at Cristalino as early as in 1976. Most probably, this initiative also aimed at framing the workers’ religious practices within the borders of the Cristalino company. Faith should be expressed with the help and under the supervision of CVRC management, so as to prevent the workers from being influenced by Marxist priests supporting the liberation theology movement. Throughout the 1970s the latter became increasingly popular among rural laborer communities in the county of Santana do Araguaia. As a later chapter will elaborate, these priests depicted large Amazonian ranchers as enemies of the workers’ interest. Various organizations close to liberation theology were attentive to the unfolding of the VW-ranch and to the project’s consequences for the social equilibrium of the region.\(^{300}\)

As in the case of religious education for the workers, the CVRC’s implementation program combined the concerns of the military regime with those of Volkswagen as a multinational company. This historical example shows that development cannot be reduced to a discourse that established patterns of domination from North to South. The success of the VW project depended largely on SUDAM’s decisions. An annual report as well as frequent visits to the ranch by SUDAM administrators, veterinarians, economists and agronomists decided whether the CVRC still deserved its place in the *Polamazônia* program and the entire array of financial incentives that accompanied it.\(^{301}\) At the same time, this partnership supposed that the weaknesses of the Brazilian state apparatus also had an influence on the feasibility of the CVRC project. VW executives, for example, complained that they had to slow down the implementation of their plans and sometimes mobilize unplanned financial funds because SUDAM, paralyzed by its labyrinthine bureaucratic structure, often had delays

\(^{299}\) Econorte, *Cia Vale do Rio Cristalino Agropecuária Indústria e Comércio*.

\(^{300}\) Chapters 3 and 4 of this thesis.

\(^{301}\) Apesteguy, ‘*L’Intervention fédérale en Amazonie*’, 172.
in distributing subventions.\textsuperscript{302}

The stipulations of SUDAM also contributed to balancing VW’s ambitions with a more cautious way of handling nature, for example by insisting that the CVRC maintain a reforestation project. Although modest in size (172 hectares per annum), reforestation was strictly obligatory and obeyed precise and ample objectives with regard to biodiversity.\textsuperscript{303} As contradictory as it may seem in the context of the regime’s proclaimed developmentalist goals, there existed voices within the Brazilian institutions, which spoke in favor of a balanced exploitation of the forest and a careful handling of its ecosystems. As the next chapter will demonstrate, these voices also called for alterations to the CVRC project.

VW perfectly understood the power of Brazilian institutions over funded projects and the fact that in spite of Brazilian ‘opening’ toward private companies, state planning had a preponderant role in Amazonian policy. In spite of the agency's weaknesses, SUDAM was the place from which to influence economic policies in the Amazon. In this respect, Sauer opted for a strategy of personal engagement. In negotiations about the setting and implementation of the CVRC he preferred to meet SUDAM Director, Hugo de Almeida, personally, and chose to face SUDAM’s cold administrative machine with his usual warmth and enthusiasm for human relations.\textsuperscript{304} In his enterprise of charming SUDAM, Sauer was allied with the Organization of Amazonian Entrepreneurs (AEA), which included the Amazon’s biggest and most powerful ranchers. Although the AEA always fell short of its main claim—to have a certain number of seats for business representatives within CONDEL so that the private sector could monitor the planning of Amazonian colonization—the organization enjoyed influential networks and direct access to governing organs at state and federal levels.\textsuperscript{305} The directing board of AEA, of which Volkswagen became a member immediately after the establishment of the CVRC, was in permanent contact with the Ministries of Agriculture and of the Interior. It regularly organized events attended by prestigious guests such as government representatives or SUDAM administrators. In 1975, Sauer led AEA’s new campaign of claims and, as such, handed Hugo de Almeida a list of AEA-recommended measures. It included the end of payment delays in SUDAM incentives, administrative simplification, and a greater flexibility in the funding criteria of SUDAM.\textsuperscript{306}

Moreover, Sauer perfectly understood the nationalist dimension of Amazonian

\textsuperscript{302} VW Unternehmensarchiv 373/190/2, 18 August 1976, ‘Beteiligungen’.
\textsuperscript{303} J. M. Condurú, \textit{Projeto Florestal Cia Vale do Rio Cristalino} (Condurú Agrimazônia LTDA, 1975).
\textsuperscript{304} ‘Volks Ultima seu Projeto na Amazônia’, \textit{A Folha de São Paulo}, 18 March 1975.
colonization. He was aware that the ranch’s future depended on its identification with the Brazilian national project as a whole. In order to secure Government support, and to win over Brazilian public opinion, he used to say in public interviews that VW wanted to

use [its] fiscal incentives, together with [its] industrial and administrative know-how, in order to help the government to integrate the north […] It is with this motivation that we took up the challenge of livestock farming. 307

In the end, there was neither a multinational, nor a nationalist project at the Vale do Rio Cristalino: there were state authorities and nationalists trying to retain control over multinational investments and to orient the project according to the regime's goals. There was also a multinational company trying largely with the help of economic allies within Brazil to influence Brazilian federal policies in order to defend its own interests in the process of Amazonian colonization. The CVRC was nothing but the result of the interaction between these two poles. Neither of the sides permanently and clearly had the upper hand in the project. This situation shows how fragile the concept of development was, in spite of its appearance of being absolute, covering all domains of life and deciding the direction in which the country should move. Development was presented as the path to follow for everyone, the only possible road out of poverty and dependency. However, it served interests, which were sometimes opposed.

During its first years of life, the CVRC was politically successful because VW and the SUDAM managed to conceal these divisions behind an enthusiastic developmentalist rhetoric. Admittedly, the form in which the project was implemented raised some doubts and provoked minor controversies: Sauer and Leiding could have involved their VW colleagues more in their plans and the coordination between VW and SUDAM could have been somewhat better prepared. But the core idea of the project, that the Amazon needed a high level of technology and rationally managed farming, and that big capitalist groups were best-suited to accomplishing such task, remained nearly uncontested. The period between 1976 and 1983, approached in the following chapter, was not as peaceful for the CVRC, principally because the idea that the forest should be massively altered for the service of human development grew ever less evident.

307 ‘utilizar os nossos incentivos fiscais, junto como o nosso know-how de administração e indústria, para ajudar o governo a integrar o norte e o nordeste. Foi com esta motivação que nos atacamos à agro-pecuária’: Quatro Rodas, January 1974, 92-4.

To understand how the question of the finitude of natural resources affected the developmentalist consensus during these years, let us for a moment accelerate time and look at an episode which occurred in 1983. At this point, the VW ranch had added a slaughterhouse, located further east in the county of Santana do Araguaia. A new manager coordinated the CVRC; he was a Swiss agronomist named Friedrich Georg Brügger. He received the visit of a journalist from the German magazine GEO, writing a feature on endangered biodiversity in tropical forests. As they were visiting the slaughterhouse, the latter asked Brügger how it felt to clear 6,000 hectares of forest year after year, burning the woods to gain pastures.310 ‘Understand me’, the journalist insisted, ‘an ecologist would describe the circumstances as follows: yesterday, rangy centuries-old rain forest was still standing in that place, and today grey oxen are grazing there’. Starring at his interlocutor as if the latter were a madcap, Brügger replied, horrified: ‘Every day, 200 million people are starving in the world—and you're talking of protecting the virgin forests!’ The journalist, in turn, held these words for nonsense, saying:

But, the two things have nothing to do with each other. The starving people in the Brazilian north-east, in the slums of Manaus or Altamira [two rapidly growing northern Amazonian cities] are just far too poor to buy meat.311

As the conversation went on, the journalist realized that he and Brügger simply could not

308 ‘Really, Sirs, it is high time to measure a government's success not only in cruzeiros ‘per capita’, tonnes of steel, kilometers of road or kilowatts of energy, but also in hectares of preserved nature’: Angelo B. Machado, ‘Mentalidade Conservacionista’ - Discurso Proferido no 9 de Julho de 1975 na abertura da XXVII Reunião annual da SBPC em Belo Horizonte’, Ciência e Cultura 27, no. 9 (1975).
309 Professor in neurobiology at the Federal University of Minas Gerais and President of the organizing commission of the 27th yearly meeting of the Brazilian Society for the Progress of Science (SBPC). 310 GEO (Germany), February 1984.
agree. He always saw ‘rain forest’, where Brügger systematically understood ‘beef’.

Brügger’s point of view, in this scene, was that nature could in no way constitute an obstacle to human progress, and that the destruction of the forest was a condition for helping humanity out of poverty. This opinion corresponded to the developmentalist consensus that underpinned the agreement between state and private companies resulting in the CVRC project in 1973-1974. At that time, the official discourse of the military regime was to see environmental protection as an enemy of progress. This was at least the developmentalist visage exhibited by the Brazilian delegates at the first Conference of the United Nations (UN) on the Human Environment held in Stockholm in 1972. These delegates argued that environmental quality should not sacrifice development, and that to establish global environmental targets would hurt national sovereignty. Environmental measures, so was the position of Brazil, should not be allowed to slow down the march of developing countries towards industrialization.

At the same time, the Stockholm conference signed the arrival into world politics of the new awareness that natural resources were not infinite. As the Amazon policy in Brazil was intimately linked with a process of accelerated appropriation of resources, it was concerned in the first place by this finitude. A couple of years later, the consequences of the quadrupling of global oil prices put an end to economic optimism in Brazil by sweeping away the belief that development had no limits.

In the light of this new context, national-developmentalism started to be unsteady on its feet, and state-financed projects implying the mobilization of natural resources by foreign actors—like the CVRC—to be observed by Brazilians with a watchful eye. The awareness that natural resources were precious became greater within Brazilian politics. The consequence that the disappearance of these resources could have for the world also began to be a much debated topic. As collective belief in an irresistible and endless development vanished, the worry grew that waste and destruction of resources might lead to their scarcity. Including at the global scale, many actors ceased seeing the Amazon as an endless reserve of primary goods, and started to be concerned with forest preservation.

The following chapters depict how this shifting vision of the Amazon, influenced by rising ecological concerns and a growing awareness of the limits of human progress, affected

the CVRC project. As the tense encounter between Brügger and the GEO journalist illustrates, global anxiety about the destruction of tropical biodiversity became a major issue from the mid-1970s on, so that the VW-ranch could not escape it. However, as we grasp from Brügger's difficulties in discussion with an environmental journalist, it was not an easy task to make the CVRC compatible with the principles of environmental care. Indeed, the ranch project was born out of the developmentalist will to colonize nature, independent of any kind of concern for the forest's ecological equilibrium. In the following chapter, I show how, through ecological debates and conflicts concerning the distribution of land, in an increasingly disputed Amazon region, the VW-ranch would cease to be an utopian, ground-breaking model, and began to experience the limits of development.

3.1. ‘Umweltsünder VW do Brasil’: the making of an environmental villain

3.1.1. The ‘world's biggest fire’: a scientific controversy

The clearing of the Cristalino estate was carried out through a mix of four techniques applied one after the other in the following order: logging was first effectuated by bulldozers according to the ‘correntão’ (‘thick chain’) method. The U.S. Army developed this method to clear the forests where Viet Cong soldiers hid during the Vietnam War. Two 400 horsepower (hp) tractors, driving at a short parallel distance from each other, pulled a heavy, 90 meter long metal chain, uprooting the trees in their path. After this, a defoliant was spread on the just logged area in order to eliminate minor vegetation such as weeds and shrubs. This step of the clearing process could rouse an impactful reaction, as the chemical used at Cristalino excessively heated the vegetation—according to the words of a CVRC clearing worker in 1978: 'It looks as if a huge thunderbolt has just fallen'. In a last step, the remaining trees and bushes were felled manually by teams of overexploited rural workers,

over periods of several months, generally three or four.\footnote{316}{‘VW als Viehzüchter’; Scheifele, ‘Erschliessung des Amazonasgebiets’.
\footnote{317}{Ibid.
\footnote{318}{Chapter 3 of this thesis.
\footnote{319}{Pinto, ‘O Garrancho Amazônico’.
\footnote{321}{Ibid.

Forest burning was the most controversial step of this clearing process, probably because many defenders of the forest mentally associated burning with a primitive practice. It was the oldest and cheapest method to finish opening fields, although scientists actually disagreed about whether burning was the technique which most jeopardized soil stability. Even SUDAM blamed small settlers for practicing slash-and-burn.\footnote{318}{It was an argument for the agency to dismiss these settlers as destroyers of the forest and promote colonization by large firms instead. The problem of clearing as practiced by the CVRC is that it damaged the soils at least twice: first by eroding them through the passage of bulldozers and second by overheating them through the application of defoliant and fire. In order to avoid soil sterilization, other big farms, such as the Jari Agropecuária, property of a U.S. businessman funded by SUDAM, relied exclusively on the mechanical abatement of trees.\footnote{319}{This was done by ample groups of workers equipped with chainsaws. It presupposed a much higher financial investment and a greater risk of human accident, as the racket of chainsaws covered the noise made by the trees when falling. VWB refused to adopt such costly practices as standard. Instead, it argued for burning as the most economical way to eliminate the vegetation undesirable for pasture, which could still develop rashly even during the clearing process.\footnote{320}{ Burning also destroyed larvae and other potential endoparasites. What is more, it enabled livestock fodder grass to germinate and sprout rapidly thanks to the nutrient properties of ashes.\footnote{321}{At the beginning VW managers were not aware of the opposition that their choice in favor of slash-and-burn might generate, simply because they were not even aware that clearing \textit{per se} could be seen as a negative thing. Somehow, VW was intoxicated by the ‘war against nature’ that, according to the pro-regime press, was a pre-condition for Brazilians to master their own destiny. Company management did not even grasp the emergence of ecological concerns that affected various countries around the Stockholm conference period, not least Brazil and Germany. In commercials, VW naively boasted about the deforestation
undertaken at Cristalino, as a sign of progress and human victory over the wild. In 1974, the VWB press committee proudly informed its public that the company had burnt 4,000 hectares of Amazonian woods in a few months, ‘a record never equaled until now by any other similar project implemented in the region’.

A couple of years before, this rhetoric, borrowed from the spirit of conquest inherent in *Operação Amazônia*, would probably have been consensual. But since the early 1970s an important intellectual shift in the human vision of nature was starting to take place on different geographic scales. A succession of internationally successful books had made technological progress and agro-industrial growth responsible for destroying nature at the expense of human life, for example Rachel Carson’s *Silent Spring* (1962) warning against agro-chemicals, the Club of Rome’s *Limits to Growth* report (1972) or Ernst Schumacher’s *Small is Beautiful* (1973). Popular demonstrations like the Earth Day for environmental reform in the United States (millions of participants in 1970) and the creation of Green electoral coalitions in New Zealand (1972), the United Kingdom (1973) and France (1974) made environmental protection a political value. While most of these events occurred in industrialized societies, they were given a global impact in 1972 during the Stockholm UN Conference, which brought nation states of the world’s North and South to discuss the consequences of, and the solutions to, environmental degradation. Networks of natural scientists played a major role in the conference’s preparation and proceedings.

As Keck and Sikkink recall in their analysis of the mobilization, which took place around Stockholm, epistemic communities were already closely linked on an international scale in the early 1970s. There existed numerous contacts between scientists of the world’s northern and southern countries. Probably one of the most transnationally networked sectors of Brazilian society, the Brazilian community of scientists and academic researchers, united in the Brazilian Society for the Progress of Science (SBPC), showed themselves to be sensitive to the conservationist move affecting scientists at global level. The SBPC, an organization of over 10,000 members, enjoyed recognition and respect from the government, the opposition

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322 Würtele and Lobgesang, *Volkswagen in Brasilien*, 72.
328 Ibid.
and Brazil's foreign partners.\textsuperscript{329} It was the principal channel of expression for the scientific and academic community in Brazil. It invited hundreds of Brazilian and international researchers to its yearly rout, the Congress of Science, a forum including a multitude of conferences and discussion on all topics and fields that were the subject of research in universities or laboratories. In these times of \textit{distensão}, these conferences were also a platform for scientists to criticize certain governmental policies on topics such as research and education, the economy or the environment.\textsuperscript{330}

The 27\textsuperscript{th} Congress of Science held in July 1975 in the city of Belo Horizonte proved an illustration of the ‘global environmental moment’ and of the growing concern of Brazilian scientists for the fate of nature.\textsuperscript{331} That year, the logo of the meeting was a dying bird, recording the scientific poetry of the United states American biologist Rachel Carson who, in her best-seller \textit{Silent Spring}, had condemned the effect of agro-pesticides on the diminution of bird populations:

\begin{quote}
Over increasingly large areas of the United states spring now comes unheralded by the return of birds, and the early mornings are strangely silent where once they were filled with the beauty of bird song.\textsuperscript{332}
\end{quote}

The title of the SPBC meeting, situated in the same catastrophistic rhetoric, was ‘Porquê’? (‘why?’ or ‘what for?’), referring to the supposed destructive madness of the modern world.

\textsuperscript{329} José Maurício de Oliveira, ‘SPBC quer ser a ponte de diálogo’, \textit{A Folha de São Paulo}, 9 May 1975.


\textsuperscript{332} Carson, \textit{Silent Spring}. 
In fact, a great emphasis was given in the Congress programs to topics related to the endangered environment.\textsuperscript{334} In his opening speech, the president of the organizing commission announced that the conference would proceed in the objective of building a ‘mentality of conservation’ in Brazil and confirmed that the SBPC also identified themselves with a global epistemic anxiety for the earth's future. In particular, he underlined that the thematic orientation of the conference ‘reflects the preoccupation of Brazilian scientists, just as of the scientists of the whole world, for the future of Man faced with the progressive deterioration of the environment’.\textsuperscript{335} Since the Congress of Belo Horizonte, with its 2,000 papers, was the largest scientific meeting ever organized in Latin America, and maybe also as a sign that environmental problems were starting to interest Brazilian society, it benefited from impressive media coverage. Most of the Brazilian newspapers dedicated daily articles to it during the entire week of the event.

One of the most tumultuous symposia of the Congress was dedicated to the

\begin{thebibliography}{9}
\bibitem{333} SBPC, 27º Reunião Anual.
\bibitem{334} Ibid.
\bibitem{335} Machado, ‘Mentalidade Conservacionista’.
\end{thebibliography}
‘Vicissitudes of the Colonization in the Amazon’. The participants mainly condemned the involvement of multinational companies in producing pollution in the Amazon and the inaction of the state to prevent them from doing so.\textsuperscript{336} The Professor of Agronomy and geneticist Warwick Estevão Kerr launched the controversy. Kerr enjoyed solid authority in the scientific milieu and was also the honorary President of the SBPC. From Sao Paulo, he was the director of the National Institute of Research on the Amazon (INPA) since March 1975. This organism was located in Manaus and financed by the federal government. Set up in 1952 by Vargas as a nationalist answer to a UNESCO idea of creating an international research institute in the Amazon, the INPA was by far the main research center on the region.\textsuperscript{337} It could count both on frequent contact with North American and European specialists and on locally grounded research conducted in its field stations throughout the Amazon.

When Kerr, during the conference in Belo Horizonte, attacked the policy of the multinationals, he was immediately approved by another forest specialist, Carlos Eugênio Thibau from the Center for Forest Research in the Cerrado Region (CPFR). The latter did not hesitate to accuse the big projects funded by SUDAM of ‘criminal deforestation’.\textsuperscript{338} The sociologist Fanny Tabak from the Universidade Fluminense in Rio de Janeiro criticized that everything started because of the state, which did not properly consult scientists before taking the decision to invite big companies to settle in the Amazon.\textsuperscript{339}

In another Congress meeting, a number of participants addressed these grievances directly to the chemist Clara Pandolfo, who was a well-known figure among the specialists working for the Government colonization programs, and who was representing SUDAM at the conference.\textsuperscript{340} Coldly replying to the different questions, she declared that it was impossible for the state to stop supporting big private colonization projects. Furthermore, she argued in favor of the transformation of forest into pastures and stated that some kinds of woods

will be devastated indeed, since they do not have any economic value for the government, which, besides, has the intention to lead world tropical timber production within a few years.\textsuperscript{341}

\textsuperscript{336} O Estado de Minas, 15 July 1976.  
\textsuperscript{337} Hochstetler and Keck, \textit{Greening Brazil, Environmental Activism in State and Society}, 156.  
\textsuperscript{338} O Estado de Minas, 15 July 1976.  
\textsuperscript{339} Ibid.  
\textsuperscript{340} Ibid.  
\textsuperscript{341} ‘florestas de cipós e capoeiras serão devastadas mesmo, pois elas nao têm nemhum valor econômico para o Governo que, por outro lado, pretende liderar, dentro de um tempo breve, toda a produção de madeira tropical do mundo’: Ibid.
The conference members strongly disapproved Pandolfo's words, and the Congress of Science at Belo Horizonte turned out to be the first public rebellion of Brazilian scientists against the joint colonization of the rain forest by the Brazilian state and big private companies. As they are concerned with maintaining the neutral image that is a prerequisite for the acknowledgement of scientific authority, scientists only rarely attack private groups or state policies directly. Yet, in Belo Horizonte, the name ‘Volkswagen’ was on the lips of every Brazilian and foreign guest. Even those who evoked forest destruction in more general terms knew to what particular example they referred as they made allusion to the ‘burnings’ made by 'foreign groups': the best known example of these groups was namely—and by far—VW.

To understand why a call for a new forest policy took place at Belo Horizonte in 1975, in a country dominated by developmentalist thought, it is first necessary to underline that the SBPC's conservationism fell within a certain national tradition. As various historians have shown, there had been a conservation-minded circle of influence overlapping with top sectors of scientific research in Brazil, especially among natural scientists, since the colonial period. From the 1920s to the 1940s, institutions like the National Museum in Rio de Janeiro, the Geographic Society or the Brazilian Academy of Sciences were the strongholds of such thought. A following generation of renowned engineers, agronomists, biologists or chemists gathered in the 1950s in the Brazilian Foundation for the Conservation of Nature (FBCN), a very active association, and member of the International Union for the Conservation of Nature.

There existed continuity between these initiatives. For example, the first Brazilian symposium for the conservation of nature, taking place in Rio de Janeiro in January 1967 and jointly organized by the FBCN and the Brazilian Botanical Society, displayed personal networks very similar to those of the first conference for the protection of nature, held in 1934, also in Rio. In part, the two conferences brought together the same participants, in part many of the students and followers of the main personalities of the 1934 conference

343 Dean, With Broadax and Firebrand; Pádua, Um Sopro de Destruição; José Luiz de Andrade Franco and José Augusto Drummond, Proteção a Natureza e Identidade Nacional no Brasil (Rio de Janeiro: Fiocruz, 2009).
346 Ibid.
showed up in 1967. This example indicates that the interest for environmental protection in Brazil was not a completely new phenomenon only arising in the 'global environmental moment' of the 1970s. It was rather the product of a small but consistent network of conservation-minded personalities among the national scientists, which had managed to reproduce over the developmentalist decades in Brazil.

The struggle against deforestation had always been the central preoccupation of these conservationists, whose most frequent proposals regarded the creation of national parks and forest reserves. Forest occupied a far more important position in the imaginary of nature produced by Brazilian scientists than other environmental preoccupations such as water or air quality. Although there still lacks precise studies confirming it, it can be hypothesized that this bias had to do with the symbolic importance of the Sertão in the nation-building process since at least the nineteenth century. This Portuguese word refers to the sparsely populated and densely forested rural spaces of Brazil—according to Drummond; it is the Brazilian pendant of the northern American concept of ‘wilderness’, for it expresses the idea of untouched nature, both dangerous and aesthetically enjoyable. Particularly in the first half of the twentieth century, important Brazilian literary works idealized the Sertão as the essence of Brazilian identity, bearing the moral values that founded the nation. Although it certainly cannot be said that Brazilian intellectuals had always depicted a positive image of the Sertão, the idea that the proximity of human habitat with the wilderness had influenced Brazilian culture and contributed to emancipating it from European traditions was widely shared.

Having recognized this tradition, we still need to ask why the Brazilian concern for native forest at the SBPC conference in 1975 took the form of a discourse critical of the government and the multinationals—in fact, deforestation had been occurring throughout the country much earlier than the arrival of VW in the Amazon, without provoking such subversive reactions from scientists. Needless to say, Brazilian scientists in the 1970s were partially influenced by the politicization of environmentalism taking place in the industrialized world, where provocative theses against industrial growth and electorally competing Green parties were transforming traditional conservationist lobbying into a socially critical ideology. In addition, since Silent Spring European and North American scientists had adopted an apocalyptic tone in their warnings that climate change and biodiversity loss

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347 Franco and Drummond, ‘Wilderness and the Brazilian Mind (I)’.
348 Ibid.
represented terrible dangers for humanity. Why should this highly contagious pessimistic discourse, which contributed to the radicalization of the scientific world, not reach Brazil as well, given the dense interconnections, which linked Brazilian scientists to their colleagues in the northern hemisphere? As Keck and Hochstetler indicate, Brazilian conservationists had ‘long participated in international associations and conferences, studied abroad, and associated with expatriate scientists in Brazil.’ SBPC conferences comprised dozens of foreign guests and the INPA regularly collaborated with distinguished scientists from the United states, such as the biologist Thomas Lovejoy, program administrator at the environmentalist NGO, World Wildlife Fund (WWF). Warwick Kerr himself had spent various years in North American universities.

Although these transnational connections certainly played a role in pushing Brazilian scientists to criticize the Government’s Amazon policy, we should not overestimate the influence of the ‘global environmental moment’. Not only did, as mentioned above, a conservationist tradition already exist among Brazilian scientists, but domestic political evolutions can also explain the radicalization of the SBPC. After 1964 the repressive atmosphere of the military regime led to state pressure on various scientists. Some cases of torture affecting its members pushed the association to adopt several motions, which criticized the government. In 1968, the SBPC opened the possibility of membership to social scientists, which led to a move by the association towards the left of the political spectrum, given that an overwhelming majority of Brazilian social scientists were Marxists. In consequence, the Médici mandate (1969-1974), during which state repression reached its highest stage in Brazil, became a period of extremely tense relations between the regime and the SPBC, whose President during the Médici years was Warwick Kerr. With the political distensão instituted by Médici’s successor, the SBPC became a forum for free political debates, where ‘scientific’ expertise often served as pretext to criticize the government. The meeting of 1975 in Belo Horizonte emerged at this moment of a highly politicized practice in the sciences. The criticisms against the policy of Amazon colonization expressed by the

351 Hochstetler and Keck, Greening Brazil, Environmental Activism in State and Society, 64.
352 Ibid., 30; Forresta, Amazon Conservation in the Age of Development, 32.
355 Ibid.
participants can be understood in this specific context.

In particular, governmental guests at Belo Horizonte served as receptacle for scientists’ anger against deforestation. In a symposium taking place on 11 July within the framework of the Congress of Science, government member Paulo Nogueira Neto became the main victim of a small revolt of scientists against the Cristalino project. Himself a natural historian, Neto was at the head of the Secretariat of the Environment (SEMA), a state secretariat supposed to elaborate norms to limit pollution, created in 1973 as a diplomatic initiative to counter-balance Brazil's intransigent attitude at the Stockholm summit. He had to face the indignation of a group of Brazilian, German and North American Congress guests, accusing VW of mounting ‘the most anti-ecological project in the world’. Nogueira Neto’s position in this debate was embarrassing. According to his own words, he was ‘a conservationist at heart’ and one of the co-founders of FBCN. As member of a developmentalist government, he practiced a discreet ‘environmental guerrilla’ within the institutions, as he later described his efforts to promote regulations on water and air pollution. Brazilian environmentalists had placed certain hopes in his person. At the same time, forest policy was not the competency of the Secretariat of the Environment, Nogueira Neto could not contradict state policy publicly, and at the personal level he also happened to be a good friend of Wolfgang Sauer.

Whether or not because of this friendship, Nogueira Neto dismissed scientists’ worries about the environmental consequences of the CVRC as a misunderstanding. VW itself immediately issued a public statement contesting the declarations made against the firm at the SBPC Congress. To appease conservationist voices, this note insisted that the clearing at Cristalino had preserved the roots of noble timbers such as brazilwood, jatobá, massaranduba, cedarwood, tabebuia or garapa. Nogueira added that SEMA was not given information about the extent of the fire set by VW in the forest. Referring to a government program in preparation, he said in order to pacify his scientific peers that ‘everything will be much easier when the satellite survey program starts’.

Nogueira's point was quite right indeed, if he meant that a satellite survey might help

356 Ibid.
358 Hochstetler and Keck, Greening Brazil, Environmental Activism in State and Society, 27-9.
359 Ibid.
360 ‘O Anfitrião Sauer’.
362 Ibid.
363 Godoy, ‘Satélites Vão Auxiliar a SEMA’. 
with knowing the extent of the fire launched by VW in the Amazon. However, he completely missed the point when he said that this would make things easier. On the contrary, the coming of a satellite object in this already complex controversy would tend to make everything even more complicated, because far from resolving the problem of forest burning, it would technically demonstrate its existence. Ironically, five months later, it was not the—forthcoming but not yet launched—Brazilian radio-detection project (RADAM), which threw new light on the Cristalino affair. It was the United states’ National Aeronautics and Space Administration (NASA), which thanks to its Skylab satellite detected in the south-eastern Amazon a calefaction of particular intensity and width, similar to that of an erupting volcano.³⁶⁴ NASA later found out that the Skylab picture actually betrayed the existence of a continuous fire over an area of about 25 000 square kilometers, situated at the intersection between several cattle ranches.³⁶⁵

This entire area had not been burnt by VW. After NASA transmitted the picture to the Brazilian National Institute of Spatial Research (INPE), it appeared that of the entire surface affected by the fire, only 9, 383 hectares were situated on the property of the German company.³⁶⁶ Rumors regarding the Skylab picture multiplied within the community of researchers on the Amazon, in a climate that was hostile to the CVRC project at least since the Congress of Belo Horizonte. In a meeting in Belem in 1976, Kerr was the first to evoke publicly the Skylab picture. Under the impetus of indignation, he absurdly reproached VW for having burnt ‘one million hectares’.³⁶⁷ Another personality of Brazilian naturalism, the internationally renowned landscape architect Roberto Burle Marx, took Kerr’s declaration seriously. He even repeated the ‘one million hectares’ figure at the federal Senate in June 1976, during a hearing about landscape and the protection of nature.³⁶⁸ Volkswagen, Burle Marx said, destroyed a forest ‘the size of Lebanon’ and ‘produced, in the Amazon, the biggest fire in the whole planet's history, detected by artificial satellites’.³⁶⁹ He also talked about the growing use among big Amazonian ranchers, of the powerful defoliant ‘Agent Orange’, which many environmentalists suspected could provoke cancer.

³⁶⁶ Casado, ‘Volkswagen. Devastação com Incentivos’.
³⁶⁷ Ibid.
³⁶⁹ Ibid., 71.
Although it was not clear whether Burle Marx meant to accuse VW, in particular, for resorting to Agent Orange, it seems that a similar defoliant was indeed used to clear the Cristalino estate. In fact, three months later a state deputy claimed at the assembly in Pará to be in possession of evidence in this regard.\textsuperscript{370} In 1978, journalists who visited the ranch and talked to CVRC technicians reported that the company was defoliating using Tordon-155.\textsuperscript{371} Tordon-155 contained a quantity of 2,4,5-Trichlorophenoxyacetic, the most toxic component of Agent Orange, an extremely powerful defoliant used by the U.S. Army to destroy Vietnamese rice fields as well as forest shelters where Viet Cong soldiers hid during the Vietnam war. The undifferentiated airplane spreading of over a hundred million liters of Agent Orange by the U.S. army in Vietnam between 1961 and 1971 caused toxic exposure to millions of people, in majority Vietnamese but also U.S. soldiers.\textsuperscript{372} After the latter returned home with hormonal disturbances and contracted cancer supposedly due to their contamination by Agent Orange, the use of Tordon-155 in farming was strictly limited by law in the U.S. Remaining stocks of 2.3 million gallons of the defoliant were transferred to be sold on the Brazilian territory in 1973.\textsuperscript{373}

Although Tordon-155 was not prohibited by Brazilian legislation, its use worried local scientists. The biologist Waldemar Ferreira de Almeida wrote in the review of the Biological Institute of Sao Paulo that the defoliant carried ‘risks of foetal mortality and congenital anomalies […] even when used in very small quantities’.\textsuperscript{374} Besides, global media reports and shocking photographs illustrating U.S. war crimes had turned the Vietnam war into a symbol of imperialism. Agent Orange, estimated to have provoked over 500 000 cases of infantile malformation, disease and premature death, illustrated the presumed cruelty with which the industrialized world sought to extend its domination over poorer countries.\textsuperscript{375} The evocation of such a symbol could count on strong emotional echo in Brazil, where Washington’s help for the military coup had unleashed great bitterness against U.S. intrusion, culminating in 1969 with the kidnapping by a revolutionary commando of Ambassador Charles Elbrick.\textsuperscript{376} In this context, the association of the Cristalino project with Agent Orange indicated a recrudescence

\textsuperscript{370} Diário do Congresso Nacional. 15 de Outubro de 1976 (Brasilia: Câmara dos Deputados, 1976), 10431.     
\textsuperscript{371} Buarque, ‘A Capitania da Volkswagen.’     
\textsuperscript{372} André Bouny, L’Agent Orange: Apocalypse Viêt Nam (Paris: Demi-Lune, 2010), 33, 143.     
\textsuperscript{373} Evandro Carreira, Recado Amazônico, 155.     
\textsuperscript{374} Buarque, ‘A Capitania da Volkswagen.’     
\textsuperscript{375} André Bouny, L’Agent Orange, 33.     
\textsuperscript{376} Interestingly, one of Elbrick’s kidnappers, the Carioca Fernando Gabeira, founded the first Brazilian Green Party after his return from exile and became one of the country’s most popular environmentalists. In 2008 he even received the public support of Elbrick’s daughter in his green electoral campaign to become mayor of Rio de Janeiro: Fernando Gabeira, O que é Isso, Companheiro? Depoimento (Rio de Janeiro: Codecri, 1979); ‘Filha do Embaixador Elbrick Apóia Gabeira’, O Globo, 24 October 2008.
of nationalist resentment against the Amazon’s appropriation by multinationals. This indirect comparison with the Vietnam War was an extremely negative sign for the reputation of VW, which had until then sought to build up the image of a fully Brazilianized, patriotic firm, in spite of its multinational origins.

Denunciation of the use of toxic defoliant raised the issue of the risks of deforestation for human health, but also of soil sterilization. This risk of loss and degradation was at the center of the emerging positions taken by a number of natural scientists worldwide against a possible destabilization of the tropical forest biosphere. These scientists evoked the danger posed by deforestation for the climate, water cycle, and biodiversity, including fauna—how was an orang-utan supposed to survive if the branches between which he was used to jumping disappeared? As for the climate, Brazilian ecologists, such as Senator Paulo Brossard believed that the ‘transformation of the Amazon into a desert will have extremely grave implications for the climate of northern and the whole of southern America.’ This affirmation had to do with the role of the Amazon in the global cycle of carbon. Although this role was not clear to scientists, it was known that the rain forest held a tremendous amount of carbon. This meant that the clearing of an important part of the Amazon could result in very disruptive effects for world climate.

As for the water cycle, another issue on which scientists agreed was that precipitation in the Amazon region was partly dependent on the forest’s density. About 50% of rainfall was supposedly generated by the forest itself. The disappearance of the vegetation could thus lead to limited rainfall, and consequently diminish the level of the river, which in turn would reduce rainfall and prevent the forest from regenerating itself. As another Brazilian environmentalist, Senator Evandro Carreira, synthesized: ‘Without rain there is no river, without river there is no rain, without rain there is no forest and without forest there is neither river, nor rain.’

If these questions were discussed in Brazil, none of them grew as acute as the debate on soil quality. Within the debates on the risks brought by large waves of deforestation, the question of soils offered the most concrete link between the issue of environmental stability

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378 Carreira, Recado Amazônico, 151.
380 Ibid.
381 Carreira, Recado Amazônico, 153.
and the economy of resources. The fight against the risk of soil erosion was compatible with a conservationist approach in defense of nature, and interested in the possibilities of expansion of Brazilian farming. As such, it was coherent to express concern for the soil even within the national-developmentalist logic that underpinned Brazilian politics. Would not damaged soils undermine the very goal of farming development, and lower Brazil's chances of becoming a leading farming exporter? It should be added that Brazil was still a farming country in the 1970s: at the beginning of the decade, over 44% of Brazilians lived in rural areas where farming played a structural role. The question of soil appealed to the Brazilian people. They knew too well the case of the north-east, a once fruitful land turned sterile by centuries of sugarcane planting. In 1948, the then President Eurico Gaspar Dutra, aware of this national trauma, raised an ‘alarm call’ in a vibrant speech at Itaperuna. He underlined that the foundation of Brazilian agricultural production was ‘the soil, this same soil that we have mistreated during our whole life, we who are harvesting today the rotten and bitter fruits of this lack of care’. In order to overcome the mistakes made in the past, he called on the farmers to adopt ‘conservation practices, in order that our children and the children of our children do not address to us the same accusation that we are throwing today to our elders: the accusation of making deserts’. The soil was a major element of the Brazilian economy and of Brazilians' daily life. In the case of the Amazon, it was an issue dividing the political scene along opposing scientific (or pseudo-scientific) arguments.

It was widely accepted that Amazonian soils were nutrient poor (this is what led pro-regime scientists such as Henrique Pimenta to call the Amazon a ‘senile’ forest), the available nutrients being locked up in the vegetation rather than in the soils. The latter hardly possessed its own humus layer (the organic matter in soil, which furnishes nutritive components). Therefore, the main dividing point between partisans and opponents of deforestation lay in the question, whether pastures could durably replace rain forest as a reserve of nutrients to prevent the erosion of Amazonian soils. As a basic measure to preserve soils, Brazilian legislation obliged ranchers in the Amazon to recreate a certain amount of ‘arboreal coating’—in principle, trees—on the cleared land. The military regime's favorite agronomist Pimenta considered this a useless measure, as for him any kind of vegetation

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384 Ibid.
could assume the nutrient role of arboreal coating. Drawing on such counter-expertise, the ranchers’ organization, AEA, lobbied for changes in the rules concerning compulsory reforestation. The organization demanded that any type of vegetation, including pastures of grass and legumes, be legally recognized as arboreal coating. Besides, Pimenta contended that grass and legumes where the most adaptable vegetation for carrying on the process of photosynthesis because, he hypothesized, they might produce more oxygen than trees.

Most ecologists dismissed this theory, as it ignored the vital role of tree leaves in maintaining the stability of soils. In a native forest, a layer of about half a meter composed of organic matter, principally dead and rotten leaves, settles around each tree. This decomposing material, besides producing a thin humus layer, nurtures a population of microscopic animals, insects and plants, which protect and fertilize the soil. Ecologists believed that this protective layer would disappear together with deforestation. The vanishing of the canopy would also leave the soil impoverished, in so far as this heavy vegetative cover enables the forest to capture incoming nutrients in rainfall from stem flow.

These arguments help to understand why those who blame VW for deforesting also accused the company of ruining the soil. But a further problem is whether the soil question really regarded the region of Cristalino. First, the Amazon region was composed of various typologies of soils. Even according to conservationists like Kerr, some of these typologies, characterizing a small portion of the Amazon, were actually estimated to be rich enough and suitable, if not for cropping, at least for cattle-raising. Second, Cristalino could be envisaged as a specific case because it was located in the transitional rain forest, a hybrid area separating the rain forest in the north from the savanna forest in the south. This type of transitional region had not been scientifically researched. Besides, no systematic farming had been undertaken in the region, hence the impossibility of asserting if Cristalino's soils were as fragile as the majority of rain forest soils.

The truth is that VW, which did not prepare its arrival in the region on the basis of soil quality research, had been warned about this incertitude. The German engineer H. S. Stremme communicated in 1974 to both Leiding and the German Finance Ministry that he found the ranch project ecologically foolish.

386 O Estado de São Paulo, 11 November 1975.
387 Ibid.
388 Ibid.
390 Lopes, ‘A Amazônia Tem Salvação.’
were unclear: they could be as probably negative as positive.\textsuperscript{392} In January 1975, the German general consulate in São Paulo sent an observer to Cristalino, who in the aftermath of his visit doubted whether the investment really made sense.\textsuperscript{393} He asked whether it was serious ‘to undertake such gigantic projects without very detailed studies about their future perspectives’. He also warned that every kind of cropping or livestock raising attempts at Cristalino might fail for ecological reasons, leaving VW with timber exploitation as the last possibility for benefitting from its ranch.

As we have seen earlier, VW sought to clear these doubts with a series of modernizing arguments, advertising the use of computer programs, airplane observation, and the collaboration of the best western specialists for soil and cattle herd management.\textsuperscript{394} This was not enough. Against the background of emerging global concerns with rain forest preservation, the criticisms of Cristalino hit an essential nerve of modernization discourse. Indeed, these criticisms often came from scientists, who themselves contested certitudes leaning on techno-scientific expertise. VW and SUDAM had repeatedly justified their projects through their capacity for mobilizing scientific networks and acquiring up-to-date agronomic tools. Yet, the very persons they respected, the scientists, specialists of farming, forestry, ecology and landscapes, were opening a debate about uncertainties and risks. This amounted to scientists recognizing that they themselves did not know anything, and that scientific research was not advanced enough to cope with the Amazon’s infinite complexity. It was simply impossible to say yet whether Amazonian soils would stand the expansion of cattle ranching and what consequence the clearing of large areas could have on the ecosystem. The experts themselves, in sum, were denying the power of expertise: modernity was reaching its own limits.\textsuperscript{395} And developmentalism was losing one of its main arguments: that techno-scientific progress could provide an answer to all problems.

Warwick Kerr, one of the most prominent critics of VW, was also the most explicit representative of this wave of doubts. Preoccupied with the risk of ‘foreign greed’ in the Amazon region, he was by no way a preservationist, rather a national-conservationist.\textsuperscript{396} His greatest concern was to develop Brazil in order to improve the living conditions of lower

\textsuperscript{392} BArch B102/8643, Botschaft der BRD to Auswärtiges Amt, 4 November 4 1974.
\textsuperscript{393} BArch B116/61917, Georg Trefftz, 14 February 1975, ‘Landwirtschaftliches Großprojekt der Volkswagen do Brasil’.
\textsuperscript{394} Chapter 2 of this thesis.
\textsuperscript{396} Lopes, ‘A Amazônia Tem Salvação’. 

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social classes; hence he did not think that forests should be ‘untouchable’. However, Kerr thought that the development of the region had to proceed extremely cautiously, so as to save its natural resources for future use. Kerr's point was that

An urgent measure [...] should be to never set a fire in the forest—I consider it a crime. [...] Its ashes only bring difficulties for Amazonian soil. In the first and second years, the excess of potassium that its ashes bring on do not create any major problem. But in the third year, farming production starts to fall and in the fourth, the soil becomes toxic.

Above all, Kerr used to repeat that ‘nobody knew’ what would happen if fires in the Amazon forest went on. He insisted that precisely because of this ignorance, humans should consider the worst prognostics:

After reaching the superior layers of the Earth, the excess of oxide and monoxide of carbon could even melt the polar icecap and raise the sea to many meters. Manaus [...] would simply remain under water.

This discourse was particularly meaningful as beyond pointing at the ecological incertitude, it also expressed a cultural loss of orientation engendered by the overlapping of scales, which characterized the issue of tropical deforestation. Kerr—together with other SBPC members—specifically accused multinationals of being co-responsible for a regional phenomenon of environmental degradation in the Amazon. He warned that this regional degradation could, in turn, have global climatic consequences, and from this risk of global deregulation he came to the potential local consequences in the Amazon city of Manaus, where he worked as a researcher.

Such discourse stood in sharp rupture with the developmentalist mentality still dominant a couple of years before, which tended to ignore processes of interconnectivity between the local and the global. Brazil's developmentalists sensed no danger of scarcity in the context of record growth that benefitted the Brazilian economy. Why should they think about environmental limits if industrial development was running at full speed? As Finance Minister Delfim Neto declared in 1972:

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397 Ibid.
398 'Uma providência imediata [...] seria jamais deitar fogo na mata, o que considero um crime. [...] suas cinzas só trazem inconvenientes ao solo amazônico. No 1° e 2° anos, o excesso de potássio que suas cinzas acarretam não cria maiores problemas. Mas no 3°, a produção agrícola começa a cair e, no 4°, a terra está toxica': Ibid.
399 'depois de atingir as camadas superiores da Terra, o excesso de óxido e de monóxido de carbono poderia inclusive derreter a camada polar e elevar o mar em muitos metros. Manaus [...] ficaria simplesmente em baixo da água', Ibid.
The social and economic development is definitive, it is no accident. And it has come to stay. There is no impeding factor to the development of the Brazilian economy. Nothing will be able to delay Brazil’s economic growth, apart from the Brazilians themselves.\textsuperscript{400}

Besides an absence of reflection on the ‘limits to growth’, about which the intellectuals of the Club of Rome were warning the same year, a complete lack of awareness of global interconnectivity showed through Neto’s assertion.\textsuperscript{401} In the context of the heavily foreign-dependent Brazilian economy, this was an extremely naïve position.

Meanwhile, the global oil shock partially rattled developmentalist confidence. Although it happened in 1973, it is only from 1975 that its effects became truly palpable on Brazilian development, when GDP growth dropped from 9.8% to 5.6%.\textsuperscript{402} For the political elites and businessmen who were familiar with the euphoric growth mentality of the Brazilian economic miracle, it was a shock. The consequences of the oil shock on Brazilian growth were a threat to the developmentalist consensus because they brutally imposed three new conditions on Brazilian politics. First, development was not a pre-determined historical evolution: it could end. Second, the scarcity of soil and subsoil resources (due to the increased oil prices, Brazil had to turn to other sources of energy like sugarcane alcohol, which would provoke a diminution of available land for agriculture) could have a dramatic effect on the economy. Third, national economies were dependent on each other, and so the future of Brazilian development could be influenced by foreign factors. These three dimensions were valid for Amazonian development as well, and scientists’ words showed that the phase of unlimited confidence in forest colonization policy was over in Brazil.

3.1.2. The institutional controversy

The involvement of renowned Brazilian personalities against policies of destruction of the rain forest has not been widely reported by foreign analysts. Especially in the aftermath of the Stockholm conference, the tendency among European or North American journalists and


\textsuperscript{401} Meadows et al., \textit{The Limits to Growth}.

academics to depict Brazil as a country lacking environmental awareness was strong. Many international actors condemned in particular the Brazilian government's slim readiness to fight against pollution. Yet, local legislation in the domain of environmental conservation was not that poor in comparison to international standards, especially in relation to other Latin American military regimes. While the Argentinean junta tended to destroy the conservationist structures created by the previous governments and the Chilean regime simply remained inactive in the area, Brazil's military governments at least built up existing legislation—albeit insufficiently. Even worldwide, only eleven countries possessed a Secretary of the Environment, like Brazil.

Brazil's legislation was particularly—although ambiguously—progressive regarding forest conservation. SUDAM authorized timber exploitation only when a ranch was engaged at the same time in a project of reforestation. The Brazilian Forest Code, adopted in 1965, comprised major protective measures, some of which were specific to the Amazon region. It required, for example, that 50% to 80% of any land property in Amazônia Legal be maintained as forest reserve, in addition to which there had to be 'permanent preservation' of riverbanks, slopes and other fragile areas. The Code's main virtue, from an environmentalist point of view, was to proclaim that forests were a common good of all the inhabitants of Brazil and to recognize the necessity of limiting private property in order to favor natural preservation. It instituted the principle of non-clearable timber species, for example endangered species—although the code itself did not contain a concrete list of these. It also foresaw the creation of national parks and biological reserves, which would have entrance fees to finance policies of preservation. It submitted the 'use of fire' in forest areas to the authorization of the federal government. In sum, the Forest Code contained legislative tools for a conservationist policy and a basis of legal arguments for environmentalists to oppose forest-destructing projects.

However, the state did not equip itself to comply with these ambitious prerogatives. Ten years after the adoption of the Code, Paulo Berutti, head of the federal agency in charge of forestry, recognized that due to a lack of financial resources, nothing had been done to open

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405 Ibid.
406 ‘Wie dem Urwald eine Hazienda abgerungen wird’.
407 Hochstetler and Keck, *Greening Brazil, Environmental Activism in State and Society*, 149.
409 Law n°4.771.
410 Ibid.
natural reserves. Berutti's agency did not dispose of sufficient manpower to ensure that farmers respect the forest protection laws. The state of Pará, whose area—essentially composed of forests—was five times bigger than that of the Federal Republic of Germany, had only five forest guards. Legislation itself was highly complex, as besides conservation measures it also contained incentives to deforest. Article 19 of the Forest Code amounted to a license to cause disturbances to the ecosystem: ‘aiming at the highest economic return’, it authorized ‘owners of heterogeneous forests to transform them into homogeneous forests’. Besides, the Brazilian land property laws linked deforestation with the legitimacy of property. Farmers cultivating land without being its official owner could obtain a property title corresponding to a finite amount of land, which was a multiple of the area of forest already converted to pasture.

In comparison to such incentives, the Forest Code's conservationist articles seemed in some aspect inefficient, especially those that sounded the most radical. Even though it was extremely ambitious in worldwide comparison, the rule stipulating that at least 50% of an Amazonian property should not be cleared did not convince all environmentalists and scientists. INPA retained that besides being simply ignored by most of the ranchers, this provision would be meaningless as long as it did not specify the distribution of this 50% according to vegetative types, soil quality or relief. The 50% that ranchers chose to preserve were often areas, which were impracticable for farming anyway. For example, about half of the Cristalino property consisted in small mountainous areas, where cattle productivity would have been considerably reduced, as the animals would have lost energy through additional physical efforts. It is primarily this consideration which guided VW in the choice of the 50% reserve area, rather than an attempt to conserve the ranch's biodiversity. Finally, the 50% rule could be easily circumvented. Nothing, for example, forbade a landowner from clearing 50% of his estate and selling the other, untouched half, which in turn could be deforested by its new owner.

The law, in sum, was one thing. Its coherence, efficiency and margin of enforcement were something else, and another problem handicapped its implementation: the unclearly

412 Law n°4.771.
413 Binswanger, ‘Fiscal and Legal Incentives with Environmental Effects on the Brazilian Amazon’, 18.
415 Suplemento Agrícola (O Estado de Sao Paulo), 15 July 1977.
divided competencies of the various institutions in charge of Amazonian policies. The Brazilian military, because of their obsession with seeing electoral politics as corrupted, and in coherence with the cult of rationalization they practiced, had created a sprawling bureaucratic apparatus of planning and control administrations.\textsuperscript{416} These administrations had grown into autonomous structures of identification, developing a culture of rivalry between each other. The multiplication of federal and interregional agencies having competencies for the development or conservation in \textit{Amazônia Legal} (or both at the same time) made it sometimes difficult to determine what organ carried responsibility for the enforcement of the laws that concerned the region. For example, in the first half of the 1970s, there had been a number of tense exchanges between INCRA and SUDAM civil servants, accusing each other of corruption and incompetence.\textsuperscript{417} Both agencies competed to see their respective ideological vision for Amazonian development adopted by the federal government. INCRA favored small settlers, and state planned colonization. SUDAM recommended relying more strongly on a partnership with big private investors.

This ideological confrontation moved to the background as INCRA’s influence was neutralized, together with the end of President Médici’s mandate, who himself was a partisan of small settler colonization.\textsuperscript{418} His successor Geisel privileged the position of SUDAM. As, in the mid-1970s, the first reports on deforestation since the launching of \textit{Operação Amazônia} were published, the debate on how to adjust colonization policies in order to respond to the problem of forest squandering became the main dividing line between public agencies. SUDAM mainly engaged in a power struggle with other institutional actors, which were lobbying in favor of environmental conservation programs for \textit{Amazônia Legal}. Although CONDEL, which included members of diverse institutions, did not have a homogeneous vision on this topic, most SUDAM administrators were partisans of accelerated forest exploitation. They considered that their mission was to help build up a large primary goods export sector in the Amazon, as a lever for the accumulation of foreign currency.

Yet, on the conservationist side, INPA recommended the government to switch over to a policy of environmental caution.\textsuperscript{419} The organization defended the idea of a twenty year moratorium on forest exploitation to allow time to undertake detailed research about the Amazonian ecosystem, inventory its exploitable resources and establish an ecologically viable

\textsuperscript{416} Faucher, \textit{Le Brésil des Militaires}, 191-2.
\textsuperscript{418} Chapter 3 of this thesis.
\textsuperscript{419} Lopes, ‘A Amazônia Tem Salvação’.
plan for their economic use. It went without saying that such a proposition was unacceptable for SUDAM. Admittedly, INPA was a mere research institute. Nonetheless, marginal as it was politically, it was highly respected by the regime's leaders. Driven by a positivist idea of knowledge and human progress, the latter were fascinated by and gave much credit to the INPA's natural scientists and engineers, regardless of their political opinion. The promotion as a director of the INPA of the notorious socialist Warwick Kerr was a sign of this worshipping of scientific authority. Although he was (briefly) jailed twice (in 1964 and 1969) because of his political activities, he remained in the eyes of the regime's dignitaries an outstanding and internationally renowned geneticist. Kerr's calls for the protection of Brazil's natural riches against the greed of multinational actors and foreign nations also pleased the nationalist wing of the civilian-military regime. Besides, his strong presence in the Brazilian media contributed to increasing INPA's indirect political influence. INPA had no legal competence to attribute licenses, veto projects or intervene in the affairs of state agencies. However, the institute could influence the sensibility of politicians sitting in CONDEL, in the federal parliament or in the institutions of Amazonian federal states.

Although INPA was a loud, rebel voice within the developmentalist landscape, its weight should not be overestimated, especially faced with a powerful technocratic machine such as SUDAM. A more embarrassing rival for SUDAM was the Brazilian Institute of Forest Development (IBDF). Created by a decree of 1967 and subordinated to the Agriculture Ministry, IBDF was a federal agency expressly charged by the President of the Republic to 'formulate the forest policy' of the country. Its role was to 'orient, coordinate and execute' the rational use of the forests, and their development, but also ensure the conservation of their 'renewable natural resources'. In particular, IBDF had the power to tax private properties including hectares of forest and to charge their owners with a financial penalty in case of infractions to the forest code or other conservationist laws. The decree establishing IBDF stated that every project of forest exploitation in the country had to register at and pay a tax to the organization. During the first years of its existence, IBDF's discourse did not seem to differ from the developmentalist consensus of Operação Amazônia. Far from protesting against forest squandering, IBDF executives promoted a limitless subordination of the forest to the immediate needs of the economy.

However, probably in part to exist within the bureaucratic landscape and develop its

420 Coelho and Kerr, 'Warwick Kerr'.
421 Decree-Law n°289/66.
422 Ibid.
own identity rather than fading in the shadow of SUDAM, IBDF grew more and more into a conservationist institution. Its president, Paulo Berutti, confirmed this ideological evolution as in 1975 he declared, in front of the Federal Congress Amazon Commission that:

It is impossible, while we are taking the most important measures to efficiently occupy the Amazon, on the same level, not to carry out, objective research to indicate the way for conservationist measures.424

Rather than burning the forest and transforming ever larger surfaces into farming areas, he estimated that the exploitation of the Amazon should be focused in realizing the value of the natural riches already available in the region, such as precious timber, or protein sources like fish or nuts.425 In order to both conserve and expand these extractive resources, IBDF recommended not only a strict supervision over clearing and pasturing, but also the generalization of reforestation. In principle, IBDF’s conservationist philosophy was supposed to apply to SUDAM-backed ranches, as every project involving forest exploitation in Brazil was obliged to receive a license from IBDF. The two development agencies should logically collaborate with each other. In practice, however, never would SUDAM forward project files to the IBDF administration, nor even signal to funded firms the necessity of consulting IBDF before starting a project.426 This lack of coordination proved quite confusing for private investors, since SUDAM already imposed in its contracts the rules of the Forest Code, which IBDF was in charge of enforcing.427

This institutional confusion helps in understanding why the Skylab satellite intervened in the affairs of Cristalino at the most complicated moment for VW, precisely when the debate on forest conservation was splitting up two important development agencies in Brazil. It was the first time that the CVRC project found itself at the center of a public controversy, but there was uncertainty about which institution should deal with this problem. However, as mentioned in previous chapter, by signing a contract with SUDAM, VW had engaged itself in a risky alliance. Within the regime's institutions there were different views on the role of foreign capital and the necessity for forest conservation in the framework of the colonization. VW, therefore, was taking the risk of becoming the occasional hostage of the regime's institutions.428

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425 Ibid.
426 *Foresta*, *Amazon Conservation in the Age of Development*, 162-3.
divisions. This is exactly what happened, and it happened in the light of the national and international media. The VW affair highlighted the rivalry between IBDF and SUDAM, and illustrated how environmental conservation had become a powerful marker in the debates about Amazonian development within the military regime.

Even before a simple photograph taken by Skylab shook the apparent consensus for Amazonian colonization, an incident occurred in the background, involving IBDF, SUDAM and the CVRC. Tired of being ignored by big ranchers, IBDF informed VW that the company had to ask for authorization before deforesting, and to pay a ‘deforestation tax’.\(^{428}\) Used to bargaining within the twists and turns of Brazilian bureaucracy, the company executives sensed that this unexpected ultimatum originated in an institutional conflict. For that reason, they complained in a letter to SUDAM director Hugo de Almeida:

> SUDAM and IBDF are obviously in a conflict, whose negative consequences are affecting companies in turn, making the development of projects of national interest difficult […] We find it absolutely indispensable that this conflict between SUDAM and IBDF be concluded once and for all, without us having to be unfairly involved.\(^{429}\)

SUDAM, in reaction, renewed its support for the VW project, placing itself in contradiction de facto with the IBDF.\(^{430}\)

Now, if financial weight and ties with high ranking politicians alone could decide the power struggle between institutions; if the military regime were an immobile, rigid and hermetic political framework; then IBDF would probably have had to withdraw its demand to VW. Support for the company from the main institution for Amazonian development, SUDAM, would have been enough to definitely close the file opened by IBDF. However, the political climate of distensão promoted by the Geisel government, together with the weakening of the government’s popularity, made many actors within the regime sensitive to another agent, public opinion, or at least its partial expression through the press. The Skylab factor, publicly relayed by the charismatic Warwick Kerr, offered IBDF an undreamt of argument in support of its case against the CVRC. Indeed public opinion had before its eyes the proof that VW was burning at least thousands of hectares of forest. It is in this favorable context that Paulo Berutti sent two IBDF agents to Cristalino in order to certify that 9, 334

\(^{428}\) ‘A Cristalino Apenas Cumpriu o que Prometeu.’

\(^{429}\) ‘A SUDAM o IBDF estão, pois, em conflito, cujas consequências negativas recaem sobre as empresas, dificultando o desenvolvimento de projetos de interesse nacional. […] achamos absolutamente indispensável que este conflito entre SUDAM e IBDF seja encerrado de uma vez, sem que nele tenhamos que ser injustamente envolvidos.’ \textit{Ibid.}

\(^{430}\) \textit{Ibid.}
hectares had been cleared there, without previous authorization. After doing this, he informed the press about his intention of fining VW 47 million Cruzeiros for having destroyed ten million trees.

VW defended itself by resorting to its two main channels of influence: political networks and public communication. It first succeeded in getting the Agriculture Ministry, which was IBDF’s legal superior, to deny that any fine against VW existed. Representatives of the Minister even explained that VW would not be fined, ‘neither by 47 million Cruzeiros, nor by any amount’. They argued that the surface of forest cleared by VW was much inferior to the 70,000 hectares permitted by law, corresponding to 50% of the Cristalino property. By taking such a position, the Ministry was ignoring the decree-law n°289/66 entitling IBDF to oversee ranches practicing deforestation. As if this decree did not exist, VW added that it only recognized SUDAM’s role in implementing forest conservation laws. Considering that ‘the CVRC rigorously complies with the Forest Code and the deforestation agenda approved by SUDAM’, VW insisted that ‘the IBDF fine has no basis’. The company even went so far as to attribute itself a conservationist approach to clearing, preserving noble timber species and burning only ‘worthless plants, shrubs and parasite vegetation’. This answer took into account the potential economic value of resources without recognizing the criticisms of environmentalists and scientists, that forest burning might result in ecological disturbances. Besides, VW’s argument appeared only moderately credible, given that in the Amazon large numbers of heterogeneous species cohabit within surface areas of only a few hectares. This makes it extremely difficult to distinguish individual plants or trees of ‘noble’ species and preserve them during the clearing process—especially in view of the instruments of undifferentiated destruction used by VW: powerful chemicals, bulldozers and large-scale fires.

In spite of this weak argumentation, VW executives probably thought that the controversy would end there. IBDF had obtained what its president wanted: the small amount of media visibility that Berutti needed to exist next to SUDAM. The Agriculture Ministry supported VW, and SUDAM anyway: everybody expected the affair to be classified, thanks to a small arrangement made in the background between negotiators of the four organisms at stake—VW, IBDF, SUDAM and the Ministry.

433 Ibid.
434 Ibid.
435 Ibid.
To the surprise of every protagonist, a zealous civil servant prevented such an outcome from taking place—or, at least, delayed it and did everything to prolong the public debate relative to the fire at Cristalino, which would seriously tarnish VW’s image.\footnote{436} His name was Renato Coral and he was an IBDF regional delegate in Pará. An engineer in charge of the CVRC file, Coral had decided to ensure that the law be fully respected. In the national press, he dismissed as ‘dumb’ the possibility of any arrangement with VW and added maliciously, referring to the IBDF regulation: ‘IBDF is not closing anyone’s company. I am just complying with article 1, item 3 of ordinance n°2’.\footnote{437} Indeed, Coral was not ready to compromise in his duty to apply legal texts. He elaborated the fine against the CVRC on a strict basis: according to an official table of calculation, each hectare of forest contained an average of one thousand trees, which meant that VW had felled 9,334,000 trees. Therefore, the fine would amount to 59,550,920 Cruzeiros: 638.30 fixed fine, plus 1% of the regional minimum salary for every abated tree.\footnote{438}

Coral’s task was not especially easy. After he opened his inquiry at the end of June 1976, he was faced with the pressure from the VW Company and the IBDF’s lack of material means to deal with such pressure. For example, VW took advantage of Coral’s holiday week to start negotiations with the Agriculture Ministry in order to suppress the fine. As if to illustrate the financial misery of Brazilian conservationist policy, IBDF had no resources to substitute Coral during these days.\footnote{439} On another occasion, the IBDF delegacy office for Pará, headquartered in Belém, had to reneg on sending inspectors to Cristalino, because all of the delegacy office’s agents were dispersed for duties in the state interior.\footnote{440} In the previous year, fourteen of the nineteen existing agents had been dismissed for financial reasons. To solve this problem, the federal office of IBDF in Brasilia sent two employees to Belém to back up Coral. But when they arrived, the regional delegacy of Pará realized that it did not possess the funds to rent an aerial vehicle for the two employees to reach the fazenda. Clearly, there was no way for Coral to count on IBDF finances to process his investigation.

In view of IBDF’s weakness, the last obstacle for VW to cancel the deforestation fine was Coral himself, and the only way to get rid of his pugnacity was to try to corrupt him. Thirty years later, in his self-edited reminiscences, Coral recounted in detail how VW did this,
talking about himself in the third person singular, under the appellation ‘the Delegate’.\footnote{Lucio Flávio Pinto, Quando a Volks virou fazenda’, www.luvioflaviopinto.com.br/?p=1247, access date 27 January 2013.}

Pressures, from the federal, the state level, and from other business groups tumbled down on the head of the Delegate

[...] 

[T]he Delegate received the visit one of the agents of the company [VW] and, after a long conversation, the representative asked what the brand of the Delegate’s automobile was.

[Coral], understanding the malice of the question, replied:

-Opala, model 75, second hand!

The representative continued:

[...]

-Let me inform you that you […] will be able to receive a brand new car, tomorrow, in front of your house door, with all accessories, with the only condition that you make the process file magically disappear.

Coral’s reaction to this proposition was to curtly send the visitor away.\footnote{‘Pressões federais, estaduais e de outros grupos empresariais desabaram sobre a cabeça do Delegado, que comeu o pão que o diabo amassou. [...] Logo em seguida, o Delegado recebeu a visita de um dos assessores da empresa e, após uma conversa demorada, o representante perguntou qual a marca do automóvel pertencente ao Delegado. [o próprio Coral], percebendo a malícia da pergunta, respondeu: – ‘Opala, modelo 75, de segunda mão!’ Continuou o assessor: [...] – ‘Permita-me comunicar-lhe que o senhor é um dos poucos cidadãos que poderá receber um carro zero quilômetro, amanhã, na porta da sua residência, com todos os acessórios, bastando que faça a mágica de fazer pulverizar a papeladá’: \textit{Ibid.}’

However, as this occurrence made him aware about his own isolation in his fight against a multinational company, he chose to keep the talk with the VW representative to himself. As he told his secretary just after the meeting:

If I communicate to the General Board [of IBDF] that [VW] tried to tempt me to receive the gift […] , the multinational would defend itself, alleging that it was me who asked for an automobile. As I am just a drop in the sea, a simple state Delegate, let us keep this proposition between you and me.\footnote{‘Se eu comunicar à Direção Geral que fui tentado a receber o presente, caso o mandatário tomasse alguma providência, a multinacional iria defender-se alegando que eu é que teria pedido o automóvel. Como sou um bosta n’água de um simples Delegado Estadual, a proposta fica entre nós’: \textit{Ibid.}}

Since it became clear to VW that Coral was incorruptible, the company management decided to stop circumventing IBDF’s authority, and to enter a discussion with the agency through legal means. It was a victory for the conservationist institution, which, thanks to the insistence of a single delegate, had become as unavoidable as SUDAM regarding questions of forest development and conservation. At the end of July 1976, VW sent its lawyers to engage
in discussion with Paulo Berutti, who found himself reinforced by the media impact of Coral's struggle. Berutti started not only to demand a fine, but also that VW reimburse the administrative costs of Coral's inquiry, amounting to 38,000 Cruzeiros. IBDF technicians raised their voices in protest against SUDAM's role in overseeing farming projects in the Amazon. Even Agriculture Minister Paulinelli intervened for the first time in favor of the IBDF in the media. He conceded to the regional delegacy of Pará the full freedom to attribute a fine to VW, if the delegacy was able to demonstrate the necessity of such fine. At the end of the inauguration of an agro-scientific project in Belém, the Minister was circumvented by journalists asking him about the Cristalino affair. Paulinelli used this occasion to express, for the first time, concerns about the destruction of the Amazon. He evoked his cabinet's concern about recent deforestation data and said that the Ministry was developing a plan for selecting Amazonian areas which would remain 'untouchable'.

Paulinelli was actually sympathetic to the CVRC project, which he had supported since the start. At the same time, he could not allow himself to exhibit too close a proximity to VW growth in the Amazon. For several reasons, this affair was highly embarrassing for the Government. First, Coral's struggle was legitimized by the conservation laws passed under military rule. Second, the fire at Cristalino and its outcome had become the politico-environmental 'soap' of winter 1976 in the Brazilian newspapers. Third, it touched a nerve of the political troops supporting the government: the defense of the natural resources 'belonging' to the Brazilian nation. That VW was caught red-handed 'destroying' them, and might pay a fine for this offence, was a much-wanted symbol for the nationalist element of the regime. Having always seen the alliance with international capital in Amazonian colonization with mistrust, the nationalists dreamt that the Government would deliver signs of patriotic firmness.

These nationalist positions were illustrated on 10 August 1976 at the national Congress by an incident, which occurred during a session of a parliamentary commission having nothing to do with the Amazon. It was a commission inquiring about 'the non-compliance with technical requirements regarding quantity, quality, durability and security of merchandises delivered for consumption'. That day, Sauer was invited for a hearing, to answer questions about VW Company motor products. To the surprise of the other

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445 Ibid.
446 Ibid.
448 Winter in Brazil goes from June to September.
participants, the ARENA Congressman Nino Ribeira intervened with a question out of the scope of the discussion: ‘In the end, Mister Wolfgang Sauer, for what purpose did you come to Brazil, produce automobiles or set fire in the jungle?’ Very embarrassed, Sauer went to find the Agriculture Minister immediately after the hearing to speak in favor of suppressing the deforestation fine. The controversy, for Sauer, had lasted too long, and was starting to threaten VW’s support within the political ranks. As he left Paulinelli’s office, hordes of journalists were waiting for him outside. Once again, he depicted VW as a victim of bureaucracy, placing the responsibility for the affair on the lack of coordination between SUDAM and IBDF. He said:

We were invited by the government to carry out a project in the Amazon and we are doing everything according to the legal requirements. [...] If we do not comply with the deforestation agenda, we will lose the SUDAM incentives.

Sauer, in the end, did not obtain the symbolic declaration of innocence he hoped from the Brazilian public powers. VW obviously did not receive the maximal penalty, the 59 million Cruzeiros once envisaged by Coral. Above all a bargaining weapon for IBDF, this 59 million would have meant the official denial of a project, the CVRC, which was a showcase of the federal policy for the Amazon. The Brazilian state could not allow itself to contradict itself to this point. Still, IBDF served VW with a fee of 367, 139 Cruzeiros. Part of this sum, 225, 000 Cruzeiros, fined the ‘production and profits of timber’—it was a circuitous way to sanction forest burning. A further 139, 842 Cruzeiros was supposed to compensate for the administrative expenses generated by the CVRC’s disrespect of IBDF rules. The icing on the cake was the tiniest fraction of the fine: 2, 497 Cruzeiros reproving the opening of a sawmill at Cristalino without IBDF’s authorization. This 2, 497 Cruzeiros amounted to a symbolic revenge by IBDF on SUDAM, as in 1974 the latter had conditioned its support for the CVRC on the opening of this sawmill.

This compromise infuriated big Amazonian ranchers, because it confirmed that from then on, IBDF would have its word to say about the deforestation agenda of farming programs. It also confirmed the rise of conservatism as a major variable within the
developmentalist debate. Volkswagen paid, but not without fiercely contesting the amount and the reasons for the fees. The AEA was afraid that this affair might set a precedent applicable in the future to other ranches, so it protested as well. German diplomats, as may be seen in a consulate paper to the German Ministry of Foreign Affairs, felt concerned with the consequences of this episode for the image of foreign companies in Brazil and perceived the sanctions against VW as unfair. A paper in the General Consulate in Recife regretted the lack of transparency of this ‘typically Brazilian arrangement’ and bitterly noted that ‘VW only did what all its neighbors [...] continuously do without being penalized’. This affair, the consulate concluded, only reflected the divisions within the regime about the direction to take in the policy of Amazonian colonization. The German embassy also expressed its concern, defending slash-and-burn as the ‘only economically rational method’ of clearing, deploring the political seizing of this environmental scandal and denouncing the ‘strongly emotional’ campaign of hostility organized against VW on this occasion. As a result of an administrative conflict, VW had been made an ‘Umweltsünder’ (‘environmental sinner’, to quote a term introduced in a German environmentalist publication).

While through their denunciation of the fire at Cristalino, scientists had underlined the necessity of politicizing the problem of forest management in Brazil, the IBDF ‘coup’ against VW and SUDAM made this politicization happen. Last but not least, a widespread media coverage of the affair gave Brazilians the opportunity to appropriate the issue of deforestation and discuss it. This meant that the war against nature proclaimed by Operação Amazônia was losing its hegemonic position in the Brazilian political framework: forest destruction did not stop but it did become discussable beyond a small elite of conservation-minded scientists. Ironically, this affair turned out to be VW’s contribution to environmental protection. It is difficult, indeed, to imagine IBDF showing the same offensive behavior toward other big Amazonian development projects, which were state-led or financed by domestic capital. This is where the bitter comments of the German diplomats made sense. VW paid for all the others, because it was a multinational company and a bit of xenophobia was necessary to convince

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457 ‘A Cristalino Apenas Cumpriu o que Prometeu’.
459 PA AA, Zwischenarchiv, Bd.116.61917, Generalkonsulat der BRD (Recife) to Auswärtiges Amt, 10 December 1976.
460 Ibid.  
461 Ibid.  
462 Arbeitsgruppe Brasilien, Die Farm am Amazonas.
the national-developmentalist state to listen to its conservationist institutions like IBDF. In consequence, this episode signed the beginning of the end for VW's, until then successfully, Brazilianized image.

3.1.3. An early case for the rain forest protection movement: Brazilian environmentalism under way

Not only had the conservationist forces of the Brazilian administration found in VW the ‘sinner’ they needed in order to enhance their position in the regime's internal power games, so also, as the following section underlines, did the Brazilian environmentalist movement use this ideal environmental villain as a cement for its consolidation at national scale. The fire at Cristalino worked as a catalyst for Brazilian scientific, associative and political actors sympathetic to environmentalist ideas. It revealed what kind of coalition could be mobilized in the country behind the idea of forest protection, and for what reasons.

As Hochstetler and Keck demonstrate in *Greening Brazil*, the Brazilian environmentalist movement, essentially concentrated in urban centers of the south and south-east, had entered into a new stage of existence in the early 1970s. The foundation in 1971 of the ‘Gaúcha’ Association (‘Gaúcha’ was an adjective applying to residents of the Rio Grande do Sul federal state) for the Protection of Nature (AGAPAN) in Porto Alegre, marked the beginning of the movement's politicization. Since the 1950s, whistleblowers of environmental pollution had been above all biologists, geneticists, agronomists, in sum, nature ‘professionals’. FBCN, founded in 1955 by Nogueira Neto, saw its role as that of an organization of experts entitled to orientate governmental policies with their knowledge of natural sciences. Situated in the conservationist tradition, the association was more concerned with avoiding the waste of economic resources than with a political critique of predatory relations to nature.

AGAPAN was much different. It was composed of distinguished natural scientists as well. But it also included students animated by a libertarian ideal, still influenced by the anti-authoritarian youth protests, which as in other places in the world had filled the streets of Brazilian cities in 1968. Small by member size but loud in its actions, AGAPAN was a

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463 Hochstetler and Keck, *Greening Brazil, Environmental Activism in State and Society.*
movement of the left-liberal, educated urban middle-class.\textsuperscript{465} Its first president was the charismatic chemist and agronomist José Lutzenberger, who in 1976 wrote ‘Fim do Futuro’, considered the first manifesto of the Brazilian political ecology movement.\textsuperscript{466} AGAPAN criticized the foundations of a wasteful economic system, which threatened the means of subsistence of the poor through the progressive annihilation of their living resources. The organization also adopted original and provocative styles of protest, borrowed from the North American counter-culture or the European New Social Movements. The climbing of a tree in a central avenue in Porto Alegre by AGAPAN activist Carlos Dayrell on 25 February 1975 to impede the tree's destruction in the framework of a viaduct being built, has been viewed as the founding act of political ecology in Brazil.\textsuperscript{467} Neither did AGAPAN members hesitate to point out the behavior of private companies or certain governmental decisions as factors of natural destruction.

It was coherent with this combative approach that, during the controversy over the fire at Cristalino, AGAPAN started a campaign addressed to VW and the national government.\textsuperscript{468} The aim was to 'stop deforestation and the creation of cattle ranches in the Amazon as well as the fiscal incentives for investing in this region'. It was a joint campaign with another association in Porto Alegre, Gaúcha Democratic Female Action (ADFG). The history of this women's group illustrated the emergence of an interest for environmental problems in the southern Brazilian middle-class.

Founded on 13 March 1964 on a reactionary ideological basis, ADFG was one of the anticommunist women's groups, which demonstratively supported the military coup. To be sure, ADFG’s founding motivation was to defend the ‘Fatherland’ against Brazil’s political class—a discourse which recalled the allegedly ‘apolitical’ claim of the military’s rhetoric.\textsuperscript{469} However, the association rapidly shifted away from its original message. One of the ADFG founders recently claimed that as the association’s members traveled to a federal meeting of Brazilian women’s leagues in the wave of the installation of military rule, they took measure


\textsuperscript{466} Hochstetler and Keck, Greening Brazil, Environmental Activism in State and Society, 73-4; José Lutzenberger, Fim do futuro? Manifesto ecológico brasileiro (Porto Alegre: Movimento, 1977).


of the violence that was hiding behind the new regime:

We went there to attend [the meeting], full of ideals and enthusiasm, but what we saw was a closed group of men standing in a corner, a revolver at their waist and a jeer on their face [...]. Nobody was talking about the Fatherland. [...] it was a shock in my life. We, there, full of ideals and patriotism, willing to improve the country, and discovering who really was at power. We came back to Porto Alegre decided to trace our own way, struggle for democracy. We had seen very well that there could be no democracy surrounded by tanks.470

After this episode, the association benefited from an impressive wave of enrolment, which brought its total membership to four hundred. In spite of the political disillusionment resented in the aftermath of the military, ADFG did not immediately transform into a subversive group. The association actually had cordial relations with the local authorities—its executive president Magda Renner was married to a well networked businessman—and President Castelo Branco in person congratulated the women during a visit to Porto Alegre in 1964.471

What decisively took the ADFG away from a conservative ideological thinking actually turned out to be their rapprochement with Lutznerberger, who already in the early 1970s was persona non grata in political circles due to his struggle against the pollution by multinational firms.

The women in ADFG already possessed an environmentally friendly vein, which expressed itself on a practical basis, as the association mainly organized neighborhood tree planting operations. They also campaigned in Porto Alegre to encourage the local inhabitants to maintain the city streets clean.472 Without a clear idea of what ‘ecology’ actually meant and in search of new ideas to develop the activities of the association, the most active ADFG members once went together to attend a conference held by Lutzenberg, after which they introduced themselves to him.473 AGAPAN and ADFG became partners in activism during the following months and years and the latter progressively evolved into a left-oriented organization, calling itself ‘feminist’ and particularly interested in environmental issues.474

Magda Renner and her friends started to engage in street actions, take legal actions against

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470 ‘Fomos lá assistir, cheias de ideais e entusiasmo, mas o que vimos foi um grupo de homens fechadinhos num canto, revólver no bolso, risadinha no rosto [...]. Sobre a Pátria ninguém falava. [...] foi um choque na minha vida. A gente ali cheia de idéias e patriotismo, com vontade de melhorar o país, e ver na mão de quem estava no poder. Voltamos a Porto Alegre resolvidas a fazer o nosso caminho, lutar pela democracia. Tínhamos visto muito bem que não há democracia cercada de tanques’: Ibid.
471 Bones and Hasse, Pioneiros da Ecologia, 171.
473 Ibid.
polluting companies and criticize specific governmental decisions. Once considered as harmless housewives by the regime’s local representatives, ADFG activists started to be scrutinized with watchful eyes and even receive death threats.\footnote{Dreyer, *Sinfonia Inacabada*, 151-3.}

In 1975, ADFG organized the first nationwide environmentalist meeting in Porto Alegre, the ‘National Meeting for the Protection of Nature’, which gathered together over five hundred people from various Brazilian states.\footnote{Núcleo Amigos da Terra Brasil, http://www.natbrasil.org.br/noticias.htm, access date 11 January 2013.} The joint campaign with AGAPAN against the Cristalino project, starting in 1976, settled the ‘defense of the Amazon’ and the topic of forest protection at the center of ADFG’s discourse and activities. This ecological conversion culminated in 1983, when ADFG became the Brazilian section of the international environmentalist confederation ‘Friends of the Earth’.\footnote{Ibid.}

Back in 1976, in the protest writings of the association against the CVRC, it is possible to distinguish a critique of the development model dominant in Brazil. This appears for example in a letter published in the Brazilian press by Magda Renner:

> Our struggle […] is against the *immediatist* mentality, […] the civilization that in the name of progress irrecoverably destroys basic resources. We do not contest the CVRC from the technical or financial point of view [but] it is an ecological absurdity to substitute the complex and magnificently equilibrated Hiléia [Amazon basin] by pastures in monoculture, whose sustainability is still unknown.\footnote{‘Nossa luta […] é contra a mentalidade imediatista. […] civilização que destroí em nome do progresso recursos básicos irrecuperáveis. Não contestamos a CVRC do ponto de vista técnico ou financeiro [mas] é um absurdo ecológico a substituição da complexa e magnificamente equilibrada Hileia por pastos em monoculturas, cuja sustentabilidade ainda não se conhece’: ‘Feministas Gaúchas Contra a Devastação’.}

As shows through these words, ADFG resorted to the emerging scientific discourse already applied against VW during the SBPC meeting in Belo Horizonte, saying that the Amazon was still widely unknown to science. Paradoxically, ADFG was relying on the social authority of scientists, who themselves had capitulated the authority of science in favor of intellectual doubt and a principle of precaution in handling non-human resources. In fact, although the various actors showing public indignation for Volkswagen’s clearing practices did not join together in a commonly coordinated protest campaign, they used similar argumentative lines. For example, ADFG also made arguments, which overlapped with the discourse of actors working in favor of environmental protection within governmental institutions. Just as a civil
servant like Coral, ADFG legitimized their criticism of VW through references to Brazilian conservationist legislation. The association, indeed, was convinced that the implementation of the law should be enough to impede natural destructions:

It is impossible that [VW] resort to [...] the most primitive and destructive technique to liquidate the forest. Article 27 of our Forest Code is [...] clear in this respect [...]. Certain limits should never be passed, above all by those who belong to the group of developed nations. 479

This declaration also demonstrates that, as I mentioned before, Brazilian legislation contained enough arguments for environmentalists to criticize the programs for colonization of the Amazon.

Lutzenberger, for AGAPAN, was as severe as ADFG about VW’s actions in the Amazon, which he called an ‘orgy of destruction’. However, he was more pessimistic about the instruments offered by the institutional system to stop such a tendency. 480 What VW was doing, he said, was legal and approved by SUDAM, whose developmentalist ‘focus’ was ‘fought against by all the natural scientists who know the Amazon’. The AGAPAN-ADFG campaign against Cristalino consisted essentially in the distribution of letters of protest. It did not obtain the expected success, as only a few newspapers published these grievances. 481 Still, it was the first national campaign by the two associations, whose activities had been until that point reduced to specific projects and areas in the state of Rio Grande do Sul. 482 Whereas until the mid 1970s environmentalism in Brazil had only been represented in the framework of regional controversies, the VW affair created one of the first environmental problems debated at national scale in the country. In the following years, deforestation by big companies in the Amazon would progressively become a federating theme of the national ecologist movement in Brazil.

The VW affair was also the occasion for personalities who were famous throughout the entire country to address the environmentalist thematic, not least Burle Marx. He was familiar to Brazilians, as since the 1930s he had designed many major squares, parks and

479 ‘é impossível que estejam lançando mão [...] da técnica mais primitiva e destruidora para liquidar uma floresta. O artigo 27 do nosso código florestal é [...] claro a este respeito [...] Certos limites jamais deveriam ser ultrapassados, sobretudo pelos que pertençam ao grupo de nações desenvolvidas’: Ibid.

480 Ibid.


482 Ibid.
gardens in the country's cities. At the core of his art stood the objective of merging nation and nature, particularly through the systematic use of native vegetation. This transposition of tropical plants into the urban areas was part of his research for a true Brazilian urban landscape, in rupture with the previous tradition of imitating European gardens. Burle Marx's innovative architecture brought him international fame and the nationalism of his artistic approach granted him the respect of the developmentalist state, including that of President Médici who had appointed him as member of the prestigious Federal Council of Culture.

As one of the designers of Brasilia, his name was also associated with modernity—although he was actually opposed to careless industrialization and the colonization of natural spaces. Burle Marx had connections with Lutzenberger and ADFG, and supported the campaign against VW. His speech at the Senate in June 1976 as well as his intervention at a conference at the University of São Paulo on 10 October 1976 had much contributed to nurturing the general indignation against Cristalino. Burle Marx had a very spontaneous and emotional character: he was literally in love with Brazilian landscapes, having written much about the aesthetic of nature and the respect that it deserved from human beings. Rather a preservationist than a conservationist, he did not see the relationship of humans with nature as that of a subject (humanity) having to conserve an object (nature) for the sake of economic necessities. He actually saw this relationship as a form of 'convivência' ('living together') in which both humans and nature were actors. Because it despised such 'convivência', VW's policy in the Amazon was, to him, 'either rapacity or ignorance'. For Burle Marx, the proof of it was that VW, rather than dedicating a portion of its profits to the conservation of nature, preferred to spend for the maintenance of a department of public relations in order to argue in favor of natural destruction.

At the highest point of the environmental dispute involving the CVRC, Sauer and Burle Marx had an exchange of private letters, which admirably illustrated their irreconcilable points of view on the relationship between humans and nature. First, on 8 July 1976, a letter from the VW Public Relations Department invited Burle Marx to reflect about the declaration

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485 Bones and Hasse, Pioneiros da Ecologia, 122-3.
488 Ibid., 65.
489 Ibid.
he had made at the tribune of the federal Senate:  

The version saying that Volkswagen produced in the Amazon the greatest fire in the whole history of the planet has gained impetus in the recent past. We believe that it first appeared in the North American press, to then spread throughout the world. And the most curious—and for us, highly frustrating—is that apparently nobody tried to verify seriously the veracity of this information.  

The letter's mentioning that the criticisms of Cristalino originated in North America is worth being briefly discussed. Although I did not find any trace of it, I obviously cannot exclude that a first report of the Cristalino fire was published in the U.S. media. Nonetheless, as I discuss at the end of this section, it is clearly in Brazil that the affair had the biggest media impact, and this happened very soon after the occasion of the Skylab photograph. In their letter to Burle Marx, VW interlocutors sought to place the company in a Brazilian nationalist perspective by dismissing environmentalism as an ideology coming from the northern hemisphere and consequently alien to Brazilians' preoccupation for development. This implicit fusion between anti-imperialism and anti-environmentalism amounted to being a strategic recuperation by VW of the Brazilian governmental discourse expressed at Stockholm in 1972.  

Behind these words, the two authors of the letter strove to relieve Burle Marx with classical conservationist arguments: VW would maintain 50% of its estate as a forest reserve, work for the ‘maintenance of the region’s ecological equilibrium’, burn exclusively ‘shrubs, damaging plants and other kinds of forest’ and preserve all ‘noble timber species’ for ‘posterior use’. The letter further argued that VW's clearing methods were that of ‘all the other farming projects being developed in the region’ and that VW's investments in the Amazon ‘contributed to the progress and development of the country’.  

Apparently unable to understand Burle Marx's preservationist position—just as Burle Marx, in his speeches and writings, had no consideration for economic problems—Sauer insisted on 18 August with a letter containing the same arguments, addressed to both Burle Marx and ADFG. In the letter, Sauer reproached Burle Marx for defaming VW and asked him

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490 Hatheyer & Dierkers to Burle Marx, 8 July 1976, in Ibid.  
491 ‘A versão que a Volkswagen produziu na Amazônia o maior incêndio em toda a história do planeta ganhou impetos nos meados do passado. Cremos que apareceu pela primeira vez na imprensa norte-americana e daí em diante foi dando voltas pelo mundo. E o que é mais curioso – e, para nós altamente frustrante – é que aparentemente ninguém procurou verificar seriamente a veracidade dessa informação’: Ibid.  
493 *My italics*  
494 Ibid.
to produce a public denial of his accusation that VW committed the largest forest fire in world history. This letter made Burle Marx even angrier than he was before against the CVRC project. His answer in a private letter to Sauer on 4 November 1976 proved biting:

First and foremost, I want to make clear that I will never make such a denial. […]

I am more interested in using my time trying to convince the authorities, make them aware and warn them, because only they can change monstrous laws like these ones, which allow firms to realize, on behalf of their ideas about progress, genocides, which in other places would be punished by jail.

I do not believe in domesticated fires. Besides ‘damaging plants’, you probably also burnt ‘noisy’ parrots, ‘dirty’ armadillos, ‘fierce’ jaguars, ‘wicked’ cobras, certainly tall trees and maybe also some ‘perfidious’ Indian. You have to know that the ‘shrubs and other kind of forest’ you mentioned were once objects of admiration and fascination for illustrious Germans, Martius and Humboldt, who went to the Amazon in the nineteenth century; and as early as in 1810, Martius, revolted, denounced the massacre of such precious flora. You have to understand that it is my duty to resist against everything that I consider ecological crime, and therefore I do not agree with a forest code, which allows the deforestation of 50% of a glebe, independently of its size, flora, fauna and all the rest. I am against this law that you are using as shelter, although you were not even able to observe it correctly, since, as far as I know, your company has been fined. And I do not even care about the amount of the fine, and about whether this damaged the image of your company. For me, the important thing is that the sacrifice of nature is irreversible.

As Burle Marx was known to be a hot-headed artist, his impassioned reaction was not surprising. More puzzling was the active participation of Congressmen, senators or state deputies in the movement of environmentalist denunciation against VW. In their interventions, these politicians often linked the topic of ecology with that of nationalism (the protection of

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495 Burle Marx to Sauer, 4 November 1976, in Ibid.
496 'Em primeiro lugar quero deixar bem claro que jamais farei tal desmentido. […]
Em segundo lugar, mais me interessa ocupar meu tempo tentando convencer, conscientizar ou alertar as autoridades, pois só elas são capazes de mudar leis monstruosas como estas, que permitem a grupos realizar, em nome de suas ideias sobre o progresso, genocídios que em outros países seriam punidos com a cadeia […] .
Não acredito em fogo amestrado. Além de ‘ervas daninhas’ devem ter sido queimadas também araras ‘barulhentes’, tatus ‘imundos, onças ‘ferozes’, cobras ‘peçonhentas’, sem dúvida árvores de grande porte e talvez até mesmo algum índio ‘traçoeiro’. Saiba que os ‘arbustos e outros tipos de mato’ mencionados por V.S.a foram objeto de admiração e deslumbramento dos alemães ilustres, Martius e Humboldt, que estiveram na Amazônia no século XIX e que ja em 1810, Martius, revoltado, denunciou o massacre de tão preciosa flora. Entenda V.S.a que é minha obrigação me insurgir contra tudo aquilo que considero um crime ecológico e por isso discordo de um Código Florestal que permite a derrubada de 50% de uma gleba, independentemente do tamanho, da flora, da fauna e de tudo mais. Sou contra essa lei que V.S.a usa como escudo mas que nem por isso soube observar corretamente, pois, ao que me consta, V. empresa foi multada. Tampouco me importa o montante da multa e se a imagem de V.empresa foi prejudicada ou não. Para mim o importante é que o sacrifício da natureza é irreversível': Ibid.
the national territory and resources), democracy (the application of law through a financial sanction against the CVRC, the rejection of an oligarchic appropriation of the Amazon) and social justice (indignation before the appropriation of fiscal incentives and land by one big business group, while throughout the Brazilian countryside millions of subsistence farmers were struggling to survive).

The long parliamentary proceeding against the Cristalino fire started on 23 June 1976, as from the hemicycle Senator Dirceu Cardoso (MDB) briefly condemned ‘the greatest fire on earth’. It took on the dimensions of an entire speech six days later in the mouth of his colleague Paulo Brossard, leader of the Senate opposition, talking of an affair of ‘extreme gravity’. Regretting the ‘thousands of hectares criminally devastated’, he demanded ‘the federal authorities to be vigilant about how this area of our country is being ruined by big companies, and predominantly by big foreign companies’. Besides defending the environment (‘We did not make the Amazonian forests, we have no right to destroy them’), he placed his message within two major political struggles of the Brazilian opposition. The first struggle was the respect of legality, defended by the MDB against the attacks to the state of right practiced daily by the military regime:

I first want to see whether this company will actually pay to the state finances the fine we are now talking about. I first want to see. But in any case I am commenting the fact to demand of the government a greater vigilance. I will not ask for rigor because I consider that compliance with the law should not be rigorous, it should just be exact.

The second struggle was that of nationality. In the context of this environmental debate, claiming nationality ironically responded to the military claim of ‘national sovereignty’, brought by the Brazilian government at Stockholm in 1972 to oppose the adoption of an international regulation for biodiversity protection:

It seems to me […] that a crime against nationality is being committed [by VW], and we cannot indifferently watch such things happening, such acts being practiced, with unquantifiable damage to the national community.

499 ‘Quero ver primeiro essa empresa recolher aos cofres publicos a multa que se fala aqui. Quero ver. Mas de qualquer forma comento o fato, para reclamar do governo a maior vigilância. Não vou pedir rigor porque entendo que não deve haver rigor no cumprimento da lei, basta haver exação. É o que venho reclamar, é o que venho pedir’: *Ibid.*
500 ‘Parece-me, sr. Presidente, um crime contra a nacionalidade o que está sendo cometido, e não podemos assistir indiferentes a que tais coisas aconteçam, que tais atos sejam praticados com prejuízos incalculáveis para a comunhão nacional’: *Ibid.*
The Senator of the Amazonas Evandro Carreira, also from the MDB, made another speech entitled ‘Multinational Volkswagen and devastation’ on 20 August.501 The speech delivered Carreira’s forecast of the ‘unquantifiable damage’ feared by Brossard, by comparing what was happening in the Amazon with another environmental drama in Brazilian history. Indeed, Carreira recalled the example of the country’s north-eastern ecology, ruined by sugarcane culture.502 Left-wing MDB senator Benjamin Farah, a partisan of ex-President Goulart, approved Carreira’s attacks against VW by saying that by ‘killing plants’, modern ranchers in the Amazon were ‘killing human beings’; just as sugarcane planters had done in the north-east. Senator Lázaro Barboza (MDB) added that no fine would ever be sufficient to pay for ‘such a devastation, such a crime’ committed by VW, which consisted in ‘breaking the entire ecological equilibrium of a whole region’.503

In September, this parliamentary front against VW continued to grow, this time in the national Congress, with a speech by ARENA Congressman Carlos Wilson on the eleventh of the month. The latter evoked a project marked by a ‘dominator appetite’, ‘predatory action’ and ‘attacks’ against ‘flora and fauna’.504 He said that VW wasted ‘the resources of SUDAM’ to ‘export timber at a scandalous price’. On 15 September, Congressman Antônio Pontes (MDB) of the Amazonian state of Amapá in turn condemned the destruction of 16 000 hectares of forest by VW during the first half of 1976.505 Not corroborated by any source, these figures testified above all to the surrealist proportions of the hostile movement that had mobilized Brazilian politics against VW within a few weeks. On 30 September, at the state assembly in Pará, ARENA representative Raimundo Ribeiro de Souza joined the movement, this time to condemn the alleged use of Agent Orange by VW.506

Even years after the conflict between VW and IBDF stopped making press headlines, the fire at the CVRC remained a regular object of (always much applauded) speeches defending the Amazon in the Brazilian parliamentary assemblies.507 These speeches generally mixed ecological concerns with patriotism and claims for social justice: for example by the ARENA Congressman Nina Ribeiro in September 1978 or by his colleague Arnaldo Schmitt

502 Ibid.
503 Ibid., 149.
505 *Diário do Congresso Nacional. 16 de Setembro de 1976* (Brasilia: Câmara dos Deputados, 1976), 9128.
507 The *Diário do Congresso Nacional* contains indications about how much single speeches are applauded.
in October 1981. Only rarely had parliament members the courage to contest such attacks, as the ARENA Congressman Joacil Pereira did when he accused Schmitt of ‘xenophobia’ and said that the CVRC brought to Brazil ‘a notable collaboration, including the know-how that we do not have, the signs of civilization and development which comes to enliven our homeland’. In sum, within Brazilian politics, the authority of the CVRC as a development project had seriously weakened under the influence of the forest burning scandal.

The succession of political speeches against the CVRC illustrated a progressive degradation of the developmentalist consensus, at least in the specific area of Amazonian policy. Indeed, the involved politicians contested the attribution of fiscal incentives to big private projects, and showed their preoccupation with a possible annihilation of the rain forest. This wave of speeches also revealed the existence of a strong ecological voice within the Brazilian political institutions during the specific political moment of distensão. That a few members of the MDB had a socio-environmentalist sensibility was already well-known: someone like Evandro Carreira had not waited for the Cristalino scandal to be the voice of tropical forest preservation in the Senate. However, that a left-nationalist leader like Paulo Brossard started to discover political ecology as an ideological vehicle to argue in favor of democracy was an unexpected outcome. The environmentalist eloquence of parliament members coming from pro-regime political circles, such as Arnaldo Schmitt, was even more striking. Arnaldo Schmitt's favorite battlefield in the federal assembly was the defense of poor peasants and the promotion of subsistence agriculture as a more viable model than soil squandering by big firms. He was often more inflexible and government critical than his colleagues of the opposition banks when it came to the defense of soil sustainability and the forest ecosystem. Admittedly, a handful of ecologically sensitive parliament members does not make up an environmentalist faction in a parliament. Still, I am not sure that at the end of the 1970s the environment would find the same handful of defenders in the legislative assemblies of most of the industrialized countries.

Several reasons explain the existence of a significant ecological voice within the Brazilian parliament at that time. First of all, the period of distensão started by Geisel in 1974

509 Ibid.
510 Carreira, Recado Amazônico, 4 vols.
512 The record files of Schmitt's parliamentary speeches can be heard on the online page of the Brazilian Congress' archive: http://imagem.camara.gov.br/internet/audio/default.asp, access date 12 January 2013.
opened the perspective of a possible return to the plural political landscape of liberal democracy existing previous to the coup of 1964. Therefore, the time was favorable for a general repositioning of the country's politicians as well as for maneuvers from part of the opposition to accelerate the democratic transition. This created a context of previously unseen, large political alliances (often circumstantial and around specific causes) and a great ideological porosity within the big ‘democratic opposition’ camp, including between the political and associative spheres. The poor ideological platform of the MDB, a party virtually sheltering all kinds of political traditions, left room for emerging ideas such as political ecology. In the MDB, even random political initiatives were not overshadowed by an all-encompassing ideological goal, such as for example the proletarian revolution, as was the case for opposition parties in other Latin American dictatorships. Many MDB (and sometimes also ARENA) members were actually in search of new political ideas with which to identify themselves, so as to find a future political space in the perspective of the end of the polarization between authoritarianism and democracy. Such a political framework produced opportunities even for marginal ideas to gain surprisingly wide support, including among high-ranking or well-known politicians.

At the same time, distensão inspired both hope and uncertainty, due to the pressure from the military regime's hardliners and the occasional signs of authoritarianism still sent by those in power. For example, the municipal elections of 1976 raised the fear of a setback in the process of distensão, as the regime made sure to limit the opposition's freedom of speech with the help of the intelligence service (SNI). Political ecology was not a bad concept to struggle with in this hesitating context, given the relatively inoffensive image of environmentalists in the eyes of the military leadership. The government and the secret services actually did not really understand what environmentalism was (this would end in the 1980s as environmentalists started to be perceived in SNI reports as a menace against national security). To put it simply, environmental activists enjoyed a very ample margin of action because the military ignored them or at best saw them as harmless nature lovers. Although environmentalism deeply interrogated the Brazilian politico-economic model (rejection of the developmentalist paradigm, shift from land concentration to small agricultural subsistence units, contestation of the strategy of alliance with multinational companies), it was a

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513 Hochstetler and Keck, *Greening Brazil, Environmental Activism in State and Society*, 70-83.
privileged basis to safely criticize the authoritarian regime.\textsuperscript{516}

In the mid- to late 1970s, many influential politicians (including the state governor of Sao Paulo) joined ecological campaigns against the building of an airport in Sao Paulo, the extension of the Brazilian nuclear park or the distribution of timber concessions to private groups in the Amazon.\textsuperscript{517} These environmentalist struggles were probably much weaker in militant intensity than, for example, antinuclear mobilization occurring in certain western European countries in the same period. But they often earned similar media and political success, precisely because of the support of well-known personalities coming from all corners of the political landscape. The global environmental moment probably helped to make environmentalism an intellectual trend in Brazil as happened for example in Europe, but the translation of this trend into politics became possible because of the specific framework introduced by the process of distensão.

Interestingly, the ecological movement did not repeat these successes during the 1980s, when Brazil returned to the democratic system. After the end of the phase of political ebullition characterizing distensão and democratization of the military regime, environmentalism lost its ability to penetrate different political movements. Only the United Nations Conference on Environment and Development held in Rio in 1992 would open new political opportunities for Brazilian environmentalism.\textsuperscript{518} ‘Eco 92’ pulled the Brazilian ecologist movement out of its weakened position of the 1980s by forcing it to enhance its internal organization in order to stand as credible interlocutor towards governmental institutions and foreign NGOs.\textsuperscript{519} It also gave environmental topics huge media coverage and an institutional legitimacy by far superior to what the movement enjoyed in previous decades.

Geisel's distensão created undreamt of political opportunities for an environmental agenda to be echoed within politics. This partly explains the surprising political impact of the fire at Cristalino. At the same time, the more the ecological movement against VW grew diverse, the more its message became imprecise and blurred by a series of exaggerations and fantasies. This is at least what the Brazil correspondent of the German newspaper FAZ Martin Gester thought, as he wrote that:

Besides the attacks of the ideologues, there come the protests of the ecologists.

\textsuperscript{516} Hochstetler and Keck, \textit{Greening Brazil, Environmental Activism in State and Society}, 159.
\textsuperscript{517} Ibid.
\textsuperscript{518} Ibid.
\textsuperscript{519} Ibid., 126-7.
The ‘nature defilers’ from Volkswagen became their scapegoat. Today, when someone talks about depletion in the Amazon, Volkswagen do Brasil is mentioned in the first place. A ‘Multi’ in the virgin forest is for too many people like a devil making itself space in the sacred domain.520

As we know from examples quoted in previous chapters, the FAZ, a conservative-liberal paper convinced by the values of entrepreneurship, used to stick faithfully by VW. At the same time, Gester's point was not completely wrong. Few critics of the Cristalino project themselves came from the Amazon, most of them had never traveled to the region. In spite of their sincere adhesion to the vague principle that ‘forest should not be destroyed’, environmentalists did not know the tropical forest much better than the developmentalist technocrats of the military regime did. Instead of drawing from a concrete experience of testimony of environmental destruction, they often relied on collective imagination, drawing a pathetic portrait of the Amazon forest and its indigenous populations as powerless victims persecuted by modern technology.

This tendency to produce a victimizing vision of the Amazon started with absurd figures on the quantity of the area cleared by cattle ranchers. The myth, propagated by Kerr and Burle Marx within Brazilian politics and media, that VW had cleared ‘one million hectares’, belonged to this category of exaggerations. Although such figures were likely to have the immediate effect of shocking public opinion, it is not sure whether they had positive consequences in the long run. As Pinto underlined, the Cristalino case demonstrated that false figures on deforestation gave to environmentalism an unserious reputation, for ‘anybody with field knowledge of the Amazon would know it is impossible to burn one million hectares in only one go, in only one summer’.521 Besides, VW owned far less than one million hectares in the region. Sauer did not hesitate to exploit this contradiction in order to dismiss Kerr's and Burle Marx’s accusations as absurd: ‘how could we burn one million hectares if we have only 140 thousand?’ he asked journalists.522

In fact, most VW-critics had no notion of the dimensions of ranches in the Amazon. The famous anthropologist and champion of the Indians, Darcy Ribeiro, thus asserted, in an attempt to mobilize emotions against the appropriation of the Brazilian forest by a foreign

group, that the size of the VW-ranch was 300,000 hectares.\textsuperscript{523} AGAPAN’s leader Lutzenberger furnished the same figure during a conference in Germany.\textsuperscript{524} For Pinto, these exaggerations explain why the 1975 fire at Cristalino angered environmentalists and politicians without succeeding to durably shock the Brazilian population.\textsuperscript{525} After Warwick Kerr announced that VW had burnt one million hectares, the later revelation in the media that the company had cleared ‘only’ little more than 9,000 hectares made the event appear as harmless. Although burning 9,000 hectares in a single summer is a striking and rarely equaled performance, it seemed nothing more than a minor sin in comparison to the previously given figure of one million. During a parliamentary session some Brazilian senators even laughed out loud about the words of Burle Marx that VW was responsible of the ‘biggest fire of the planet’.\textsuperscript{526}

But even senators struggled with numbers and proportions in the Cristalino affair, as for example some of them were convinced that VW’s capital was limitless. Brossard contended for example in August 1976 that ‘as big as the fine can become […], it will have no consequence for a company the dimension of Volkswagen’.\textsuperscript{527} This was not true: at some point, IBDF threatened to apply a fine of 59 million Cruzeiros, amounting to about half of the investments made until then in the CVRC.\textsuperscript{528} This would have logically led to the end of the project. Indeed VW would have hardly been in a position, in this case, to double its investments in the midst of a dangerous controversy against the project. And SUDAM could not have increased credits to the project just to enable VW to pay an administrative fine to another public agency.

Politicians were encouraged to propagate such rumors by the caricatured image of Cristalino depicted in the press. For example, a comic by the illustrator Claudius, in the satirical leftist weekly \textit{Pasquim}, depicted an Amerindian in traditional outfit, whose village was destroyed by bulldozers to give place to a giant pasture full of VW-cows.\textsuperscript{529} The end of the comic was even more fantastical, as the Indian character pointed at a huge surface filled with VW-minibuses. By suggesting that VW had the intention of transforming the CVRC into a big vehicle production plant, the illustrator wanted to transmit the image of an invading modernity. This feeling was illustrated by the contrast between the proliferations of VW vehicles in the whole picture, with the figure of the almost naked Indian, standing alone in a

\textsuperscript{523} Edilson Martins, \textit{Amazônia, a Última Fronteira}.
\textsuperscript{524} Lutzenberger, ‘Brasilien’.
\textsuperscript{525} Pinto, ‘O Tamanho do Fogo’.
\textsuperscript{526} Brossart, \textit{O Ballet Proibido}, 211-22.
\textsuperscript{527} Carreira, \textit{Recado Amazônico}, 4, 150.
\textsuperscript{528} Casado, ‘Volkswagen. Devastação com Incentivos.’
\textsuperscript{529} Reproduced in \textit{Brasilien Nachrichten}, (82) 1984.
In fact, rumors circulated that VW had deprived Indians of their land and means of subsistence in order to build the CVRC, but these accusations were never founded on concrete evidence. However, these rumors spread so quickly, that VW felt obliged to publish a defensive article on the title page of its German company newspaper to belie them, entitled ‘We Did not Expel any Indian’. Later, the company newspaper even carried an advertisement about the fact that a neighboring Indian tribe had nominated the ranch manager Friedrich Georg Brügger as their chief emeritus.

Through the accumulation of spectacular representations of the CVRC by

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530 Source: Brasilien Nachrichten, (82) 1984 (Reproduction from PASQUIM) –my translation.
531 ‘Wir Vertrieben keine Indianer’.
532 ‘Durch jede Weide fließt ein Bach’.
environmentalists, the idea that VW had perpetrated the biggest forest fire in world history soon crossed the Brazilian border. The Cristalino fire became a global negative reference of the rain forest cause, making VW do Brasil an environmental villain. The Germans, obviously, were interested in the Cristalino story, because it involved a German company. Important Bundesrepublik publications carried articles about the fire, while nature-friendly associations such as the Schwäbischer Albverein (Germany’s oldest hiking society) and politicians like the social-democrat Johann Bruns urged governmental actors to force VW to stop deforestation.\(^533\) Between 1979 and 1980, the fire in the VW farm was even briefly addressed in the German Bundestag (federal parliament) as well as in the European Parliament on the initiative of German deputies alerted by press reports about deforestation in the Amazon.\(^534\)

Outside Germany, the British review *The Ecologist*, a publication of reference for the environmentalist movement worldwide, especially targeted the Volkswagen farm and its Italian owned neighbor the Liquigás ranch in attacks against those destroying the rain forest.\(^535\) The review dismissed the clearing patterns of these projects as ecologically backward: ‘While even shifting cultivators in Africa may have chain saws these days, in the Amazon they still use the axe’. In another issue, *The Ecologist* even accused VW of participating in a ‘Holocaust in Amazonia’ (understanding: an ecological holocaust, annihilating populations of non-human beings).\(^536\) The reputation of VW as an environmental villain did not remain restrained to Europe and the Americas. Even in Japan, the seven million copy circulation newspaper *Asahi Shimbum* dedicated columns to the Cristalino fire, so that, as a journalist of the publication said, ‘this serves as a warning for Japanese companies, for nobody has the right to destroy the land of others’.\(^537\) What had started as a small rivalry between two Brazilian development agencies, the Cristalino affair had become a global example of the excess of modern civilization, to the point of taking on a pedagogic dimension.

In spite of these international reports, it was by far in Brazil that the controversy about

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\(^536\) *The Ecologist* 12, no. 6 (1982), 249.

the VW-ranch reached the earliest and highest degree of politicization. The Cristalino fire was not an exception in the Amazon, where numerous big ranches practiced clearing. But it became a paradigmatic case and a collective reference among Brazilians in the fight against the destruction of the rain forest. The VW precedent was widely cited as, in the late 1970s several successful campaigns mobilized the country in defense of the Amazon: around the movement of rubber-tappers against the deforestation bulldozers in Acre, against the distribution of timber concessions in the region, finally also in 1979 with the creation of the Movement of Defense of the Amazon, a pressure lobby gathering together dozens of organizations of the Brazilian movement for democratization, including professional groups such as the influential Order of Brazilian Advocates (OAB). 538

The VW-case even played a role in modifying the optic of Amazonian colonization within the government. Not that the military regime abandoned its triumphalist vision of the conquest of nature, but still the forest policy became a space of lively debate, where the conservationist option gained a heavier weight than before. Even the ex-Minister for Industry and Commerce of the Geisel government, Severo Gomes, spoke in 1982 for the end of the fiscal incentive policies in the region. 539 To demonstrate that the political crisis created by the fire at Cristalino would not remain without legislative consequences, Minister of the Interior Andreazza convoked Sauer for a talk in February 1980, in the frame of the preparation of a more conservationist forest law. 540 Although an efficient lobbying of AEA succeeded in emptying this forest law project of its conservationist substance, slight changes of vision occurred within developmentalist institutions. In September 1981, the CONDEL of SUDAM used the opportunity of a discussion on the CVRC to recommend more measures about environmental conservation within SUDAM-funded projects. 541 Without officially changing the 50% rule, CONDEL called for a volunteer increase in the preserved area within big ranches located in the forest.

These evolutions confirm that the case of the fire at Cristalino deserves attention. It not only proved politically and institutionally influential, it also called into question many clichés about rain forest politics and the environmentalist movement in Brazil:

First, contrary to a wide-spread idea (especially among the Brazilian right wing), the forest protection movement in Brazil was nothing like a movement from abroad and even less

538 Hochstetler and Keck, *Greening Brazil, Environmental Activism in State and Society*, 154-60.
540 ‘Volkswagen Desmente a Queimada.’
an antinational movement. Although historically this movement has been internationally networked and supported by foreign actors, it has also managed to mobilize on a national basis and with nationalist arguments. As I have shown by reporting some of the debates taking place about Cristalino in the Brazilian parliament, defense of the Amazonian landscape took its place inside a discourse favoring the forest commons as national heritage. It is not by chance that the scandal involved a multinational firm, while at the same time dozens of other big fazendas of direct Brazilian ownership were practicing massive deforestation in the Amazon without provoking the same impassioned reactions.

Second, contrarily to a wide-spread presupposition, Brazilians did not become aware of rain forest degradation because European or U.S. environmentalists taught them so. The Cristalino scandal demonstrates quite the reverse movement. In Brazil, it was a highly mediatized and politicized rain forest controversy, raising intensive environmentalist engagements back in the years 1975-1976. Yet, according to Moran, the first mainstream media reports on rain forest destruction in the U.S. and Europe were issued several years after, principally around the late 1970s—early 1980s. This means in no way that Brazilians became ecologists before everyone else—but it is not particularly illogical that the topic of tropical forest interested in the first place the people of a country, which had tropical forest in its own territory.

Third, it is impossible to understand the Brazilian ecological issue and environmentalist movement as an isolated area within politics. As we see through the Cristalino controversy, the environmental question mobilized very different social actors. Many of them were not even ‘full-time’ political ecologists. They rather understood their environmental engagement as part of the wider anti-authoritarian agenda developed by the opposition during the distensão period. In this context, Brazilian environmentalism was often mixed with the values of social justice, democratization or nationalism. Environmentalism promoted socio-economic models that differed radically from the policies of the military regime, without having a subversive reputation. In the specific moment of distensão, it served some politicians and activists as an innovative ideological vehicle for safely criticizing the authoritarian system.


Fourth, as we see through the role played by Coral and IBDF, the environmentalist/conservationist struggles of the 1970s had one foot in society and another within governmental institutions. These struggles sometimes even started from actors, which were admired and respected by the military and supposedly fitted in with the modernization model of the regime: for example, technocrats and natural scientists. Many VW critics were actually conservationists before being protectionists (with the exception of personalities like Burle Marx): therefore, environmentalism was not necessarily a movement challenging the principles of modernization per se. What environmentalism actually did was to shake the certitudes carried by the dominant modernization discourse. It did not, in sum, fundamentally reject the concept of development, but challenged developmentalism as an all-encompassing ideology justifying all policies.

3.2. Struggling with itself: the ranch between inertia and expansion

3.2.1. VW's answer between anti-ecological discourse and greening of the CVRC

Environmental controversies concerned VW senior management in Wolfsburg. However it did not dissuade the company from continuing to present the ranch project as a model of development aid. To make this clear, VW sent the film director Harald Schott to Cristalino for the purpose of making a documentary movie about the farm. The movie, called ‘The Fazenda at Cristalino’ was ready in 1980 and Wolfsburg, which saw pedagogic value in the ranching experience of VWB, distributed the video to German middle- and high-schools. Accompanied by a booklet for the teacher, it should serve as material for classes of geography, biology or civic studies. The film was filled with spectacular landscapes, especially accentuating the contrast between the perfectly cared-for living and agricultural areas of the ranch, and surrounding nature. Also placed at the disposal of the news media, it provided answers to all the criticisms leveled until then against the Cristalino project. One of the movie's functions was probably to prevent the campaign against the ranch reaching in Germany the proportions it had taken in Brazil, for this would have been disastrous for the company's image.

544 Doretto, Wolfgang Sauer, 342-53.
545 Harald Schott, ‘Die Fazenda am Cristalino’, (Germany 1981).
546 Richter, Die Fazenda am Cristalino, 7.
The first shot displayed an impressive airplane forest panorama of seemingly endless scale, free from any sight of human civilization and traversed by the meanders of a large river. It was a classical representation of the Amazon as one could find it in western TV reportages. A narrator immediately announced the fate reserved for this natural space: Brazil, because of its many socio-economic problems, had no option but to exploit this region economically. Thus the film started with the idea that nature was a problem, and its transformation into a space of production a solution. As if to show under what conditions this exploitation could be put into practice, the next sequence of the movie, this time shot from ground level, represented a bulldozer, and chainsaw-equipped men felling forest trees one by one while the narrator said: ‘A land without settlers. But full of challenges. Chances. Risks’. Another sequence of forest destruction followed, this time depicting a fire and explaining that it took four weeks to transform forest soils into pastures. A further sequence, coming back to the airplane view, showed perfectly finished pastures, housing villages and farm installations. These various sequences with which the film started served a schematic, three step narrative of progress: first wild and unpopulated nature, then nature being destroyed, finally the result of man's work - a victory over nature.

This narrative recalled the progressive conquest of the Brazilian wilderness by the mythical Bandeirantes, placing VW in the scope of nation-building propaganda. But the movie added a modern touch to VW's contribution, for it presented Cristalino as a technically elaborate and scientifically controlled operation of landscape transformation, in contrast with the spontaneity of the Bandeirantes' epic. Several of the film’s scenes took place in a laboratory, showing test-tubes and all sorts of sophisticated, science-dedicated objects manipulated by experts in white coats: a feeling of scientific thoroughness was given to the spectator. This was actually the general impression transmitted by the rest of the documentary: everything was under control, no professional, ecological or social detail escaped the organization of the fazenda. Every cow was registered and its blood analyzed.

Better even: this perfect organization was not a cold production machine. It had a human face, as the ranch was also a project for populating the forest—even, the film said in a moment of megalomania, to solve the problem of the confining of Brazilian poor within urban slums. As the narrator said, ‘people came from every part of Brazil’ to Cristalino, ‘to work for a common task together. Everybody at their right place’. Indeed, the movies then showed a succession of sequences showing the human actors of the farm and their function in the business: the wood burner furnishing electricity to the farm, the doctor healing the workers, the teacher teaching basic mathematics to children, the administrators, and the supermarket.
workers. In the middle of the wild, VW had managed an optimal division of labor: each worker appeared as a wheel of the ‘civilizationist’ machine. Individualities realized themselves as parts of the collective project of colonization. The movie ended by staging the employees having fun and discussions in the fazenda bar at the end of a hard day’s work. A cheap metaphor for technical progress (a close up of the electric bulb hanging over a group of chatting workers) closed this last scene to illustrate the narrator's concluding sentence: ‘Has anything in humanity ever been made without the courage to take risks?’ VW, in sum, instigated ambition into the minds of Brazilian rural workers, and showed them the path of progress, which they deserved in reward for their hard work.

Despite this triumphalist tone, the movie was underpinned by VW's need to withstand environmentalist and nationalist critiques: the movie's role was to build the ranch an ecological and national legitimacy. It said a lot about the ‘pioneering’ work of the CVRC and made allusions to the incapacity of the Brazilian state to realize colonization alone. The movie demonstrated that the VW people were the first human actors to arrive at Cristalino, that they made it a space of labor and production. This is why they were entitled to stay: as the narrator asserted: ‘Here land will be made habitable. Forever.’ To dismiss the reproach that VW concentrated land and fiscal funds at the expense of hundreds of thousands of subsistence farmers in search for land to grow food crops, the movie made clear that ‘Against the attacks of nature, only planned scientific methods help’. This was a recuperation of the SUDAM discourse depicting big private capital as the most suited actor to mobilize knowledge for taming nature. Small peasants could not afford the modern technical tools needed to accomplish this goal.

This representation of nature as the enemy of humans was one of the main narrative features of the movie. At the same time, it was not always completely acknowledged. The context of the ecological critique which tarnished the CVRC since the 1976 controversy was discreetly, but almost always present in the documentary. Unwillingly, Schott displayed a ranch besieged by environmentalist suspicions, and compelled to partially and clumsily appropriate the language and codes of its critics. A sequence expressing ecological doubts followed the hyper-developmentalist introduction of the movie: ‘Ecological risks’, said the narrator, ‘how far do we have the right to clear?’ As a possible solution to this question, the movie directly depicted a personalization of scientific authority. Professor Winfried Blum, a reputed natural scientist of the University for Soil Culture in Vienna, was shown carrying out analyses to evaluate the fragility of Cristalino's soils. Later on, he was shown discovering the existence of a thick humus layer in the soil of a part of the fazenda, as if to prove to the
ecologists that VW was not damaging the equilibrium of a fragile area. The role of Professor Blum in the film was that of an environmental doctor, checking the ecological solidity of the CVRC project: after having being harshly attacked by natural scientists, VW attempted to show that it accepted being submitted to their scientific expertise.

As in the film, VW's answer to the environmental controversies was ambiguous. The company hesitated between evidence of ecological responsibility (a ‘greening’ of the project) and contestation of the environmentalist core-arguments. The ‘greening’ operation started in October 1976, when VW invited a group of journalists to the fazenda to show them ‘examples of how noble trees are preserved […] and used for improvements in the [installations of the] fazenda’. The guests were guided into the sawmill, where the CVRC management showed them how timber was conserved and recycled in the building of prefabricated components for the workers' houses. Conservation, concern for biodiversity, recycling: VW, which was once proud of its clearing bulldozers, was unveiling to the public a brand new perspective on forestry. The fact that 50% of the Cristalino area would remain preserved, that the ranch included a small program of reforestation and that ‘mountains and hillsides remained conscientiously intact in order to prevent erosion and ensure water circulation’ were repeatedly advertised in the context of this new argumentation. These were short-sighted arguments, as all these measures were engagements imposed since the beginning of the project by the SUDAM rules. But they were also completed by declarations about how VW cared about the sustainability of the Amazonian soil, as AEA, in a publication taking the defense of the project, underlined:

It is important here to remember a little divulged [piece of] data about the Project at Rio Cristalino: these areas are being seeded with guineagrass, alongside leguminous ‘pueraria’ and ‘centrosema’, which, according to the specialists, are rich in protein and green mass, of great value for enriching the soil with nitrogen.

The controversy which occurred in 1976 not only incited VW to ‘discover’ that its ranching project had ecological virtues, it also led to alterations in company practices. For the

548 Ibid.
549 Scheifele, ‘Erschliessung des Amazonasgebietes / Exploração da Amazônia’.
first time, in the late 1970s, the CVRC started to carry out a number of soil analysis missions, in order to evaluate the sustainability of its pasturing techniques. In the early 1980s, VW introduced a new computer program to the international and Brazilian press. It determined the ideal number of animals to graze on the different pastures, and selected adequate species of grass, as measures to better take care of the cattle and avoid soil erosion. This early case of green washing—which, instead of interrogating modern modes of production, resorted to scientific progress in order to correct their negative effects—obviously needed good willing media organs to propagate it. Conservative newspapers such as the FAZ did it in Germany, transforming the ‘environmental villain’ VW do Brasil into a model of environmental responsibility:

A great step would be reached, if this invasion of the world's biggest forest region did not become a profit-greedy destruction, but a scientifically controlled development, as to all appearances is the case at Rio Cristalino.

Several newspapers played a similar role in Brazil, as they congratulated the company for its new commitment, announced in September 1981, to reformulate the topographic planning of the CVRC. As a measure of ‘natural preservation’, only 40% of Cristalino's 140,000 hectares (instead of the initial 50%) would be turned into pasture, the rest would remain untouched forest. In a German publication, VW named this ‘practiced environmental protection’: while ‘self-proclaimed environmentalists’ were raising ‘very imaginative, but unfounded suspicions’, VW was acting to protect the forest. In reality, the critiques of environmentalists against VW had not been as sterile as the company insinuated through this kind of declaration: they had directly influenced the CVRC’s partial conversion to conservationist thinking. In a note of February 1981 to SUDAM, the CVRC’s management explicitly wrote that the reduction of the pasturing area to only 40% was a direct response to the concerns of ‘Brazilian and international environmentalists’.

Nonetheless, these concessions stood in contradiction with the company’s action as a member of the ranchers' lobby AEA, in whose managing committee Sauer was sitting. While

551 Richter, Die Fazenda am Cristalino.
553 ‘Es wäre schon viel erreicht, wenn diese Invasion des grössten Waldgebietes der Welt nicht zum profitgierigen Raubbau, sondern zum wissenschaftlich-kontrollierten Aufbau wird, so wie das am Rio Cristalino allem Anschein nach der Fall ist’: ‘Gefrierfleisch aus der ‘Grünen Hölle’ Brasiliens’.
554 ‘Der Friedensrichter kam zur Sammelhochzeit’; ‘Reduzir Area de Pastagens’; ‘Volks Reduz Area Desmatada no Projeto Rio Cristalino’.
555 ‘Der Friedensrichter kam zur Sammelhochzeit.’

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VW publicly developed a discourse that partially adopted the patterns of expression of the environmentalist movement, AEA lobbied to render conservationist legislation more flexible.\textsuperscript{557} Afraid of the consequences on cattle ranch projects of recent debates about ecological protection, the organization set up its own plan for reforming the colonization laws. It recommended a massive expansion of Amazonian road networks, and demanded the suppression of the legislative provision of the Forest Code stipulating that 50% of the forest territory of single private land estates should be spared from clearing. Instead, they suggested that the 50% principle become a governmental objective for the total area of \textit{Amazônia Legal}.\textsuperscript{558} According to the AEA project, the state would make sure to reach this objective through the establishment of giant natural reserves, while existing private properties could be cleared according to the wishes of their respective owners.

That VW could be a co-producer of this attempt to neutralize measures for the protection of the environment, and at the same time tried to transmit a ‘greened’ image of its ranch project, shows that the company hesitated about how to withstand the emerging debates about the ecological crisis. The CVRC was squeezed between the ecological variable, newly influential in politics, and the founding engagement for economic development that cemented the association between SUDAM and Volkswagen. In this context, VW adopted the uneasy stance of giving itself the image of an ‘eco-responsible’ enterprise while at the same time it stuck to the idea that deforestation was a necessary process to achieve civilization in the Amazon. As it stood in the booklet accompanying the movie \textit{The Fazenda at Cristalino}, the Amazon, in spite of all the ecological issues, remained for VW a fantastic challenge for the Brazilian nation:

\begin{quote}
A continuously growing population on the Atlantic coast faces this tremendous natural space in the country's interior […]. Forest is land; this land reserve is a challenge to the fifth biggest state on earth.\textsuperscript{559}
\end{quote}

Praising VW as a leader of this national movement towards the interior, the booklet author Richter defended the extension of the pioneer frontier, ‘the new frontier of ox’, as an inevitable movement of progress: ‘moving as a semi-circle from the east and south into the rain forest. Clearings, highways and airports are the outpost of the land conquest; pioneer

\textsuperscript{557} ‘\textit{Modelo para Implantação de uma Nova Fronteira}, Amazônia, April 1977.
\textsuperscript{558} \textit{Ibid.}
work is being done here’.\textsuperscript{560} According to the text, environmental degradation might be regrettable, but the appropriation of forest by humans was just going in the natural direction of not only Brazilian, but also world history:

This process can be compared with the land-grabs by the Europeans in North America or with colonization in medieval central Europe. In the end, these were successful attempts by man to improve his living conditions and extend his homeland, even though [...] damage to the regional ecosystems are noticeable. Through the continuously advanced ability of man, this process of cultural, social and spatial change has now become possible in tropical rain forests as well. The incitement of his action has always been the desire to ensure survival, to improve individual living conditions. For this reason, natural resources were and continue to be tapped [and] natural landscapes reshaped.\textsuperscript{561}

Sauer, who shared this belief in progress, similarly tried to convince Brazilians of the benefits of deforestation, as he declared that ‘if we [as usual, he included himself in this national ‘we’] did not deforest the states of Sao Paulo and Parana, the country would not enjoy its current development’.\textsuperscript{562} In interviews and press conferences, Sauer remained moderate on the topic. He essentially stuck to the national developmentalist consensus, the ‘Order and Progress’ motto featuring on the national flag. Aware of the power and potential excesses of communication, he did not attack the environmentalists frontally.

The ranch manager Mário Thompson did not take these diplomatic precautions. Ecological grievances revolted him, as the British journalist and long-time Amazon traveler Sue Branford remembered: ‘When we visited his ranch in November 1977, he told us with rancor that ecology was ‘a new-fangled profession, recently invented by out-of-work intellectuals who have nothing new to say’’.\textsuperscript{563} Brügger, his successor from 1978, who was a hot-tempered personality taking offence easily, was even more aggressive when it came to the topic. For him, criticisms about the climate and the environment were based on ignorance and superficiality. Most of the critics of clearing, he supposed, had been at best to Manaus, they

\footnotesize{\textsuperscript{560} \textit{Ibid.} \\
\textsuperscript{562} ‘Volkswagen Defende-se e Alerta para a Devastação’, \textit{O Estado de São Paulo}, 11 August 1976. \\
\textsuperscript{563} Branford, \textit{The Last Frontier}, 75.}
did not know the forest and ‘sat in front of European pans full of meat’. \(^{564}\) Having no patience for environmental scrupulosity, Brügger symbolized the mental difficulty of the people engaged in the CVRC project to switch into an even slightly greened conception of Amazonian development. Branford witnessed one of his sudden mood swings when he heard about something related to environmental protection. As she timidly brought up the question of ecological viability, he banged on the table and said: ‘don't you speak to me about ecology!’ as well as ‘don't come to me with these arguments!’ \(^{565}\)

As we see from such anecdotes, the CVRC, even years after the conflict that opposed it to the IBDF, struggled with the question of the scarcity of resources, because this question was in no way taken into account in the original outlines of the project. VW faced this new issue hesitantly, making steps towards the environmental ethic and steps backwards. This was not simply due to the old-fashioned developmentalist vision of personalities like Brügger, Thompson or Sauer. Much more, this hesitating behavior reflected the breakout that Brazil was traversing. Public policies still belonged to a conception of national development ignoring environmental problems: consequently, VW could not stop deforesting, unless it wanted to lose the SUDAM incentives. But at the same time the question of nature, expressed in a movement defending the climate, plants, the forest and fauna, was entering into world and Brazilian politics. In Brazil the growing concern for nature went together with the promotion of human interests expressed in values such as nationalism, democracy or land equality. By including the protection of nature into a broad conception of the general interest, the environmentalists criticizing VW challenged the very notion of development and its claim to show the direction of ‘good change’ for the whole human community.

### 3.2.2. The revenge of Nature? Agro-ecological difficulties at the CVRC

Between 1973 and 1983, VW invested nearly thirty-four million Deutschmarks in the CVRC. \(^{566}\) This was an exceptional expense for what many observers saw in 1973 as a mere fiscal placement. The Brazilian state spent twice that much in the project (over sixty-three million from the SUDAM fund), not counting the whole array of tax cuts from which the

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\(^{564}\) ‘Wie dem Urwald eine Hazienda abgerungen wird’.


\(^{566}\) GEO (Germany), February 1984; VW Unternehmensarchiv 373/48/9, July 1985, ‘Companhia Vale do Rio Cristalino, Agropecuária Comércio e Indústria’.
At the end of 1979, the project had reached stratospheric costs, to the point of alarming SUDAM. In an internal report, the agency gave a very positive evaluation of the technological level of the farm but pointed at the extremely high structural costs of the model and warned the executors of the enterprise what might become of [...] future profitability, since the actual value of the product is turning out to be very low and is not following the speed of the investment costs.

The prophecy turned out to be accurate and costs exploded. The CVRC applied (and successfully obtained) various times for an increase in its funding from SUDAM, because of ‘actualizations’ of the project: in 1978, 1980, 1981, and again on various occasions after 1983. This means that many aspects had to be modified in the project, provoking an increase in the initially planned costs, always with a 75% participation by SUDAM through tax incentives. These reformulations were no marginal adjustments, they actually implied important sums. In 1981, for example, SUDAM approved an augmentation of 42.8% in the funds with which it financed the CVRC, without gaining any additional right of control or decision over it.

To keep the maximal SUDAM participation of 75% authorized by law, VW had to increase its investments proportionally. This did not come at the right moment for VWB, which from 1979 faced the full brunt of the declining export demand linked to the oil shocks of the 1970s, the high interest rates of Brazilian loans and the fracturing of the domestic market (which I will address in part 3.3. of this thesis). In 1979 the profits made by VW's Brazilian branch dropped to only one million DM, while in 1980 the company registered losses of fifty-six million DM. In 1981 it even lost a record of 452 million—in spite of the dismissal of about one quarter of the workforce—and in 1982 over 200 million. In this context, where Wolfsburg was urging VWB to sharply contract its budget and reduce its investments, there were only scarce resources available for a reinforcement of the CVRC with the company's own capital. In order to increase the project's funds, Sauer started in 1981 to

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567 Ibid.
568 ‘alerta aos executores do Empreendimento, o que poderá acarretar [...] da rentabilidade futura, já que o valor atual do produto revela-se baixo, não acompanhando a velocidade dos custos dos investimentos’: Arquivo do FINAM, SUDAM, Parecer 031/80, 1979, ‘Atualização Financeira’.
569 Arquivo do FINAM, SUDAM, Parecer 037/84-AF, 1984.
572 VW Unternehmensarchiv 373/256/2, 1982.
negotiate a twelve million US$ increase in the capital stock of the Companhia Vale do Rio Cristalino Agropecuária, Comércio e Indústria S.A. at the expense of the bank of the Lebanese-Brazilian businessman Edmond Safra. Similar negotiations proceeded at the same time with a Kuwaiti investment bank.

There were two main reasons for the supplementary costs affecting the CVRC: the lack of infrastructure (VW had hoped that the state would construct roads or electricity lines in the region much faster than it actually did), but also ecological issues. In part, unexpected natural occurrences had the effect of slowing down the production agenda. In part, foreseeable ecological phenomena occurred, which VW had not foreseen, due to a lack of initial studies on and experience with the region's environment.

The ranch management, for example, was poorly prepared to cope with the issue of soil. The project was conceived without a precise knowledge of the area's topography. The only document preliminary to the elaboration of a settlement plan was a collection of photographs taken by airplane in 1973. The fact that Sauer and Leiding organized the purchase of the estate in a few weeks, without previous internal consultation—not to mention external counseling, did not help any idea of convoking better expertise to evaluate the soil particularities of the terrain. As the clearing work and farming project concretely started, geographically uneven areas had not been properly detected and there was a lack of planning as regards the connection of future pasturing places with water points. Besides, the hydrologic resources of Cristalino had been completely overestimated. There was no awareness about the lack of phosphate in the region's soils, although according to the farmer and Congressman Schmitt, this was something everybody knew in Brazil. As Schmitt noted when he learned about the additional costs engendered in 1980 by the late inclusion of phosphate to fertilize the soils in the CVRC ranch, ‘if they had consulted a Brazilian agronomist, they would not have discovered such a necessity only after seven years’.

According to Fearnside, phosphorus levels in the soil proportionally determine the nutritional quality of pasture grass, which means that they also strongly influence beef

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575 Arquivo do FINAM, SUDAM, Parecer 25/81, 1981, ‘Colaboração Financeira de Recursos oriundos do art. 1º alínea ‘b’ do Decreto-lei n°756/69’.
productivity. When it started pasture organization, CVRC management probably counted on the effect of forest burning, known to multiply the phosphorus levels of Amazonian soils by six times according to certain studies. Yet, it seems that they ignored a study published in 1976 by Ítalo Cláudio Falesi, agronomist at the Brazilian Enterprise for Livestock Farming Research (EMBRAPA), a public institute affiliated to the Agriculture Ministry. As a result of analyses gathered on soils located along the Belém-Brasilia highway, Falesi demonstrated that in spite of the initial peak subsequent to burning primary tropical forest, phosphorus levels sharply declined over a period of five years, to reach a plateau lower than the virgin value. The necessity of artificially augmenting the soil's phosphorus value had, according to VW itself, considerable repercussions on the CVRC budget. The price of fertilizers in the Amazon, where for example superphosphate could be purchased in Belém at 0.30 US$/kg-1, a very high value in world comparison, made failures in soil evaluations a perilous issue for the region's ranch.

Next to these failings, mainly explicable by mismanagement, the CVRC had to face structural problems due to the regional characteristics, which would have been in any case difficult to curb, even with solid ecological forecasting. According to students of the Federal Polytechnic College of Zürich who carried out an analysis in the fazenda in the 1980s, the Cristalino soils had, in general, a weak exchange capacity. The reasons for this were a low quantity of humus colloids as well as the dense presence of minerals with weak absorption capacity in the soil layers. Because of a very variable topography and bedrock, the fazenda actually comprehended many different soil types, from little weathered virgin soils to various types of latosols and poor sandy grounds. All of these types were hardly adapted for crop farming, very nutrient poor, easily desiccative and strongly hampered by erosion.

VW used this as an argument to designate livestock raising as the only adequate form of farming on the soils of Cristalino. With modern techniques of fertilization, company

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578 Ibid., 129.
579 Ítalo Cláudio Falesi, Ecossistemas de Pastagem Cultivada na Amazônia Brasileira, ed. CPATU, Boletim Técnico do Centro de Pesquisa Agropecuária do Trópico Húmido (Belém: CPATU, 1976).
580 Fearnside, ‘The Effects of Cattle Pasture on Soil Fertility in the Brazilian Amazon’, 129.
582 Fearnside, ‘The Effects of Cattle Pasture on Soil Fertility in the Brazilian Amazon’, 131.
583 Urs Holzmann, ‘Selektion auf Erhöhtes Wachstum bei Nellore-Rindern’ (Eidgenössische Technische Hochschule Zürich, 1989), 15.
584 Ibid.
documents said, these soils that were unsuitable for crop culture could be made ideal for cattle.\textsuperscript{585} However, the durability of the farming model put in place in the CVRC was uncertain, as the German embassy in Brazil underlined in a paper to the German foreign ministry:

Experiments by the Brazilian Society for Agricultural Research in the Amazon showed that even the guineagrass, seeded by VW, [...] holds out as pasture grass for only a couple of years. In spite of artificial fertilization, it disappears after a certain time. For the moment, there exists no recommendation for a pasture plant that would be adapted to the region.\textsuperscript{586}

VW, the embassy thought, had penetrated ‘terra incognita’ by undertaking to exploit these soils; even with the help of up-to-date techniques, it was unsure whether the problem could be solved in the long run. It was also uncertain whether pastures could durably replace the function of humus-maker and nutrient-provider previously fulfilled by the forest canopy, and thus impede soil impoverishment. Pimenta’s thesis that pastures ensured the continuity of the nutrient process much better than the ‘senile’ tropical forest no longer enjoyed credibility in the 1980s. At this point, even a VW publication recognized that ‘only experience can teach us with certitude’ whether pastures could guarantee the stability of soils on a sustainable basis.\textsuperscript{587}

Whereas the risk of soil degradation was a major, but not immediate, concern for the company, ecological obstacles proved more worrying, especially because their consequences were visible and striking. In 1974-1975, many workers contracted malaria and consumed in a few months the ranch’s entire reserve of quinine.\textsuperscript{588} Year after year, jaguars settled around the cattle and, besides frightening the farms’ inhabitants, regularly attacked the pastures and devoured a number of cows.\textsuperscript{589} Many cows also died due to snake bites.\textsuperscript{590} In 1978, SUDAM showed itself concerned in a report by the ‘considerable number of deaths’ of cattle noticed in the CVRC, much above the normal limits.\textsuperscript{591} The main cause of this mortality, however, was not attacks by wild animals but that cows were ‘poisoned by toxic plants’. A specialized farming publication, in an article about the CVRC, detailed the reasons for the presence of

\textsuperscript{585} Volkswagen do Brasil, Cristalino.
\textsuperscript{587} Richter, \textit{Die Fazenda am Cristalino}.
\textsuperscript{588} Volkswagen do Brasil S.A., \textit{Cristalino}.
\textsuperscript{590} \textit{Ibid}.
\textsuperscript{591} Arquivo do FINAM, SUDAM, Parecer 051/78, 1978, ‘Atualização Financeira’.
these plants, and their spectacular effects on the cattle:

One of the most alarming problems is the poisoning plants, due to the hot and humid environment of the lowlands covered by guineagrass and pueraria. One of the region’s biggest problems is mouse weed (formerly, its seeds were powdered and mixed in oil to fight against mice). There are nine noxious plants in the region but the one that shows up most frequently is the cafezinho (because of its similarity to coffee leaves). Both of them [mouse weed and cafezinho] have the dimension of shrubs, with a three meter height when conditions are favorable to them; they prosper in greater intensity in humid areas and natural forests. They are taken by bovines and horses - during the first hours, these do not display any symptom of poisoning, but suddenly they start to feel tremors, fall to the knees, lie down and die without any possibility of attenuating their suffering and even less saving them. Death is certain and inevitable. 0.75g of the weed per kilogram of cattle is enough to provoke death. These weeds grow very rapidly, much more than other toxic species.592

In some areas of the Cristalino ranch, the presence of about six thousand toxic plants was counted within only 120 hectares.593 According to a SUDAM report, 5,848 head of cattle died poisoned by toxic plants at the CVRC between 1976 and 1981—not much less than the 7,649 head killed for meat production during the same period of time.594

Another of the farm’s problems was its geographic isolation. Contrarily to what VW and SUDAM boasted about when they launched the CVRC, big private business could stand as powerless as small peasants as they faced the huge distances, the harsh climatic conditions or the low human density of the Amazon. VW claimed to be the most capable of dominating the ‘Amazonian proportions’, but these could turn more problematic for a big ranch trying to find its place in the agro-food industry than for subsistence peasants, who did not have the same commercial objectives. The CVRC personnel rapidly discovered that they could do nearly nothing against the flood-bursting river and stream banks, flushing away the bridges.

592 ‘Um dos problemas mais em foco é o das veninosas devido ao ambiente quente e úmido das baixadas cobertas de colonião e puerária. Um dos grandes problemas da região é a erva de rato (antigamente, suas sementes, trituradas, eram misturadas em óleo para o combate aos ratos). Há nove plantas nocivas na região mas a que mais se destaca é o cafezinho (por causa da sua semelhança em folhas de café). Ambas têm porte arbústico com a altura de três metros quando as condições do meio lhes são favoráveis, medram com maior intensidade nas áreas úmidas e matas naturais. São aceitas por bovinos e cavalos – nas primeiras horas não mostram sintomas de envenenamento mas de repente sentem tremores, ajoelham, caem em decúbito lateral e morrem sem que se lhes possa atenuar o mal e muito menos salva-los. A morte é certa e inevitável. 0,75g da erva /kilo de bovino são suficiente para provocar a morte. Têm uma grande velocidade de crescimento, bem maior que as de outras espécies daninhas’ : Suplemento Agrícola (O Estado de São Paulo), 15 July 1977.
593 Ibid.
built by the CVRC and partially inundating pastures and roads during the rainy season. For nearly one half of the year no ordered production was possible at the fazenda, and vehicle travel within the whole region became a challenge—even more than during the dry season.

Indeed, the farm’s poor connection to urban centers and national roads was one of the main obstacles to the daily farming business, even when there was no rain. Material and food supplies for humans and animals could be delivered by airplane, though at a price much superior to that of road transport. But what about the sale of the cattle? Sauer and Leiding did not think much about this problem as they acquired the ranch; they naively hoped that the expansion of road networks planned by the state and federal governments would become reality within a few years. However, it did not take three years before Sauer confessed to the media that ‘the company is facing difficulties because of the lack of roads’. Such a problem did not suffice to inhibit Sauer's legendary enthusiasm: the historical mission of colonization was the most important thing to accomplish; the economic outlets would appear naturally. Depicting his ranch once again as an episode in the national history of progress, he compared the construction of Cristalino with the construction of Brazil’s capital city in the late 1950s:

something first has to be done, and just as JK [Juscelino Kubitschek] decided first to build the new capital city, to then deal will the roads, VW is building its fazenda in Pará, and will think afterwards about the drainage of the production.

A similar deficiency of infrastructure concerned electricity. The CVRC needed it in important quantity, particularly for the conservation of the cereals grown in the ranch, which during the rainy seasons had to be dried artificially. The CVRC’s only source of electricity was its own firewood power plant, but it did not suffice for such activities. To be sure, it was only a temporary installation, while the CVRC waited in vain for the region to be connected, as planned by the government, to the big Tucuruí hydro-power station on the Tocantins river, further north in Pará. This did finally happen, but only after VW sold the ranch.

Despite the dramatic increase in SUDAM funding, the addition of (unforeseen) natural
obstacles, together with the non-realization of (expected) network infrastructure, made it impossible for the CVRC to keep up with the agenda of production elaborated in 1974. In September 1976, only about two thirds of the pasture fields planned for this date had been created.\textsuperscript{601} By the end of 1981, Cristalino barely reached 27 500 head of cattle for 19 620 hectares of pasture, whereas the initial objectives were to reach 56 000 head for 60 400 hectares that year.\textsuperscript{602} This failure to match the initial objectives resulted in an occupation rate of about 1.4 head/hectare (head/ha), largely superior to the planned average of about 0.9 head/ha. This might appear as good news for forest conservation, because VW cleared at a slower rhythm than expected, but it was a negative evolution for the soil. SUDAM itself, in an information document to its incentive funds, estimated that the maximal carrying capacity of rainforest areas amounted to 1 head/ha for breeding.\textsuperscript{603} Computer simulations led by Fearnside and based on fieldwork processed between 1973 and 1978 in areas around the Transamazónica Highway unveiled figures closer to 0.4 head/ha for the first grazing year, 0.26 for the second and around 0.2 for the third year—the pasture grass in the samples was \textit{caipim colonião}, used by VW at Cristalino.\textsuperscript{604} According to Fearnside, exceeding this maximum stocking rate could provoke short-term degradations ‘resulting from the removal of grass through grazing and the invasion of some low weeds’, medium-term degradation ‘resulting from invasion of woody second growth’ and ‘longer-term degradation of soil nutrient and soil structure’.\textsuperscript{605} Many years of excessive cattle trampling and excrement collection could reduce and even annihilate the soil’s permeability to water by gradually hardening the undersoil while raising the ground level to several centimeters.\textsuperscript{606}

The Amazonian journalist Pinto, who has spent over four decades investigating big farming projects and warning about their negative socio-environmental consequences, drew in the late 1980s a pitiless state of the art of the CVRC’s failures:

They never reached the herd of 110 thousand head [initial objectives of the Cristalino project, supposed to be reached by 1983] […], plague attacked the pasture, the market for this scale of production proved to be out of reach and […] the so much hoped-for ‘verticalization’ of production remained a mirage.\textsuperscript{607}

\textsuperscript{601}‘A Cristalino Apenas Cumpriu o que Prometeu’.
\textsuperscript{603}Philip M. Fearnside, ‘Cattle Yield Prediction for the Transamazónica Highway of Brazil’, \textit{Interciência} 4, no. 4 (1979), 221.
\textsuperscript{604}Ibid., 222.
\textsuperscript{605}Ibid., 223.
\textsuperscript{606}Wilcox, ‘Cattle Ranching on the Brazilian Frontier’, 517.
\textsuperscript{607}‘Nuncá alcançaram o rebanho de 110 mil cabeças (um terço, no máximo), a praga atacou o pasto, o mercado se mostrou inatingível pela escala de produção e as extensões de beneficiamento da matéria-prima (a tão
He further wrote that the ranch remained essentially characterized by ‘rudimentary techniques of soil preparation’ and ‘incompetence in cattle management’. VW, obviously, had a much more positive evaluation of the project: in 1981 the firm announced having reached exceptional rates of birth (80%), indicators of fertility (90%) and weaning (70%), standing largely above the national average. 608

Both Pinto's and VW's versions were ideologically biased. From the perspective of farming techniques and production results, the CVRC project was certainly not a complete collapse as other historical examples like the Ford or the Jari experiments were. Still, the misfortunes that happened over the years showed how displaced it was for VW and SUDAM to exhibit the certitude that the CVRC was a model. Yet, they had done it since the beginning, legitimised as they thought by the alleged superiority of the ranch's technology and its allegedly modern methods of management. To speak about a ‘revenge of nature’ is obviously nothing but a jest. But it remains that VW paid the ecological price of not having taken environmental agency into account in its triumphalist conception of modernity. The CVRC conceivers also paid for having despised—at best, ignored—local knowledge and previous farming experiences, for example of the subsistence farmers, Caboclos or Amerindians, who had been cultivating land in the Amazon before the early 1970s. The agro-ecological problems, which occurred at the CVRC point to the limits of developmentalism as a system of authority drawing a line between the absolute knowledge of ‘modern actors’ (such as western technology, centralizing state bureaucracy or big multinational companies) and the ‘backwardness’ of actors considered non-modern—mainly through a denial of their expertise—and deprived from a participation in the politics of forest management.

3.2.3. Revival through industrialization? The Atlas Frigorífico slaughterhouse as further implantation of VW's dominance in local farming

In the 1970s, a ranchers' bon mot said that a cattle ranch in the Amazon was like marriage: everything went wonderfully in the first months, but once the dreamt-of project transformed into a daily business, it could only bring problems. In view of the unhappy encounter between the CVRC farmers and the ranch's complex ecology, these words seem to almejada verticalização da produção) não passaram de miragem’: Pinto, ‘O Tamanho do Fogo’.

608 ‘VW AGRICOLA’, A Folha de São Paulo, 9 September 1981.
match their point. But with someone like Sauer, fascinated by the great Brazilian rural spaces, the honeymoon could survive a bit longer. On 19 December 1977 he organized a happy marriage anniversary, to celebrate the four years of the establishment of the Cristalino Company. The *crème de la crème* of the politico-economic elites came to the ranch in their private airplanes to participate in a traditional Brazil ‘Churras’ (meat grilling): businessmen Plínio Salles Souto, Antônio Sobral and José de Alcântara Machado, sugarcane magnate André Arantes, ARENA Congressman Sérgio Cardoso de Almeida, governmental Secretary of the Environment Nogueira Neto with his well-known spouse Lúcia, including other prestigious guests.

Those in attendance discussed the role of the Amazon in overcoming the rising petroleum prices, defending for example the production of alcohol in the region as an energy substitute. Sauer used the occasion to boast about his own solution for fixing the disequilibrium in the commercial balance: the export of primary goods. This is when he announced the making of a new step in Volkswagen's project of cattle production: the building of a slaughterhouse programmed to slaughter six-hundred head of cattle a day ‘for exportation’.  

The intention of building a slaughterhouse was in Sauer's mind since the start of Cristalino and had been already discussed with the Brazilian authorities. In March 1976, the VWB boss informed the Minister of the Interior Rangel Reis as well as the SUDAM director that VW was looking for investors, including foreign groups with recognized know-how, to launch a big complex of meat industrialization. After having raised cattle in the Amazon, VW would industrialize it, always with the best technological knowledge coming from northern countries: the cycle of development would thus be completed. As Sauer wrote to Reis, a technical study for the realization of the project had already been undertaken by a respected European company. But Sauer insisted that this project also depended on the collaboration of the state: it would only be viable if the plan of road building in the region progressed.

The need of a center to slaughter the cattle had always been in the mind of the investors in the CVRC project. Cristalino was so far from the centers of production and consumption that there was no other solution for selling the cattle. The next efficient

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609 ‘O Anfitrião Sauer’.
610 Ibid.
611 Arquivo do FINAM, SUDAM, Sauer to Almeida, 19 March 1976; Sauer to Rangel Reis, 19 March 1976.
slaughterhouses were about a thousand kilometers away from the ranch. A neighboring fazenda, belonging to the Centenco construction firm, made the choice of sending cattle to Belem by road, which financially ruined the project, as each head of cattle lost 26 kg during the trip. VW understood that it needed a slaughterhouse located at a reasonable proximity to Cristalino. As such an infrastructure did not exist in the region; the company took the initiative of creating it. Since it did not want to assume all the investment for the project, it first found a German partner, the Atlas Company, specialized in setting up slaughterhouses and selling meat.

Atlas GmbH already had experience in the field, not only thanks to its five slaughterhouses in Germany but also a number of engagements abroad, including one slaughterhouse project in Thailand. It accepted to take on 40% of the investment in the Amazonian project and to be its leader, willing to bring its European ‘know-how’ to optimize the installation of the industrial infrastructure and later the technical management of the enterprise. The Atlas group had an excellent reputation in terms of quality management and would make sure that the industrial project conformed to the most modern standards of hygiene of the U.S. and the European Community. Another foreign organization, the International Finance Corporation (IFC, a private sector branch of the World Bank), would put the western stamp of ‘development’ on the new Amazonian slaughterhouse by providing loans to finance the project. VW would provide 13% of the slaughterhouse’s capital, the same amount as other big groups owning cattle ranches in the Araguaia, namely the Bradesco bank and two Brazilian insurance companies. That the ranch owners together made up the majority of the capital was a way of preventing them from falling as cattle providers into a disadvantaged relationship to cattle-slaughters. As the project was expected to represent a regional monopoly, a substantial participation by VW in it was indispensable for the CVRC not to become dependent on alien companies for the exploitation of its meat products. The slaughterhouse, named ‘Atlas Frigorífico’ (‘Atlas Slaughterhouse’), was expected to cost 29.4 million US$ and be partially financed by SUDAM tax incentives.

In 1978 SUDAM granted Atlas Frigorífico the title of ‘project of public utility’ of first-class category, deserving the maximum funding participation by the agency (75%).

613 VW Unternehmensarchiv 373/190/2, 18 August 1976, ‘Brasilien- Schlachtprojekt’.
614 Ibid.
615 Ibid.
616 Ibid.
617 Ibid.
activities of the slaughterhouse were planned to start by mid-1982.\textsuperscript{619} The products were conserves, cooked frozen meat, meat extracts, beef cuts, initially planned at about 50% for export and 50% for the national market.\textsuperscript{620} The Atlas plant was built in the small town of Campo Alegre, founded in 1968 as a support base for the colonization project of Centenco, only one hour by car from Cristalino, and nearly fallen into disuse since the failure of the Centenco farm.\textsuperscript{621} The cycle of meat production would thus be completed and Sauer's dream realized.

As often with big Amazonian projects, reality turned out to be much more complicated than the developmentalist dreams had predicted. The infrastructure was not ready at the planned date and the opening of the slaughterhouse had to be delayed until the end of 1983.\textsuperscript{622} The costs of the project were grossly underestimated; by 1982, they had tripled to reach 97.5 million US$, 13 million of which was financed through an IFC/World Bank loan.\textsuperscript{623} For reasons unconnected with Atlas Frigorífico, Atlas Gmbh entered into a period of financial difficulties and first decided to lower its participation in the project capital from 40% to 29%. At the end of 1978, Atlas, which was the key actor in the project, announced its withdrawal from the capital. Another German meat producer, Heinrich Plambeck, agreed to replace Atlas as provider of the European ‘know-how’ for the branch, though at a much lower level of participation (16%).\textsuperscript{624} In these conditions, Volkswagen, which had given the impulse to the project, also had to take over its leadership, with 22% of the capital, above sixteen other investors, mostly Brazilian companies owning a ranch in the region.\textsuperscript{625} As a result, Sauer was once again the project’s representative in front of the state authorities. He became the CEO and president of Atlas Frigorífico while the company’s second-in-command and Managing Director, Karl Heinz Theuer, was also a German VWB executive.\textsuperscript{626}

As it had done with the CVRC, Volkswagen made of Atlas Frigorífico a grandiose development project in various senses of the term: it implied not only the creation of a

\textsuperscript{619} Richter, \textit{Die Fazenda am Cristalino}, 28-29.
\textsuperscript{620} \textit{Ibid.}
\textsuperscript{621} ‘Der Friedensrichter kam zur Sammelhochzeit’.
\textsuperscript{623} \textit{Ibid.}
\textsuperscript{624} Gester, ‘Volkswagen hat Ärger mit dem ‘grasgetriebenen Modell’’.
\textsuperscript{625} Volkswagen do Brasil, \textit{Cristalino}.
nucleus of industrialization, but also of human civilization. It created the largest meat industry facility in all of Amazônia Legal, with 700 to 800 workers.\textsuperscript{627} Planned to process 600 to 800 head of cattle a day, the plant comprehended a slaughterhouse, cooling, cold storage, tanning, meat processing and canning facilities.\textsuperscript{628} An extension of the plant was planned within a few years, so as to double Atlas Frigorífico's capacities due to the rhythm with which cattle ranching was expanding in the region.\textsuperscript{629}

However, Atlas' main symbol of development was not the plant itself, but the town of Campo Alegre, which it caused to grow. Campo Alegre was boosted by its new role as a platform of services for the slaughterhouse.\textsuperscript{630} A hospital, bus lines, an airport with daily flights, swimming-pools, bars and restaurants started to grow in what had been until then a neglected urban stop-over of migration towards the pioneer frontier.\textsuperscript{631} Running water and electricity arrived together with the plant, later also squares, town gardens, and a garden belt supplying inhabitants with vegetables, fruit and cereals.\textsuperscript{632} This showcase of urban development was first and foremost due to Atlas Frigorífico’s effort of creating a favorable climate for business agreements and exchanges in the town. The Atlas hotel, business and entertaining facilities became the business headquarters of south-eastern Para, where farmers and investors met to sell and buy cattle or discuss projects.

Social and environmental shadows undermined the ideal city and enterprise imagined by the conceivers of Atlas Frigorífico. The town of Campo Alegre grew faster than expected as the fame of the slaughterhouse project started to attract thousands of landless workers in search of a living.\textsuperscript{633} In 1984, after the Atlas workers and their families had settled, it had only 2 500 inhabitants, but it more than tripled in only two years, to reach 8 000 in 1986.\textsuperscript{634} A migrant underclass of jobless rural workers began to become staple in slums without basic supplies, located at the margins of the urban nucleus. Campo Alegre thus became an illustration of the perverse social effects of the developmentalist ideology. In continuity with the criticism leveled against the Cristalino project, Atlas also raised environmentalist

\textsuperscript{627} Arbeitsgruppe Brasilien, ed. \textit{Die Farm am Amazonas}, 15-16.
\textsuperscript{629} Gester, ‘Volkswagen hat Ärger mit dem ‘grasgetriebenen Modell’”.
\textsuperscript{630} Arbeitsgruppe Brasilien, \textit{Die Farm am Amazonas}, 15-16.
\textsuperscript{631} \textit{Ibid}.
\textsuperscript{632} Volkswagen do Brasil, Cristalino.
\textsuperscript{633} Arbeitsgruppe Brasilien, \textit{Die Farm am Amazonas}, 16.
concerns. Suspicions arose that the plant might pollute the waters of the nearby river. German publications noted that the surrounding woods were deforested daily to provide the Atlas temporary power plant with combustible material—like Cristalino, Campo Alegre was awaiting its connection to the Tocantins hydropower plant of the Tucurú dam in the north of Pará. Tucurú itself was at the heart of an ecological conflict because the project was expected to provoke the flooding of 3,000 square kilometers of rain forest by overflow from the Tocantins river.

To make matters worse, the Eletronorte electricity company’s project, which was supposed to provide high-tension lines connecting Campo Alegre to the future hydropower plant, re-awoke the controversy which started in 1976 about the use of defoliants with ‘agent orange’ components in the Amazon. Eletronorte was criticized for using a deadly defoliant to clear the 800 kilometer path necessary for laying the high-tension lines: according to government figures, the operation caused the death of forty-two people through poisoning. In sum, the issues directly and indirectly raised by the Atlas Frigorífico project confirmed that industrial development carried risks, for human populations as well as for nature, and that VW in the future would have no choice but to consider these risks.

The national-developmentalist framework according to which nature was passive in relation to humans had been fundamental in the original conception of the CVRC. As a result, the rise of environmentalist thought caught VW unprepared in the mid-1970s, placing the company in an uncomfortable position. VW, which had been relying on the social authority of developmentalist certitudes, suddenly had to justify its project in an ecological perspective and re-think its relation to nature. Negligence towards environmental factors also created serious management problems in the ranch and brought the enterprise close to financial collapse—in fact, it was only saved by the indefectible support of SUDAM, institutional stronghold of developmentalism. In this new context, the idea of a limitless forest left place to a feeling of scarcity, which, as I show in the following section, also expressed itself through the question of contested land properties.

635 Doretto, Wolfgang Sauer, 352.
636 Arbeitsgruppe Brasilien, Die Farm am Amazonas.
637 Ibid.
3.3. From ‘Nature’ to ‘Land’: the CVRC becomes a latifundio

Darlene J. Sadlier argues that historically nature has been, together with race, one of the two key concepts that structured the Brazilian national imaginary.\(^{638}\) At the same time, a number of works that are fundamental in Brazilian nationalism, like the writings of the sociologist Gilberto Freire, structured the national construct on the grounds of another couple of key concepts: race and land.\(^{639}\)

One could say that the concepts of land and nature point at the same issue of disputing the national territory and its organic resources, only with a different approach. VW, indeed, was not only transforming nature but also occupying land. This problem became clear from the second half of the 1970s as the ranch was confronted with its first social clashes. The ranch had to face the typical labor conflicts involving big landholders in northern Brazilian rural areas: conflicts over dismissals, loans or working conditions.

At the same time, the social conflicts involving the CVRC cannot be summed up by the classical features of Brazilian land conflict. What happened at the CVRC was embedded in a context of transformation of the Brazilian rural conflict landscape, due to various factors. The beginnings of capitalist valuing of the Amazon region gave new significance and impact to the land conflicts. So also did the particular place VW took in this process as a multinational company. The CVRC symbolized a new generation of technological, modern, and productive latifundia.

Besides, the Amazon was considered a huge new reserve of land disputed by a multitude of actors. The region suddenly became the main point of focus within Brazilian land conflict. Partisans of the rural workers’ interest saw the Amazon's integration as a historical chance to correct the land inequalities which weighed against the country’s social cohesion.\(^{640}\)

The renewal of the workers’ strategies and expectations is a further point that characterizes the shifting rural context at the time of the CVRC. The landless peasants placed hope in the colonization of the Amazon because existing legislation and power balance made

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\(^{639}\) Gilberto Freyre, *Casa-grande & Senzala: Formação da Família Brasileira sob o Regime de Economia Patriarcal* (Lisboa Livros do Brasil, 2001 (1933)). The book, of considerable impact in Brazilian history, sustains that agriculture has been the basis of the society that has developed in Brazil, while racial mixing has been its condition.  
a redistribution of land ownership in Brazil almost impossible.\footnote{Ibid.} Besides, the peasant movements were forced by the repressive conditions of the dictatorship and then helped by the 
\textit{distensão} climate to adopt new forms of action. After 1978, the controlled liberalization of 
\textit{distensão} was even prolonged and deepened by Geisel's successor, President João Figueiredo, which increased the tools of protest at the disposal of social movements. In 1979, for example, a law opening the possibility to create new political parties accelerated the return to a plural political life.

In the following section, I show why and how the CVRC became a latifundio in the political sense of the term: how, besides being seen as a place of ecological controversy, it became a place of land conflict, which increased the hostility of the social movements against the project. It is important to understand this denomination as latifundio as a process: in fact, I have not noticed a single document in Portuguese naming the CVRC with this term before 1977. During the first years of its existence, the CVRC project was presented as a solution against poverty and a project likely to correct local inequalities. Only in small German left-alternative circles was it criticized as a project that might worsen the social imbalance. It is progressively that it became contested and that a growing number of Brazilian actors saw it as a symbol of land inequalities.

\subsection*{3.3.1. The issue of land}

To understand how the Cristalino project could come to that point, it is first necessary to show how the conditions and the power balance in the rural conflicts changed in the Amazon during the years in which the project was established.

Land conflict in Brazil is historically linked with the regime of distribution adopted after the end of the colonization. Land was acquired through the purchase of property and not through its intensive use, as was the case for example in the United states of America. As a consequence, the land structure that was predominant during colonial times did not change after the abolition of slavery in 1888.\footnote{Pierre Dockes and Bernard Rosier, \textit{L'Histoire Ambiguë: Croissance et Développement en Question} (Paris: PUF, 1988), 277-8.} The result of this was a chronic inequality in land distribution as well as the existence of active peasant movements supporting one main claim: land reform, in the sense of a massive expropriation and redistribution of property. From the
mid-1940s to the mid-1960s diverse movements organized around this claim, in the form of leagues, embryonic trade-unions or groups affiliated to the communist party, PCB.643

In order to focus these diverse forms of protest President Goulart encouraged the unionization of the workers in the early 1960s. He saw the unions as allies against an unfavourable, conservative parliament that enjoyed massive media and foreign support particularly coming from the U.S. In fact, Goulart’s ambition of passing a land reform and enhancing the status of rural workers contributed to convincing the military and their foreign allies that the President was going too far left.644 Goulart’s sympathy for the land reform movement turned out to be one of the reasons that caused the right to be afraid of a coming socialist regime.

Consequently, with the military coup of 1964, a severe state repression neutralized all peasant and unionist leadership. In order to prevent insurrectional reactions to this repression, the regime mandated a team of experts favorable to land reform, asking them to elaborate the new Estatuto da Terra (Land Statute). At first sight, the Estatuto was an audacious law package, especially since it was written in the context of a conservative authoritarian regime. It guaranteed access to land property for everyone and set the principle of dispossession in the name of social interest as a necessary tool for the state to enable social equality.645

The land statute was not only considered as a social counter-offensive by the new regime to limit the influence of the left and rally the support of popular classes. The aim of the text was also to weaken the traditional, unproductive model of latifundio in order to replace it progressively by dynamic land properties, following a model of ‘a modern export-oriented agro-industrial sector that could help Brazil redefine its role in the international economy and achieve a period of sustained growth’.646 The government wanted to break traditional monopolies on land so as to put Brazilian agriculture in the hands of new investors with a modern capitalist vision.

In spite of these ambitious objectives, the amendments and revisions to the Land Statute in the parliament, influenced by dozens of ‘ruralist’ (pro-latifundio and in general themselves landed) parliament members, resulted in a ‘complex, confusing and vague’

legislative object, leaving ‘the maximum room for interpretation’. Concrete measures that could help to enforce the Statute’s principles, like the creation of a judicial system specialized in agrarian questions, disappeared in the project’s final version.

Besides, there was no basis for the Estatuto to be applied in rural spaces because these were economically and politically dominated by big landholders. The government claimed to impose the principles of the land statute on big landholders and local political oligarchies. But the same government was undermining the possible basis of support for this reformist project, by repressing the land reform movement. While the state proved able to efficiently repress the peasant movements, it did not furnish the material means to make landowners respect the law. This was especially the case in the Amazon where state authorities were chronically underrepresented. The tax on landowners introduced by the Land Statute was made virtually inapplicable by the lack of an administrative apparatus or even a land registry that would have been necessary for the tax’s assessment and collection. Moreover, the federal agency INCRA, which had a mandate for land redistribution, proved mostly ineffective, having to face accusations of fraud and corruption, while it clearly stood under the influence of the landed classes.

Nonetheless, the fact that the regime had weakened the anti-latifundios movement and dismantled combative peasants’ networks did not mean that these were not substituted by other rural organizations. According to Houtzager, ‘the Brazilian military, after having eliminated the left as an organized force, deliberately stimulated the growth of the union movement’ in the countryside. These new trade-unions encouraged by the regime were corporatist structures, controlled by the state, depoliticized and enframed in a top-down organized confederation, CONTAG (Confederação Nacional dos Trabalhadores da Agricultura). Subordinated to the CONTAG national board were the state federations FETAGRI (Federação dos Trabalhadores Rurais), themselves coordinating the single rural union, STR (Sindacato de Trabalhadores Rurais) that were active at the county level. Santana do Araguaia for example, had its own STR, supposed to represent the interests of the workers of the CVRC and the region’s other farms. Responsible for administrative tasks like the

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648 Houtzager, ‘State and Unions in the Transformation of the Brazilian Countryside’, 112.
651 Houtzager, ‘State and Unions in the Transformation of the Brazilian Countryside’, 123.
management of social security and health care service, the unions were a medium for the state to unite all workers under the same umbrella and oversee them. The trade-unions also educated the workers about state legislation; in fact most of the rural unions were similar to ‘pseudo-state agencies’.653

While trade-unions were traditionally weak in the Brazilian rural spaces, they had begun to emerge in the framework of corporatist laws already set out by the Goulart government in 1963. The military regime succeeded in consolidating the Unions’ role as mediators of the central state in the countryside. The regime did so not only by repressing critical unionism, but also via a program called PRORURAL.654 PRORURAL was a system of social security, retirement and disability pensions, medical and dental assistance, as well as other services. Although its proceeds were low, PRORURAL was a meaningful consolidation of the workers' social security, which almost did not exist previously in the agricultural sector.655 In exchange for the implementation of PRORURAL, the trade-unions accepted to submit their activities to governmental monitoring.

Although most of the trade-union personnel was still favourable to land reform, their role in protesting against inequalities was limited by their relationship of submission toward the state. Their activities, therefore, were not oriented toward protest, but remained constrained into the field of possibilities existing within the dictatorship’s legal frame. Providing assistance to union members in case of a conflict before the labor courts, and ‘sending official letters requesting resolution of a particular problem up and down the union hierarchy and to the Ministério do Trabalho’ were the two main strategies in which the unions were involved for improving workers’ conditions.656 Authors like Regina Novaes, Moacir Palmeira or Houtzager have argued that the unions’ action, especially on a local level, exerted a corrective effect on some structural inequalities.657 For example, on specific occasions, unions could be effective in helping workers’ cases be successful in labor courts. But since the absence of any radical critique of the regime’s policy was the price for these small victories, unions were not in position to be efficient advocates of land redistribution. In these conditions, the decisive institution for advocating the cause of the rural workers turned out to be the Catholic Church, through the action of its most progressive areas.

653 Ibid., 105.
654 Ibid., 117.
655 Ibid., 118.
656 Ibid.
The Church became a political shelter for the landless rural workers. A growing number of priests sought inspiration in liberation theology, which became a massive phenomenon in Latin-American Catholicism after the conference of Medellin (1968), where bishops from the entire continent agreed on a ‘preferential option for the poor’. Liberation theology held that the Church should be at the service of the poor and work against social injustice, thanks to a grassroots strategy privileging the mobilization of ‘peripheral’ actors. The mobilization of young, relatively unknown priests in marginalized rural areas at the service of landless and often uneducated peasants, with the aim of challenging the Brazilian land distribution structure, was an example of this strategy going from ‘periphery to center’.

Socially-minded priests played a leading role in the ‘Base Communities’ (CEB) organized in the 1960s at a very local level with the help of the church, and composed of rural workers. Besides setting up programs of education, the CEB provided the workers with technical knowledge and moral support in their fight against land injustice. The support of the progressive Church to peasant farmers was structured in 1975 with the foundation of the Comissão Pastoral da Terra (CPT) with the support of a number of charismatic Brazilian bishops. The CPT recruited lawyers specialized in rural conflicts, worked with intellectuals from the academic world, lobbied administrative and political institutions and established contacts with political parties or human rights organizations, including at the international level.

The CPT adopted a double strategy. On the one hand it aimed to favour the autonomy of the rural workers and landless peasants, encouraging them to be active in the Unions or create their own networks of action. It turned into, as Löwy says, a ‘school of peasant leaders’ and, I would add, of peasant activism and of independent trade-unionism. The other side of the CPT strategy was to influence the official trade-unions in involving the worker base in their decisions, and adopting a combative political line that favored the workers' interests and opposed the oligarchic policies of the dictatorship.

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658 Wendy Wolford Angus Wright, *To Inherit the Earth. The Landless Movement and the Struggle for a New Brazil* (Oakland: Food First, 2003), 59-60.
660 Michael Löwy, ‘Modernité et Critique de la Modernité dans la Théologie de la Libération’, *Archives de Sciences Sociales des Religions* 71 (1990), 8-10.
661 Madeleine Cousineau Adriance, ‘The Brazilian Catholic Church and the Struggle for Land in the Amazon’, *Journal for the Scientific Study of Religion* 34, no. 3 (1995), 378; Wright, *To Inherit the Earth*, 6-12.
662 Löwy, ‘Modernité et Critique de la Modernité dans la Théologie de la Libération’; Adriance, ‘The Brazilian Catholic Church and the Struggle for Land in the Amazon’.
The CPT proved successful in both its objectives. After the priests of the organization had actively helped to organize the CEB, they encouraged landless peasants to struggle for land reform. Priests from the CPT considerably influenced rural workers’ actions as the landless movement of occupation emerged in Brazil. At the end of the 1970s and the beginning of the 1980s, over 6,000 landless families gathered in an encampment on a portion of land located between three unproductive estates in Brazil's southern-most state Rio Grande do Sul. Priests were present and active at the encampment but they deliberately stayed away from leadership.664 This long occupation, which turned out to be a confrontation with the military government, symbolized the emergence of a major autonomous peasant movement, leading to the formation of the Landless’ Movement (MST) in 1984.

In addition, liberation theology proved contagious in opening trade-unions to new methods of protest. Many union sectors progressively distanced themselves from the regime, especially from the end of the 1970s as this distance was made easier by the decline of the military regime’s hardliners. The rise of autonomous peasant initiatives also forced the unions to reposition themselves and re-examine their strategies. Held in a climate of political opening by the military regime, the 1979 CONTAG Congress was ‘a model of progressive unionism and a marker in the ‘awakening of civil society’’.665 The delegates expressed their wish to favor the development of new forms of trade-unionism in which the grassroots would be more involved thanks to ‘the organization of an ever increasing number of groups such as union delegacies, union nuclei, community nuclei, educational teams’. They demanded a greater inclusion of ‘part-time and seasonal workers’ in the union’s actions, as well as the creation of a common confederation uniting all Brazilian workers from the countryside and the city. Not satisfied with its role of mere administrative manager of the rural laborers, CONTAG also voted a proposition that harshly criticized Brazilian labor legislation, including the proper trade-union structure, ‘copied from the Italian fascist laws’ and ‘resulting in deeply unfair legislation, established to protect the interests of the employer, the patron, more than the interests of the worker’.666

The Congress of 1979 marked the beginning of a new trend oriented toward more mass mobilization and basis militant actions. The year 1985 saw this trend confirmed and accelerated with the fourth Congress of the organization held shortly after the fall of the dictatorship. Dozens of speakers declared themselves in favour of the democratization of

664 Wright, To Inherit the Earth, 59-60.
665 Houtzager, ‘State and Unions in the Transformation of the Brazilian Countryside’.
trade-unionism and the exclusion of corrupted union leaders. Land reform was clearly demonstrated as the main objective to fight for in the context of the building of Brazilian democracy.\textsuperscript{667} Whereas MST had demanded in its January Congress the dispossession of all multinational landholders, the CONTAG Congress was marked by a decision in favour of the dissolution of all latifundia.\textsuperscript{668}

In the CVRC case, the conflict against VW emerged through this game of triple initiative: Church, trade-unions and autonomous peasant protest. In a report of 1976 the CPT already expressed its opposition against the VW-project in Santana do Araguaia. The rural unions began to condemn the project in a document of 1977 and through various actions at the labor courts. Workers and ex-workers of the CVRC criticized the behavior of the company management at various moments, while in the 1980s even the MST published a number of testimonies against Volkswagen as a latifundio.\textsuperscript{669} These were the three movements that, together with the media and some European Third Worldists, turned the CVRC from a ‘development aid project’ into a latifundio.

But what did it mean to be a latifundio in the Amazon in the 1970s? The Statute of land adopted by the military regime gave an official definition of the word. It defined an ideal, rational size of a property, which should cover between 2 and 120 hectares depending on the ecological conditions of the region in which the property was established and the type of activity practiced on it.\textsuperscript{670} This ideal unity of measure was called the ‘modulo regional’. The latifundio was defined as a category of property of a size corresponding to 600 times or more the modulo regional. This means that the latifundio was defined by the law as much too big a property to correspond to a rational (in the sense of economically effective and socially useful) use of land. During the 1970s, the latifundio became even more a symbol of social injustice, especially in the context of farming modernization.

The Brazilian land property regime had historically been ‘expropriating’, in the sense that large masses of peasants, making up a majority of the land exploiters, were excluded from property. Traditionally these masses were absorbed as workforce in the biggest fazendas, where land was concentrated.\textsuperscript{671} Land property was unevenly distributed but this unequal system was more or less regulating the rural job market. This—unequal—stability ended in

\begin{itemize}
\item \textsuperscript{667} Minc, \textit{A Reconquista da Terra}, 78.
\item \textsuperscript{668} \textit{Ibid.}, 84.
\item \textsuperscript{669} ‘A Lei do Gatilho’, \textit{Jornal dos Trabalhadores Sem Terra}, September 1984.
\item \textsuperscript{670} Minc, \textit{A Reconquista da Terra}, 19.
\item \textsuperscript{671} Martins, \textit{Expropriação e Violência}, 76-80.
\end{itemize}
the 1960s-1970s, when the rise of mechanized, modern latifundia, of which the CVRC was a model, broke the balance of the traditional Brazilian rural economy.\footnote{Ibid., 76-7.}

Big modern farms, in contrast to traditional fazendas, managed to sensibly increase the production rate by relying on heavily mechanized agriculture, modern soil fertilizers and a robotized management of the agricultural work. The number of tractors used in Brazilian agriculture, for example, increased from 61,300 to 331,100 between 1960 and 1975, and the consumption of agrochemicals by farmers went up from 22.4 in 1965 to 78.5 thousand tons in 1975.\footnote{Minc, A Reconquista da Terra, 65; Ruy Moreira, ‘O Plano Nacional de Reforma Agrária em Questão’, Revista Terra Livre 1 (1986), 14.} This phenomenon is called ‘conservative modernization’ because it saw technological modernization unfold within unchanged patterns of land concentration.\footnote{Marta Harnecker, MST-Brésil: la Construction d’un Mouvement Social (Genève: Centre Europe-Tiers Monde 2003), 24.} Although they were set on huge land domains, the modern latifundios produced less stable job opportunities than was the case with the traditional latifundia. Modern latifundios involved big areas of land that sustained a very small number of people. Most of the employees of these latifundios were only needed for a couple of months. Not only were 1.5 million jobs lost in Brazilian agriculture between 1960 and 1970, while the country's population grew from 70 to 93 million, so also did the share of permanent rural jobs compared to that of provisional and seasonal contracts go down from 49% in 1960 to 30.5% in 1975.\footnote{Minc, A Reconquista da Terra, 66.}

As a consequence, jobless or precariously employed peasants migrated either to the industrial South of Brazil, or to the ‘colonization frontiers’ in the Amazon region, as they were massively encouraged by the Brazilian government since the mid-1960s. But at the same time, the government was undermining the bases of job production in the Amazon since it pushed for the ‘conservative modernization’ to happen in that region as well.\footnote{Apesteguy, ‘L’Intervention fédérale en Amazonie’, 151.} In reality, for Harnecker, the federal state encouraged migration to the Amazon because it was looking for a cheap workforce for its megalomaniac development projects in the region, especially in the mineral, timber and hydraulic sectors.\footnote{Harnecker, MST-Brésil.} We could add that this cheap workforce was also available for the private projects funded by SUDAM, which might explain VW's public support for a project such as the Transamazonian, highway along which the government sought to establish small towns of migrant settlers.

The county of Conceição do Araguaia, which neighboured the VW-ranch and was
from the beginning of Operation Amazônia a privileged place for the opening of large-scale agro-industrial projects of private companies, quadrupled its population between 1960 and 1970. During this same decade, 55.1% of the incoming migrants to the state of Pará came from the north-eastern Brazilian states. This migration flow created a nomad reserve workforce, strategically suited for short-term work such as the establishment of a fazenda. In 1978, even the SBPC suspected that the Brazilian government had encouraged agricultural migration towards the Amazon in order to organize the transportation of a cheap workforce there:

It is unfortunately probable that the projects of colonization, established along the highway axes, follow the goal of bringing to the Amazon big contingents of supplementary workforce, needed for the realization and maintaining of big projects and enterprises.

Together with the surplus of migrants, this generalization of a short-term rural jobs system implied that many people without land and jobs were likely to be gravitating around a big fazenda like Cristalino in search of means of survival. In these conditions, a job in a fazenda meant a lot for a worker but had little value for the landowner and the modernization of Brazilian agriculture became a potential generator of frustration and violence. Due to this highly unequal power balance between big landholders and rural workers, corporate abuses became frequent. The concept of latifundio was used by various actors of the land reform movement (Church, trade-unions, autonomous peasants) on the grounds of this tension. It corresponded to a negative image in which big property was constructed into a concept of the enemy. This construction appeared explicitly in certain activist writings, such as a report on violence in the countryside published in the early 1980s by CONTAG:

The attempts at eviction, the destruction of farming plots, the burning of houses, the appropriation of the products of the peasants’ labor, the moral offenses, the threats to life, the battering, the torture, the captivity, the murder of workers have

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679 Ibid., 230.
680 ‘Teme-se que os projetos de colonização, implantados ao longo dos eixos rodoviários, tenham como finalidade levar para a Amazônia grandes contingentes de mão-de-obra suplementar, necessária para a realização e manutenção dos projetos e empreendimentos’: SBPC, A SBPC e a Amazônia, 4.
always accompanied the latifundio.681

Therefore, more than a concept related to the surface area of land, the Latifundio was a symbol of power. Moreover, it was a power exerted with state complicity, taking very concrete manifestations such as the eviction of land squatters from the big fazendas.682 Many times, the army even intervened in order to leave the land free for a big company, as happened in the case of Liquifarm, owned by an Italian multinational company in the same county as the CVRC.683 As an instance of pressure on state power, the latifundio was criticized for taking advantage of the repressive climate of the dictatorship, which saw an insurrectonal threat in the occupation of land by small peasants. The latifundio, as such, symbolized an illegitimate, undemocratically acquired power reflecting the servility of the Brazilian government toward big investors.

In fact, state power disappeared at the ‘local’ level of big property as the sociologist José de Souza Martins formulates in a quite radical way:

Large landholdings have always been enclaves, governed by their own specific, although illegal, criteria of justice; places subject to the will of the landowner, who consequently became, and are still, the owner of the conscience of human beings.684

As is demonstrated by Dillman, the latifundio was a small ‘autocracy’.685 This autocracy was based on the use of violence, the ignorance of labor rules and the quasi certainty of impunity for the landowner and his executives. These were sustainable characteristics securing the landowner's rule over their employees and collaborators. This rule was applied through a pyramidal structure of control and decision. The owner, mostly a rich entrepreneur based in Sao Paulo—such as Wolfgang Sauer, did not directly put his hands in the business of his agricultural property. His main representative in the latifundio was the administrator, who

681 ‘As tentativas de despejo, a destruição de lavouras, a queima de casas, a apreensão de produtos de trabalho dos camponeses, as ofensas morais, as ameaças à vida, os espancamentos, as torturas, as prisões, os assassinatos de trabalhadores rurais sempre acompanharam o latifundio’: CONTAG, A Violência no Campo pela Mão Armada do Latifundio, 1981 a Junho 1984: Torturas, Prisões, Espancamentos, Assassinatos, Impunidade e Expulsão dos Trabalhadores da Terra (Brasília: CONTAG, 1984), 2.


683 Ferraz, ‘Suià Missu’.


incarnated locally the power coming from São Paulo and often had to assume toward the exterior responsibility for the owner’s decision. He was hierarchically superior to the security chief, who was at the head of a private police, making sure that the decisions coming from the top were applied. Landowners organized themselves, mostly through this private police, to protect their interest and land, often through the systematic use of violence. For the landowners, the growing number of job- and landless peasants who lived in the countryside was not only a cheap workforce reserve but also a potential threat against the fazendas’ stability.

As we see, ‘latifundio’ was transformed into a political concept through the growing influence of the peasants’ movement.\(^\text{686}\) It was not only understood as a large surface of land, but also as a network of oppression, exploitation and monopoly.\(^\text{687}\) This monopoly was a monopoly on land and resources, meaning that it concentrated power over humans as well as over natural resources. The concept of latifundio represents a problem for our case because it stands in dramatic opposition to what VW had attempted to build with the CVRC as a corporate image: that of a social and democratic company. Hence, it is necessary to explain the process through which the CVRC entered in the category latifundio.

3.3.2. Making the CVRC a latifundio

In May 1977, an important regional newspaper, the Estado do Pará, published an article condemning how big landowners were acting towards their employees.\(^\text{688}\) The article accused three fazendas of disregarding the legal employment procedures with the only aim of saving money. Of the three examples, one of the agricultural estates targeted in the newspaper's criticisms was the ‘Vale do Rio Cristalino’. The critique was based on the testimony of Natal Viana Ribeiro. He was a north-eastern migrant who offered his services to the CVRC from July 1974 to April 1975 at the head of six clearing workers. He complained not to have been paid by the company which, according to him, had acted in complete disrespect of their contract. Even worse, Natal accused Mário Thomson (whom he wrongly

identified as the owner of the CVRC) to have deliberately attempted to run him down and kill him with his ‘kombi’ (the name given to the VW-minivans). Natal said that after having finished his job with his men he was evicted from the fazenda while the ranch's staff addressed death threats to him. During the months and years following the article, it emerged that Natal's accusation against the CVRC management was only one among others.

Natal believed that a whole system of repression was hiding behind his personal misadventure. He became intensively involved in the activities of the local rural union, collected informal complaints from CVRC employees and ex-employees, encouraged them to undertake legal action and promised to help find lawyers that would represent them in labor courts. Shortly after the publication of Natal's accusations against the Vale do Rio Cristalino, the rural FETAGRI of the state of Pará (member of CONTAG) sent a delegation to the county of Santana do Araguaia in order to find out more about the grievances of workers in the region's big fazendas, particularly the Cristalino fazenda. At the end of its inspection mission, the delegation reported that the CVRC had committed ‘innumerable abuses’ against its workers. Some workers contracted by the fazenda had also begun to come spontaneously to FETAGRI. In the early 1980s, as the rural unions increased their links to progressive Church organizations, it was the CPT which became the main receptacle of the regular labor complaints against Cristalino. The offices of the organization began to be filled with workers' charges against the VW-ranch.

Many of the complaining workers were ‘core’ - employees of the fazenda, standing directly under the CVRC’s administration: cowherds, electricians, basic farm personnel; administration officers of the company even protested. What they blamed the CVRC for was similar to the classical accusations brought against many latifundia: work accidents without indemnity, unpaid overtime hours, abusive dismissals, generally accompanied by a physical eviction from the fazenda as well as death threats.

One cow-boy of Cristalino, for example, said that ‘after a labor accident he was

690 Ibid.
691 Ibid.

690 CPT Belém, Keith Hayward, 25 March 1985, ‘Relatório de uma Visita ao Interior dos Estados de Goiás e do Maranhão’.
691 CPT Belém, 25 September 1977, Barreira do Campo (CPT), Macelino. Hereinafter workers testimonies found in the CPT archive will be cited according to the following model: CPT Belém, date, place if available/readable (institution at which the testimony was delivered), name of the deponent in short version.

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immobilized for six days, and when he came back, he was dismissed, without being paid his salaries and other legal benefits’. Another cow-boy argued that after having worked fourteen hours a day for eight months, ‘he was dismissed without delay and without having his benefits paid’. An employee claimed that after a labor accident, the CVRC refused to provide him with the medical services stipulated in his labor contract. He had to get a doctor on his own, and, after his hospitalization, was dismissed without receiving indemnities. A worker from the north-eastern state of Pernambuco said to the CPT that after two years as an employee of the CVRC he was personally humiliated by the ranch's managing staff, dismissed without any official document and thus, continued to have a valid employment contract without working and receiving any salary. A farm helper and a woodworker expressed similar accusations. Most of these testimonies were made around 1977.

As guardians of this system, so the accusing workers asserted, professional gunmen were working for the fazenda and, according to FETAGRI, these gunmen were responsible for intimidating those who tried to claim their labor rights. A rural electrician, for example, said that after five months of work he was ‘expelled from the fazenda by a professional gunman’ working for the CVRC. An employee complained that CVRC gunmen forced him to sign a document containing false information and dismissing him without labor rights. The CVRC had a private police of nine armed men headed by the property’s chief of security, Adão Ribeiro do Reis, who was perceived by many workers as an authoritarian overseer. Cristalino’s employees complained that Adão ‘oversees everything that the employees do. He forbids arms, criticisms, noise after 10pm. And he forbids alcohol inside the farm’. A nineteen year old worker employed by the CVRC to remove toxic plants from the pastures said that he was constantly observed by the men of the security service. He was forced to pay a financial compensation from his own salary when he forgot to remove some plants. This special CVRC police was similar to the security services existing in other fazendas of the region. It is probable that this police also served as a means of dissuasion against a possible land invasion provoked by landless squatters. In fact, several reports pointed out that the

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695 GPTEC V6.2.1., Damasceno & Araújo to Nogueira, 6 June 1977.
696 Ibid.
700 Ibid.
701 ‘Aufbruch zur letzten Grenze’.
703 Ibid.
threat of an ‘occupation’ of its property by poor peasants was taken very seriously by VW. These fears grew from the late-1970s to the mid-1980s as Brazil was the object of a wave of land occupations made popular by the rise of MST.

If the workers' testimonies and the accusations of FETAGRI were true, it means that during the 1970s the VW-ranch developed a system of organization of power and repression corresponding to the latifundio’s autocratic structure described by Dillman: the administrator Mário Thomson was, thus, the incarnation of power in the fazenda. He could even intervene in the private life of the employees. A famous episode in the farm was that of his behavior towards Zé Pedro, a farm employee known for the large size of his family. Just after Zé Pedro’s seventh child was born, ‘Dr. Mario’ became furious that the farm had paid for all of the children’s deliveries as was provided in the CVRC's social guidelines. He convoked the worker and told him: ‘You'd better stop with these children if you do not want me to fire you’. Mario was also known for pressuring the workers so that they did not claim their social rights. In 1978, Mario left the fazenda to launch his own farming project in the Amazon and was replaced as an executive-director by the Swiss agronomist Friedrich Georg Brügger, who had already been interested in the project for a while.

Adão’s or Mário’s ‘bad guy’ image among the fazenda’s employees was obviously not only a consequence of the two men’s personality but also an illustration of the broader context of tensions resulting from the inequalities in Brazilian agriculture. The problem of the concentration of land had such a deep political importance in rural conflict cleavages that the simple fact of managing or possessing a property the size of the CVRC attracted the suspicion of violence. In fact, the ranch came into being with the original suspicion that it was built thanks to the expulsion of small peasants from the land on which they were squatting. Formally, Volkswagen could easily prove the contrary. The CVRC’s application file to the SUDAM subvention program, submitted in 1974, contained a certification by the municipal prefecture in Santana do Araguaia, officially guaranteeing that there were no peasants previously working or living in the project's area.
However, given the dimensions of the Cristalino property, an unexpected encounter with previously established peasant families could not be completely excluded. A report by the National Conference of Brazilian Bishops (CNBB) dated in 1976 warned that although formally, the [CVRC] project should not bring on problems with peasant squatters, [...] practically it is difficult to really affirm it. In this regard, we can observe that in the county of Santana do Araguaia there are registrations of various cases of conflict with peasant squatters.  

In addition, a number of Brazilian and German journalists asserted that something troubling was discovered from an airplane, at the margins of the Cristalino property: ‘a minuscule plot with a log cabin and several heads of cattle’. They deduced that this could be a remaining trace, showing that there might have been small settlers occupying the ground before VW came, and that these settlers might somehow have been expelled by force. Curiously enough, the company chose to keep the explanation of this discovery secret, leaving the ground free for accusations that were probably unfounded. At any rate, the suspensions that emerged from this small affair, even if they might not be based on evidence, say a lot about the climate of tension that was already reigning in the south-eastern Amazon region when VW arrived. The company might claim that its project was socially benevolent. In such a climate, it had no right to be mistaken, if it did not want to gain the image of an autocratic and violent latifundio like any other.

In fact, as a consequence of the various social conflicts it went through, the CVRC would finally be represented as latifundio and integrated into the categories of land conflict. So in 1978 did the national magazine Movimento ironically describe Cristalino as VW’s ‘capitania’. Under the rule of the Portuguese monarchy, the capitaniaes were immense territories attributed by the Crown to Portuguese lords in charge of colonizing and administrating them. Brazil was first divided into twelve capitaniaes under the form of land strips of a width from 200 to 650 kilometers, held on a hereditary basis and, as such, a symbol of the arbitrariness of absolute power. As this comparison shows the CVRC, due to its good relations with Brazilian development agencies like SUDAM or INCRA, became suspected of securing its monopoly on land thanks to arrangements with the authorities. In 1981, for

713 ‘Wie dem Urwald eine Hazienda abgerungen wird’.
example, in a report titled ‘Volkswagen's Latifundio took six Billion [Cruzeiros] from our people’, federal deputy Arnaldo Schmitt condemned the ‘privileges’ awarded by INCRA to VW. Although INCRA was an institution supposed to guarantee the equitable distribution of land, it exempted the CVRC various times from paying the property tax, as a reward for the fazenda's alleged ‘productivity’ and ‘efficiency’. The rural trade-union in Santana do Araguaia also accused VW of not paying the so called ‘union tax’ with which the farming companies were supposed to contribute to finance of the trade-unions and the PRORURAL program.

This ‘latifundization’ of the VW project was not only alimented by political controversies regarding the CVRC’s supposed privileges. Making the CVRC into a latifundio was also a symbolic project, which appeared for example in a caricature drawn by a Brazilian (probably trade-union) activist and circulating within the CPT, before being used in 1985 by a left-wing German organization to advertize a meeting on the land problems in Brazil.

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717 Batista, ‘Relatório’.
A man, fazendeiro or simple gunman working for a landowner is standing in the middle, as a figure representing power in the latifundio. He is armed and wearing a large cowboy hat, with fresh smoke rising out of his gun. The smoke forms a cloud in the air. Inside this cloud one can easily distinguish the head of an Indian and several rural workers (apparently north-eastern migrants). In the background, the sun emerges from over the horizon: it is a shining circle containing the VW-logo. In this drawing, the ‘victims’ of VW correspond to the classical figures of the land conflict. The sun standing in the background is probably a reference to the fact that VW was not directly mixing in the ‘dirty business’ of its Amazonian fazenda but patronizing the ranch’s activities from far away, in the southern, industrial São Paulo area.

The idea transmitted by this kind of representation was that Cristalino had adopted the power structure of a classical latifundio. The ranch was criticized for using its monopoly on land as a medium of pressure on the workers to maximize profit, and not as the basis for a win-win project benefiting the rural workers as well as the ranch's owners.

The conflict on the VW fazenda was also a dispute between agricultural models and about the rational use of land. The land movement’s main argument was that the CVRC was structurally ineffective in creating jobs. Cristalino was a huge area of arable land managed by only a few directly contracted workers (between 180 and 350). Since the beginning, the number of employees was planned to decrease drastically after the phase of setting up. In 1980, for example, fifty people were dismissed, so about 20% of the total workforce contracted by the company at the time. Usually a cowherd was not employed by the CVRC for more than one year. Contrary to what VW stated in some documents, personnel turnover was high, between 20% and almost 100%, depending on the year. Criticizing the precarious character and the rarity of jobs at the CVRC, the advocates of land reform recommended a

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719 CPT Belém, Keith Hayward, 25 March 1985, ‘Relatório de uma Visita ao Interior dos Estados de Goiás e do Maranhão’.
redistribution of the Cristalino property. In 1982 the coordinator of the CPT in the Araguaia-Tocantins said that

A project which concentrates land in one single hand, such as Volkswagen here, has to be seen as dangerous. A ranch the size of that of Volkswagen could give a livelihood to at least 2800 families working directly on the land, and even more if you count the teachers, commerce and service suppliers for this population.\textsuperscript{723}

For Brügger and the VW officials in Sao Paulo and Wolfsburg, things had to be thought the other way around. Only the improvement in the technical capacities of production could lead to the general welfare, and only big companies, especially European ones, were able to achieve such a technical improvement. Asked by a journalist about the hypothesis of distributing land to landless peasants, Brügger expressed this position even more directly:

If you take, like, 200 hectares, then in Europe you will already have a couple of agronomists working in such a farm. Here you've got people who have just no idea, who have maybe lived in the north-east or the south, and then were transplanted (SIC!) into a new region [N.B.: the Amazon], about which they have absolutely no experience of how certain crops just react. Then they crop the same way they have always done in the north-east and everything becomes ruined\textsuperscript{724}

This is why Brügger was radically opposed to land reform.\textsuperscript{725} He thought that an agricultural property had to be put in the hands of those who ‘knew’ how to handle it. A multinational investor working with European agronomists was needed much more for farming modernization than untaught north-eastern peasants were. A land reform, so Brügger believed, would be counter-productive and could be realized only through ‘communism and expropriation’ which he claimed to oppose.\textsuperscript{726} Interestingly, accusations of communism were regularly used by Brügger to answer criticisms of the CVRC project—‘Rezende is a communist!’ he used to say to journalists about the local vicar, who was also a well-known opponent of the VW-farm.\textsuperscript{727} The shadow of the Cold War seemed to hover over this anti-communist discourse, especially in the case of Brügger who, just before coming to Brazil, had


\textsuperscript{725} \textit{Ibid.}

\textsuperscript{726} \textit{Ibid.}

\textsuperscript{727} ‘Aufbruch zur letzten Grenze’. 
worked as an agronomic adviser for the anti-communist Somoza regime in Nicaragua. Supported by the U.S. and challenged by revolutionary movements, the authoritarian government of Somoza became a focus of the Cold War conflict in the late 1970s.

Nevertheless, insofar as he used this Cold War rhetoric, Brügger placed himself on one side of a battle, which was not the one described by the people and organizations (CPT, left-wing politicians, unions, local representatives) opposing the CVRC-project. These never resorted to the communism/capitalism opposition. Even the term ‘socialism’ was almost never used in their discourse. They did not defend state against private property. In fact, in the conflict involving the CVRC, they attacked far more the Brazilian federal state with its allegedly sprawling structure, than VW itself. Particularly the state agencies SUDAM and INCRA, which symbolized a technocratic and arbitrary system of decision, received their criticism. Itair Silva, a PMDB leader in Pará sympathetic to the land reform movement, stated for example that INCRA had been a pretext for the Brazilian central state to conquer and secure land for itself, and ‘appropriate 65% of our territory’.

Many components of the social movement in the Amazon, especially the CPT and the autonomous peasant movements, did not convey a discourse against private property; they rather demanded a new policy of scale. They explained that decisions regarding land use and farming production had to be taken from bottom to top. They further argued that production knowledge was possessed by those living on the soils they were cultivating and having a daily relation to the natural resources—in opposition to big Amazonian farms commanded by landlords based in São Paulo.

The idea driving the opponents of the VW-farm was that the interest of small peasants and other local inhabitants were not consulted in the making of big projects. In an interview given in 1982 the CPT-coordinator of the Araguaia diocese classified the CVRC under the series of big, useless projects in which federal money was wasted for ‘antisocial’ aims, in the sense that the productive potential and the welfare of local inhabitants were ignored. There again, he blamed above all SUDAM and the central state for having organized this model of development. Rather than attacking VW in particular, he underlined that although VW was the most visible of the subsidized farms, all the SUDAM backed projects engendered similar social issues as the CVRC did. Therefore, the conflict on the CVRC was not only a conflict against VW but also a conflict of governance model. It was, in particular, a conflict of local

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729 Brasilien Nachrichten, (78) 1983.
730 Ibid.
actors against the centralized state distributing the land almost arbitrarily through a bureaucratic, opaque system, suspected of neglecting the farming experience and basic needs of local populations.

3.3.3. From land inequalities to urban contention

The question of land inequalities permits a link to be traced between the issue of the distribution of natural resources and the problem of labor conditions in the countryside. This problem of labor conditions would later be at the core of the forced labor scandal hitting the Cristalino project in 1983. But to fully envisage the scope of actors intervening in this forced labor scandal, it is first necessary to reveal how the question of labor rights and unequal access to resources was experienced in Brazil’s industrial core, São Paulo, and its periphery. Because Volkswagen do Brasil was not only an investor in the farming sector, but also in the first place an industrial company rooted in São Paulo’s suburb, São Bernardo do Campo, we cannot ignore the upheavals that transformed the political position of the car workers in that region from the end of the 1970s. These upheavals had important consequences on Volkswagen’s status in Brazilian society.

A short glimpse at a number of demographic evolutions characterizing Brazil during the period of the military regime is enough to understand that inequalities and social disequilibria have to be looked at within an integrative framework. Indeed, the concentration of land and the drastic shrinking of stable employment in rural areas contributed to a previously unseen rural and north-south exodus between 1960 and 1980. During this timeframe, thirty-one million Brazilians fled the countryside.731 In the same period, thirteen million people, mostly rural workers, left the north-eastern states, while sixteen million immigrated to the south-eastern and most urbanized part of the country, around and within the industrial triangle formed by the three biggest Brazilian urban areas: São Paulo, Rio de Janeiro and Belo Horizonte.732

Apart from the short-lived attempt of transposing north-eastern peasants to

colonization settlements in the Amazon under the supervision of INCRA, the federal government did not act to limit the migration towards the south-eastern urban centers. On the contrary, it favored the migration movement through road building and conservative modernization in agriculture, so that an excess of workforce be available, on a cheap and flexible basis, for the country's industrialization.\textsuperscript{733} In this regard, the situation of north-eastern migrants coming to, for example, Sao Paulo, had one similarity with that of the north-easterners arriving on the Amazonian pioneer frontier: that of job scarcity and precariousness. In both cases, a majority of the migrants was spatially excluded. In the Amazon they were excluded from land property and had to live at the periphery of the latifundia, squatting illegally when they were not selling themselves as seasonal workers from ranch to ranch. In the south-eastern urban areas, they gathered in peripheral districts lacking basic infrastructure, widely known as ‘favelas’.

The automobile sector largely resorted to this available workforce. Between 1973 and 1980 the total number of workers coming from north-eastern states increased by 70\% among the employees of VW do Brasil.\textsuperscript{734} During this same period VWB’s activities changed: the production of manufactured products for the Brazilian market lost its supremacy within the range of VWB’s industrial activities, while the production of car pieces for the VW factories in Europe dramatically increased.\textsuperscript{735} This phase of orientation to export, which primarily required unqualified tasks, was accompanied by the formation of an underprivileged category of poorly protected and underpaid working places, essentially occupied by North-easterners.\textsuperscript{736} The employment conditions of the regular car industry workforce had been relatively stable in comparison to other economic sectors. But the new automobile working class built up with newly-arrived North-eastern migrants during the 1970s consisted in jobs likely to be created or suppressed depending on conjectural needs.

In spite of having better conditions than these recently recruited categories of workers, the situation of VWB’s regular workforce—in fact, the overall situation of automobile workers in Brazil—did not improve during the 1970s. The motor vehicle industry had benefited considerably from the military regime’s policy, with an average rate of expansion of 15.6\% since 1964.\textsuperscript{737} But the working class had not received its profit share. On the contrary, it seems that the industry’s high growth proceeded to the detriment of workers. First, the

\textsuperscript{733} Ibid., 43.
\textsuperscript{734} Ibid., 168.
\textsuperscript{735} Ibid.
\textsuperscript{736} Ibid.
\textsuperscript{737} John Humphrey, ‘Auto Workers and the Working Class in Brazil’, \textit{Latin American Perspectives} 6, no. 4 (1979), 73.
‘economic miracle’ had perverse consequences for their working conditions. The
generalization of extra-hours, the intensification of working timetables and the authoritarian
tendencies of the firms’ management had been the price to pay for the productivity increase
leading to economic growth.\textsuperscript{738} Second, although wages had increased regularly, they did not
keep up with inflation.\textsuperscript{739} While the Brazilian economy grew, the workers’ buying power
reduced, especially if calculated according to the amount of hours worked.

Although these circumstances fuelled a growing frustration among the workers,
discontent remained contained over about a decade and a half by a state-controlled union
structure similar to that functioning in rural Brazil. Similar to the countryside, it was mainly
the Church, which encouraged workers during the 1970s to defy the trade-unionist status quo.
Myriads of ‘base communities’ (CEB) were formed in working-class suburbs under the
patronage of priests close to liberation theology.\textsuperscript{740} These CEB helped union members in
particular to envisage new forms of collective action. Under the influence of Church precepts,
an informal union movement grew up from the basis of the existing union structures. This
grassroots trade-unionism no longer focussed its claims only on the regular, privileged
workforce, but also included the interests of precarious—often migrant—workers in its
concerns.\textsuperscript{741} This new sense of collectiveness, together with the deterioration of working
conditions and buying power in the automobile and steel sectors, composed the grounds for
the renaissance of strike movements.

In May 1978, a series of work stoppages occurred within the auto-industry, launching
a movement of massive strikes which, in spite of several ups and downs, proved contagious to
many other employment sectors and remained lively until the early 1980s. These strikes were
motored by one main claim: wage recovery to balance the inflation trend.\textsuperscript{742} Essentially
started by the trade-union's grassroots—in spite of the initial hostility of a part of the unions’
leadership, these strikes attracted historic rates of participation and exceptional shows of
strength such as the organization of several meetings in stadiums, which gathered hundreds of
thousands of participants. The industries in the state of Sao Paulo, in which almost half of the
jobs of the whole Brazilian secondary sector were concentrated, were the driving power of the
strikes, especially the ‘ABC’ Sao Paulo suburbs (Santo André, São Bernardo do Campo and

\textsuperscript{738} Luís Wendel Abramo and Roque Aparecido da Silva, ‘O Movimento Sindical Metalurgico em São Paulo:
\textsuperscript{739} Wolfe, Autos and progress, 169.
\textsuperscript{740} Margaret E. Keck, ‘El Nuevo Sindicalismo en la Transición de Brasil’, Estudios Sociológicos 5, no. 13
\textsuperscript{742} Wolfe, Autos and progress, 171.
São Caetano do Sul), where most of the Brazilian automobile plants were located.\footnote{Keck, ‘El Nuevo Sindicalismo en la Transición de Brasil’, 46.}

Embodied by charismatic leaders such as the north-eastern born Luis Inácio ‘Lula’ da Silva, this new trade-unionism, considered that only the actions of workers themselves could improve the workers’ situation. It claimed independence from state intervention of any kind. The strikers would only accept to bargain directly with their employers—a previously almost unseen practice in Brazil.\footnote{Ibid., 47-48.} The strikes also carried political messages of wider significance, such as the political empowerment of workers. Supporting the transition to a civil rights society, Lula argued that the strikes proved the workers’ will to participate in the political process and their high level of collective organization. The workers, he asserted, showed that they were ready to participate in the struggle for democratic liberties, whereas until then they were not allowed to ‘participate in anything in this country except the process of production’.\footnote{Luís Inácio da Silva, Mauri Garcia, and Timothy Harding, ‘Interview with Luis Inácio da Silva (‘Lula’), President of the Sindicato dos Metalúrgicos de São Bernardo do Campo’, Latin American Perspectives 6, no. 4 (1979), 99.} Besides, although the bigger strikes took place in foreign companies such as Ford, Volkswagen, Saab-Scania or GM, the strikers’ movement, which insisted on demonstrating its openness to dialogue with foreign executives, stood in rupture with the traditional national-populism of the Brazilian left. Lula even declared that

\begin{quote}
The only thing we want is the freedom to fight with capital, without making any distinction between national and multinational capital, because the national companies are in no way better than the multinational.\footnote{Ibid., 93-4.}
\end{quote}

In fact the ABC strikers’ movement also relied on international solidarity as a means to pressure multinational firms. The emergence of foreign trade-unionists as actors in the Brazilian workers’ movement took place in 1977, when workers' representatives in Sweden intervened to enable the creation of a union committee in the Brazilian Saab-Scania plants.\footnote{Humphrey, ‘Auto Workers and the Working Class in Brazil’, 77.} During the strikes of the late 1970s and early 1980s, the German Union IG-Metall actively supported the workers of Volkswagen and Mercedes Benz do Brasil. IG-Metall not only put pressure on the VW senior management in Wolfsburg; it also organized and financed transnational exchanges between German and Brazilian workers' delegates, so as to share
experiences, knowledge and concerns.\textsuperscript{748}

But foreign trade-unionists were not the only ‘new actors’ to make their appearance in the wave of the strikes. Concerned with gaining a reputation for expertise and credibility, the workers’ movement favored the rise of the Inter-union Department of Statistics and Socio-economic Studies (DIEESE), an independent group of researchers providing data to the trade-unions. Although it was created in 1953, DIEESE only became a major actor in the workers’ movement in 1978.\textsuperscript{749} That year it published statistical studies that received international recognition—they were used and confirmed by World Bank economists, proving that the official inflation numbers issued throughout the 1970s by the Brazilian government were false. This legitimized the strikers’ claim for wage recovery. Another actor that showed solidarity with the workers was the Catholic Church, which, under the patronage of the cardinal of São Paulo, organized successful collections of funds and essential goods to supply the strikers and their families.\textsuperscript{750} The actions of the Church, along with favorable media reports, contributed to increasing the sympathy of public opinion towards the strikers. Many sectors of the associative and political worlds (neighbourhood associations, student committees, opposition politicians) participated in providing material support to the strikers.\textsuperscript{751}

Numerous strikers and union leaders were willing to channel these new resources in terms of support, alliance, mobilization and practices within a political structure. In 1979, they founded the Workers’ Party (PT) at the left of the electoral spectrum. Its aim was to carry the unions’ grievances into politics and its base was overwhelmingly composed of working-class members. However, the PT was also formed in alliance with smaller groups distinct from the union movement, such as leftist intellectuals, ecologists, homosexual and feminist activists or liberation theology actors. The PT’s main mark of difference among the opposition parties to the military regime was its message that democratization and civil rights should not be an end but an instrument of social transformation.\textsuperscript{752}

The ABC strikes not only transformed the workers’ practices, they also transformed

\textsuperscript{748} Mário dos Santos Barbosa, \textit{Sindicalismo em Tempos de Crise: a Experiência na Volkswagen do Brasil} (Santo André: Alpharrabio, 2003).

\textsuperscript{749} Wolfe, \textit{Autos and progress}, 170; Keck, ‘El Nuevo Sindicalismo en la Transición de Brasil’, 51.

\textsuperscript{750} Maria Helena Moreira Alves, ‘Grassroots Organizations, Trade Unions, and the Church: A Challenge to the Controlled Abertura in Brazil’, \textit{Latin American Perspectives} 11, no. 1 (1984), 92.

\textsuperscript{751} \textit{Ibid}.

\textsuperscript{752} Margaret E. Keck, \textit{The Workers’ Party and Democratization in Brazil} (New Haven: Yale University Press, 1992), 40-60.
the automobile industry. Companies such as VW or Ford started to deliberately ignore Brazilian strike legislation to engage in direct bargaining instead. They had to accept the emergence of a workers' representation structure close to what the multinational companies already knew in Europe and the U.S. For many editorialists of the center-right media, key figures in the business elites and even some more liberal members of the federal government, these concessions were the logical consequences of the strikers' mature behavior, illustrated by respectful negotiations, a complete independence from communist parties and a rupture with traditional corporatist trade-unionism. Some economic actors celebrated the strikes as the much-expected arrival of 'modern, capitalist, democratic workers' as well as 'mature' unionism 'after three quarters of a century of industrialization in Brazil': it was, for them, a new sign that Brazil was becoming a modern nation. Many interpreted this modernization as the consequence of the new patterns of production and employment introduced in Brazil by the multinational car companies: Volkswagen, Ford, Mercedes Benz, GM and Saab-Scania had given birth to the modern Brazilian striker.

This analysis, however, underestimated both the workers' spirit of initiative and the resistance of some—not all—company managements to the modernization of trade-unionism. For example, Sauer's first answer to the strike movement was to set up company factory commissions controlled by the VW management. It was only under the strikers' pressure that he accepted to participate in direct bargaining with independent workers' representatives. In the end, the reputation of VW in Brazil was tarnished by the strike movement, not only because of Sauer's rigid reaction, but also because of the way the strikers, having access to the media, depicted the company's practices. Once considered a national model for social supplies and good salaries, VW was harshly pointed out by the strikers for its dangerous working conditions, the deterioration and increase in prices of the services supplied to workers, an opaque governing policy, pressure against the freedom of the press and the brutal methods of VW security guards. VW's reaction to the strikes did not help to improve this critical image. At the beginning of the work stoppages, it was the only company to call in the military police to repress the movement—both the Brazilian and the international press and trade-

753 Wolfe, Autos and progress, 173-4.
754 Ibid.
755 Wolfe, Autos and progress, 173.
unions spoke out against VW for this.\textsuperscript{757} Besides, VW roughly sanctioned the workers having participated in work stoppages, by dismissing 1300 of them in the early 1980s.\textsuperscript{758}

Brazilian trade-unions stated that out of all car companies, VW showed the most brutal reaction during the ABC strikes.\textsuperscript{759} To make matters worse, scandals circulated about VW, showing that the company had lost the confidence of Brazilians. On 16 April 1979, the \textit{Reporter} magazine in Rio de Janeiro launched a shock article in which eminent members of the Confederation of Jewish Parishes of Sao Paulo accused VWB of hiding ex-Nazis among its German executives.\textsuperscript{760} Even the German government began to have alarmed reactions to the growing disaffection of the Brazilians for VW. The federal Chancellor Helmut Schmidt himself said that he was concerned to see VW becoming a negative symbol for the Third World.\textsuperscript{761} Rolf Böhme, state secretary at the German Finance Ministry, published a text in August 1980 in which he criticized VW’s behavior and regretted that ‘German companies in Brazil are becoming synonymous with ‘Multi’, with all the negative judgments contained in this expression’.\textsuperscript{762}

The hostility against the ‘Multis’ in Brazil was becoming probably even stronger than Böhme feared because of the difficult economic context bringing Brazil to the mercy of its foreign lenders. As the new military president João Figueiredo took power in March 1979, he inherited the burdening economic consequences of Geisel and Netto’s expansionist policies. The inflation had reached its highest level since 1964.\textsuperscript{763} The debt service (sum of the interest rates service together with the amortization of the foreign debt) had taken up two-thirds of the export earnings.\textsuperscript{764} The high GDP growth rates of the 1970s had given place to stagnation. The second international oil shock of 1979 and the rising interest rates on foreign loans due to tight internal monetary policies in the U.S. caused this picture to worsen. In order to prevent

\begin{footnotes}
\item[759] PA AA, Zwischenarchiv, Bd. 116.022, Deutsche Botschaft to Auswärtiges Amt, 4 April 1979, ‘Kritik brasilianischer Gewerkschaftsführer am Volkswagenwerk’.
\item[761] PA AA, Zwischenarchiv, Bd. 116.022, Deutsche Botschaft to Auswärtiges Amt, 4 April 1979, ‘Kritik brasilianischer Gewerkschaftsführer am Volkswagenwerk’.
\item[763] Baer, Bilder, and Mc Donald, ‘Austeridade sob Diversos Regimes Políticos’, 17.
\item[764] Baer, \textit{The Brazilian Economy}, 83-85.
\end{footnotes}
the unpopular option of a recourse to the IMF, Figueiredo replied by an adjustment program, which led to a decline in investment and brought Brazil into recession in 1980. The debt moratorium in Mexico, in 1982, by domino effect, annihilated any return to confidence, which Figueiredo’s monetarist intentions were supposed to spark off on the financial market. In December 1982, Brazil had to turn to the IMF, which imposed for the following two years a tough austerity program conditioning the re-escalation of foreign loans.

The foreign financed growth of the 1970s, made possible only by double-digit interest rates and legislative mechanisms protecting foreign lenders from inflation, had made of Brazil’s debt the biggest in the world. Several former government executives held foreign banks and multinational firms as responsible for this disaster, accusing them of having maintained considerable pressure on the Brazilian state in order to push forward big project policies and massive investments in public-private partnerships. Multinational companies also fell into disgrace in middle- and popular classes, which were the most hit by the crisis, as they saw their real wages decrease from month to month due to the soaring inflation, while unemployment already affected one fifth of the active population in 1983. The credit tightening and demand drop in manufactured goods particularly affected the automotive industry, which began to launch redundancy plans one after the other. VW, for example, dismissed 10,588 workers between September 1980 and March 1981—an initiative, which did not help to improve the company’s negative image.

In the midst of the crisis, the spending of extravagant public and private funds in an Amazonian cattle ranch became increasingly complicated to justify from a social and economic point of view. Walter Barelli, the director of DIESEE, designated the CVRC in April 1981 as evidence that VW had no financial difficulties and no need to fire workers in São Bernardo do Campo. ‘We all know’, he said, ‘there is no crisis [...] in the Volkswagen farming branch, which owns a big farm in the Rio Cristalino, conquered on the basis of fiscal incentives conceded by the Brazilian government’. Six months later at the national Congress, Deputy Arnaldo Schmitt placed the state subventions to the CVRC in perspective with the sacrifice asked of the Brazilian population in the frame of the governmental adjustment programs. He said it was a shame that VW had received so many subsidies in the

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765 Ibid., 86.
766 Ibid., 87.
768 Ibid.
769 Doleschal, ‘Automobilproduktion in Brasilien und „Neue internationale Arbeitsteilung“’, 125.
Amazon, financially amounting to the earnings from the government plan to cut the rent of half a million Brazilian retirees by ten percent.\textsuperscript{771}

The gravity of the economic situation also provoked a dramatic increase in the hostility of Brazilians against VW’s best political ally, the military regime, and fuelled a previously unseen demand for democratization. In spite of an electoral law, a system of clientelistic networks and legislation regulating propaganda that were all made for securing an ARENA victory the general elections of 1982 brought an astonishing progression to the opposition parties. The latter won the majority in the federal Congress for the first time since the coup of 1964, besides electing governors in ten states, including the three richest and most populated (São Paulo, Rio de Janeiro and Minas Gerais). Brazil was on the eve of democratization and the political context becoming suitable for criticizing government–funded projects could jeopardize the future of Cristalino, as it became clear in 1983, when the grave accusation of resorting to ‘slavery’ in the Amazon was made against VW. In May, a member of the São Paulo state parliament received local reports issued by priests in Araguaia, pointing at the existence of ‘slave’ labor in Cristalino. He decided to investigate the affair by sending a commission of inquiry to the ranch. The next chapter discusses this investigation in detail.

\textsuperscript{771} Diário do Congresso Nacional. 19 de Setembro de 1978, 10933.
Many federal government officials speak today as if the violence in Pará is a direct result of its backwardness. But history tells us differently. It was the arrival of the big capitalist companies that sparked off the surge in violence.¹

Carlos Guedes, CPT lawyer, 2000


On the last day of their visit, the commission members were approached by a cowman, Eliseu Batista de Oliveira, as they were having lunch with a number of Volkswagen officials.² He was a disoriented, limping man with a flip-flop on one foot and a proper boot on the other. His eyes full of tears, he came closer to the men of the commission and explained that, after seven years of service, he had just been fired from the fazenda without being paid his unemployment compensation. He said, ‘I was fired because here there are rules which forbid using a ‘pectoral’ on the horses’. One commission member asked him what a ‘pectoral’ was, and Eliseu answered that it was a kind of metal star that he used to attach to the horse as an ornament. At this point the chief-manager of Cristalino, Brügger, who was watching the scene, intervened nervously:

The horse is skinny and needs to ride a lot over the ranch. And we do not allow the use of accessories because this hurts the animal. Our rules were made to prevent ‘them’ from using this nonsense on the horses. The worker did not fulfill the rules, so I fired him without notice.³

Indeed, the ‘pectoral’ weighed 26 kg, and, according to the farm’s veterinarian, it was a source of suffering that could jeopardize the life of the horse. In addition, the worker had been warned several times before being definitively discharged. It seems that he had only himself and his stubbornness to blame.

¹ Sue Branford and Jan Rocha, Cutting the Wire: the Story of the Landless Movement in Brazil (London: Latin America Bureau, 2002), 132.
³ ‘O cavalo anda magro e precisa andar muito pela fazenda, e nós não permitimos que usem acessórios pois isto desgasta o animal. O regulamento foi feito para que não usem essas bobagens nos cavalos, o empregado não cumpriu e eu mandei embora sem direito’: Ibid.
Curiously, this little story crossed the Atlantic and was even reported by journalists in Germany. The curiosity was so intense that even VW in Wolfsburg had to provide explanations about this case, taking it as a small example of the difficulties which can arise for an enterprise [in the Amazon], while here in Europe there are some behaviors which are self-evidently required: [...] the cowman refused persistently to comply and he received his dismissal because of animal torture.

Maybe Europeans found the story so interesting because at first sight it seemed to reproduce the cliché of a conflict between two radically different imaginaries: on one side, western culture, so developed, sophisticated and democratic that it could even afford the luxury of establishing rules about animal suffering; on the other side, the heavy weight of local, backward traditions of a Third World rural area marked by illiteracy. In this particular case it seemed that the will to follow a tradition was so strong that the worker was even ready to jeopardize his job for it.

On the one hand, the case looks tremendously ‘self-evident’—to employ the expression of VW—and the way it was resolved seems to comply with the basic principles of civilization. A worker disrespected collective rules, so he deserved to be fired.

On the other hand, there is something embarrassing in this case if one thinks about Cristalino's background. The story of the Swiss manager trying to educate Amazonian rural workers about animal rights might be coherent with the CVRC’s program of civilization. At the same time, seeing VW advocating environmentalist, pro-animal concerns while it was responsible for massive forest fires and the destruction of a large area of wildlife, might sound inconsistent. Similarly, it seems incoherent that the CVRC fired a worker because he ‘did not fulfill the rules’ of not putting an ornament on his horse, while at the same time an inquiry commission was visiting the ranch because of the suspicion that VW did not ‘fulfill the rules’ of Brazilian labor legislation. In fact, even if the commission members were not exactly insensitive to environmental problems, and—coming from a southern Brazilian, urban background—did not understand any more than Brügger did what the point was in burdening
one's horse with a 26 kg neckband, they clearly did not find the dismissal of Eliseu coherent.\textsuperscript{6} Ironically enough, they did not blame the worker for torturing his horse, but VW for following inconsistent policies toward its workers.

This chapter is precisely about that moment at which the modern discourse and the project of civilizing began to lose its consistency. What this anecdote about animal protection tells us is that at a certain point, certain practices taking place on the VW estate (slash-and-burn deforestation, tolerance of forced labor) began to move such a great distance away from VW's own modern discourse that the label of modernization legitimizing the CVRC project was no longer taken seriously. It became impossible for VW to seriously advocate that the respect of animals belonged to the ethic of a modern worker, while at the same time VW—as we will see—tolerated archaic practices of labor on its estate. I will show, in this chapter, how the CVRC project lost its legitimacy between 1983 and 1985, on the basis of a promised but not realized modernity. This loss of legitimacy was, in part, the result of protest action by a transnational network of actors, starting with the initiative of certain individuals that had been invisible until then in the CVRC modernization project: the seasonal workers and their families. The actors supporting the rights of the seasonal workers selected an angle of attack, which confronted VW and the Brazilian developmentalist institutions with their own rhetoric of modernity. To criticize the treatment of these workers, they resorted to the concept of \textit{slavery}, which designates a primitive practice supposed to stand in opposition to the modernization project. The CVRC had been constructed as a model of modernity; criticisms about \textit{slave} labor made it a symbol of archaism.

\textbf{4.1. The mechanisms of forced labor at Cristalino}

\textbf{4.1.1. Some preliminary remarks on forced labor}

‘From 1984 to 1986 Volkswagen had 700 to 800 laborers working on its estate in conditions of near slavery’: such information is inexact, or at best unverified. Not only is the

\textsuperscript{6} At least two members of the commission wrote texts in which a certain ecological sensibility is clearly perceptible. See part 4.2. of this thesis.
timeframe debatable, neither is the number of presumed victims confirmed by any reliable source and even the use of the notion of slavery (although it remains here relatively cautious) is highly arbitrary. Yet, it is a sentence from Sue Branford (1998), a serious, thoroughly investigating British reporter, author of several brilliant books on the Amazon that follow the quoting and referencing patterns of academic research.\(^7\) That hundreds of ‘slaves’ worked in the VW-ranch is presented today as an accepted and hence mostly unsourced fact in most literature on the Amazon which mentions that example. This is the consequence of a regime of forced labor that existed at Cristalino, starting very probably at the beginning of the clearing process in the mid-1970s and revealed to the public in 1983.

This regime, although it widely adopted illegal features, did not differentiate itself much in this from others; similar practices had been common in the entire farming sector of the region. Before VW was publicly accused of resorting to forced labor, various domestic firms had been implicated in similar affairs without raising public protest and media reports in the same proportions.\(^8\) Therefore, that opponents of VW brought up—and managed to legitimize—the word ‘slavery’ to describe forced labor at Cristalino tells more about how the scandal was represented in Brazilian society than about the facts at Cristalino themselves.

From April 1983 to 1986, seasonal workers reported having been held captive and being victims of violence at the CVRC. The reported facts occurred from 1980 to 1985. Most of the denunciations took place in two waves, at the end of or after the clearing season of 1983 and 1984. They were not directed precisely against VW but against smaller companies contracted by VW to clear the Cristalino estate. Workers complained explicitly about practices applied to them against their will: captivity, threats, violence, lies about future working conditions during recruitment.\(^9\) The reported facts pointed to a system of debt-bondage, often also described as ‘peonage’, particularly in studies on Latin America: a system under which an individual is indebted to an employer and forced, under pain of criminal punishment, to continue working for that employer.\(^10\) However, I will not use the word peonage because it might create confusion with the Brazilian word ‘peão’, which designates all the workers contracted by subcontractors to clear forest at Cristalino. Although in many Latin American countries the Spanish word ‘peon’ always identifies a victim of coerced bondage, in Brazil

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\(^7\) Branford and Rocha, *Cutting the Wire*, 132.

\(^8\) Figueira, *Pisando Fora da Própria Sombra*—contains as an Appendix a historical list of the fazendas accused of forced labor in the Amazon.

\(^9\) More details on these testimonies are unveiled in the next point of this chapter (4.1.2.).

‘peão’ is a largely used denomination to describe seasonal laborers. It applies as well to categories of workers employed under perfectly legal conditions.\textsuperscript{11}

Drawing from the testimonies left by the peões of Cristalino, it is possible to speak about cases of forced labor according to the official definition of the International Labor Organization, which states that forced labor includes ‘all work or service which is exacted from any person under the menace of any penalty’.\textsuperscript{12} Besides this general definition, the cases registered at Cristalino displayed other specific features often underlined in academic literature on forced labor. For example, the clearing workers at the CVRC, who left testimonies about their recruitment conditions, point out that they did not directly choose their employer. Some of them were contracted by a recruiter and then sold to an employer, others thought that they were contracted by VW while in reality they ended up working for a subcontractor; others were ‘sold’ by their subcontractor to another company, without being informed of this transaction.\textsuperscript{13} Lucassen considers ‘the freedom whether or not to choose one’s own employer’ as decisive in distinguishing free from unfree labor because it consequently implies the freedom to choose one’s labor conditions.\textsuperscript{14} Brass puts this distinction in more general terms when he defines unfree labor as a regime which sees the ‘labor power of the subject as private property, and hence as an actual/potential commodity over which its owner has disposition’ and this ‘regardless of whether this applies to employment that is either of time-specific duration […] or of an indefinite duration’.\textsuperscript{15} Such characteristics of forced labor were reported by CVRC clearing workers.

Nevertheless, it remains impossible to say in what proportion these cases existed and if this really affected all the clearing workers—most probably not. Every year, about one thousand seasonal workers (‘peões’) worked for clearing subcontractors at Cristalino.\textsuperscript{16} During the CVRC’s thirteen years of existence, VW concluded contracts with at least half a dozen clearing companies.\textsuperscript{17} The heads of these companies, who were the bosses managing the commerce of laborers and overseeing their work, were called ‘gatos’ (cats), after the

\textsuperscript{11} Martins, ‘The Reappearance of Slavery and the Reproduction of Capital on the Brazilian Frontier.’
\textsuperscript{13} See below.
\textsuperscript{14} Jan Lucassen, ‘Free and Unfree Labor before the Twentieth Century: A Brief Overview’, in Free and Unfree Labour. The Debates Continue, ed. Tom Brass and Marcel van der Linden (Bern: Peter Lang, 1997), 47.
\textsuperscript{15} Tom Brass, ‘Some Observations on Unfree Labour, Capitalist Restructuring, and Deproletarianization’. Brass, Tom and Marcel van der Linden, eds. Free and Unfree Labour: The Debates Continue (Bern: Peter Lang, 1997), 58.
\textsuperscript{16} ‘Interview mit VW-Fazenda-Chef Friedrich Brügger’.
\textsuperscript{17} Batista, ‘Relatório’.
traditional Brazilian denomination, because they trapped the workers as a cat would trap mice, and always ‘land[ed] on [their] feet’. Only three gatos were the subject of denunciations; no source that I know refers to cases of forced labor involving other gatos. Even Natal Viana Ribeiro, who was at the head of the rural trade-union in Santana do Araguaia and one of the main local actors criticizing Volkswagen’s monopoly on land, was once the boss of a clearing company contracted by VW, as I mentioned in the previous chapter. In 1983-1984, though, he collected denunciations from seasonal laborers against gatos and helped workers to defend their cases before the police and court.

What does result from the documents is that there existed a forced labor system that embraced the CVRC and other big ranches. Most probably, this forced labor system covered only a part of the subcontracting sectors used by the VW-ranch. However, several sources evidence that the two gatos most often accused of forced labor, named ‘Chicô’ and ‘Abilho’, were VW’s main subcontractors and controlled a majority of Cristalino’s forest clearers. For example, in the first half of 1983, Abilho had a team of 403 workers under his orders in the VW-ranch. This does not mean that the hundreds of laborers employed each year by Chicô and Abilho were all and permanently held captive and subject to violence. However, we can deduce from the content of the accusations brought against these two gatos that an absolute majority of Cristalino’s seasonal laborers worked under the threat of becoming captive, if they were not directly captive. In many cases, the border between free and unfree labor regime is extremely difficult to identify, as sometimes the simple fact of hearing about some harm done to another worker could lead a worker to work under moral coercion, under the fear of becoming a victim himself.

It was, generally, the forest clearers themselves who undertook to describe what life looked like for them at Cristalino. They testified after having fled the ranch or being freed from captivity. At other times, they were interviewed by farm visitors who had managed to have access to them, casually or after having insisted on being offered this possibility. In some cases the peões begged visitors from the outside to listen to their experience as captives. The declarations of this hidden army of clearing workers spread in CPT’s offices,

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18 Le Breton, *Trapped*, 3.
19 CPT Belém, 12 December 1982, Companhia vale do Rio Cristalino Agropecuária e Indústria / Andrade Desmatamento LTDA; Batista, ‘Relatório’.
20 GPTEC V5.1.14./15, 18 July 1983, Nova Barreira (Police), gato; Batista, ‘Relatório’.
21 *Ibid*.
22 *Ibid*.
newspapers, police stations, personal letters, process reports, books. Although the testifying peões often did not know each other, nor did they work for the same gato, in the same area of the ranch or over the same period, their declarations converge remarkably and give a coherent insight into the invisible fazenda of the gatos and peões. The results of a police inquiry issued in July 1983 confirmed the accusations raised by the peões against their gatos.

The available testimonies constitute a limited sample, not covering all the clearing workers who served in the ranch. Therefore, what matters beyond the facts is the dimension of the public scandal, which these facts provoked, and the symbols used by activists and journalists to construct this scandal. The word ‘slavery’ became central in the process of denunciation against VW, although it remains debatable whether this word conveniently describes the debt bondage system, which existed at Cristalino. There is no self-evident category to deal with the practices which took place in the CVRC, for they regard peripheral, seasonal and provisional forms of production, essentially the clearing labor previous to the start of agricultural production. This labor was provided by seasonal rural laborers who, at other times of the year, dedicated themselves to other activities, including independent labor.

Besides, as is underlined by Steinfeld and Engerman, in contemporary societies where unfree labor is banned by the law—as was the case in Brazil in the 1980s—it is no longer possible to resort to the binary categorization of free labor on one side, slave or serf labor on the other side, which might be available for periods previous to the legislative abolitions of unfree labor.

I have worked with the testimonies of about fifty individuals, a majority of them being peões, the rest consisting in peões’ relatives, or actors of the local life in the peões’ cities of origin or recruitment. Since a couple of testimonies are anonymous or delivered under a nickname or incomplete name—mostly for reasons of security, I do not exclude the possibility that in a small number of cases different testimonies were made by the same peão. Hence, I limit myself to giving an approximate number of the testimonies that I have used for my research. The way of citing the testimonies is detailed in previous footnotes. The testimonies were delivered by the peões or the peões’ families to the CPT personnel or to individual priests who transmitted them to the CPT. Some testimonies were registered by the local rural trade unions. They are visible in the archives of the CPT in Belém or of the GPTEC in Rio de Janeiro. Many of them are cited in the footnotes of the present text. The journalists of Brasilien Nachrichten also interviewed workers of the VW-farm (see footnotes of the present text). So also did the investigation commission set up by Expedio Soares. Labor law cases, police reports and trial reports containing peões’ declarations are also to be found in the CPT and GPTEC archives, while some of them were transcribed—in German translation—in Brasilien Nachrichten (See footnotes in the present text). Other testimonies are reported in the Brazilian press or in the following literature: Buclet, ‘Entre Tecnologia E Escravidão’; Le Breton, Trapped; Figueira, A Justiça do Lobo; Figueira, Pisando Fora da Própria Sombra.

Lucassen considers that the border between free, unfree and independent labor is often blurred in the case of landless or weakly landed rural laborers, because of the polyvalence of their activities, which often change according to the season. Lucassen, ‘Free and Unfree Labor before the Twentieth Century’, 46-7.

apprenticeship and peonage have emerged. They do not automatically fit into the polarization between freedom on one side and slavery on the other side. The category of peonage, which is probably one of the closest to the cases observed at the CVRC, exemplifies this complexity. While some authors assimilate peonage with slavery, others see in it a form of exchange of services, or a regime of patronage proper to some specific communities and only understandable within an extended framework of cultural practices.\textsuperscript{27}

How to interpret, in this context, the use of the term ‘slavery’ to denounce VW? Although historically contestable in this case, the concept of slavery was brought up by the company’s critics to create a paradox. Talking about slavery enabled them to discursively associate VW with an age-old practice that modern capitalism was supposed to end. This meant confronting modernity, a stage of development supposed to be beneficial to all human beings, with its own contradictions. The idea that slavery could have been practiced in the most modern ranch in the Amazon invalidated the promise of development once made by VW and SUDAM. It symbolized the failure of modern colonization to reform labor conditions and enhance human dignity in the region. In the specific case of the Amazon, where forced labor was held to have been a historically wide-spread practice, even after the 1888 official abolition of slavery, the Cristalino scandal pointed to a return to the past rather than a project for a better future.

The system of debt-bondage, in particular, was anchored in Amazonian labor relations. As mentioned earlier, it had famously hit hundreds of thousands of rubber-tappers since the first rubber-boom in the last third of the nineteenth century, when the Amazon world monopoly on rubber led to the expansion of the activity, boosted by the European Industrial Revolution.\textsuperscript{28} Mainly illiterate and uninformed about their own labor rights, Amerindians, Caboclos and migrant workers from the Brazilian north-east became engaged in deals with local rubber traders who acted fraudulently. The rubber-tappers received a ridiculous remuneration, often insufficient to cover the price of the transport, housing, food and working tools, which the traders charged to them once they arrived at the rubber extraction site. As workers had to tap rubber restlessly, under the constant surveillance of armed supervisors, literature named this system forced labor or slavery.\textsuperscript{29} Weakened by the collapse of the rubber economy around 1920, these forced labor networks were revived for a short duration through

\textsuperscript{29} Le Breton, \textit{Trapped}, 9.
the high U.S. demand for rubber during the Second World War. From the late 1960s, as the demand for a cheap workforce increased once again, with the establishment of big cattle ranches, timber estates and mining complexes in the region, cases of forced labor involving a similar system of workers’ indebtedness started to be reported. They were condemned within catholic parishes of rural Amazonian counties. Pedro Casaldáliga, bishop of São Felix, a prelacy located in Pará, wrote an open letter in 1972 to denounce these acts of—according to him—‘slavery’, in which he described the clearing workers of big cattle ranches as:

almost always misled regarding payment, place, working conditions, medical attendance. Having to pay even for transportation […] in the framework of a subcontracting system according to which they submit themselves […] to the frauds and abuse of the subcontractors. Once in the forest of the fazendas, without a possibility to leave. Enclosed in the ‘green hell’. Controlled by gunmen and gatos.30

Casaldáliga’s call against slavery found a relative public echo because it appeared a number of weeks after the concrete case of the CODEARA fazenda, a property belonging to the National Credit Bank (BNC) in the county of Santa Terezinha, on the Araguaia River. During a spectacular intervention, the federal police had found workers held in captivity on that farm, thus revealing to the nation the labor conditions in certain Amazonian fazendas.31 However, the controversy affecting CODEARA proved nothing compared to the scandals, which later hit multinational companies accused of similar offenses. Before VW, the first large-scale forced labor scandal since the start of Operação Amazônia happened in the frame of the Jari forest exploitation project, which was a property of the U.S. businessman Daniel K. Ludwig. In January 1973, the labor courts of Belém and Macapá, in the north Amazonian state of Amapá, received several complaints from peões asserting to have been employed and maintained by force by gatos at the Jari property, without receiving salaries.32 The affair made the headlines and provoked indignation as on 22 February thirty workers at Jari organized a demonstration to protest against forced labor, seizing the opportunity of an official visit of President Médici to the enterprise.33

Data collected by the CPT showed that between 1970 and 1993, the recourse to forced

31 Ibid., 60.
32 Pinto, Jari, 103.
33 Ibid.
labor affected at least 308 Amazonian fazendas and 85,000 workers—other sources show higher figures.\textsuperscript{34} Admittedly, research on the period between the second rubber boom and the start of cattle ranch colonization is lacking to date. But the probability is strong that, at least in part, the local networks of brokers who extorted the rubber tapped by workers so as to trade it, overlapped with the networks, which stood available to organize the clearing of big farms from the late 1960s. This possibility led the sociologist José de Souza Martins to speak about a ‘re-birth’ of local networks of forced labor at that period, made possible by the demand created through the capitalist integration of the Amazon encouraged under the military regime.\textsuperscript{35}

Most of the forced labor cases registered since the 1970s have been attributable to Brazilian companies, including significant groups from the country's industrial south-east such as the Bradesco Bank, the Banco de Crédito Nacional or the energy company, Supergásbrás.\textsuperscript{36} Violations of the labor law which occurred under the responsibility of these national groups did not raise emotion because forced labor was considered a practice to be expected in the Amazon. But the judgment was different for a multinational, which had promised modernity and been the advertising light of SUDAM. As Laak underlines, the failure of a big development project can be defined according to the project's own yardstick.\textsuperscript{37} Because VW and the Brazilian development agencies constructed the CVRC into a spearhead model, every deviation from its mission of modernization became a reason to de-legitimate it. VW, whose alleged benefits for the region had been largely publicized, was expected to help provoke a change in social standards and labor practices in the region. Instead, the company cooperated with traditional Amazonian networks of human exploitation, which could not but have negative consequences for the credibility of developmentalist ideology.

4.1.2. The forced labor system at the VW-ranch—a report

The association of VW with local networks practicing forced labor was at the core of the loss of credibility of the developmentalist project underpinning the CVRC. Again, it was

\textsuperscript{34} Martins, ‘A Reprodução do Capital na Frente Pioneira e o Renascimento da Escravidão no Brasil’, 5.
\textsuperscript{35} Ibid.
\textsuperscript{36} Ibid., 20.
\textsuperscript{37} Laak, \textit{Weisse Elefanten}, 215.
not VW directly, which submitted its workers to forced labor, but local companies legally bound to VW by outsourcing contracts. On the one side, this relationship blurred the degree of VW’s responsibility in the affair of forced labor, but on the other side it demonstrated that the presence of VW in the region, in spite of a program of modernization, willingly or unwillingly helped primitive labor networks to prosper. In this section I will explain how these networks worked, as understanding these mechanisms is indispensible before being able to discuss VW’s responsibility in the matter.

Since the 1970s, recruiters had been advertising widely in pioneer cities to engage peões for the VW-ranch. A well-known recruiter called Joaquim ‘Gringo’ da Silva even offered jobs via south-eastern Pará’s local radio channels, saying that workers at Cristalino would receive the exceptional sum of 340 000 Cruzeiros for clearing 2.5 hectares of pasture—the legal minimum salary in Brazil being about 30 000 Cruzeiros per month at the time. He used to claim that the VW-ranch paid better than any other fazenda and that, exceptionally, the company offered transport to the workers. He announced this same advertisement over a loudspeaker while driving in the streets of the Amazonian cities he frequented to find workers. The establishment of the German firm in southern Pará represented a great opportunity for him and his competitors. Throughout the whole area these ‘brokers’ sold the ‘fazenda da Volkswagen’, ‘fazenda da Volks’ or ‘da Wolks Wagen’ to jobseekers. They made use of the company’s modern reputation, synonymous with good development, entrepreneurial success, and an abundance of jobs. The name ‘Volkswagen’ was indefectibly linked to a symbol of social ascension: ‘getting a car’, at a time in which millions of rural workers were looking at the supposed better living conditions in the southern metropolis of Brazil. Brokers used the magic VW acronym even if eventually they sometimes sent the workers to fazendas which had nothing to do with the CVRC.

The mass effect created among potential workers at the evocation of Volkswagen fitted the recruiters’ techniques perfectly, as they did not go from town to town to pick up one or two workers but rather tried to ‘catch many fishes in the same net’. They enrolled the workers in big groups and put them in small trucks which they drove to the place of transaction. This technique of group catching was made possible by the habits of the workers

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38 Ibid.
39 GPTEC V7.10.2., 21 May 1984, Paraíso do Norte (Police), peão.
40 ‘A Lei Do Gatilho’
41 GPTEC V7.28.1., 17 August 1984, Conceição do Araguaia (District Court), peões (3).
42 CPT Belém, November 1983, Rio Maria (STR), Carmo; GPTEC V9.54.3., Roziers to Pessek, 6 May 1987.
43 CPT Belém, 7 July 1981, Novo Plano (CPT), Silva, Gomes.
themselves, who used to look for jobs in teams and give each other word when they learned about a working opportunity in a fazenda. The future forced laborers were often enrolled with friends, colleagues or cousins accompanying them: the migrants’ personal networks were the nets in which they ended up being caught.\(^{44}\)

Once ‘recruited’, workers were sold to gatos, who were central actors in the Amazonian forced labor networks. VW worked with six different gatos employing between 500 and 1000 seasonal workers, depending on the season. Contracts were signed for only one season—about six months, usually from January to June- and renewed on a fluctuating basis.\(^{45}\) The best known and most contested sub-contracting company was the Andrade Desmatamento LTDA, run by the gato, Francisco Andrade Chagas, usually called by his nickname Chicó.\(^{46}\) Two other gatos of dubious reputation, working partially in collaboration with Chicó, offered their services to VW. Abílio Dias Araújo (‘Abílio or Abilho’), a ‘big man’ who liked to ‘wear checked t-shirts’ and sported ‘a gold chain with a crucifix’, had been working with the CVRC almost since the ranch was launched.\(^{47}\) The third accused gato was called Hermínio, but he is mentioned only in a few testimonies or letters.\(^{48}\)


\(^{45}\) CPT Belém, 12 December 1982, Companhia vale do Rio Cristalino Agropecuária e Indústria / Andrade Desmatamento LTDA.

\(^{46}\) Ibid.

\(^{47}\) GPTEC V5.1.14./15., 18 July 1983, Nova Barreira (Police), gato; Le Breton, *Trapped*, 62.

In the sources and the literature this individual is designated as ‘Abilho’, ‘Abilo’, ‘Abilio’, ‘Abilão’, ‘Abilião’ or ‘Abilhão’. In this text I use different spellings depending mostly on the way it is used in the source I am referring to—I say ‘mostly’ because in some cases the name is even written with two different spellings in the same source. Since most of the sources for this chapter are transcriptions of oral testimonies and due to the high illiteracy rate of the region at the time, this problem of name spelling also shows up for other appellations (ex: ‘Chicô’, ‘Chicó’ and ‘Chico’/ ‘Rezende’, ‘Resende’/ or even town names: ‘São Felix’/ ‘São Feliz’)

\(^{48}\) CPT Belém, Abreu to Gama, 5 December 1986; Batista, ‘Relatório’; GPTEC V5.1.14./15., 18 July 1983, Nova Barreira (Police), gato.
Just as Volkswagen resorted to various clearing firms, the gatos offered their services to several big ranches in the region, which means that they could not be permanently present at Cristalino. As for the supervision of the workers, the gatos would delegate their power to heavily armed ‘subgatos’. Each of the subgatos was responsible for a group of workers. The main gatos in south-eastern Pará knew each other and collaborated together, agreeing to ‘share’ the available demand of big fazendeiros for a clearing workforce. They could also buy or sell groups of peões to each other. Araguaia gatos were often bound through strong ties of family or friendship. Abilio’s nephew was one of Chico’s gunmen. Chicô used to work with his brothers Batista and João, who both served as recruiters of peões. Chicô was also the stepbrother of another powerful gato of the area, Walter. As for Abilio, he used to make ‘verbal contracts’ with hotels offering rooms to laborers in search of a seasonal contract. These hotels, located in recruiting towns such as Nova Barreira, Campo Alegre or Barreira-Velha, in Pará, served as a basis of recruitment for Abilio.

These links often extended to a whole local oligarchy, since the gatos enjoyed personal support within public authorities, as a guarantee for the prosperity of their business. Hermínio, for instance, was the stepbrother of Francisco Gomes Dantas, elected representative of Rio Maria, a key town in the recruitment of forced laborers. Local policemen also knew the gatos well and it was not rare that they would bring back a fugitive peão to his working place and hand him back to his gatos. The gatos were famous personalities in the pioneer front regions. Not only did the authorities know them, but so also did the population. With poor literacy and lacking the basic legal knowledge to correctly administer their enterprises, the gatos built their entire reputation on violence. Everybody ‘knew’ what they were capable of

49 Source: Miguel, ‘Empresa Nega Denúncia de Escravidão’.
50 Ibid; Batista, ‘Relatório’.
51 GPTEC V6.3., 1983, CPT, peões (2).
52 GPTEC V5.1.21./22., 18 July 1983, Nova Barreira (Police), peão.
54 CPT Belém, 6 July 1983, CPT, Lima.
55 GPTEC V5.1.14./15., 18 July 1983, Nova Barreira (Police), gato; GPTEC V5.1.12., 18 July 1983, Nova Barreira (Police), relative (gato). For the location of the towns, see the MAP 1 (Chapter 2) and MAP 3 below.
56 CPT Belém, November 1983, Rio Maria (STR), Carmo.
57 Batista, ‘Relatório’; Figueira, ‘Por que o Trabalho Escravo?’, 32.
58 Miguel, ‘Empresa Nega Denúncia de Escravidão’.
and this lay at the core of their influence and impunity.\textsuperscript{59} In 1984, the CPT coordinator of Santana do Araguaia wrote about Chicô and Abílio that: ‘One just needs to go through the region to hear many people talking about them in panic and with a low voice’.\textsuperscript{60} The gatos themselves used this reputation of violence to blackmail whoever would attempt to defy them. Chicô, for example, declared to the mother of a peão who had died in strange circumstances on the VW-ranch:

They’re saying around about that I am guilty for this, but they’d better not mess with me, ‘cause I’m a rich man and I can give money to anyone I want, stab another one and then cross the Araguaia to the other side.\textsuperscript{61}

It was said that Chicô ‘used to kill peões’ and this reputation spread among the local populations in the pioneer cities.\textsuperscript{62}

Precisely because the people of the region normally knew the reputation of the gatos and heard about what they did to the workers, most of the peões did not come from the local population but were recruited among migrant laborers from poor regions of Brazil.\textsuperscript{63} These migrants came from the north-east of the country, states neighboring Pará, or the neighboring counties or close towns situated at a couple of hundred kilometers from the VW fazenda. Indeed, in a giant territory such as Pará—three and a half times bigger than Germany—it was difficult for information to circulate between two or three different counties—a county’s surface being comparable to one or two big German federal states. The gatos of Cristalino preferred to recruit peões outside the county of Santana do Araguaia, where job seekers did not know the gatos’ reputation.

The peões were usually between 16 and 40 years of age. They had been attracted to the pioneer regions by the rumor that in the now developing Amazonian forest everything was possible and everyone could try his luck. They were landless peasants, sometimes with a family to support, and believed in the idea that this region contained land without men for

\textsuperscript{59} ‘A Lei Do Gatilho’.
\textsuperscript{60} Brasilien Nachrichten, (84) 1984. Confirmed by GPTEC V.7.16.2., 12 July 1984, Paraíso do Norte (CPT), relative.
\textsuperscript{61} ‘Andam dizendo que sou culpado disso, mas é bom não mexerem comigo, pois sou um homem rico, e posso dá dinheiro para qualquer um meter a faca no outro e depois passar para o outro lado do Araguaia’: GPTEC V6.50., 5 September 1983, Barreira do Campo (CPT), relative.
\textsuperscript{62} Note: The Araguaia was the river separating the state of Pará from the state of Goiás and bordering the main pioneer cities, about 70 kilometers east of the VW-ranch.
men without land. Yet, since the state privileged the development of huge monoculture properties over a policy of distribution of small plots, their life often consisted in going from pioneer town to pioneer town to see if any fazenda of the area was in need of help to clear its terrains.64

The fact that the victims were migrants—actually a common feature in modern forms of captive labor throughout the world—meant that they had very little information about the functioning of forced labor networks in the regions—if they knew of the existence of forced labor at all.65 Thus, they could be trapped more easily than locals. It also implied that they had no dense social network —family, close friends—sufficiently close to the fazenda to assist them or avert the police, the CPT or the trade-union in case of trouble. Thus, the prosperity of forced labor networks was directly linked to the waves of immigration indirectly drawn to the Amazon by the official colonization policy.

The gatos used to look for workers in the cities: Conceição do Araguaia, Redenção, Canabrava, Nova Barreira de Campos, Velha Barreira de Campos, Paraíso do Norte or elsewhere.66 These were points of recruitment, located at the edge of the Amazonian forest, where job seekers knew they could be taken on. These towns did not have to be situated in the direct neighborhood of Cristalino. Some of them were even located in other states, mostly in the north of Mato Grosso, the next southern state after Pará, or in Goiás, bordering the eastern part of Pará.67 These were Amazonian areas as well, characterized by a high employment demand because many migrants—‘men without land’—were situated in these places.68 After having been convinced to work for VW, the workers were usually brought to the town closest to the ranch, namely Santana do Araguaia, a ‘platform’ for workforce purchase that played a role for many fazendas in the county. In April 1984, Abilio ‘bought’ forty-three people for the CVRC in Santana, from the recruiter, Gringo, for the price of 40 000 Cruzeiros ‘per head’.69 Gringo was the main recruiter cited in the diverse testimonies of peões who had worked in the VW-fazenda.70 Chico’s brother Batista was also a key-recruiter, as appears for example in the

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65 Kevin Bales, Disposable People. New Slavery in the Global Economy (Berkeley: University of California Press, 1999); Figueira, Pisando Fora da Própria Sombra.
66 Batista, ‘Relatório’
67 Part 2.1.4. of this thesis (maps).
68 21 May 1984 Paraíso do Norte (Police), peão.
69 Ibid., confirmed in an internal communication from the police headquarters in Paraíso do Norte. GPTEC V7.12.1., Delegacia de Policia de Paraíso do Norte to SESP, 28 May 1984. Note: At the time the minimum salary in Brazil was 30 600 Cruzeiros per month – Brasilien Nachrichten, (81) 1983.
testimony of a veteran peão from the CVRC: ‘One day I overheard Batista boasting to Chicô about how he had bought us, like a herd of cattle. I was really scared when I heard that.’ The job of men such as Gringo and Batista was to ‘herd’ workers and sell them to bosses like Chicô or Abilio.\(^{71}\) The trafficking was based on solid relations, as Gringo himself told the police in 1984 when he said that Abilio was an ‘old fellow’ who begged him to find rural laborers to work at the ‘Volkswagen fazenda’.\(^{72}\)

**MAP 3—pioneer towns around the Cristalino fazenda**\(^{73}\)

\(^{71}\) ‘A Lei Do Gatilho’; 21 May 1984 Paraíso do Norte (Police), peão.

\(^{72}\) Ibid.

Peões generally had no idea about the illegality of their recruitment. They concluded an oral agreement with the broker that they considered a ‘contract’ and claimed had been ‘signed verbally’. The ‘contract’ included the quantity of work, the remuneration and the working conditions, which were always considerably embellished. It also contained promises of advantages that sounded extraordinary for a seasonal contract, such as the provision of healthcare for the worker’s family. Many of these contracts were false, as appears in this example of the peões’ later testimonies:

They told us that there everything would be for free, that nobody pays the hospital […]. Everything was false. Once you’ve crossed the Araguaia, everything begins to be crappy, and you keep on starving.

Brokers even lied about the nature of the work, as they did to the workers Sabino and Adail in the mid-1980s:

I [Sabino] am 48 years and I've been working 18 years as a mason, I am married and I have eight Children. I live in Gurupí, Goiás […] I made a contract [with Joaquim Gringo da Silva] to build two houses for Mister Abilão [Abilio]. We made a contract foreseeing the building of one house and the renovation of another house. But since we’ve been here, we are doing clearing work.

It was also during the enrollment phase that the mechanism of debt captivity was launched. An ‘advance’ of cash was distributed to the workers which, in reality, would serve as an initial debt on their arrival in the fazenda. Rapidly, this debt turned out to be the first reason to keep them clasped within the forest. The following example, related in a court audience report, is typical of how the mechanism of fraudulent indebtedness used to proceed at Cristalino:

The deponent was in the locality of Canabrava, […] Mato Grosso, as […] a gentleman known as Batista arrived and invited him to work in the fazenda of Volkswagen [SIC!], under the following conditions: […] expenses for travelling, food and medicine, everything would be paid by Batista, and the work to be done

74 Figueira, ‘Por que o Trabalho Escravo?’, 34.
75 21 May 1984 Paraíso do Norte (Police), peão; Batista, ‘Relatório’.
76 Ibid.
77 ‘Eles prometem [que] lá é tudo dado, o hospital ninguém paga nada […]. Tudo falso, quando atravessa o Rio Araguaia prá lá começa a fazer ruindade, a deixar passar fome’: CPT Belém, 1 July 1981, CPT, Silva.
78 ‘VW Farmarbeiter kommen Zu Wort (Interview), Brasilien Nachrichten (93) 1986. A similar example is reported in CPT Belém, Keith Hayward, 25 March 1985, ‘Relatório de uma Visita ao Interior dos Estados de Goiás e do Maranhão’.
in the fazenda would be the clearance of 20 alqueires [2.42 hectares] paid at 20,000 Cruzeiros for each alqueire; [...] the deponent, as he arrived in the fazenda, observed that everything was different from what had been agreed on, in fact even the travelling price, worth 42,000 Cruzeiros, was deducted [from the deponent’s pay] and Mr. Batista, who had made a contract with the deponent, transferred to his brother known as Chicô all the engagements made to the deponent; [...] the deponent stresses that he was contracted [...] for clearing 20 alqueires, but after they arrived at the work place he was forced to process the clearance of items that were not part of the oral contract made with Mr. Batista [...]; the deponent worked in the fazenda from January to April and never had any remuneration, for his remuneration was consumed by the exorbitant prices of the [subsistence] goods furnished [on the farm], so that the deponent always found himself debtor to the canteen [the gato’s store for food, work tools, clothing and health items].

When he arrived at Cristalino, a peão who was a victim of this system already owed a cash advance to the gato, plus, often, the price which the gato had paid for him to the broker—around 40,000 Cruzeiros. Then, the peão had to buy his work material and clothes and, from day to day, the food and basic goods he needed to survive at the gato’s ‘canteen’ or ‘pharmacy’. Prices were relatively high—about twice the regular prices charged in the official CVRC canteens, so that the amount due by the peão to the gato always exceeded the peão’s salary, and the debt of the peão was maintained or increased. In the end, rather than being paid, the laborers were working to pay the price of their own captivity as is made clear in the reported words of one worker in 1983:

He said that he was working only to pay debts, which could be summed up in: a pair of jeans, a pair of flip-flops and some food. He had been restlessly working for nine months, cutting wood, deforesting [...] and he could not go out of there.

79 ‘[...] que o depoente encontrava-se na localidade da Canabrava, município do Luciára, estado do Mato Grosso, quando determinado dia, apareceu um sr. Conhecido por Batista, e, o convidou a trabalhar na fazenda da Wolksvagen, em seguintes condições: transporte, digo, despesas de transportes, alimentação e medicamentos, tudo por conta do Batista e trabalho a ser feito na fazenda seria um roço de 20 alqueires, a razão de Cruzeiros. 20,000 por alqueires; que o depoente ao chegar na fazenda observou que tudo era o inverso do que tinha combinado, pois até a conta de viagem no valor de Cruzeiros 42,000 lhe foi retirado e o Sr. Batista, que havia contratado, passou toda a responsabilidade assumida com o depoente para o seu irmão conhecido por Chicô; que o depoente ressalta que foi contratado para uma derubada de vinte, digo, para uma raçada de vinte (20) alqueires, mas só chegarem no local de serviço foi obrigado a proceder derrubadas de item que não constava no contrato verbal feito com o Sr. Batista, mas que o depoente foi obrigado a cumprir porque não tinha outra alternativa: que o depoente trabalhou na fazenda de Janeiro a Abril e nunca teve saldo, uma vez que o seu saldo era consumido pelo preços exorbitantes das mercadorias fornecidas, fazendo com que o depoente sempre se encontrava em débito com a cantina: ‘CPT Belém, Juízo de Direito da Comarca de Conceição do Araguaia, 12 December 1985, ‘Termo de Audiência’.

80 ‘A Lei Do Gatilho’.
81 Batista, ‘Relatório’.
82 CPT Belém, 1 July 1981, CPT, Silva; GPTEC V7.28.1., 17 August 1984, Conceição do Araguaia (District Court), peões (3).
83 ‘Dizia ainda que trabalhava apenas para pagar as dívidas que se resumiam um uma calça de jeans, um chinelo e alimentos. Trabalhava há 9 meses incansavelmente, cortando madeira, desmatando, [...] e não podia sair de lá’.

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This state of captivity was not only guaranteed by the feeling of debt in which the workers themselves were mentally stuck. It was also made possible by a strict control exercised by the gatos’ corporation. At the doors of the CVRC the new workers were meticulously inspected and any object that could be used as a weapon was confiscated, even the personal knife that every Amazonian man carries in his pocket. They also had to submit to a blood test, in order to check if they had malaria. But as it later appeared that the fact of catching malaria made no difference in the treatment received by and the amount of work demanded of a worker, it is obvious that the test was first and foremost a signal to the men: from the moment in which they entered the ranch, their bodies would be submitted to intensive control. Administrative formalities were considered useless by the gatos; the peões did not even have to show their IDs or their ‘carta de trabalho’, although legally this should have been compulsory for seasonal recruitment. The only important thing was that the body of the worker became captive and its physical force directed to the clearing operations, during which the peões were constantly watched by overseers pointing guns in their direction.

If peões were victims of coercion to labor, it was always on a seasonal basis. Rather than keeping them in his service when there was no demand from VW, at a certain point the gato would decide arbitrarily to liberate them, mostly at the end of the clearing season. Most often, the peões would go away with empty pockets and walk hundreds of kilometers through the jungle before reaching the next town. Sometimes the gato demanded that the ‘debt’ of captivity be paid until the last cent after liberation. In this case the gato, or sometimes a ‘broker’, would go to the peão’s home, threaten his family and steal some valuables or furniture.

Sometimes—for example, if a peão had collaborated with the sub-gatos by assisting them in overseeing his ‘colleagues’, but also in the case of particularly ‘satisfying’ work, or even thanks to exterior help for paying the peão's debt—a worker could be liberated on the order of the gato. The content of the two following ‘letters of enfranchisement’ (‘Cartas de

Batista, ‘Relatório’.
84 Figueira, *Pisando Fora da Própria Sombra*, 341-2. Just as the gatos, the peões were often unaware of the illegality of the system of forced labor based on ‘debts’. They often even felt morally obliged to work until the debt was paid.
85 CPT Belém, 1 July 1981, CPT, Silva.
86 Figueira, *Pisando Fora da Própria Sombra*, 341-2; ‘VW Farmarbeiter kommen zu Wort (Interview).’
87 The ‘carta de trabalho’ was a legal and obligatory labor document.
88 CPT Belém, 7 July 1981, Novo Plano (CPT), Silva, Gomes.
89 21 May 1984 Paraíso do Norte (Police), peão.
*alforría*), sent by a supervising gunman to his superiors (the gatos), constitute one of the pieces of evidence that there existed a system of unfree labor in Cristalino even after the year 1983 in which the scandal was made public:90

Wolks [N.B.: Volkswagen] 12/07/84  
Mr. Abilio  
I write you these lines and it’s just to inform you that this young man has been freed. ’cause he’s already fixed up all his debts here with us. Nothing else here everything's fine. Ass. Luis Felipe.  
Luizão

Wolks 12/07/84  
Mr Adão  
Good afternoon  
I ask you to free these 4 men for they've already liquidated all their debts in the fazenda. Nothing else.  
Grateful,  
ass. Luis Felipe

From their recruitment to their possible liberation, the victims passed through living and working conditions marked by control, violence and isolation. On their first day the peões were taken to live in what they called the gato’s ‘canteen’.91 In 1984, Abilio’s canteen, for example, was located 87 kilometers away from the fazenda entrance. The fazenda had an area of 1,400 square kilometers and the gatos’ canteens seasonally changed location according to the parts of the fazenda being cleared. They found themselves living in thatch shelters or in huts of black tarpaulin, if not plastic, covered with palm sheets and sleeping in hammocks. Three dozen men would sleep in the same barrack.92 They were physically isolated from the outside world, only rarely having contact with anybody other than their colleagues, the gato and his gunmen. It is important to stress that many of the peões never saw any VW staff. The CVRC private security police did not have much idea of what was happening in the gato’s

90 ‘Wolks 12/07/84  
Sro (SIC!) Abilio  
Fasso-vos (SIC!) somente estas linha e so (SIC!) para lheis (SIC!) avizar (SIC!), que este rapaz, foi liberado. Pois já acertou todos seus debitos (SIC!), aqui com nosco (SIC!). Nada mais aqui Tudo Bem.  
Ass. Luis Felipe  
Luizão

Wolks 12/07/84  
Sro (SIC!) Adão  
Boa tarde  
Pesso-vos (SIC!) liberar estes 4 homens pois já liquidaram todos os seus Debitos (SIC!) na Fazenda. nada mais.  
Agradecido  


92 ‘VW Farmarbeiter kommen zu Wort (Interview).’
business and canteen, so at least they said. Only when a peão was close to death would he sometimes be sent to the fazenda hospital, but this happened very rarely, despite the frequency with which peões fell gravely ill, as a result of their living conditions. The water they drank was, for example, very dirty, ‘black with mosquitoes on the top’.

Mosquitoes were the daily plague of the peão. Of course, the jungle was not a welcoming atmosphere and workers were exposed to a harsh climate, the occasional threat of jaguars, snakes and constant presence of wasps, but mosquitoes were the most dreaded since they carried malaria. Peões frequently caught malaria at Cristalino, some of them died of it. The hygiene and health promises made in the glittering VW brochures did not exist in the gatos’ enclaves of Cristalino. If a peão fell ill he had to pay for his medicine at the gato’s pharmacy and this then became part of his ‘debt’ of captivity. If he still had the strength he could drag himself some forty or fifty kilometers further to the VW hospital, as did José Camilho Da Silva, taken pity on by ‘Valder’, the CVRC doctor:

Valder, the chief of the hospital told me that I should go home because [at Cristalino] there was no medicine to cure me. The remedy they had there was poisoning me, I couldn’t take it anymore. He was sorry and did this act of charity. […] It is Valder who paid my travel back, who gave me 700 Cruzeiros. […] I arrived in Goiás, almost dead, very swollen and spent six months in the hospital. I spent 90 000 Cruzeiros to cure myself.

José was lucky to find support outside the working areas controlled by the gatos. His seventeen fellow team-members did not have this luck. They were freed by the gato all at the same time, but they did not receive any money and had to leave all their valuable goods at the canteen. Their only way back home was by foot, hundreds of kilometers through the rain forest. José said he never heard anything about them again.

The peão’s work was to prepare the terrain for cattle-raising. They did the job of deforesting. They worked twelve to fourteen hours a day and seven days a week.
them stated, the peões, who were victims of forced labor ‘were in prison from Monday to Monday, many times without eating’. Although mechanical equipment was promised during their recruitment, the peões were given only axes for the groundwork. Eventually, the job of felling big trees would be finished with chainsaws, but basically there was little technical investment, which stands in sharp contrast to the VW’s high-tech cattle-raising methods.

The work was hard and exhausting. Since it was not remunerated, its motivation was the fear of violence. Physical violence was the central element holding the forced labor system together, because the fear of violence prevented the workers from fleeing, as was pointed out, two decades later, by Ribamar, a former peão:

After we had been there for a while we began hearing stories about people disappearing or getting beaten up. […] We began to be afraid that we’d never get out of there. Maybe they’d shoot us in the back. Maybe they’d burn us to death and throw our bodies in the river.

It appears in the testimonies that not all the peões of the CVRC felt they had personally been victims of physical violence. However, all the testifying peões saw violence practiced on others, or at least heard that bad things had happened not far from where they were. According to Souza Martins, who made systematic studies on debt bondage including hundreds of Amazonian fazendas from the early 1970s to the early 1990s, the exposure of violence was a triggering moment in the captivity. It was used by the gatos to dissuade the peões from fleeing, and functioned in many cases as the starting point for the peões’ ‘awareness of unfreedom’. According to Martins,

The awareness of unfreedom emerges when the gunmen at the farm show their weapons, or in front of others torture workers who have tried to escape without paying their debts. […] The object of such actions is precisely to heighten the awareness of unfreedom, since it is by this kind of demonstration that other peões are terrorized and dissuaded from running away.

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101 CPT Belém, 1 July 1981, CPT, Silva.
102 Le Breton, Trapped, 154.
103 CPT Belém, 26 June 1983, Conceição do Araguaia (CPT), Ribeiro. GPTEC V.5.1.15./16./17./18./19., 18 July 1984, Nova Barreira (Police), peões (5).
Violence began with symbolic humiliation, such as a gato forcing a peão to chew the tip of his gun in front of the others, or a peão being tied naked to a tree.\textsuperscript{105} It could then reach the stage of sexual aggression, or more often a punch-up. One peão, for instance, described how he had been ‘trampled on by Chicô’s gangsters’. Another saw the gato beating his companions, breaking their teeth, sending them to the VW hospital and after a few days ‘putting them back in the wild forest’ to work anew.\textsuperscript{106} Four cases of murder, described in numerous testimonies, were registered by NGOs and exposed in the media.\textsuperscript{107} Relying on some testimonies, the CPT concluded that these deaths were probably the result of prolonged beating.\textsuperscript{108} However, since these cases have always been denied by VW personnel and never been judged, I chose not to mention them in detail in this report.

As the first peões who fled from the fazenda began to speak freely about violence, testimonies flourished that described the VW-ranch as a true hell. All sorts of terrible stories were spread about the place, so many that it is sometimes difficult to separate fact from fiction. In this regard, VW was a victim of its international fame. Some dark anecdotes about the region’s fazendas were projected onto Cristalino, even when the events described in these anecdotes might sometimes have happened in places other than the VW property. For example, the president of the rural trade-union in the county of Santana do Araguaia stated that the fazenda personnel had left a small child to die without care, and that his parents, two fazenda employees, had to bury him under the bushes in the middle of the jungle.\textsuperscript{109} He would spread this story without furnishing any detail about when, how and under whose responsibility this had happened.

It was as if VW had to stand for all the negative consequences of the extension of the ‘ox frontier’ (the progression of cattle colonization) in the Amazon. The fact that the company had positioned itself as a pioneer of modernity had intensified demands and created a tendency among local actors active in the labor movement to be on the watch to catch any possibility of criticizing the CVRC. The CVRC, unlike the other big capitalist farms in Araguaia, had a name, a logo, an identity, because VW and SUDAM wanted to make a showcase of this ranch. Most of the other Amazon investors had made the choice of semi-

\textsuperscript{106} CPT Belém, 26 June 1983, Conceição do Araguaia (CPT), Ribeiro.
\textsuperscript{109} Batista, ‘Relatório’
anonymity: company bosses stayed in Sao Paulo and, unlike Sauer, never came to visit their ranch. They hid so as to decline responsibility in case of labor or land conflicts. Only a few people knew that the CODESPAR fazenda was a property of the National Credit Bank, that Bradesco owned 60 000 hectares in the south of Pará or that Suiá Missu belonged to an Italian gas company. VW became the face of forced labor because it was the only visible logo around.

That there was latent violence on the farm was, however, recognized by the gatos themselves. They claimed that the workers sometimes deserved correction for their undisciplined behavior.110 When the commission investigators from São Paulo asked Abilão if the gatos really practiced violence on the workers, he answered: ‘Of course we beat them!’111 Gatos had rather vague ideas of the line between legality and illegality.112 Chicô and Abilão did not seem to perceive their activities as criminal, and were convinced that, as ‘creditors’ of the workers’ debts, they had the right to keep them captive. Hence the gatos often gave honest answers to the questions posed by investigators. It is striking to see how, in documents produced during the same period, VW continued to deny publicly what the gatos themselves confessed spontaneously: namely that ‘debts’ and violence served as psychological and physical means of pressure to make the peões work at Cristalino.113 Brügger, who knew Chico and Abilio ‘personally’, even described, in an interview of 1984, the two men as the ‘best gatos in the region’.114 Only a few weeks after this interview with Brügger, Abilio was arrested by the police with his four gunmen during a rescue operation of one hundred captive peões, in a fazenda belonging to a Brazilian group.115

Looking in from the outside, given the criminal behavior of gatos such as Abilio, one might well ask what led peões to accept such dubious job offers. As mentioned, above, it was often because they had a family to feed.116 This also means that there were people waiting for them and worrying about them during their stay in the fazenda. As one peão said about his experience at the CVRC, ‘the family suffered a lot, all my children stopped going to school, they all lost one year and thought I was dead’.117 The journalist Binka Le Breton also interviewed a mother who, twenty-five years later, reported how frightened she was when her

110 Ibid.
111 ‘Escravidão e Tortura na Fazenda Da Volks’
112 Figueüra, Pisando Fora da Própria Sombra, 341-2.
113 Batista, ‘Relatório.’
115 Brasilien Nachrichten, (84) 1984.
116 21 May 1984 Paraíso do Norte (Police), peão.
117 Ibid.
son spent some months on the VW fazenda, especially because she had heard so many unpleasant stories about that place.\textsuperscript{118}

People would look actively for ways to contact their father, husband or son living on the VW-ranch. The luckiest families would receive letters from the workers. Sometimes these letters expressed the desperate situation of their captive authors.\textsuperscript{119} Sometimes they hid the real conditions at Cristalino while indirectly suggesting them.\textsuperscript{120} However, most of the families did not receive any news. One father said he was so desperate, that in August 1980 he traveled from his home in Goiás to Cristalino in order to talk to his son.\textsuperscript{121} But fear of the gato, who stood close to them with a weapon, impeded them from exchanging any words.

Often the family would look in town for the recruiter or the gato, since both men travelled regularly from the fazenda to the frontier cities.\textsuperscript{122} These men, in spite of their frightening reputation, were seen as the only connection between the jungle and the exterior world.\textsuperscript{123} They would tell the family that the peões could leave the forest only after they finished paying their debts, or they would invent a lie to justify the prolonged absence of contact of the peão with his family.\textsuperscript{124} In one case a peão had ‘verbally signed’ an oral contract stipulating that the clearing company would provide money for his wife while he would be working at Cristalino.\textsuperscript{125} The wife came several times to Chicô, asking for the money, but Chicô always answered that he did not know her husband. Once in the fazenda, he would swear to the peão that he had paid his wife as agreed. The worry that something might happen to their family, as well as the shame of returning home without money, were factors contributing to the peão’s remaining at the CVRC. At the same time, the families’ actions played a crucial role in revealing what was happening at Cristalino. Family members often went to the police or the organizations protecting rural workers, precisely because they did not receive information about the peões.\textsuperscript{126} One spouse of a captive peão even travelled as far as Brasília to report to the Labor Ministry about her husband’s situation.\textsuperscript{127}

\begin{itemize}
\item \textsuperscript{118} Le Breton, \textit{Trapped}, 154-5.
\item \textsuperscript{119} GPTEC V7.13.1., Nascimento to Alice, 3 June 1984; V7.13.3., Cirqueira to Cirqueira, 3 June 1984.
\item \textsuperscript{120} CPT Belém, Silva to Silva, 23 September 1980.
\item \textsuperscript{121} CPT Belém, 7 July 1981, Novo Plano (CPT), Silva, Gomes.
\item \textsuperscript{122} 28 May Paraíso do Norte (Police), relative.
\item \textsuperscript{123} GPTEC V7.17.6., Paraíso do Norte (CPT), relative.
\item \textsuperscript{124} ‘\textit{A Lei Do Gatilho’}.
\item \textsuperscript{125} GPTEC V6.58.1., November, 1983, CPT, peão; and a similar case in Batista, ‘Relatório’.
\item \textsuperscript{126} CPT Belém, 7 July 1981, Novo Plano (CPT), Silva, Gomes; November, 1983, Rio Maria (STR), Carmo; 28 May Paraíso do Norte (Police), relative, in \textit{Brasilien Nachrichten}, (84) 1984; GPTEC V7.17.5., 12 July 1984, Paraíso do Norte (CPT), relative.
\item \textsuperscript{127} GPTEC V7.28.1., 17 August 1984, Conceição do Araguaia (District Court), peões (3).
\end{itemize}
Peões were often helped by relatives, priests or trade-union activists, as we will see later in detail. Nonetheless, it would be wrong to envisage the peões as mere victims immobilized by misery or fear. In spite of the high risk of physical punishment there were—failed or successful —attempts to escape from the work at the VW-ranch. In this respect, the rain forest with its thick vegetation was both a risk and an opportunity. In order to leave the fazenda and reach the next town it was necessary to walk hundreds of kilometers through the forest. One had to walk fast and move cleverly because the armed guards were usually right behind. Some fugitive peões were never heard of again by their families, friends or colleagues. On the other hand, the forest offered possibilities to hide and shake the pursuers off; it made it impossible for the gatos to track the peão once a certain distance from the cleared parts of the fazendas was reached. Reaching this distance was the decisive step when fleeing, but it was a battle fought with unequal weapons: gatos and subgatos had jeeps and guns while peões were often not even wearing proper shoes. For this reason, some peões would look for ways to leave the fazenda, which did not necessitate direct conflict with the gato. The visit of an actor exterior to the fazenda could be an unexpected opportunity for this. As the investigation commission visited the farm, for example, one peão managed to approach the commission members and begged them to act for his salvation from captivity. Another peão recounted that he managed to escape from Cristalino with some other fellows by hitching a ride with a government agronomist, who probably had come on behalf of SUDAM to evaluate the fazenda: ‘Of course’ the peão said ‘he couldn't take us past the guard post, so we walked around it, through the forest’. Some peões might also invent tricks to fool their gatos. On one occasion, four underage peões, knowing that their subgatos were illiterate, handed them a sheet of paper containing written inscriptions. They said it was a military draft, and that if they did not show up at the garrison house the army would come looking for them in the fazenda. Given their apparent age, it seemed credible to their guards that they were being called up for conscription. So the subgato, who was worried about getting into trouble with the authorities, let them go.

128 CPT Belém, 7 July 1981, Novo Plano (CPT), Silva, Gomes.
129 Ibid.
130 21 May 1984 Paraíso do Norte (Police), peão.
131 In fact, the very word ‘peão’ in the colonial period designated ‘those who—being too poor to afford a horse—were forced to go on foot, and to walk without shoes’, as an indicator of low position in the rural hierarchy: Martins, ‘The Reappearance of Slavery and the Reproduction of Capital on the Brazilian Frontier’, 301.
132 Part 4.2.4. of this thesis.
133 Le Breton, Trapped, 155.
Peões who managed to escape would sometimes demonstrate solidarity with their fellow-workers who had remained at the VW farm, particularly with those whom they knew before being recruited. When Francisco Batista Lima fled in 1983, his companion José Mineiro was not able to escape with him, so after reaching home he paid José's rent and fed José's wife and three children. How escaped peões used their newly gained freedom was a crucial point. In a certain sense, these peões had the reputation of the fazenda in their hands and the possibility of making -or not- the forced labor system public. They were not, however, numerous: of the forty-three laborers of a VW clearing team supervised by Abílio in 1984, eight managed to escape and of these eight, only one of them, the same Francisco Batista Lima, registered a complaint with the police delegation in his hometown Paraíso do Norte in Goiás. In other words, the process of revealing the truth could depend on only one individual. Had not a tiny part of the unfree peões tried to flee, had not a minority of these succeeded, and had not a couple of people from this minority denounced the working conditions on the farm on their return, then maybe nobody would have known about unfree labor at Cristalino.

One might wonder why such a small number of the peões finally reached the point of testifying about their experience as captives. The main impediment was fear of acting against influential fazendeiros or gatos. It is no wonder that the majority of the complaints were made in the workers’ hometowns, in Goiás, Mato Grosso or anywhere else as long as it was not too close to the fazenda. But even in these areas, a broker or a gato could still trace a fugitive, since the gatos' networks were organized to enable recruitment on a wide territorial basis. The simple fact of talking about what had happened on the VW-ranch represented a potential danger of death, especially for an isolated individual. The priest in the town of Santa Terezinha, who had been approached by various peões coming back from the CVRC, explained that one of them told me his situation, but did not want to be identified, out of fear and, he said, ‘in order not to start anything with the justice’, because, according to him ‘since I managed to leave free and alive it's better to forget what happened’.

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135 21 May 1984 Paraíso do Norte (Police), peão.
136 “A Lei Do Gatilho.”
137 Batista, ‘Relatório.’
138 ‘narrou-me a sua situação mas não quer ser identificado por receio e diz ele ‘para não ter que entrar na justiça’, pois, segundo ele, ‘já que conseguiu sair livre com vida é melhor esquecer o que passou’: CPT Belém, Canuto to ‘Ministro da Justiça’, 4 July 1983.
For this reason the ex-peões usually came together in groups to the CPT in order to tell their story and denounce the system maintained by the gatos.

Protesting was even more difficult than denouncing, especially if the protest took the form of a direct confrontation with the gatos. Here it is difficult to speak about any coordinated victim protest. There were, however, some spontaneous initiatives directed against the forced labor networks. Individual protest was too much of a risk, so it would come exclusively from peões who, shortly after their arrival in the fazenda, were not yet aware of the weakness of their position. Adail is a good example: he told his gato that he would never have come to the fazenda if he had known the true working conditions before ‘signing’ the contract. However, protest would in general come from groups, although the gatos, out of fear of some insurrection, tried to keep the peões as much isolated from each other as possible during the work. For example, a group of eighteen peões decided to collectively face the gatos to protest for their right to leave the CVRC. However, this protest was unsuccessful. The gato pretended to agree and let all the workers leave, but he then secretly followed them into the forest accompanied by his gunmen. After forty kilometers they began to shoot in the direction of the peões, forcing them to surrender and return to work. From that moment on they paid for their temerity with even more repressive supervision.

Protesting was easier outside the fazenda. The most significant group initiative occurred in 1980, after a peão died at his mother's home from the consequences of physical mistreatment received at the VW-ranch. His cousin set up a petition supposed to show that the population stood together against these brutalities, so as to convince the authorities to act against them. In a few days, he gathered the signatures of 92 families of the town of Barreira do Campo. Eventually, the city representative dismissed the petition as an ‘irresponsible act’. This example shows that, given the political and legal context working against small rural workers, grassroots initiatives had very little chance of working if they were not taken up by organized groups able to disseminate information beyond the local scale of a town, a county or even a whole state such as Pará.

Workers’ families were actually used to seeing a son disappear for months to a fazenda and possibly come back without money or even with corporal lesions. Many people were not

139 ‘VW Farmarbeiter kommen zu Wort (Interview)’.
140 CPT Belém, 1 July 1981, CPT, Silva.
141 Ibid.
142 GPTEC V6.50., 5 September 1983, Barreira do Campo (CPT), relative. This example shows that some local inhabitants knew about exactions committed in the VW-fazenda much before the press, or even the CPT, did.
ready to participate in acts denouncing forced labor because they perceived this practice as too strongly rooted in local custom to be curbed. Registers in the CPT offices showed that the labor system at Cristalino was a local reflection of a regionally widespread practice, and that the VW case was nothing specific. Casaldáliga, in his paper denouncing ‘slavery’ in 1972, stated that all fazendas in the south eastern Amazon resorted to forced labor.\textsuperscript{143} An inquiry carried out by Rezende based on testimonies gathered since the early 1970s in south-eastern Pará shows that most of the fazendas even contracted the same gatos.\textsuperscript{144} It seems that these gatos were simply the most easily—if not the only—available way for fazenda owners to clear their estate rapidly, and that subcontractors respecting labor laws hardly existed. Given this, could VW be held responsible for what the gatos did? Probably, the whole developmentalist mentality was responsible, because it pushed ranchers to focus on the immediate enhancement of production rates and modern technology, making the improvement of labor conditions a secondary goal. VW's logic of production implied the exclusion of subaltern economic actors, seasonal workers in the first place.

This would also be the point of view of Souza Martins, for whom the development of capitalism necessarily goes through phases of primitive accumulation, in which the conditions for capitalist accumulation are built.\textsuperscript{145} This phase of ‘production of the mode of production’ took shape in the Amazon through the forest clearance and building of farm infrastructure – assimilated into the ‘production of farms’ by Martins, who insists that farms themselves are not products but means of production. Since investors did not consider this phase of preparation as part of the process of capitalist accumulation, they sought to reduce the cost of clearing, creating pasture and building infrastructure at the minimal possible rate. As a consequence, the most modern farm projects did not bother to ally with primitive, cheap forms of labor, which means that for Martins the modernization of the countryside needed—and worked with—non-modern mechanisms to be implemented.\textsuperscript{146}

Sakamoto goes even further than Martins by seeing ‘slavery’ in the Amazon not as a step necessary for modernization but as a phenomenon enmeshed with modernization. He first insists that

Those who enslave in Brazil are no badly informed landowners hidden in backward fazendas. On the contrary, they are latifundists, many of them using high technology. The cattle receive a first-class treatment: balanced rations,

\begin{footnotesize}
\begin{enumerate}
\item Casaldáliga, ‘Escravidão e Feudalismo no Norte do Mato Grosso’.
\item Figueira, \textit{Pisando Fora da Própria Sombra}.
\item Martins, ‘The Reappearance of Slavery and the Reproduction of Capital on the Brazilian Frontier’.
\item \textit{Ibid.}, 281.
\end{enumerate}
\end{footnotesize}
vaccination with computerized control, birth control with artificial insemination, while the workers live in worse conditions than the animals.  

For him, the use of an unfree workforce aimed at reducing the production costs of modern farms so as to guarantee the farms' competitiveness without jeopardizing the shareholders' margin of profit. Submitted to a globalized system in which their role was to produce commodities imposed by international markets, modern Amazonian farms, so Sakamoto asserts, were forced to display ever increasing rates of productivity. In this context, they sought to balance, with a weak investment in peripheral activities such as clearing, installation of pastures or building, the increasingly heavy investment necessary for the accelerated mechanization implied by international competition.

The case of Volkswagen exemplified this paradox of modern technology on the one side and primitive labor practices on the other side. It was even the best example of this paradox, and this is probably why it raised so many reactions. Cristalino was home to the most developed agro-technological project throughout all of Amazônia Legal, and at the same time the biggest scandal of unfree labor under military rule. It is not to say that VW was entirely responsible for physical aggression, fraud, pressures and robbery, which in the end were committed by its subcontractors and not by the company itself. But VW could not ignore the previous media reports about similar cases in the 1970s—for example those of the CODEARA and JARI project—the overall history of forced labor in the Amazon and the dubious legal status of the subcontracting companies involved. It is clear that VW, at best, neglected the interest of the peões and the dimension of the perils to which the latter were exposed. The ‘model ranch’ with its approximately three hundred regular employees enjoying the social services idealized in company brochures did not include all these clearing workers, for the social and medical welfare of whom no investment was planned. It was, as such, a sort of Potemkin village of modernity, only there ‘for the English to see’ (‘para inglês ver’), as a Brazilian saying goes (dating back to the time when England was pressuring the country to

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abolish slavery) designating good resolutions, which in practice are rarely applied.

4.2. Networking the protest against the CVRC

4.2.1. A bridge between grassroots denunciation and public information: Pater Ricardo Rezende Figueira

The initiatives of the peões unveiled the existence of a forced labor system at Cristalino. But in order for their case to be heard, they needed wider support. On the local level their first recourse was sometimes the rural trade-union delegates, but most often the priests of the CPT. Priest in the county of Santana do Araguaia, Ricardo Rezende Figueira played a major role in revealing the debt labor scandal at Cristalino to the public.

A worker’s son, Rezende, came from Juíz de Fora in the extreme south of Minas Gerais. His family was very religious and he was still a very young child when he decided that he would become a priest. He studied philosophy at university, in the context of the Cold War: he remembered this time as marked by Nixon's imperialist policy in South America, and a suffocating local political context with ‘on one side, the Communist Party of Brazil’, which supported rural guerrilla actions, and on the other side, the dictatorship of the ‘Brazilian army’. As a young advocate of freedom and equality he was looking for non-violent alternatives to authoritarianism. Liberation theology, which he saw as a reinterpretation of faith grounded on the dialogue with, and the experience of, disadvantaged social actors—‘workers and jobseekers, peasants and landless, Indians and blacks, women, elderly people and children’—corresponded to this ‘Third Way’ he wished to take between leftist guerrilla and right-wing dictatorship.

149 The details on the path of Ricardo Rezende Figueira come from personal talks I had with him, notes he left at the CPT (conserved at the CPT archive in Belém and the GPTEC archive in Rio de Janeiro) or wrote on his personal website (Ricardo Rezende Figueira, ‘Memorial’, [http://www.ricardorezende.org/historico.html](http://www.ricardorezende.org/historico.html), access date 28 January 2013). Information coming from other sources are specified in the footnotes.
He first looked for a region in which the Church was engaged in a ‘religious and social project inspired by liberation theology’ and chose one of the most progressive of them: the prelacy at Conceição do Araguaia, covering the territory of Araguaia-Tocantins. In 1977 he moved to south-eastern Pará to become a parish priest. He, who was used to ‘urban and metropolitan life with its exhibitions, theatres, concerts and cinemas’, described the town of Conceição do Araguaia as a place waiting for modernization, having:

- electric energy powered by a diesel engine, streets without asphalt or pavements;
- there were no phones in the houses and the former mayor, who seemed to believe it more compatible with modern times, had ordered the felling of all trees which existed in the streets.

Immediately after his arrival at Conceição, Ricardo was confronted with the contrast between this tendency towards modernization and the archaic labor conditions that existed in the county:

I had hardly arrived at Conceição […] when I witnessed the capture of a young

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150 Source: Miguel, ‘Empresa Nega Denúncia de 'Escravidão'.'
151 ‘Tinha conhecido a cidade de Conceição do Araguaia que era pequena, quente e úmida, beira rio, com a energia elétrica gerada em motor a diesel, as ruas sem asfalto ou calçamento, não havia aparelhos telefônicos instalados nas residências e o prefeito anterior, talvez achando que era mais moderno e compatível com os novos tempos, havia determinado a derrubada das árvores existentes nas ruas’: [http://www.ricardorezende.org/noaraguaia.html](http://www.ricardorezende.org/noaraguaia.html), access date 26 May 2012.
man who had tried to escape from a clearing subcontractor. Everything went rapidly, it seemed to be a joke and in the moment, I did not understand what was happening. Months after, I met Francisco de Assis, the first fugitive of a fazenda whom I had the chance to talk with.\textsuperscript{152}

Assis had arrived to the city on a boat. Traumatized by his experience and devoured by malaria, he died in a delirious state shortly after his meeting with Rezende. After him, Rezende met hundreds of seasonal workers fleeing forced labor regimes in the fazendas.

Rezende already knew that Araguaia was a difficult region marked by violent conflicts and considerable social inequalities; indeed, this was why he chose to go there. He saw his task as being that of helping to reform the countryside in order to make it habitable, and stop the haemorrhage of rural emigration towards the favelas. In Concepção do Araguaia he developed the local CPT and became the association’s coordinator for the entire Araguaia-Tocantins area. From that position he observed the establishment of the big fazendas, particularly one which shook the county: the VW farm, where Rezende did not go until 1983. Indeed, the priests of the Araguaia-Tocantins diocese shared one principle: they forbade themselves to do services within big private latifundia, because of restrictions on the freedom of religion, which might be imposed by big landholders.\textsuperscript{153} Moreover, Ricardo and the other priests of the diocese refused to give a Church service in these latifundios to show that they ‘did not agree with the practice of injustice and violence, which was a daily occurrence in such companies’.\textsuperscript{154}

Since 1974 the priests of the CPT had heard rumors and transcribed oral reports from ex-workers about violence committed at the VW-farm.\textsuperscript{155} But they had no tangible proof and it would have been foolish to make dubious accusations against a powerful multinational company, whose ranch was praised by the authorities as a model for the whole country. The action by Cristalino’s seasonal workers changed this fact. In April 1983 three peões, residents in the north of Mato Grosso, after having being captive during a clearing season and escaping from the VW-ranch, turned towards the CPT for help. On 28 April they gave a personal testimony in the city of São Felix do Araguaia, Mato Grosso, in presence of a notary and

\textsuperscript{152} ‘Mal chegara a Conceição do Araguaia, no Pará, presenciei a captura de um jovem que tentou fugir de um empreiteiro. Tudo foi rápido, parecia brincadeira e, na hora, não compreendi o que estava ocorrendo. Meses depois, encontrei Francisco de Assis, primeiro fugitivo de fazenda de quem me aproximhei’: Figueira, ‘Por que o Trabalho Escravo?’, 31-2.

\textsuperscript{153} Rezende to Klein, 28 June 1984, in ‘Neue Stellungnahmen zu den Beschuldigungen gegen die VW-Fazenda’.

\textsuperscript{154} Ibid.

\textsuperscript{155} Figueira, \textit{Pisando Fora da Própria Sombra}, 415-33, table based on registers of the CPT.
seven witnesses, including the city mayor, José Pontin.\textsuperscript{156}

Rezende decided to address the political authorities. The newly elected governor of Pará, Jáder Fontenelle Barbalho, commonly called Jáder, was a figure of the opposition to the dictatorship. He had won the elections in 1982 on the basis of a progressive platform supporting human rights and denouncing land inequalities.\textsuperscript{157} His victory by only about 40,000 votes over the federal government's candidate was a strong symbol, given the fact that the opposition parties traditionally had difficulties in attracting votes in rural states. Jáder's past as a student leader in Belém, active opponent of the regime and member of the ‘autênticos’, the area of the MDB most radically engaged in favor of democratization, had helped him to build the image of a courageous politician, who did not fear disregarding the oligarchies.\textsuperscript{158}

Since the mid-1970s, as a federal MDB (then PMDB) Congressman, Jáder had shown resistance against multinational firms participating in the big projects policy in the Amazon. For example, he fought against the contract signed by the Brazilian state with U.S. Steel, which allowed this company to exploit iron ore in Pará.\textsuperscript{159} Rezende thought that Jáder might be the right person to solve the situation at the VW-farm, also because two years earlier the two men had taken part side by side in a religious mass of protest in Belém against the arrest of priests close to the rural workers movement.\textsuperscript{160} After having informed Jáder of the accusations against VW, Rezende succeeded in booking an audience with him in the state capital Belém, about 1,100 kilometers away from Conceição do Araguaia, at the beginning of May. Jáder, however, did not show up to the meeting and Ricardo could only speak to the governor's staff, who explained that Jáder was in Brasilia on political matters. The priest felt that the governor was just trying to avoid facing the problem, so he took with him one of the peões who had testified in São Felix and they travelled together to Brasília. But as when arrived they were informed that Jáder had left for Rio de Janeiro. Rezende's reaction was to stay in Brasilia and organize a press conference at the headquarters of the CNBB, at which the peão testified publicly.\textsuperscript{161}

In front of Brazilian journalists and a reporter from the main French press agency AFP, Rezende unveiled in detail the mechanisms of the forced labor system maintained by the gatos

\textsuperscript{156} Figueira, A Justiça do Lobo, 32-3.

\textsuperscript{157} About the political context of Jáder's victory: Edir Veiga, ‘A Disputa para o Executivo do Pará no Pós Ditadura Militar de 1964’ (UFPA, 2010).


\textsuperscript{160} Figueira, A Justiça do Lobo, 85.

\textsuperscript{161} Le Breton, Trapped, 151-2.
at Cristalino, based on peões' testimonies. He explicitly used the word ‘slavery’ and warned that at the moment there might be 600 clearing workers employed as slaves in the Volkswagen fazenda. Although the press had not expressed any notable interest in the problem of forced labor in Brazilian agriculture until then, the notoriety of Volkswagen brought the topic into the headlines. In a few days, various major Brazilian newspapers published accusatory articles, whose titles associated Volkswagen with the word slavery, such as ‘The CPT accuses: Volks has Slaves’, ‘In Volks' Fazenda, there are Slaves, a Priest says’, ‘The Church denounces Slave Labor’, ‘Volkswagen in Pará uses Slave Workforce’ or still ‘Slave Labor in Volks' Fazenda’, while in Germany the Frankfurter Rundschau, alerted by the AFP, asked: ‘Slaveholding for the VW-Company?’ and in London the Times announced that VW had ‘600 Slaves on 'plantation’’.  

The case was immediately included in a general fight against the military dictatorship, and taken over by the Brazilian democratization movement. On 14 May, in a historical theatre in São Paulo, the fictive ‘Tribunal Tiradentes’, composed of major figures of the Brazilian cultural, intellectual, associative and political worlds, organized a mock trial against the crimes of the military regime. In the event, a representative of the CPT appeared before the ‘court’ to explicitly accuse VW of slavery. 

The headlines of a majority of the Brazilian press against Volkswagen reflected how hostile the climate had become against multinational companies. An AFP international press release enabled the accusation to arrive in Germany also, where it might otherwise have remained unnoticed. In fact, most of the German media did not seem to find Rezende's accusations credible enough to be worth publishing. Die Welt even issued a very critical article against Rezende entitled: ‘No trace of atrocities at the VW-farm’. Written by Die Welt's correspondent in Rio de Janeiro, the article was based on phone interviews with executives of VW do Brasil and the German Embassy in Brasilia. In the text, VWB contested all the charges raised by Rezende, insisting that the company was not responsible for facts imputed to the firms controlling the clearing workers at Cristalino. A representative of Bonn's embassy in Brasilia added that Rezende's denunciations were ‘largely exaggerated.'

164 ‘Von Greueltaten auf VW-Farm fehlt jede Spur’, Die Welt, 13 May 1983.
165 Ibid.
The critique of certain groups towards multinational corporations is indeed nothing new.\(^{166}\) Even the German Episcopal Conference refused to condemn VW. Its representative Jürgen Aretz, responsible for the topics of development and human rights in Latin America, attacked the CPT's critical approach toward capitalist enterprises. Some Brazilian priests, he said, paid too much attention to ‘political things’ and not enough to their pastoral duties. Aretz had been invited in the past to the VW-farm and did not hear anything of the complaints raised in the press conference by Rezende.\(^{167}\)

4.2.2. The building of a network

The barely implicit attack of Aretz against Rezende shows how central the latter had become in the controversies about the VW-farm. Immediately after his press conference in Brasília, Rezende not only became a point of reference for all individuals and groups interested in helping the rural workers of Cristalino. He also became the target of harsh critiques coming from the company’s supporters. Moreover, he became the main interface between the peões and the institutional, social and media actors capable of spreading news about the peões’ denunciations. In the period following Rezende’s press conference in Brasília, new peões came to testify every month in the CPT offices; it was Rezende’s role in the CPT to gather, classify and organize these testimonies.

Rezende most often found himself in a bridge position, receiving information at the local level (mostly from peões) and circulating information to media, trade-union, political or institutional areas.\(^{168}\) As Rezende himself later wrote, he was not prepared to be involved in such a major public revelation and did not predict the impact that his press conference would have. He and his collaborators had to ‘learn’ everything:

> We learned to conjugate internal and external pressures, dealing with national and international journalists. Normally the press was not interested in […] problems of slave labor. […] We learned to create political facts out of violence […] and it

\(^{166}\) Ibid.

\(^{167}\) Ibid.


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became possible to establish a more intensive type of communication with journalists, and the news of human rights violations in the region began to occupy a larger space in social communication.169

Rezende became the point of reference in the affair because of his grassroots involvement: the peões, seeing the Church as an organization that could be understanding of their concerns, came to him. Moreover, his position as priest gave him access to Church networks: so also did the CNBB provide him with a platform to address the press in Brasília. Finally, his affiliation to the CPT, an organization enjoying wide sympathy among human rights activists, in the Brazilian left as well as abroad, helped make Rezende the most networked—and famous—critic of VW’s Amazonian project.

The network of denunciation of unfree labor at the CVRC started from the bottom. It was the peões or their family members who took the initiative of denouncing the gatos, seeking the priest of the county in which the VW-fazenda was located, Rezende or, alternatively, their own parish priest, such as Pater António Canuto in Santa Terezinha or Pater Manoel Lujón in Canabrava, both located in the northern part of the state of Mato Grosso.170 Sometimes, the peões’ families addressed the rural union offices: in this case the complaints were passed to and gathered at a regional level by Natal Viana Ribeiro, leader of the rural union of the county of Santana to Araguaia and notoriously hostile to the VW-project.171

Rezende, as the person responsible for CPT actions in the diocese of Araguaia-Tocantins, gathered and classified the testimonies of workers registered by other priests, and also remained in contact with Natal and the local trade-union. Rezende also encouraged the peões to deliver testimony to the police, often with the company of STR or CPT members. He also looked for lawyers to accompany peões in potential juridical confrontations with the gatos or VW.172 Thus, peões, priests and local trade-unionists, with the support of certain local administrators such as the mayor of São Felix do Araguaia José Pontin (PMDB, himself priest and friend of liberation theology), formed a small but dense grassroots network, whose internal contacts were regular and active. This network constituted a social mattress for the peões, which gave them the moral support necessary to solicit the police and transformed

169 ‘Aos poucos, aprendemos a criar fatos políticos quando havia violência e tanto pela quantidade e qualidade das informações que tínhamos, quanto pela violência utilizada pelas empresas agropecuárias e pelas mudanças na conjuntura nacional, foi possível estabelecer uma comunicação mais intensa com jornalistas e as notícias de violações dos Direitos Humanos na região começaram a ocupar maior espaço nos meios de comunicação social’: http://www.ricardorezende.org cpt.html, access date 26 May 2012.
170 ‘Neue Stellungnahmen zu den Beschuldigungen gegen die VW-Fazenda’.
171 Batista, ‘Relatório’.
172 CPT Belém, Rezende to CPT members, 18 July 1983.
individual initiatives into group actions of denunciation, thus giving coherence and credibility to the peões’ testimonies.

Given the symbolic importance of the VW-latifundio and the fact that dozens of peões testified at the STR or the CPT, the two organizations judged that it was worth seeking the intervention of the state. As early as in May/June 1983, they started to circulate information through institutional channels. Their first step, as mentioned, was to address, together with the peões, local police stations, which themselves transmitted the complaints to the Secretary of Public Security in the government of Para, Arnaldo Moraes Filho.173 A progressive PMDB politician, Moraes found the affair serious enough to urge his party colleague and governor of Pará, Jáder Barbalho to institute a number of security measures to protect the workers at the VW-fazenda. As we know, Jáder had already been contacted by Rezende. The latter, noticing difficulties in having direct access to the state governor, called another politician of the left wing of the PMDB, Ademir Andrade, for assistance. Congressman for Pará in the federal parliament, Andrade was actually a notorious Marxist, much closer to the Communist Party of Brazil (PC do B) —still illegal but surviving as an officious area of the PMDB - than to Jáder’s center-left populism.174 In 1983, the PMDB was still an organization gathering together ample sectors of the opposition, including the two clandestine parties PCB (Brazilian Communist Party, pro-USSR) and PC do B (Maoist).175 Contrarily to the PT, which saw the PMDB as a bourgeois structure representing an obstacle more than an instrument for social change, the communist parties had adopted a strategy of Marxist lobbying within the biggest opposition party.176 Andrade claimed to feel close to the rural workers’ cause and acted to influence the PMDB’s policies in Pará with leftist ideas. He immediately accepted Rezende’s request and started to pressure Jáder to intervene in the Cristalino case.177

While Rezende was seeking allies on the political scene in Pará state, the STR in Santana do Araguaia used the Brazilian structure of labor representation as another institutional channel to circulate the peões’ claims. Paradoxically the dependence between trade-unions and the state, and the still, to a wide extent, top-down structure of rural unionism, starting from the federal ministry of labor and going down to the local STR, facilitated this approach.178 Since this structure was elaborated to strictly control the unions’ activities, the

173 GPTEC V5.1.32., Moraes to Jáder, 16 August 1983.
174 ‘A Praça Muda de Cor’, Véja, 17 October 1984; Ricardo Rezende Figueira, Rio Maria: Canto da Terra (Petropolis: Civilização Brasileira, 2008), 68.
176 Keck, The Workers’ Party and Democratization in Brazil, 96.
177 CPT Belém, Andrade to Jáder, 29 August 1983.
178 Part 3.3. of this thesis.
links between the different levels of decision were solid, and information could circulate rapidly between these different levels, even when it was moving from bottom to top.\textsuperscript{179} On the basis of the peões’ testimonies, the STR of Santana do Araguaia contacted FETAGRI in Pará.\textsuperscript{180} FETAGRI passed the notice to CONTAG, which informed the Federal Labor Ministry about the offenses committed at the CVRC.\textsuperscript{181} The case was judged important enough by the two CONTAG national leaders to write in person to the Labor Minister. Then, on the order of the ministry, the labor court of Pará launched an investigation into the VW-ranch.\textsuperscript{182}

The strategy of the STR and the CPT to favor on one side a criminal investigation starting from the local police districts, and on the other side a labor investigation by the labor court, was due to the mistrust by the Brazilian Workers’ movement of the military regime’s judiciary system. Indeed, ‘official omission of duty and/or the outright connivance of police, judges, and public authorities’ were commonplace in crimes involving big landholdings.\textsuperscript{183} Besides, Brazilian labor courts had the reputation of being traditionally more progressive than penal justice, especially in the Amazon in which many penal judges where themselves big landowners.\textsuperscript{184} In any case, the conservative structure of the judiciary system in Brazil forced human rights activists to lobby within various institutional channels and at various levels of government (local, state and federal) if they wanted a concrete problem to be answered.

One thing was to enable the complaints to be circulated and to explicitly solicit public powers to act. Another thing was to create a climate of public pressure on Volkswagen and the Brazilian government. In this operation, Rezende could count on the liberation theology networks, especially at the international level. The CNBB, for example, supported Rezende’s action from the very beginning. The bishop of the diocese of Araguaia-Tocantins, Dom José Patrício Hanrahan, thought that he could convince the German Church to pressure Volkswagen on European ground. On 26 May 1983, using the opportunity of being invited to an international bishops’ seminar in Ireland, he made a detour via Cologne. In Cologne, at the headquarters of the German Episcopal Conference, he handed in a dossier stating in detail the facts of the denunciations made by the peões at Cristalino.\textsuperscript{185} Prepared by Rezende, the dossier had been translated into German by another Amazonian priest, the Austrian bishop of Xingu, Erwin Kräuter. Hanrahan also wrote to his friends in the Flemish Lenten Campaign,

\begin{itemize}
  \item [\textsuperscript{179}] Houtzager, ‘State and Unions in the Transformation of the Brazilian Countryside.’
  \item [\textsuperscript{180}] CPT Belém, Sila & Ferri to Macedo, 1 June 1983.
  \item [\textsuperscript{181}] CPT Belém, Silva & Ferri to Rezende, 15 July 1983.
  \item [\textsuperscript{182}] Chapter 5 of this thesis.
  \item [\textsuperscript{183}] Maybury-Lewis, \textit{The Politics of the Possible}, 22.
  \item [\textsuperscript{184}] Houtzager, ‘State and Unions in the Transformation of the Brazilian Countryside’.
  \item [\textsuperscript{185}] ‘Bischof Hanrahan: ‘Wir klagen Volkswagen des Mangels an Verantwortungsbewusstsein an’.’ (Interview), \textit{Brasilien Nachrichten}, (81) 1983.
\end{itemize}
who sent a letter of indignation to the branch of VW in Belgium, and to the Christian humanitarian NGO, Misereor. Various groups of West German activists, close to the Catholic left, made contact with Rezende and wrote messages of protest to the VW senior management in Wolfsburg. I will come back later to these actions of international solidarity and their effects.

The liberation theology networks did not only spread across a wide international area. At least since the formation of the CEBs and the strikes of the ABC in the late 1970s, there was also a growing proximity between certain sectors of the Church and the urban workers’ movement. Some actors identified with the urban workers’ movement also participated in denouncing the CVRC. One of them was the PT member, Expedito Soares Batista.

### 4.2.3. Pressure from the workers’ movement in São Paulo: Expedito Soares Batista

Expedito Soares Batista was a deputy in the legislative assembly of the state of São Paulo. He was a former worker in the automobile plant in São Bernardo do Campo and became one of the leaders of the Volkswagen workers’ strike in 1978. Consequently to his trade-unionist involvement, he was fired without notice or compensation by VWB. He led the steel trade-union of São Bernardo do Campo, and, like many of his peers, participated in the foundation of the Workers’ Party (PT). First head of the PT commission in São Bernardo do Campo—a strategic function, since São Bernardo was the core city of the strikers’ movement, Soares was the one to design the now famous PT flag, a red star with five points. As a candidate at the state elections of 1982, he received the second highest number of votes for his party and entered the state parliament together with eight other PT representatives. PT members maintained a high degree of relations with the trade unions. After being elected MP, in his early thirties, Soares continued to view himself as the representative of his ex-colleagues from the Volkswagen plant at São Bernardo.

These latter were watching the company’s policy with attention, including its farming activities in the Amazon. They immediately took note of Rezende’s initiative of denouncing the forced labor cases at Cristalino and forwarded the notice to Soares. At the end of May

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187 CPT Belém, Rezende to CPT members, 18 July 1983.
1983, the young parliament member (MP) gave three speeches on the topic in front of the state assembly, where he read some of the peões’ declarations. He used the platform as an opportunity to denounce the military regime’s complicity with multinationals destroying biodiversity and exploiting the people in the tropical forest.

He also made the link between VW’s policy of sub-contracting seasonal work in Araguaia and the company’s growing trend of outsourcing the non-specialized tasks in the urban area of São Paulo. Just as workers suffered humiliation at the hands of subcontractors in the VW cattle ranch, so he said, other workers were submitted to violence committed by subcontracting companies in the VW industrial park in São Bernardo do Campo. ‘The philosophy’ of VW, for Soares, was always the same, either in a farm or in a factory: for the non-specialized part of the production it relied on subcontracting, flexible companies offering very low loans and no social coverage. Soares thought that this policy, coupled with a complete absence of control by VW over the subcontractors’ activities, favored the mistreatment of workers. Furthermore, it enabled VW to always deny its own responsibility for condemnable acts, even if these acts had happened on a VW property. Saying this, Soares was faithfully enunciating the discourse of the steel trade-union of São Bernardo do Campo, which published a paper on the CVRC entitled ‘Slavery and Torture in the Volks Fazenda’. Illustrated by extremely offensive pictures (see below), the article started with a sentence depicting rural and urban workers as victims of the same oppressor: ‘In the city or in the countryside, patrons are all the same: they exploit the working class and use all violent means as an attempt to maintain the working class under submission’.

191 Ibid.; ‘Escravidão e Tortura na Fazenda Da Volks’.
192 Ibid.
Illustrations of the Steel Trade-Union in a paper on the CVRC, May 1983

The international VW logo is visible on the hat of the two standing men on the left picture, and as a scar on the chest of a tied-up man on the right picture. This picture is referring to various converging peões’ testimonies stating that a worker was tortured and tied naked to a tree by the gatos, while three others, according to the testimonies, were beaten, murdered and thrown into the river.

Although calling for unity between urban workers and small peasants was a classical Marxist posture, it was less classical to find political or union activists who really sought to put urban-rural solidarity into practice. This is especially the case as the steel protest movement of the ABC and its political avatar, the PT, were deeply urban movements. The PT was the fruit of urban strikes. Most party members lived in the urban area of Sao Paulo: they did not know much about the rural workers’ daily life. Although the electoral system obliged political parties to be present in the whole country, the PT campaign in the elections of 1982 essentially focused on securing a popular basis in the state of São Paulo, where national leader Lula was running for governor. If the election proved a relative success for

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193 Ibid.
194 Ibid.
195 Keck, *The Workers’ Party and Democratization in Brazil*.
196 Ibid., 123-66.
the PT in this urbanized region, the results were systematically disappointing in rural states. In Pará, the Workers' Party neither gained a seat in the state assembly nor sent a representative to the federal Congress. The party's campaign for the control of state government hardly earned 1% of the votes. If, in the hypothesis of direct presidential elections, the party was to run for seats at a national level, it was urgent to diversify its electoral basis. Since the PT aimed to represent all Brazilian workers, making the link between urban and rural laborers could be the right starting point for a strategy of geographic expansion.

Moreover, the PT had managed until then to differentiate its political practices from the traditional authoritarian structure of communist parties, principally thanks to a message of 'empowerment' concerning the grassroots workers. The PT's project of giving to the invisible classes a chance to speak was well suited to small rural laborers in the context of latifundios monopoly and trampling of democratic rights, which reigned in the countryside.

Finally, the PT's development as a party was strengthened in the early 1980s by the participation of small but active groups, both of the urban middle class (in Sao Paulo or Rio de Janeiro) or from rural backgrounds (principally in the Amazonian state of Acre thanks to rubber-tapper leaders joining the party), organized around emerging political messages such as political ecology, human rights, or native peoples' rights. These topics were deeply linked with the Amazonian debate, and in spite of not lying at the center of the PT's program, they did influence the political discourse of the party. Soares, for example, understood that in the case of the CVRC there was a factual link between the expansion of slash-and-burn deforestation and the prosperity of the forced labor economy. He considered that the exploitation of the poor and of nature were two sides of the same coin because they were both at the service of capitalist profit. In this regard he concluded a text on the VW farm with the following words:

The setting of these fires in our Amazon, which is considered the Earth's major ecological reserve, is extremely absurd. This reserve is being mangled, burnt, because of the greed for profit of those multinational, and even Brazilian companies, and also because of the irresponsibility of those who govern us, through their 'surrenderist' attitude.

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197 Ibid., 139.
198 Ibid.
199 ‘É extremamente absurdo a realização dessas queimadas em nossa Amazônia, considerada a maior reserva ecológica da terra. Reserva que está sendo destruída, queimada, pela ganância dos lucros desses empresas multinacionais e até mesmo brasileiras, e também pela irresponsabilidade de nossos governantes, através de seu entreguismo’: Batista, ‘Relatório’. ‘Surrenderism’ (‘Entreguismo’) is a concept invented by Brazilian nationalists.
This ecological concern was shared by Rezende, who thought that there would be no massive exploitation of seasonal workers by the gatos if clearing in the Amazon was less frequent and if big cattle farms invested in substituting the traditional slash-and-burn technique by modern methods of mechanical clearance. It was clear for Rezende that the VW farm was cumulating social with environmental exploitation:

Besides absorbing a scornful amount of workers, besides treating the seasonal laborers (or tolerating that seasonal laborers be treated) in an inhuman way; [VW] resorts to the primitive practice of slash-and-burn in order to exploit the soil, without any worry for the soil’s future.\(^{200}\)

Only five minutes after the conclusion of Soares’ first speech at the state Assembly, VWB issued a public reaction in which the company denied having anything to do with the cases of forced labor unveiled at Cristalino.\(^{201}\) This reaction was so quick that Soares saw it as a sign that the multinational firm must have contacts with some members of the assembly, if not even parliament members discretely sitting defended the interests of VW. Nevertheless, after a few days, the company thought it appropriate to show its good will by inviting Soares to visit the cattle-farm. And so he did.

4.2.4. July to September 1983: various investigations and mixed political outcomes in the Cristalino affair

Soares accepted the invitation. He set up a trans-partisan investigation commission to come with him, including three other deputies from the São Paulo assembly: Manoel Moreira and Tonico Ramos from the PMDB and Djalma Souza from the PT.\(^{202}\) The head of the steel trade-union in São Bernardo do Campo, Humberto Aparecido Domingues, also came along, as

and ecologists to denounce government policies favoring a privatization of the natural resources for the profit of big firms, in particular multinational corporations.


well as Cesar Concone, a DIEESE expert. They were accompanied by José Aparecido Miguel and Clovis Cranchi, journalist and photographer at the *Estado de São Paulo*, one of Brazil's major daily newspapers. On 5 July 1983, two airplanes belonging to Volkswagen headed north, direction Araguaia. Besides the investigation team established by Soares they transported three executives sent by VWB to participate as well in the commission's visit: Mauro Imperatori, chief the VWB juridical department, Mauricio de Oliveira, manager of industrial relations, and as leader of the VWB delegation, Paulo Dutra. Dutra, an assistant director of VWB, was the manager with responsibility for public relations and governmental contacts in the company. His presence confirmed that the scandal of forced labor was above all a problem of image for the company because it threatened to ruin the prestige of the 'model ranch'.

In fact, during the first meeting of the commission at Cristalino, Dutra explained that Rezende's denunciation had provoked international repercussions and he showed to the other commission members a pile of copies of newspaper articles. He explained that the case had generated noise even in Japan and that during a meeting of VW shareholders in Germany, a woman stood up and protested against ‘slave labor’ in the fazenda. He added: 'the name of the company is being perverted throughout the world and this is causing enormous injury and defamation'. As he pronounced these words, the commission of investigation had been completed by some local figures from Araguaia-Tocantins. Two rural workers' representatives were there: Natal Viana Ribeiro, the STR president in Barreira do Campo Altair, the STR delegate from Luciará, Mato Grosso, the hometown of the first three peões to have testified about their experience at Cristalino in April 1983. There was also Ricardo Rezende with another priest of the diocese, Benedito Rodrigues Costa.

Brügger acted as guide and decided about the path of the visit. Rezende remembers that ‘he was very anxious to impress us by showing us all the wonderful things they had done, the beautiful lawns, the nice buildings, the school and the club’. It was a habit at Cristalino to organize such visits. In principle, everyone (journalists, political decision-makers, businessmen) was authorized to enter Cristalino, even those who criticized the project. But they were always given a guided tour and never left alone. The CVRC management used to show the visitors the beautiful side of the fazenda, the one which was visible in the Volkswagen advertisements. Indeed, all visitors' reports reproduce the impressive effect made

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203 CPT Belém, Rezende to CPT members, 18 July 1983.
204 ‘Escravidão e Tortura na Fazenda da Volks’, *Alvorada - Prelazia de São Félix do Araguaia, July 1983*.
205 Le Breton, *Trapped*, 151.
by the solidity of VW's modern community inside the forest, with all the unexpected services it offered to its members. For example, a German Third World activist, after a guided tour given to her by Brügger, compared the fazenda to a comfortable ‘tropical country club’. A reporter from Der Spiegel had the feeling of being transplanted into a Marlboro advertisement movie. Even Rezende confessed that Cristalino looked like ‘a paradise in the Amazonian immensity’.

Rezende and the other commission members, however, ‘didn't want to see the buildings’, they ‘wanted to see the peões’, but, according to the priest, the management of Cristalino ‘made sure [the commission] never got anywhere near them’. However, an unexpected event occurred, which appeared to the commission members as a first indication that the peões’ testimonies might be true. The commission members ran into a peão (a ‘black worker’, Soares wrote later) only by chance. According to Rezende:

[…] he was looking terrible because he had malaria. You can imagine my surprise when he came up to me, seized me by the arm and said, 'are you the padre?'
‘I nodded, and then he whispered into my ear, 'you must save me!'
‘Save you from what?’ I said, in surprise.
‘Get me out of here!’ he said. ‘I've been working ten months and they won't let me leave because I owe them money. And now I've got malaria.'

At this point Rezende called all the other members of the commission and asked the peão to repeat in front of them what he had just said. So the peão did. Furious, Brügger replied immediately to Rezende:

What sort of a priest do you think you are? I'm every bit as good a Catholic as you are, but you're completely and totally biased. You'll swallow whatever the peões tell you but you'll never listen to our side of the story.

After this short but meaningful episode, the team from VW behaved very cleverly, continuing to divert the conversation and, as Rezende later regretted, making the commission members end up ‘wasting time on stupid little things’. Although the latter expressively asked, Brügger did not let them go by themselves to see the clearing areas in which the peões were working.

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206 ‘Besuch auf der VW-Fazenda Vale do Rio Cristalino’.
207 ‘Aufbruch zur letzten Grenze’.
208 Figueira, A Justiça do Lobo, 33.
209 Le Breton, Trapped, 151.
210 Batista, ‘Relatório’.
211 Le Breton, Trapped, 151.
212 Ibid.
To find out more about the hidden world of the gatos and peões, the commission members decided to find out what the people of the region said about the clearing work at Cristalino. They went in the direction of two recruiting towns: Nova Barreira do Campo and Velha Barreira do Campo.\footnote{Batista, ‘Relatório’.} On their way, the commission members casually met the gato Abilio, transporting six or seven workers on the back of a Chevrolet C-14. The commission members asked him to stop and questioned him regarding the denunciations that had been made against his clearing company. Although he denied having behaved illegally, Abilio recognized somewhat naively that he and his assistants carried guns and sometimes had to hit recalcitrant workers. He confessed that one of the workers sitting in the C-14 was a fugitive peão, whom he had just captured to bring him back to the \textit{fazenda}, because the peão still had to finish reimbursing his debt. Later in Nova and Velha Barreira do Campo, the commission attended two meetings organized by Rezende with the help of Natal. Over thirty workers participated, to testify about their experience at Cristalino. These testimonies confirmed the accusations of debt bondage that had been raised until then against the gatos. Since many workers feared that their testimony might be followed by reprisals, the commission had to organize a taxi service in order not to let the workers go back home alone.

On the last evening of its trip, the commission had dinner with the CVRC management. The dinner finished amid an embarrassing atmosphere, because as Brügger began to distribute gifts to his visitors, Rezende insisted on discussing the topic of the peões.\footnote{Le Breton, \textit{Trapped}, 152.} Brügger remained pained. He did not really deny that some violence might exist in the fazenda. But for him, the exploitation of the peões by the gatos was inherent to the backwardness of the Amazonian economy. Volkswagen could not do much about it, he thought, since there was simply no alternative available in the region to effectuate the clearing work, than the half-a-dozen subcontractors available. As Rezende told Brügger how immoral he thought the system of casual labor was, the Swiss agronomist laughed and answered: ‘Father, give me the name of one single \textit{fazenda} in the South of Pará that doesn’t work this way.’ \footnote{Ibid.}

Brügger considered that the gatos’ and peões’ stories were not Volkswagen’s business; he would have preferred not to give any sign that could be interpreted as a plea of guilty from the company. Dutra, on the contrary, had been mandated to save the CVRC’s reputation and
judged it more appropriate that VW show some readiness to improve the situation of the clearing workers. At the end of the visit an official compromise was agreed between the CVRC management, Volkswagen and the commission of investigation. Under Dutras' pressure, Brügger had to sign a letter in which the CVRC committed itself to a more regular and effective control of the gatos' activity, as well as to suspend contracts with subcontractors using violence. Besides, the CVRC accepted to set up an independent commission overseeing subcontracted labor. The commission would be composed of one member each from the farm’s management, the fazenda workers and from CONTAG. However, the text was first and foremost a declaration of good intentions, drawn to give a positive impression to the outside world but not very likely to really change daily practices within the gatos’ area of influence in the fazenda.

The declaration was short, vague and in the end, not very engaging. It had no legal binding value since Soares’ commission was not officially mandated by any governmental authority. It left room for interpretation: in fact, in the absence of any juridical decision about Abilio and Chicô, the CVRC did not consider the dozens of converging peões’ testimonies as valid evidence that its subcontractors used violence. VW continued for months to collaborate with the two gatos, until Abilio was arrested by the police in 1985 for a forced labor affair in another fazenda. As for the commission which was supposed to oversee the clearing areas, it was not given any power to act and did not prove more effective than the VW security service. Three delegates could not oversee an area of 140 000 hectares. As Brügger recognized himself:

You actually cannot ask from us that we know everything which is happening over an area of 140 000 hectares. You've seen the territory’s wide extension, you can imagine how it is to walk through a forest, which moreover has just been cleared [N.B.: he meant the moment when the forest is cleared and not yet burnt], where you almost cannot pass through, you can imagine how difficult it is to get anywhere here.

Besides, the delegates led by Soares on one side and the management of VW on the other side did not draw the same conclusions about the commission's visit to Cristalino. Soares wrote a report in which he stated that the peões’ accusation against the clearing

216 Batista, ‘Relatório’.
217 See above in this chapter.
218 ‘Man kann auch von uns nicht verlangen, dass wir auf einer Fläche von 140.000 ha genau wissen, was darin passiert. Sie haben die Ausdehnung gesehen, Sie können sich vorstellen, wie es ist, durch einen Wald zu laufen, der zudem noch gerodet ist, wo man fast nicht mehr durchkann, wie schwierig es ist, irgendwohin zu gelangen’: ‘BN-Interview mit Herrn Brügger’.
subcontractors had been confirmed by the commission’s findings: ‘What happens after the worker arrives in the forest is exactly what Padre Ricardo Figueira denounces in the documents of the Land Pastoral [the CPT].’\(^{219}\) And to make clear that he saw not only the gatos, but also Volkswagen as blameworthy, he added that

> Volkswagen closes its eyes before the subcontractors' disobedience to the law—and so, Volkswagen is jointly liable with them, for it takes advantage of the captivity, the slave labor, the fact that the labor contracts between the “gatos” of Cristalino and the workers are not respected.\(^{220}\)

In spite of these conclusions, VW spread the message that the commission presided by Soares had cleared the company of the accusations raised by Rezende and the peões. The department of Public Relations in Wolfsburg declared to the German press that:

> Pater Rezende, the rural trade-union delegate and the parliament members presented every allegation, which they had heard of. However, the executives of Volkswagen's cattle farm could irreproachably disprove every case, which had allegedly happened within their area of responsibility.\(^{221}\)

In Brazil, Dutra added that ‘If something happened, then it is the fault of the subcontractors, the middlemen’.\(^{222}\) As I will later address, VW would adopt the same defense strategy in tribunals. As the accusations were difficult to negate, the company sought to escape their consequences by denying responsibility. Nevertheless, even this strategy was a problem, because it meant that VW was renouncing its ambition of modernizing the region and provoking, with its ranch, positive side-effects for local labor relations.

In spite of VW's refusal to take responsibility, Rezende, analyzed the experience of the commission of investigation as useful, because it had ‘built a bridge’ between the clearing workers and the VW-company.\(^{223}\) At the same time, he regretted that he and the other commission members did not insist more: ‘[W]e weren't smart enough to get to the bottom of things’, he later said about this episode,

\(^{219}\) Batista, ‘Relatório’.

\(^{220}\) ‘Volkswagen fecha os olhos aos desmandos dos empreiteiros – e portanto se associa a eles gozando das vantagens que lhe dão o cativero, o trabalho escravo, o não cumprimento dos acordos trabalhistas entre os ‘gatos’ da Cristalino e os trabalhadores’: \textit{Ibid.}


\(^{222}\) \textit{Ibid.}

\(^{223}\) \textit{Ibid.}
I myself was young and accustomed to defending workers on questions of land disputes. I wasn't really equipped to discuss labor laws and criminal procedures, and those members of the commission who were better prepared weren't tough enough. We were extraordinarily naïve.\footnote{Le Breton, \textit{Trapped}, 151-2.}

Soares, on the contrary, was satisfied with the accord passed with the CVRC and saw it as a historic step towards the transformation of labor relations within big Amazonian farms.\footnote{Batista, ‘Relatório’.} Another Commission member, the PMDB-deputy Manoel Moreira, showed himself convinced by VW’s argument that the company was not responsible for the faults committed by the gatos. He said: ‘what we have here is a system, which reproduces the inhuman conditions that the gatos impose on the workers, when they dispose of people by putting a gun to their chest’; but at the same time he insisted that: ‘to be honest, I certainly cannot say that Volkswagen management authorizes these machinations made by the subcontractors’.\footnote{\textit{Publik-Forum}, 2 December 1983.} Basically, although the commission’s conclusions regarding the denunciation of the gatos’ labor system unambiguously validated the peões' testimonies, the question of Volkswagen’s responsibility in this affair remained unsolved.

A police inquiry which proceeded in the weeks following the commission's visit approached this question explicitly. The police headquarters in Conceição do Araguaia investigated in the \textit{fazenda} as well as in the area of Santana do Araguaia, where they gathered testimonies from the gatos as well as ex-workers of the VW-farm.\footnote{CPT Belém, Delegacia SESP de Conceição do Araguaia – Pará, 22 July 1983, ‘Relatório’.} The final report of the police delegate José Maria Alves Pereira, dated 22 July 1983, drew conclusions extremely close to the version put forward by VW. The local police executive recognized that ‘The denunciations concerning battering and retention of workers, made against the subcontractors […] are justified, principally regarding insolvent workers forced to work when they are ill’; but he also stated that the denunciations made against the ‘fazenda vale do Rio Cristalino, belonging to the Volkswagen group’ were ‘not justified’: according to him, not the CVRC, but the firms contracted to process the clearing services, were ‘entirely responsible for the labor tasks contracted with the peões’.\footnote{Ibid.} That the police of Conceição do Araguaia, a 30,000 inhabitant rural county in the Amazon, preferred not to level accusations against a big multinational, whose project was backed by an authoritarian government at the federal level,
was hardly surprising.

Nonetheless, the Church, political and union actors did not agree with this position. The recognition of Volkswagen's responsibility in tolerating the existence of a forced labor system on its own property was part of what they saw as a battle for the truth; they saw it as a necessity to save the victims' dignity as well as impede the occurrence of new cases of—as they called it—'slavery'. Several peões had themselves criticized, in testimonies, Volkswagen's passive attitude regarding the gatos' actions. The peões Sabino and Adail, for example, said

For sure, they [VW] are guilty as well, because they do not review anything. They can’t just ignore what is happening there. [...] What does it mean; when you’ve got a land property, and you do not even know what’s happening on its ground?

Shortly after the police inquiry of Conceição do Araguaia several figures of the Amazonian Church publicly condemned Volkswagen's refusal to accept responsibility for the problems of forced labor at Cristalino, as for example the bishop Dom José Patrício Hanrahan who asserted in an interview:

We accuse Volkswagen of having lacked a sense of responsibility, to have morally participated and to have lacked awareness of its responsibility regarding these peões. The firm treats its own employees well, but ignores the conditions of slavery of these peões.

As was to be expected, SUDAM officially claimed that VW was innocent. The state agency organized its own ‘investigation’, consisting in a visit to Araguaia-Tocantins by twenty-two CONDEL members—including one state governor who came in person. CONDEL visited the Cristalino fazenda and the Atlas Frigorífico slaughterhouse ‘for a whole day’, and concluded in an official declaration signed by all council members—even Jáder—at the end of August 1983, that all the accusations made against VW were ‘unfair’ and ‘unjustified’.

This report was definitely not a positive sign for the supporters of the peões, because it showed that the entrance of PMDB state governors into CONDEL after the elections of 1982 had not tempered SUDAM's infatuation with the VW development project. Jáder, in particular, did not prove any different to the traditional SUDAM 'notables'. In July, he

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229 ‘VW Farmarbeiter kommen zu Wort (Interview).’
230 ‘Bischof Hanrahan: ‘Wir klagen Volkswagen des Mangels an Verantwortungsbewusstsein an.’ (Interview).’
231 ‘Neue Stellungnahmen zu den Beschuldigungen gegen die VW-Fazenda’.
avoided accompanying CONDEL members to their visit to Cristalino, giving once again the impression that he was fleeing the question of forced labor. Furthermore, by signing the CONDEL report about Cristalino at the end of August 1983, he participated in clearing Volkswagen of the accusations of forced labor. Soon, it appeared that Jáder was handling both sides carefully in the conflict opposing Volkswagen to the actors of liberation theology and the workers' rights movement. Struck by the media appeal triggered by Rezende's and Soares' accusations against the CVRC, he began to show an, at least, apparent interest for the peões' concerns and opened up a dialogue with the Church. On 6 September 1983 he received Rezende and Bishop Hanrahan in the governor's palace in Belem, where they discussed the results of the police inquiry of Conceição about the VW-farm. Jáder recognized that the police report left no doubt about the veracity of the peões' accusations and promised that the document would be communicated to the Attorney General of Pará.

However, while this meeting was probably supposed to serve Jáder's public image as a progressive opposition state governor, willing to act against projects imposed by the military government, Jáder did not announce any political decision about the VW-farm. He could, for example, have used his seat within CONDEL to ask for a reconfiguration of the CVRC project. He could have voted against the renewal of the fiscal incentive funds attributed annually to the company. He could even have sent a contingent of the military police to Cristalino in order to arrest Chico and Abilio, as he did the same year to solve other cases of land conflict. In the end, all that Jáder did was to assure the priests that the police inquiry made at Conceição would follow its legal path. After this, the governor invited Sauer and Dutra to Belem, probably to reassure himself about VW's good intentions. The talk between Jáder and the VW management was not followed by any official engagement or common declaration, besides the fact that Jáder never gave a public word of criticism against the CVRC project.

Jáder's policy of being gentle both toward VW and the critics of the CVRC, while not taking any concrete political measures, illustrated the mixed results of the first wave of denunciation against forced labor at Cristalino. While public powers—Jáder included—recognized that there was a forced labor problem at Cristalino and several inquiries explicitly inculpated the gatos, only some leftist deputies expressed the claim made by liberation

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234 In May 1983, after Rezende’s denunciations were made public, the CONDEL decided to renew the state subventions to the CVRC. Arquivo do FINAM, SUDAM, 26 May 1983, ‘Ata da 182ª Reunião Ordinária do Conselho Deliberativo’.
235 O Liberal, 7 September 1983.
theology and trade-unions and insisted on VW's responsibility in the existence of this problem. Besides, neither the government in Pará, nor the federal authorities, nor VW had put concrete measures into practice to put an end to Chico and Abilio's business at Santana do Araguaia. The conflict over Cristalino was not yet over.

4.2.5. A second wave of denunciations

As no measure was taken against Chicô, Abilio or Hermínio, the three gatos continued their business as usual. At the end of the clearing season in 1984, Rezende received even more complaints from peões having fled the fazenda. Similar descriptions to those in the peões’ testimonies of the previous year seemed to indicate that nothing had changed. Rezende had to inform his contacts in political circles again—Soares and Andrade in the first place—in July 1984, in the hope that this would allow a second wave of denunciation to be launched, reaching higher decision-making levels. Rezende could have been rendered desperate by the situation at the VW-ranch and the inaction of public powers. Nevertheless, in one year, the political climate in Brazil had changed. The military regime and its policy had never known such low political support as then. From January to April 1984, the ‘Diretas Já’ campaign in favor of the introduction of direct presidential elections, giving rise to demonstrations of hundreds of thousands of Brazilians, displayed the extend of the defiance towards the governing regime.237 Not only was Diretas Já supported by all the opposition parties, but the campaign also received a very favorable echo within the media, including those with the widest audience, the televisions, which for the first time since 1964 took side with a movement defying the central government.238

At the end of the Diretas Já campaign, the PDS (Democratic Social Party, the new name for ARENA) majority in the senate enabled the federal government to block a constitutional amendment for the instigation of direct presidential elections—thus fending off the opposition's slight majority in the Congress.239 But it was too late. Diretas Já had already convinced the most moderate part of the governing majority that the popular support for the revolution of 1964 had been lost. In July 1984 the vice-president of the PDS formed a

breakaway party and began to gather parliament members in order to look for an alliance with the PMDB. The PMDB’s candidate for president, Tancredo Neves, invested in August 1984, was consequently in position to win the indirect presidential elections planned for January 1985. The end of the authoritarian regime was becoming a close and realistic perspective, alongside the project of a land reform, which was one of the opposition’s main demands — although the extent of this land reform was more or less radical depending on the different opposition groups.

It was, in principle, a favorable moment for the peões, Rezende and their allies to seek to widen their political support within the institutions and to attack the state-backed CVRC project with more self-confidence. In fact, they succeeded in rapidly building a network of denunciation against forced labor at the CVRC. The CVRC was one of the symbols of the military regime’s big development projects policy and, as such, became an ideal target for criticism, even for some well-known figures in the opposition. The federal deputy Irma Passoni (PT) joined Soares and Andrade in their work of parliamentary lobbying in favor of the Cristalino peões. A famous Catholic activist from the southern zone of São Paulo, she had been the leader of the Cost of Living Movement (MCV) in 1978. One of the most powerful popular movements during the military regime, the MCV was a collective of housewives, which, allied with various NGOs, demonstrated against the socio-economic policy of the federal government. It issued a petition that gathered 1.3 million signatures against the rise in the cost of living. Passoni’s involvement in the denunciation of forced labor at the CVRC was a sign of the symbolic dimension taken by this affair in the context of the political fall of the military regime.

At the grassroots level, the same mechanisms as in 1983 were put in place again. Actors from the CPT, the STR and local representatives came together in order to register witness testimonies and to assist the peões in their visits to police stations. This time, however, there was more geographical diversification and the Santana do Araguaia region was no longer the epicenter of the peões’ complaints. A wave of testimonies was delivered by peões in their residence town of Paraíso do Norte (Goiás), where they had been recruited by Gringo in January 1984 with dozens of other workers, before being driven to Santana do

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240 Ibid., 250.
241 CPT Belém, Gama to Moraes, 20 July 1984; Passoni to Rezende, 3 August 1984.
242 Keck, The Workers’ Party and Democratization in Brazil, 83, 95.
243 Ibid., 48.
Araguaia and sold to Abilio. These testimonies gained visibility thanks to the initiative of Moisés Nogueiro Avelino, the mayor (PMDB) of the town of Paraíso do Norte. Alerted by the CPT about the return to Paraíso of peões having fled from Cristalino, he supported the peões’ deposition at the local police station and contacted the judge at the tribunal in Conceição do Araguaia, Enivaldo da Gama. Since the VW-farm was located on Conceição’s territory of responsibility, Moisés believed that Enivaldo was well positioned to start judicial action against VW or the contracted gatos. However, as a local judge, Enivaldo could do no more than write to state government executives and to the attorney general of Pará, in the hope of accelerating the judiciary investigations supposed to have already started in 1983.

The national climate leaning towards democratization also left room for initiatives of protest against the CVRC that could not have taken place one year before. For example, various city councillors of the town of Redenção (close to Conceição), including some members of the PDS, together with some CPT and STR members signed a petition against the VW-ranch, which they sent to Jáder. In addition, the actors from the opposition to the military regime became more offensive in the context of democratization and popular civil rights movements. In the previous year, for example, the federal deputy Ademir Andrade had limited his action to a type of internal lobbying within his party, the PMDB. In 1984, however, Andrade did not hesitate to send an offensive telex to Sauer in which he attacked the VW management:

Once again I am receiving denunciations about slave labor in the Company Vale do Rio Cristalino - Volkswagen fazenda [...] It is lamentable that the management of this company permits this type of crime.

Andrade's words showed that the tone of the VW opponents had changed to become more self-confident and aggressive, because the opposition to the military regime now felt legitimized by a majority of Brazilians. Within this opposition, the emergence of the PT, the masses of street activists as part of the Diretas Já campaign, and the economic crisis, which

244 21 May 1984 Paraíso do Norte (Police), peão.
246 CPT Belém, Soares to Gama, 17 July 1984; Andrade to Gama, 17 July 1984; Gama to Moraes, 20 July 1984; Gama to Soares, 20 July 1984; Passoni to Rezende, 3 August 1984.
247 The outcomes of these judiciary actions will be approached in part 6.1.
249 Part 4.2.2. of this thesis.
invalidated the federal policies of massive economic opening, had reinforced the radical left, especially in its critique of multinational companies. The worsening antisocial reputation of VW and the relative loss of influence of VW’s main political allies enabled the critics to be more direct in their arguments against the fading Cristalino project. The ‘Cristalino affair’ became a hot topic crystallizing the political conflict between advocates of the military regime and partisans of democracy and land reform. When, at the end of August 1984, the commission of investigation on land conflicts of the legislative assembly of Pará invited Rezende for a hearing, two assembly members delivered a tangible demonstration of this polarization.251 As Rezende started to tackle the VW-case and the reappearance of forced labor in big latifundios, Paulo Fontelis, a PMDB deputy close to the clandestine Maoist, PC do B party, began to argue with a PDS deputy famous for being the descendant of a family of big landholders. The whole state assembly remained shocked as the two men almost started to fight physically. It seems that contesting the VW-project in that period meant questioning a whole system of land distribution, deeply associated with the declining Brazilian dictatorship.

The decline of this dictatorship, along with a political climate hostile to big landholdings, also encouraged the left to intensify pressure on the government of Pará. Jáder, for example, was receiving regular mails from federal deputies asking him to finally take measures to solve the problems existing at Cristalino.252 Even the German activist Peter Klein, an executive of Amnesty International, in close contact with Rezende, started to directly address members of the Pará government. Klein was informed by Rezende about the absence of clear judiciary or political decisions following Conceição’s police report in July 1983. On 15 October 1984, Klein sent a series of questions to Jáder in order to express the irritation of the peões’ supporters faced with the inaction of the authorities:

Has any judiciary measure been taken against the subcontractors? What initiatives have been taken in order to put into practice the ‘Suggestions’ [N.B. The police report of Conceição suggested stopping the system of subcontracted clearing at Cristalino]? Has a dialogue been established with the fazenda management in the aim of realizing the ‘Suggestions’?253

Jáder remained silent, as usual. But Klein continued to lobby the state government of Pará by addressing other ministers. Months later, he managed to obtain an interview with

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251 ‘Padre Conta os Mortos e Fala de um Sonho de Paz’, A Folha de São Paulo, 30 August 1984.
252 CPT Belém, Gama to Jáder, 17 July 1984; Passoni to Rezende, 3 August 1984.
Jáder's Justice Minister Itair Silva, and convinced him to express publicly his support for the Cristalino peões.\textsuperscript{254} Itair Silva even described as 'slavery' the system of labor existing at the ranch. He also said that the SUDAM report published in 1983 to clear Volkswagen of the forced labor accusations was wrong, and criticized SUDAM harshly for funding antisocial 'development' projects in the Amazon.

The fact that Silva so openly attacked a SUDAM document signed by his own governmental chief (Jáder) showed, again, how hostile the climate had become against federal institutions and administrations created by the military regime. Silva's declaration also showed that although the activities of the gatos had not stopped, the term 'slavery' had become solidly associated with the image of the CVRC. 'Thanks' to VW, the peões' defenders in Brazil had managed to make of the forced labor networks, which had been nothing but 'business as usual' in the Amazon, a public affair. In 1975-1976, environmental activists had taken up the case of the fire at Cristalino as an opportunity to make of the destruction of the tropical forest a political issue. This time the rural workers and liberation theology movement used VW’s notoriety to make of debt bondage in the Amazon a national problem. The engagement of Klein on the side of the peões showed that this communication against 'slavery' had been efficient enough to reach the borders of Germany. Precisely, as Rezende said in an interview to a German newspaper, he and the CPT badly needed international solidarity to be able to push forward their struggle against the multinational company VW. The next section shows how the scandal of forced labor continued to develop on a transnational basis.

\section*{4.3. The help of the German solidarity movement}

The implication of a multinational firm in an affair of overexploitation of Third World laborers attracted the attention of the left-alternative political scene in Germany because the latter had reached, by the early 1980s, a particularly advanced stage of familiarization with transnational topics. During the previous decade, disappointments with domestic political developments had drawn the attention of German protest actors towards global disequilibria  

\textsuperscript{254} 'Interview mit dem Justizminister von Pará, Itair Silva', \textit{Brasilien Nachrichten}, (93) 1986.
and relations of domination between the northern and the southern hemispheres. This option was reinforced by the emergence of successful ideological proposals with a transnational focus, such as liberation theology which reinterpreted the universal message of the Christian faith or the Green movement underlining the interconnectedness of the earth’s ecosystems. The appeal of transnational, Third World linked topics in German left politics favored the collaboration between German and Brazilian protest actors and the transcription into the German context of the controversy on ‘slavery’ affecting VW. That way, what could have remained a local Amazonian affair became a topic, with which even the senior management of global VW and German political authorities had to struggle.

4.3.1. From colonial wars to Latin American dictatorships: the changing focus of the German ‘Third World movement’

The engagement of West German activists in favour of specific Third World social movements did not start with the arrival of German companies in Brazil. A so-called ‘movement of solidarity’ with the world’s South sprang up in the 1950s, during the colonial war in Algeria, when intellectuals and students of the Federal Republic supported the Algerian liberation movement.\(^{255}\) This marked the entrance of Third World countries as indirect political actors into German protest movements.

The fight for the self-determination of Third World countries imposed itself as one of the unifying topics within the movements of extra-parliamentary political protest that grew among German youth during the period of international effervescence of 1967-68. These movements attempted to break taboos of German society, on topics such as social hierarchies, sexual moral codes, state violence or the Nazi past.\(^{256}\) But many of the protesters thought themselves as the mere West German declension of a worldwide uprising. They developed a radical critique of the war led by the United states army in Vietnam, seen as a symbol of western imperialism. The anti-colonial movements of the world’s South, often of socialist orientation, fascinated German leftist students. These liberation movements constituted a surface of projection for the utopia of a global revolution. They opened perspectives for new experiences of socialist government, in rupture with the disappointing evolution of the Soviet


regimes toward totalitarianism.\footnote{Ibid., 10.}

As the enthusiasm of 1968 began to fade away and its direct influence on governmental politics proved almost inexistent in the eyes of most of the protesters, the Third World assumed an ever increasing space in the thematic repertoire of protest movements in Germany. In the early 1970s, hundreds of committees of support for Third World liberation movements blossomed in the cities of the Bundesrepublik. The disillusionment following the protest movement of 1968 sprinkled among its former participants the idea that political change was hopeless within German society and, more generally, in all industrial countries.\footnote{Balsen and Rössel, \textit{Hoch die internationale Solidarität.}}

This pessimist view on national perspectives led thousands of activists to increasingly envisage the Third World as a space of possible revolutionary upheaval, and a political area from which to challenge domination.\footnote{Olaf Kaltmeier, ‘Über die „Dritte-Welt“-Bewegung in der BRD. Zwischen Unterschriften und Straßenkampf’, \textit{Friedens-Forum} (2001).}

The German Churches had ‘discovered’ the Third World earlier than in 1968. Needless to say, they adopted a different perspective than revolutionary groups did. From the late 1950s to the late 1960s, many humanitarian Third World action groups were founded in the Protestant and Catholic parishes, in reaction to the news of natural catastrophes, civil wars or famines coming from Asian, African or Latin American countries.\footnote{Balsen and Rössel, \textit{Hoch die internationale Solidarität}, 282-5.}

Most of these groups were focused on actions of solidarity such as fundraising for food distribution or the creation of socio-medical services in damaged countries. The creation of the NGOs, \textit{Misereor} for the Catholic (1958), and \textit{Brot für die Welt} (1959) for the evangelic Church, dedicated to the assistance of needy populations in the world's South, illustrated this trend at the national level. For many young German Christians, these organizations were first schools of international solidarity, but also a first confrontation with social injustices at the global level.\footnote{Lepp, ‘Zwischen Konfrontation und Kooperation’, 9.}

A part of these engaged Christians did not remain insensible to the discourse of the student movements and their opening towards Third World countries on behalf of the solidarity against oppression.\footnote{Ibid., 5.}

Especially in Catholic parishes, a generation of young priests influenced by the student uproars of 1967-8 took a growing influence in the organization of Third World humanitarian groups.\footnote{Claudia Olejniczak, ‘Dritte-Welt-Bewegung’, in \textit{Die sozialen Bewegungen in Deutschland seit 1945: Ein Handbuch}, ed. Roland Roth and Dieter Rucht (Frankfurt/Main: Campus, 2008), 325-6; Daniel Gerster,}
Attentive to initiatives coming from Catholic personalities in the world’s South, these priests felt encouraged to radicalize their political critique by the time of the conference of Medellin in 1968. The theses of liberation theology not only represented a revolutionary platform for politically engaged believers, liberation theology also provided a possible response to the decline of the Christian faith in Germany, especially during the 1960s, when the numbers of faithful as well as the regularity of religious practice and the influence of the Catholic Church on society was decreasing. Controversies concerning the collaboration of some parts of the Church with the Nazi regime as well as media-echoed philosophical debates on the ‘death of god’ had also undermined Catholic motivations in the country. As Herzog states, liberation theology seduced progressive Catholics because in this pessimistic context, it proposed that the

focus of a lived faith should be on this world and not hereafter; that God suffered with human beings; that God was experienced when human beings were in solidarity with each other.264

Many German Catholics felt heartened also by the actors in this theological innovation from countries of the world’s South, not least because

those who advocated liberation theology within the Third World [...] seemed to display a vibrancy of faith, a certitude that God was real and that God was active in human affairs, that many western Europeans clearly felt they had lost.265

Therefore, ‘numerous theologians and laypeople found in left-wing activism and liberation theology precisely the kind of revitalized faith they had been searching for’.266 In 1968, in the wave of Medellin and the student movements, the German Catholic community experienced its own political breakup, with many parishes joining the protests, and launching their own support actions against the war in Vietnam and for Third World liberation movements, along with a repertoire of actions in complete rupture with traditional Catholic performances. As Werner and Rössel explain,

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265 Ibid.
266 Ibid.
everywhere in the Bundesrepublik, Church action groups organized Beat- and Rock-masses, in which people were supposed to beckon against the war in Vietnam, against hunger, misery and oppression in the Third World.\textsuperscript{267}

Around 1970, an event crystallized the link between the critique of economic inequalities by liberation theology, solidarity with the Third World, and the responsibility of West Germany in mechanisms of exploitation in the world's South. This event, the so-called ‘Cabora-Bassa affair’, accelerated the move of humanitarian Catholic groups toward a radical critique of the dominant conception of ‘development’ in Germany.\textsuperscript{268} Cabora-Bassa was a controversial dam-project planned in Mozambique, in the context of an independence war in which Germany supported the Portuguese colonizer. The dam was supposed to provide energy to a future settlement of one million European arrivals, with the benediction of the Apartheid government of South-Africa. The participation of five major German firms in the project made of Cabora-Bassa a breakpoint moment among Third World activists within West German Christian parishes. Many of them recognized that mere humanitarian help was no longer enough, given the frequent enmeshment of German financial interests in projects that threatened the indigenous populations of Third World countries. Cabora-Bassa thus constituted a decisive turning point in the history of Christian solidarity groups. For many of them, it marked the beginning of a politicization process, notably expressed by their open support of the African liberation movements in Portuguese colonies.\textsuperscript{269}

The Catholic South-western city of Freiburg, close to the French border, became the epicenter of this politicization process under the leadership of \textit{Freiburger Aktion Dritte Welt} (Freiburger Third World Action, AK3W). This humanitarian group close to the Catholic Church was created in 1968, initially in order to encourage the transfer of German aid funds to Third World countries in need, regardless of economic or political issues. Through the Cabora-Bassa affair, AK3W became aware that Germany's political line in the Third World actually consisted in privileging German economic interests. In reaction, the group started protest actions against the Siemens firm, involved in Cabora-Bassa.\textsuperscript{270} In 1980 a declaration of the Freiburger group summed up its own ideological evolution, which had become that of a major part of Christian Third World solidarity movements:


\textsuperscript{268} \textit{Ibid.}, 285-290.


\textsuperscript{270} Balsen and Rössel, \textit{Hoch die internationale Solidarität}, 292-7.
Insofar as our group became aware of the connection between the capitalist economic structure in industrial countries, and the misery, exploitation and oppression of the Third World, our position towards the FRG's social system has changed. We increasingly understood ourselves as a part of the left.271

From then on politicized and fiercely critical of the German government and firms, the German Third World movement started to focus its struggles on places where German interests were intertwined with movements of oppression and injustice. By 1973, the projector was put on Latin America. The interest of the German left for the southern Cone lasted at least for a whole decade. It started with Pinochet's bloody military coup against the left-wing government of Salvador Allende in Chile, which led to numerous manifestations of emotions in Europe and the blossoming of committees of ‘Chile solidarity’ everywhere in West Germany.

As in the mid-1970s, the hope that international pressure might defeat Pinochet disappeared, many of these committees changed names and focus. They extended their interest to the whole Latin American region: the Chilean episode had triggered a growing interest for the Latin American socialist movements and the effects of ‘western’ imperialism in the southern Cone.272 Another military coup, this time in Argentina, reanimated these committees in 1976. But it was the conflict in Nicaragua between the left-revolutionary, Sandinist movement, and the hardliner conservative dictator Somoza in 1977-9, which affected the German Catholic Church the most; its members began again to create myriads of solidarity groups at the local levels. The literary success of the Sandinist Trappist monk and poet Ernesto Cardenal, edited by the Peter Hammer Verlag in Wuppertal, had favored this mobilization.273 The presence of many German companies in Nicaragua, working in solid collaboration with the dictatorship, triggered the indignation of German Catholics: BASF, Bayer, Siemens, VW and AEG were there, besides Mercedes Benz, whose general executive in Nicaragua was the dictator Somoza himself.

Around 1980 it was El Salvador, again a Central-American country governed by a military dictatorship, which kept Latin America at the center of attention.274 European Catholic milieus were especially affected as the archbishop of El Salvador Oscar Romero, a

271 ‘In dem Masse, wie der Zusammenhang zwischen kapitalistischer Wirtschaftsstruktur in den Industrieländern und dem Elend, der Ausbeutung und Unterdrückung der Dritten Welt in das Bewusstsein unserer Gruppe rückte, wandelte sich auch unsere Haltung zum Gesellschaftssystem der BRD. Wir verstanden uns in zunehmendem Maße als Teil der Linken’: Ibid.

272 Ibid., 394.

273 Ibid., 402-3.

274 Ibid., 459-479.
The opposition movement, was shot to death during a service at the cathedral in the capital city, and a massacre killing forty faithful was carried out by the army during his funeral. The aggression against the Church in El Salvador concluded the radicalization process of Catholics engaged in the solidarity movement in Germany. On 26 September 1980 this radicalization was illustrated by dozens of theologians, priests, Church employees and theology students, who organized, in solidarity with El Salvador, a spectacular occupation of the cathedral of Cologne. The opposition against Latin American authoritarian regimes, the solidarity with the Latin American left and the critique against German economic policy in the southern Cone had become unifying mottos within the Christian solidarity movement.

4.3.2. Two European visions of Cristalino. The confrontation between Brazilian solidarity groups and Volkswagen in Germany

There were hundreds of local committees of solidarity with Brazil in western Germany in the early 1980s, many of them linked with Catholic parishes in the Bundesrepublik and having partnerships with Brazilian NGOs. Some of these groups reacted actively to the news of forced labor coming from the Cristalino farm. The Brasilieninitiative association in Freiburg took the affair extremely seriously. Brasilieninitiative had started to exist in 1979, as during the visit of President Figueiredo to Germany, a number of Brazilians living in Germany, as well as German intellectuals or activists interested in Brazil, had the idea of setting up an information stand in a Freiburg street, in order to enlighten the city’s inhabitants about the Brazilian military regime. Brasilieninitiative launched a journal, Brasilien Nachrichten, which became specialized in overseeing the social consequences of German investments in Brazil. From 1979 to 1986, Brasilien Nachrichten (BN) dedicated dozens of articles to the VW-farm. From 1983 several Brasilieninitiative members led detailed investigations about the forced labor system at Cristalino, soliciting the point of view of the VW-executives in Germany and Brazil, Brazilian liberation theology politicians and activists, staying in permanent mail contact with Rezende and Soares, and effectuating several trips to Araguaia. BN’s editor, Peter Klein, who was also the director of Brazilian coordination at Amnesty International Deutschland, became the pivot between Brazilian and German associations for

275 Ibid., 487.
277 Most of these articles are cited in the footnotes of this thesis.
all matters regarding the Volkswagen farm. Although Brasilieninitiative was not directly
religious, the association did not hide its admiration for liberation theology, and plainly
recognized itself as the local avatar of the German ‘solidarity movement’.  

As Brasilieninitiative was founded, the mutation of the German solidarity movement
into a protest block had already taken place. Another association, which harshly criticized
the CVRC, illustrates this evolution, with a curriculum similar to that of the Freiburger AK3W. In
fact, it even bore almost the same name, Aktionskreis Dritte Welt (AK3W)—shared by many
local Third World solidarity committees in Germany—although it did not start in Freiburg,
but in Recklinghausen, in the north of the Ruhr urban area. The action group was founded in
the Catholic parish of St. Peter, in the old town of Recklinghausen, by fourteen engaged
Catholics who, according to two of them (Thomas Hax and Peter Möller), were looking for
‘the good feeling of being able to do something for the less moneyed people in this world’. Initially, AK3W of St. Peters was entirely dedicated to charity actions. The Germans of St.
Peters collected donations in Recklinghausen, which they sent to the Franciscan brothers of
Piripiri, in the poor north-eastern state of Piauí. The principle was to ‘bore wells, build
schools, erect chapels and manage garden plots with the money of the wealthy Germans’. The
local Church leadership and the parish council looked sympathetically at the small NGO;
some members of AK3W even sat on these institutions.

Everything changed with the first study excursion to Brazil by ten people of the group
in 1979. They travelled three months over the country while, as Hax and Möller remember,

It was the eventful time of the metal workers' strike in the South of Brazil, the
time of bloody land conflicts […], when rice crop growing was supposed to lose
ground for the benefit of cattle-raising, focused on international commerce; the
alarming theses of the liberation theologians had provoked mobilization and
irritation. Dom Helder Camara [a charismatic bishop of the Brazilian north-east] questioned with appealing theses the world economic order and designated
worldwide poverty as a state of war, to which the rich acquiesced with terrifying
passivity.

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278 ‘Was ist es was VW so Blind Macht? Zur Auseinandersetzung um die VW-Fazenda’, Brasilien Nachrichten, (81) 1983.
279 For this and all the following on AK3.W St. Peter: Thomas Hax-Schoppenhorst and Peter Möller,
„Nestverweis für schräge Vögel. der AK 3. Welt St.Peter Verläßt nach 27 Jahren die Gemeinde”, in Brücken und
Gräben. Sozialpastorale Impulse und Initiativen im Spannungsfeld von Gemeinde und Politik, ed. Norbert Mette,
Ludger Weckel, and Andreas Wintels (Münster: LIT, 1999), 68-76.
280 ‘Es war die bewegte Zeit der Metallarbeiterstreiks im Süden Brasiliens, die Zeit der blutigen Landkonflikte
[…], wo der Reisanbau der auf den internationalen Handel konzentrierten Rinderzucht weichen sollte; die
alarmierenden Thesen der Befreiungstheologen hatten für Bewegung bzw. Irritationen gesorgt. Dom Helder
Camara stellte in Recife mit markigen Thesen die Weltwirtschaftsordnung in Frage und bezeichnete die
weltweite Armut als Kriegszustand, den die Reichen mit erschreckender Passivität dulden.’
During their trip, in which they had many conversations with religious actors, the AK3Ws completely modified the way they had been looking towards Brazil:

It was over with the cliché of the somewhat tired Latinos who would prefer to doze in the sun […]. From then, the thoughts of the action group members were intensively bewildered by words, which [we] had considered only half-heartedly and unknowingly: global economic order, indebtedness, capital transfer.\(^{281}\)

As they came back to Germany, the AK3.Ws were shaken, disillusioned and politicized. Piripiri’s human misery, they started to realize, should be seen as the local consequence of an overall context of systemic inequalities, and even a global context. It was no longer taboo to question the influence of West German living standards on poverty in the Third World. They criticized their own past charity action, which they summed up as the illusion of creating a small oasis of German donations in the middle of a starving world.

From that point on, AK3W actions became more radical and managed to attract an increasing public audience—they called for better working rights at VWB and Mercedes do Brazil, protested against gigantic sugar cane plantations, lobbied for the protection of the tropical rain forest, denounced the incapacitation of Amerindian tribes and argued in favour of land reform. Through postcard-actions, street theatre, information stands, school visits, collaboration with movies and Third World solidarity reviews, AK3W made a name throughout the entire Bundesrepublik.

Because of its solid establishment in Brazil, VW became the AK3W’s main target: the Third World solidarity supporters of St. Peters protested against high remittances from VWB to Wolfsburg compared to a weak investment in the Brazilian market.\(^{282}\) They criticized the massive dismissals that took place at VWB in the period of the Brazilian economic crisis and, of course, showed massive indignation against the CVRC-project. Beyond critiques, the action group sought to develop a dialogue with the company. From 1981 to 1983 Thomas Hax, one of the AK3W leaders, regularly communicated with the director of VW’s Brazil department in Wolfsburg, Otto Adams.\(^{283}\) With time, the two men developed a tense relationship: Adams blamed Hax for being too emotional and not ready for a rational

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\(^{281}\) ‘Vorbei war es mit dem Klischee der etwas müden Latinos, die lieber in der Sonne dösen […]. Mit großer Heftigkeit sorgten nun Vokabeln in den Köpfen der Arbeitskreismitgliedern zur Verwirrung, die man bislang nur halbherzig und unwissend zur Kenntnis genommen hatte: Weltwirtschaftsordnung, Verschuldung, Kapitaltransfer.’


\(^{283}\) *Ibid.*
dialogue. Furthermore, he considered that Hax systematically tried to give a negative image of VWB to German public opinion. Hax sent some copies of the letters that he received from Adams to magazines with a wide audience such as Der Spiegel, Stern or the Frankfurter Rundschau. He also irritated Adams by quoting some passages of these letters in a Christian radio show on Norddeutscher Rundfunk.

After the forced labour scandal, AK3W sent copies of its exchanges with Adams to several other solidarity associations, encouraging some of these associations to take public positions against the VW-farm as well. The ‘Brazil working group’ of the Dritte Welt Haus (‘Third World house’) of the city of Bielefeld, for example, included these documents in a dossier of investigation about the presumed crimes committed at Cristalino. They sent the dossier to the German media and to documentation centers throughout the whole country.

About 75 kilometers north-west of Bielefeld, in Mettingen, another Third World solidarity group, the Institut für Brasilienkunde (Institute of Brazilian Civilization, IfB) participated in circulating critical texts against the system of forced labor at Cristalino. The IfB, a Franciscan association, was founded in 1969 and, just like AK3W St. Peter, started with mere charity activities, gathering money to support the humanitarian works of some Franciscan monks in the Brazilian north-east. With the radicalization of the Third World movement in Germany, the IfB increasingly took political positions endorsing the theses of the Brazilian left. It started to publish German translations of texts written by liberation theologians, and, in its review Brasilien-Dialog, critical reports on the unbalanced economic relation between Germany and Brazil.

Beyond ‘Brazilianist’ associations such as the IfB, AK3W or Brasilieninitiative, some organizations dedicated to wider areas participated in publicizing the denunciation of forced labor at Cristalino in Germany. In Bonn, the Informationsstelle Lateinamerika (Point of Information on Latin America, ILA) began to intervene against Volkswagen in 1983, as its director Gernot Wirth put pen to paper to address a letter of protest to VW senior management in Wolfsburg; its reply was later published in Brasilien Nachrichten. The ILA was an association of the alternative left, dedicated to providing information about German business

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284 Ibid.
285 Brasilien-Dialog, (2) 1983; Brasilien-Dialog, (4) 1984 both contain several texts accusing the VW-Farm.
in Latin American dictatorships, but not only. The ILA’s aim was also to unveil in Germany and demonstrate solidarity with the actions and messages of Latin American protest groups which were not known by the European media, such as trade-unions, peasants’ organizations, Church grassroots communities, feminists and ecologists.289 As most of the Third World solidarity organizations in Germany, the ILA disseminated its ideas through a review, entitled after the name of the association.

Another media publication, the Catholic magazine *Publik-forum*, issued several articles and special reports on the suspicions of slavery at Cristalino, largely based on information provided by the CPT.290 *Publik-forum*—launched in 1962—was an engaged paper enjoying esteem in left intellectual milieus, besides a certain level of circulation (between 20,000 and 30,000 copies sold every month), which made of the magazine a sort of platform of the Christian left. *Publik–Forum* promoted a Church ‘from the bottom’; it regularly provoked controversy through its very critical tone against the German Catholic hierarchy, its liberal positions on topics such as homosexuality or priests’ celibacy and its acknowledged admiration for liberation theology.291

*Publik-forum, Brasilieninitiative, AK3W St. Peter* and all the associations cited above were, in part, the fruit of the emergence of Third World solidarity in Germany during the 1960s and 1970s. Many of these groups worked together, shared information and contacts. The solidarity movement had created networks of pressure, made up of local groups and militant publications, often paying attention to economic and political evolutions in specific geographic areas—for example Brazil. They were especially interested in the ethics of German firms in the world’s South. VW, among other important companies, was monitored by these groups, which served as a mouthpiece for protest actors such as Rezende or Soares in the German territory.

What was the role of these German actors in the conflict that—indirectly—opposed the seasonal workers of Cristalino to VW? First, the German solidarity groups constituted a source of information about Cristalino other than VW’s communication department in Germany. *Brasilieninitiative* carried out an impressive work of investigation and information in this respect. *Brasilien Nachrichten* published peões’ testimonies, reports sent to Peter Klein

by Soares and Rezende, documents from SUDAM or the police in Santana do Araguaia, propaganda documents issued by Volkswagen and letters by VW representatives. Brasilieninitiative sent two of its members to the county of Santana do Araguaia: Sylva Ehlers in 1984, Peter Klein in 1985. They both visited the VW-farm and the region, where they interviewed many actors involved directly or indirectly in the so-called ‘slavery’ affair at Cristalino: former seasonal workers, clergy members, medical personnel, VW security guards. Impressed by the results of Brasilieninitiative's research, Expedito Soares even used the material sent to him by Peter Klein to prepare his speeches on the VW farm at the state parliament of São Paulo. He distributed Portuguese translations of articles from Brasilien Nachrichten to the state deputies, who received these texts, written by Germans about a Brazilian fazenda, with curiosity and enthusiasm.292

Brasilieninitiative also helped the outside world to know the fazenda and its actors better. The figure of Friedrich Brügger, for example, was ‘discovered’ by the association. Klein and Ehlers met him several times for interviews in São Paulo and Cristalino. They regularly offered him the chance to react to criticisms and give his opinion on the problem of forced labor, through texts that were published in Brasilien Nachrichten. Brügger did not master the communication skills of a Wolfgang Sauer, a Paulo Dutra or an Otto Adams. He had clear-cut ideas about agricultural politics, ecology or Amazonian crop culture. He flung his convictions with a remarkable frankness, without adapting to the expectations of his interlocutors. When talking to members of Brasilieninitiative, he would express his incomprehension towards the accusations raised against the gatos, or the credit given in Europe to Rezende, whom he saw as an extremist. Neither did he understand the ‘ecological concern’ that Europeans raised about the fazenda: for him all this was based on scientific ignorance. As a ‘multi’, he thought, VW was an easy target for all sorts of critiques, as if the company had to pay for the whole capitalist system.293 More surprisingly, Brügger did not hesitate to grumble about his own superiors in Wolfsburg, whom he blamed for not being offensive enough. He would have liked to sue Rezende, and felt betrayed by the refusal of VW to do so. But the most interesting part of Brüggers' confidences to the writers of Brasilien Nachrichten was when he gave his opinions about the peões.294

One of the arguments that Brügger used to disqualify the testimonies of the peões was

293 Ibid.
294 For this and the following points on Brügger’s discourse: Brügger, ‘Volkswagen nimmt Stellung zu Anklagen’; Brasilien Nachrichten, (82) 1984; BN-Interview mit Herrn Brügger (93) 1986; Ehlers, ‘Besuch auf der VW-Fazenda Vale do Rio Cristalino’.
their identification with local traditions and with the chronic underdevelopment—‘backwardness’—of northern Brazil. Brügger, together with other executives of the fazenda, such as the chief of the CVRC’s security service Adão Ribeiro do Reis, depicted the peões as typical non-modern beings. According to the manager of the CVRC, these workers were ‘nomads,’ naturally lazy and reluctant to take on regular employment or work efficiently. They had no idea about how to rationally cultivate a plot of land. They fought with each other at every opportunity and were unwilling to build a family. Since many of them allegedly refused to carry identification papers with them, or did not even have any identity document, they had almost no identity in a modern and rationalized world.

For Brügger, developing ‘these people’ was an almost impossible task, even for the ‘new civilization created’ by VW in the Amazon. Brügger thought that the subsistence of archaic forms of economic relations on the ranch, in spite of VW’s efforts to modernize the region, was rooted in the historical, social and geographic characteristics of the Amazonian region. For example, he represented the non-modernity of the peões as the reason why they were stuck in underdevelopment in spite of the work offer that was made to them. Underlining that the peões should be made responsible for their own problems, Brügger did not want to know about ‘debt slavery’, which he saw as a pseudo-humanitarian concept invented to justify the workers’ laziness:

If one works slowly, dilly dallies, it can happen to them that during the clearing days they spend more money in the armazens [the gato’s shop were peões had to buy food or clothes] than what they earned after the surface they have actually cleared has been counted. In Europe it is in principle not really different. Only that there a worker is precisely ‘slave of the bank’, to which he owes his debts.

Instead of earning money, Brügger said, the peões augmented their debts ‘because they live beyond their means’ and ‘eat mountains of rice instead of working’, which was problematic since the peões were paid according to the amount of hectares they cleared.

Such declarations were shocking for European Third World activists, who claimed to defend the dignity of the poor on behalf of solidarity between human beings—a leftist Swiss journalist once confided to Rezende, after a meeting with Brügger, that ‘this guy [...] is a case

295 ‘Der Sicherheitsbeauftragte der VW-Farm (Interview)’.
for Freud rather than for Marx.’ For Brügger, the activists of Brasilieninitiative had flushed out the ideal polarizing figure, someone whose declarations were certain to shock a part of the German public. His vision of modernity corresponded exactly to the critiques against dependent development emitted by liberation theology in Brazil or Brazilian solidarity groups in Germany: it was an elitist modernity, necessarily driven by the ‘know-how’ of industrially superior countries, excluding the poor and prohibiting any kind of critique against technological progress. After 1983, the successive Brasilien Nachrichten releases only rarely omitted to publish one (if not two or even three) texts, interviews or quotations by Brügger. Brügger himself, who knew that his texts would be published and felt misunderstood by European public opinion, saw Brasilien Nachrichten as a tribune from which he could address German society and deconstruct the unfair—he thought—accusation raised against the VW-fazenda. This game became pitiless: the more Brügger talked, the more he shocked. Unwillingly, he became the best argument for the activists who demanded the end of the VW-fazenda.

But the German solidarity movement did not only construct negative figures such as Brügger, from which the readers of Brasilien Nachrichten were supposed to dissociate themselves. It also made famous in Germany certain Brazilian figures with which the German Third World movement could identify itself, in its confrontation against Volkswagen. In particular, Ricardo Rezende Figueira was made a star of the solidarity movement by Brasilien Nachrichten, Publik-Forum, Brasilien-Dialog, even Der Spiegel and other German magazines. Rezende was idealized as a friend of the poor risking his life for workers’ rights and the preservation of the forest, a ‘David’ fighting alone against Volkswagen, ‘Goliath’ of global capitalism. Rezende readily accepted to play this game: he could not refuse the support of the international press, given his situation in the Amazon, where his conflicts with several big landowners in affairs of forced labor had left him in a fragile position. As Publik-Forum wrote, Rezende had so many enemies that he could only be happy about the support of new German friends; he was denigrated as a notorious liar by the VW firm’s management. He is also seen as a nuisance by other big landholders in Brazil. In the end, his relative high level of notoriety in Europe might be the reason why the many death threats he has received until now […] have not become reality yet.

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299 [Rezende wird] von der VW Firmenleitung als notorischer Lügner verleumdet. In Brasilien ist er auch anderen Großgrundbesitzer ein Ärgernis. Vielleicht ist letztlich nur sein relativ hoher Bekanntheitsgrad im Ausland der Grund dafür, dass aus den vielen Morddrohungen gegen ihn […] bislang noch nicht Wirklichkeit
The ideological support of Christian Third World solidarity groups enabled Rezende to resort to an effective network for communicating messages in Germany or even talking directly to the German public. He especially developed a friendly relationship with Peter Klein, who invited him for two weeks to Germany to talk about the problems of forced labor at the VW farm. There, Rezende gave interviews in the local press and made a conference tour during which he talked in front of hundreds of people about the peões, the gatos and how the VW-fazenda contributed to social imbalances in the Amazon. He was, for example, on 22 October at the adult education center in Freiburg for Brasilieninitiative. On 28 October he talked in the main amphitheatre of the prestigious university of Heidelberg for the charity association, Food First. On 31 October, he talked in Cologne for Amnesty International, after which he made a visit to the headquarters of the Justitia et Pax commission, an organ affiliated to the German Episcopal Conference and the Central Committee of German Catholics, specialized in development, human rights and peace policy. By handing to Justitia et Pax a report of more than one hundred pages, full of data about the cases of forced labor against peões at Cristalino from 1980 to 1985, Rezende hoped to sensitize the executive institutions of the German Church, which until then had been quite supportive to VW’s initiatives in Brazil.

The cycle of conferences given by Rezende was part of the German Third World groups’ strategy to circulate independent information about the VW-fazenda to the widest audience possible, as an alternative to the advertisement campaigns carried out by Wolfsburg to praise the ‘model ranch’. This strategy corresponded to the promise made by Peter Klein in a letter to Rezende: ‘we will publish an important part of your material here, to make public opinion in Germany aware of the problems’. Brasilieninitiative considered that its role was to inform, explain, and transmit concrete images of the daily life of the seasonal clearers in Cristalino because, as Ehlers wrote as she came back from her trip to Cristalino, in reference to the peões:

301 CPT Belém, October, 1985 ‘Landkonflikte, Brasilieninitiative’.
In Germany, ten thousand kilometers from there, in the middle of the reality of the Federal Republic, it is often difficult to imagine the life and the suffering of these people who have to live in a climate of violence, injustice and exploitation.\footnote{In Deutschland, zehntausend Kilometer entfernt und umgeben von der bundesrepublikanischen Realität, fällt es oft schwer, eine Vorstellung von dem Leben und Leiden der Menschen zu bekommen, die in einem Klima der Gewalt, Ungerechtigkeit und Ausbeutung leben müssen’: Ehlers, ‘Besuch Auf der VW-Fazenda ‘Vale Do Rio Cristalino’.}

\textit{AK3W St. Peter} also took initiatives supposed to be heard by a wider public, for example as Thomas Hax addressed German consumers, asking them to boycott VW-products in order to protest against the exploitation of the seasonal workers at Cristalino.\footnote{Brasilien Nachrichten, (81) 1983.} It scarcely needs to be said that this call was above all symbolic, given the reduced size of the association at St. Peters. Still, these kinds of initiatives had at least a chance to be heard in certain circles, which played a role in the cultural exchanges between Germany and Brazil. Besides its massive presence in the local press, \textit{AK3W St Peter} had active contacts with more than one hundred Brazil solidarity groups in Germany, which relayed the messages of \textit{AK3W} with a kind of multiplying effect.\footnote{Hax-Schoppenhorst and Möller, ‘Nestverweis für schräge Vögel’.} Only in 1985, when the so-called ‘slavery affair’ regarding Cristalino was the most debated in Germany, two members of the group accepted over 180 invitations to speak in parishes, political meetings, party and trade-unions meetings in the entire Bundesrepublik.

\textit{AK3W St Peter} and the other solidarity groups involved in the denunciation of forced labor at Cristalino reproached VW for claiming abusively that it brought modernity and development to the Amazon, while in their eyes the aim of a multinational firm could only be the guarantee of its own profit. Ehlers, for example, concluded from her visit to Cristalino that VW confused profit maximization and export gains with development aid, ‘while development certainly means for VW something fully different than for a rural workers’ family in Pará’.\footnote{Brasilien Nachrichten, (84) 1984.} The scandal of forced labor launched by Rezende became the pretext for a political battle between two radically opposed visions of Germany’s role in developing the Third World. On one side, \textit{Brasilieninitiative}, AK3W, the ILA, the Third World House, and other associations claimed to convey in Germany the voice of the millions of Brazilian poor, forgotten by the policy of big landholdings in which VW participated. They kept suggesting that there would be no clearing workers in precarious positions at Cristalino if the fazenda was divided into small plots of land for thousands of small peasant families. On the other side,
VW defended the idea that only multinational companies could furnish to Brazil the technical and financial investments necessary to modernize agriculture and increase food production.

Even before the emergence of the question of the seasonal workers, a debate had taken place between these two visions of development, during a podium discussion organized by AK3W in Recklinghausen in November 1982. Entitled ‘Brazil - Progress for whom?’ the debate had, as guests, Peter Klein as well as two Catholic priests from parishes of the Recklinghausen region. Otto Adams and Bernhard Henning, a VW-reseller in Recklinghausen, had been invited by Thomas Hax, as representatives of the business world. Harsh censure against the VW policy in Brazil came from the public and the religious participants: they accused multinational concerns of collaboration with the dictatorship, and designated the automobile firms as structurally co-responsible for the phenomena of social poverty and territorial imbalances that were the plague of Brazil. Peter Klein summed up that ‘VW is a bracket that blocks the socio-economic progress in Brazil’. Adams expressed an exactly contrary stance to that of Klein, by describing VW as a motor of Brazilian progress. The industrialization by automobile companies, he said, had enabled the enhancement of the workers' living standards. With its farming project, VW would produce meat for the internal market, and thus help respond to Brazilian food needs.

Adams was quite alone defending this business-friendly vision of development in the podium discussion at Recklinghausen. He remained angry at Hax for having placed him in a position of ideological isolation. In July 1983, Hax received a letter from two other VW-executives, accusing him of unfairness towards VW’s contribution to Brazilian development. The letter stressed how much more effective VW’s action for Third World development was, in comparison to the fruitless critiques of the Third World solidarity movement. Out of ideological rigidity, they wrote, Hax was unable to distinguish the complex reality of Brazilian society and the positive socio-economic effect of VW's presence in the country. After having recommended Hax to put his pre-conceived ideas aside, they added:

Maybe then even you would be able to recognize the extent of cultured lifestyle and humanitarian progress that European firms have brought to Brazil’, and finished the letter by a provocative question ‘What is making you so blind?’

Quite violent in contrast to the diplomatic style that VW had adopted until then when it

310 ‘Not in Brasilien Schlägt Wellen im Revier.’
311 Ibid.
313 Hornig & Wetzel to Hax, 12 July 1983, Arbeitsgruppe Brasilien, Die Farm am Amazonas, 35.
314 Ibid.
communicated about the CVRC, this letter illustrated the growing embarrassment of Wolfsburg with respect to the Cristalino project. Once again, Hax did not restrain himself from circulating the piece to various Brazilian solidarity groups. The Third World House in Bielefeld published and commented on the whole exchange between Hax and VW, while Peter Klein wrote an article in *Brasilien Nachrichten* out of the polemic, entitled ‘What is making VW so blind?’ and finishing with one sentence: ‘Thank you, Thomas Hax’.  

Peter Klein did not answer the title-question of his article (‘What is making VW so blind’?), but he answered another question. Morally condemning VW’s ‘ignorance of the human misery and suffering’, he asked: ‘What is trying to open our eyes?’ and answered, referring to the priests of the CPT: ‘the initiative of courageous men from the Catholic Church’. Indeed, the conflict between Third World solidarity groups and VW in Germany also became a battle over Christian values.

Advocating the compatibility between ‘beneficial economy’ and Christianity, VW increasingly answered the critiques by trying to occupy the terrain of moral values and demonstrating that benevolent businessmen were better Christians than was, for example, a Marxist priest such as Rezende. Rezende’s ‘calumnious’ accusations, the VW executives said, were an insult to Christian dignity. For Brügger, ‘Especially from the Church, one would expect that the truth be defended’, and the Church should always stay ‘away from politics’ anyway. Two VW commentators, writing to a reader of *Publik–Forum* to persuade him that the accusations against the CVRC were pure gossip, also stressed that ‘All this is even more regrettable insofar as here it is apparently a representative of the Church [Rezende] who is working with inadmissible methods’. Similar attacks were addressed to Thomas Hax by the VW representatives, who wrote him:

> Until now we have presumed that you were acting out of noble motivations. But today we unfortunately have to fear that you are turning out to be a bigot who in reality resembles the historic destroyers of Christian thought.

VW, in sum, accused its opponents of usurping Christian morality in the name of

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315 *Brasilien Nachrichten*, (81) 1983.
316 Ibid.
317 ‘Fazenda Vale do Rio Cristalino, Volkswagen nimmt Stellung zu Anklagen’.
which they claimed to speak. To show that, by contrast, VW was truly faithful to Christian principles, the company management looked for allies within the Church hierarchy, against the partisans of liberation theology. The task was not very difficult, for left engaged, pacifist and Third World solidarity Christians had been irritating the elites of the German Catholic Church—especially the Central Committee of German Catholics—at least since 1967-68, when certain parishes expressed their sympathy for subversive student movements. The tensions between conservative Church officials and progressive parochial associations had become frequent even locally, for example in St. Peters, Recklinghausen. From AK3W in Peters Hax had become omnipresent in the local press, the parish representatives began to find the association too visible, especially in comparison with the parish itself. The activists’ conversion to political reflection and shock actions had also led them to criticize the St. Peter’s parish hierarchy, its static conception of the liturgy and its principle of avoiding political topics during the service. VW began to exploit the tensions within the Church to secure a Christian legitimacy for itself in the conflict over the CVRC, by looking for the support of priests.

This was conducted in the first place by Wolfgang Sauer himself, especially during a symposium organized by the Vatican in November 1985 in the papal university, Urbaniana, in Rome, in which the VW chief spoke out in favor of a business-friendly Church. The ‘dialogue’ at Urbaniana—from which Catholic NGOs such as Misereor or Mission, but also liberation theologians, were excluded—was dedicated to the ethics of multinational companies in the Third World. It actually turned out to be almost exclusively about German companies. The symposium guests were essentially bankers and company chiefs, but also political representatives from the German conservative parties CDU/CSU, whose Konrad Adenauer foundation sponsored the meeting. More than a dialogue, it turned out to be a rout of the market friendly area of the German Catholic Church. Indeed, during the meeting, a ceremony was organized in which Cardinal Höfner, chairman of the German Episcopal Conference, distributed papal decorations to a number of prestigious businessmen—the president and the vice-president of the German businessmen confederation (BDA) both received the Order of St. Gregory, highest Catholic decoration.

Sauer and his Amazonian farms were the stars of the meeting. In a much applauded

321 Hax-Schoppenhorst and Möller, ‘Nestverweis für schräge Vögel’.
322 For this and the following: ‘Römisches Symposium über die Verantwortung für die Zukunft der Weltwirtschaft’, Orientierung, 15-31 December 1985; Gerhard Fels, ed. Kirche und Wirtschaft in der Verantwortung für die Zukunft der Weltwirtschaft (Köln: Deutscher Instituts-Verlag, 1987).
speech, he rejected the accusations of slavery made by Brazilian priests and invited the VW-critics to come to the farm and see by themselves how Cristalino benefitted Brazilian rural workers.\textsuperscript{323} He attacked these ‘pretending believers’ who pushed the Church to see in the concentration of economic power an instrument of exploitation of the weak and unscrupulous use of private property. He insisted that in spite of this ‘symbolic demonization of economic production’, the ‘economy’ actually furnished daily food for billions of human beings, especially in Brazil where foreign capital had created ‘hundreds of thousands jobs’.\textsuperscript{324} He finished his speech by a vibrant call to the Brazilian Church, in the name of shared Christian values: ‘We cannot understand that a part of the Church in Brazil […] joined the side of the communists’, and, to the address of the German Third World movement, he added that ‘We feel sad, that even notoriously false affirmations are brought to public opinion in Europe, in order to arouse hostile behaviors’.\textsuperscript{325}

VW’s defense strategy, in sum, had not changed. Even several years after the so-called ‘slavery’ scandal, the company stuck to the same argumentation as during the 1970s; it continued to present the CVRC as a humanitarian project. The German political context, however, had changed, as we will see in the next section, with some voices calling into question the German development model and its exportation to the Third World.

\textbf{4.3.3. Cristalino in parliament: the political debate in Lower Saxony}

Shortly before the Cristalino forced labor scandal occurred, two major changes in German politics modified the context of reception of Third World topics. In September 1982, divisions between social-democrats and liberals over economic policy led to the dissolution of the center-left federal government and its replacement by a conservative-liberal coalition under the leadership of the Christian-democrat Helmut Kohl. Seen as close to business circles, the new government spawned hostility within the Third World solidarity movement, not only because of its alignment with U.S. international policy, but also because of its German-centered conception of solidarity. According to this conception, only Third World countries involved in business with Germany deserved development aid.\textsuperscript{326} The Kohl government’s

\textsuperscript{323} \textit{Niedersächsischer Landtag. Stenographischer Bericht, 96. Sitzung, 9154.}
\textsuperscript{324} ‘Römisches Symposium über die Verantwortung für die Zukunft der Weltwirtschaft.’
\textsuperscript{325} \textit{Ibid.}
\textsuperscript{326} Balsen and Rössel, \textit{Hoch die internationale Solidarität}, 386-7.
friendly relations with several Third World dictatorships as well as its ideological aversion towards leftist activism and extra-parliamentary protest also exacerbated the polarization between state policy and social movement. Paradoxically, the coming to power of a government considered hostile to international solidarity had an effect of remobilization on the activists and triggered a growing engagement by the progressive Church and the trade-unions together with the movement of Third World solidarity.327

The second political event impacting the solidarity movement was the emergence of the ecologist party Die Grünen (Greens), whose success in the elections of 1983 led to the formation of a green faction in the federal parliament, the Bundestag. The entry of the Greens into the political game ushered in a problematic politicization of the German Third World movement.328 Created in the late 1970s, the young party had partly come from the new social movements (particularly the feminist, peace and students' movement) of the 1960s, which themselves had largely constituted the ground for the emergence of a Third World concern in German politics. Some green MPs such as Gabriele Gottwald had come into first contact with political activism within the committees of solidarity with Latin America during the 1970s. Green electoral programs in the early 1980s contained aggressive measures against the presence of multinational firms in Third World countries such as the ‘interdiction of overexploitation of foreign resources by German firms’, the ‘step by step withdrawal of the ‘Multis’ from their interdependence with Third World countries’ as well as a redefinition of North-South economic relations in which ‘the interests of poor countries should be taken into account before all things’.329 According to Werner and Rössel, although most of the Greens' propositions on the topic were vague—and perceived as unrealistic, the parliamentary work of the party from 1983 gave a completely new angle to Third World and development policy debates in the Bundestag, whose tone became less technocratic and Eurocentric.330

On the one hand, the Greens’ contribution to political debate constituted an undreamed-of evolution for the solidarity movement. On the other hand, the relation between the Greens and extra-parliamentary solidarity groups was not necessarily based on trust. While some Congressmen of the party collaborated regularly with the grassroots solidarity movements, there was no systematic partnership between Third World groups and the

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328 Balsen and Rössel, Hoch die internationale Solidarität, 510.
330 Balsen and Rössel: Hoch die internationale Solidarität, 510.
Greens—on the contrary.³³¹ Many Third World activists regretted the absence of a complete programmatic conception of the Greens in the domains of development and foreign policies. Others were, in general, skeptical about the fact that the participation in parliamentary politics might lead to any social change, especially in view of a possible future alliance of the Greens with the SPD, a party that many activists considered sympathetic to Third World exploitation.

However, the political conditions introduced by the federal elections of 1983, which confirmed popular support of the Kohl government, favored a rapprochement between Third World solidarity groups and the Greens. While in the 1970s, the tendency of Third World activism had been directly to lobby the social-liberal government in power to obtain changes in foreign and economic policies, this time the conservative-liberal majority was much less open to dialogue with NGOs. Kohl’s ministers considered that the place of politics was inside and not outside the republic’s institutions. In this context, the Green factions in the federal and state parliaments became a political receptacle of the associative world, in the name of which the Greens often addressed the government. As a new mouthpiece of the solidarity movement in parliaments, the Greens became both an object of projection and frustration for the Third World solidarity movement.

In such a political configuration, it should come as no surprise that the first parliamentary debate about the controversial practices of VW in Brazil was brought up by the Green Party, at the end of 1985, in the parliament of Lower Saxony, a state holding 20% of VW's shares. It is useful to add here that the ecology party and VW were hostile to each other. The Greens had an extremely negative reputation in Wolfsburg, because they defended projects unfavorable to the growth of the automobile industry, such as a massive transfer of goods and people transportation from road to rail, the development of public transport and a drastic reduction of speed limits on highways.³³² The VW executives considered that the rise of the ecology party represented a danger for the German economy. At the end of May 1983, VW management distributed within the company 4 000 copies of a document entitled ‘The Greens – The steady way towards catastrophe’ (‘Die Grünen – Der sichere Weg in die Katastrophe’), which warned about the consequences of the Greens’ growing political influence for the future of the automobile industry.³³³ The document, to which the state

³³¹ Ibid., 518-20.
government of Lower Saxony publicly paid lip service, contained improbable accusations that provoked anger among the Greens. It accused the party of having received a 400 million deutschmark fund from the East German state and predicted that the implementation of the Green political program would lead to collective suicides.

Probably both out of political conviction and in retaliation to VW's aggressive critiques, the Greens undertook several initiatives in the parliament of Lower Saxony, which aimed at questioning the automobile company's practices in the Third World. On 27 June 1985, they addressed to the government of Lower Saxony, whose representatives sat on the VW board of supervision, a parliamentary question expressing concerns about the responsibility of VW in the disequilibrium of Brazil's balance of payment.334

However, the Greens were not the only political actors worried about VW's deteriorating reputation in Brazil: in particular; the damning reports about the Cristalino farm, published in national magazines such as Der Spiegel, Stern or Publik–Forum, had spawned irritation within the ranks of the CDU and the SPD.335 Johann Bruns, president of the SPD in the state of Lower Saxony, issued a parliamentary question in August 1984 to the state government accusing VW of 'environmentally destructive attacks on the rain forest' - curiously the text only tackled the topic of deforestation without talking about the exploitation of the peões.336 The chief of the CDU state parliamentary faction, Werner Remmers, was much more direct when he learnt about Rezende's accusations against Cristalino. He met his co-party member and finance minister of Lower Saxony, Burkhard Ritz, and urged 'But you guys are in the supervising board [of VW]; do something about that! What's actually happening out there?' 337 Remmers also shared these concerns publicly. During the opening ceremony of a Misereor charity campaign, he insisted that

It is a shame when […] the foreign subsidiaries of German firms, such as VW do Brasil, behave […] under the local regime, like they would never be allowed to behave here in this country […]. This begets too often an economic and social damage, which cannot be even roughly fixed by the material, personal and intellectual help of the Church relief organizations.338

335 Der Spiegel, 10 October 1983; Publik–Forum, 24 June 1983.
336 Niedersächsischer Landtag, 10. Wahlperiode, Drucksache 10/3128, Johann Bruns, 29 August 1984, ‘140 000 ha Farm des VW-Konzerns in Brasilien’.
337 Niedersächsischer Landtag, Stenographischer Bericht, 96, 9154.
338 ‘Es ist ein Ärgernis, wenn z.B. die Auslandstöchter deutscher Unternehmen, etwa VW do Brasil, sich unter ihrem einheimischen Regime […] so verhalten, wie sie sich hierzulande niemals verhalten dürften […]’. Auf
When, in November 1985, the Green faction at the state parliament posed a priority parliamentary question (Große Anfrage) to the Lower Saxon government concerning VW do Brasil, which was followed by a parliamentary debate, Remmers—who, in the meantime, had become the state's justice minister—remained silent. This was probably out of party discipline, since the Green question implicitly accused the CDU state government of connivance with VW's controversial practices. The debate on the ‘Policies of the state of Lower-Saxony towards the Volkswagen subsidiary VW do Brasil’ took place on 12 December 1985. In introduction, the Green speaker Horst Schörhusen remained quite faithful to the messages that the Third World solidarity groups had delivered since Rezende's accusations in 1983.

The Greens based their discourse on three pillars: the question of Volkswagen's indirect responsibility in a chain of human exploitation, the problem of the concentration of land and capitalist agriculture, and the credit given to Rezende and the liberation theology activists. Under the keyword ‘responsibility’, they evoked the short-term agricultural vision of the VW-farm, insisting that the transformation of transitional rain forest into pastures had ecological consequences that no one was in a position to predict. Making the link between deforestation and forced labor, they also denounced that ‘VW do Brasil is linked with subcontractors, which make quite dirty business with the contract workers who process the clearance’, stressing that VW was ‘morally co-responsible’ because ‘who profits from the workforce of the contract workers is also responsible for their living and working conditions’.

Finally, the question of ‘responsibility’ posed by the Greens was also addressed to Germany as a whole and its responsibility in the Third World’s social misery. Schörhusen argued that Germany was responsible for what its firms did in the Third World. He added that Lower Saxony should watch out for the consequences of the investments of Lower Saxon...
companies on the living standards of southern populations. ‘We are not only interested in the profit made by VW do Brasil’ he said, ‘but also in the question, for whom is this a profit?’.

The Lower Saxon Greens also presented the VW-fazenda as a wrong model of development, based on land concentration, whereas the Cristalino estate could, with an alternative model, give labor and food to 3000 families. They saw in Cristalino the model of a ‘particularly capital-intensive, ecosystem-consuming and unsocial form of economy’. Besides, the Green's speeches paid tribute to Rezende and insisted on the credibility of the locally based priest. Schörhusen and the Green faction's chief Jürgen Trittin accused the state government of ‘trusting more the assertions of a VW-manager than the declarations of a priest’, in complete contradiction with the CDU’s claim to be a ‘Christian-democratic union’.344

The reaction of the state parliament to the interventions of the Greens took on the tone of a sacred alliance for German industry, with the other party factions largely reproducing the advocacy discourse of VW. While the Greens' critiques were inspired by the protest actions of German Third World solidarity groups and by Rezende's reports on the VW farm, the response of the CDU government representatives in parliament were directly taken from VW’s communication service. Hence in the end, it was as if the Third World movement was debating with VW within the parliament. Just as VW had been saying for two and a half years, the CDU Finance Minister Burkhard Ritz recognized that ‘there have been problems between intermediary employers and workers’ but considered that this was all ‘outside the area of influence of VW’ and that the company had invited to Cristalino a ‘commission of party representatives, trade-unionists, journalists and Pater Rezende’ for a visit of inquiry during which ‘all accusations could be refuted’.345 Ritz not only repeated the words of the VW executives during his speech, he also had previously transmitted to the parliament members a written answer to the Greens' question, which he recognized had been directly written by VW executives in Wolfsburg. Schörhusen claimed this was ‘a scandal’ while a SPD speaker, shocked, argued that it was ‘the first time in this parliament that the government answers a parliamentary question with a position paper coming from the executive suite of a company.’346 Indeed, this method demonstrated the strong imbrications between governmental institutions and the VW Company in Germany.

344 Ibid.
345 Ibid., 9154-6.
346 Ibid., 9154-6, 60.
These imbrications partly explained why the conservatives and liberals at power at the federal level as well as in Lower Saxony never accepted to validate any critique against the VW-farm. Ritz, for example, did not want to call VW's probity into question. Referring to Sauer's intervention three weeks before at the papal university Urbaniana, he saw the farm as an operation of benevolence. He further argued: 'For me, the declarations of a successful businessman who leads VW do Brasil carry much more weight than all the polemics that can arise anywhere in the world'.\textsuperscript{347} Ritz considered that any capital transfer by German companies to countries in the Third World was positive for these countries. He insisted that the VW-farm was a favor given by VW to Brazil, resulting from the will of the Brazilian Government which asked VW to ‘set up a pilot project’ for the Amazon.\textsuperscript{348}

VW represented the German economy in Brazil and by advocating the company, Ritz thought he was defending the reputation of Germany in the world: he was shocked that the Greens dared to humiliate ‘a German name, a melodious German name, namely VW’.\textsuperscript{349} In fact, the parliament members of the CDU and the FDP, to reply to the Greens’ critiques, praised the positive role of German companies in Brazil, saying, like the VW executives used to say, that these companies were a ‘motor of social progress’.\textsuperscript{350} ‘Defaming Volkswagen’, for the FDP faction in the state parliament, meant attacking a company dedicated to the interests of the German workers, and thus coming out to attack these workers.\textsuperscript{351} For the CDU, the accusations made by Rezende about Cristalino were a demonstration of the ‘intolerable way’ in which the German companies were ‘discriminated against in the Second and Third World’\textsuperscript{352}. Even the SPD refused to attack the VW-farm, for its speaker Willi Arens considered that although ‘\textit{Publik–Forum} writes that VW allegedly resorts to subcontractors, which use evil practices’ he could not ‘express a judgment’ from the position and the place wherein he was speaking.\textsuperscript{353} This careful position is comprehensible insofar as the VW-farm had been planned and opened in the mid-1970s with the support of a SPD-ruled government. Arens’ speech, far from calling the model of the VW-farm into question, suggested that Cristalino could become a springboard for agrarian research in which the state of Lower Saxony could invest its knowledge.\textsuperscript{354}
With the debate in the Lower Saxon parliament, it was the first time that the forced labor affair at Cristalino was extensively discussed within German politics. Some Brazilian solidarity actors, especially members of *Brasilieninitiative* and *AK3WS Peter*, had been associated in the preparation of the Greens' initiative at the parliament. More generally the Brazilian solidarity networks had been previously informed of it. At the beginning, the anti-Cristalino activists were enthusiastic about the idea. The ILA published an article announcing that the association was ‘excited’ about knowing the answer of the Lower Saxon government to the Greens’ parliamentary question. In the end, things did not go exactly as the solidarity activists had hoped before the debate took place.

Schörhusen, the Greens’ speaker, delivered a sometimes confused speech which betrayed an imprecise vision of the Amazon, probably based on images circulating in the mass-media. For example he affirmed that on its cattle farm VW treated hundreds of ‘Indians’ in the Amazon ‘like slaves’. This example shows that the help of political actors who were not specialized in the topic was both an opportunity for the protest movement against Cristalino to gain visibility, and, at the same time, an obstacle to a clear explanation being provided to German decision-makers and citizens. Furthermore, political parties had more obligations than the small activist circles described in the previous sections of this chapter. They had to face obligations of electoral results if they wanted to remain in parliament. Consequently these actors were more likely to adapt their discourse to the expectations of their public than to engage their public in unknown and difficult terrains of reflection. As Amazonian forced labor was not an easy topic, the Greens in the parliament of Lower Saxony made a big speech against Volkswagen do Brasil in which forced labor at Cristalino was the central example, but not the only one. They attacked the intertwining between the interests of the Brazilian dictatorship, Volkswagen and the liberal-conservative government of Lower Saxony, accusing them of seeking to make a profit at the expense of the poor and of nature. Basically, the Greens used the case as an opportunity to validate their party-founding theses that social inequalities, global disequilibrium, democratic deficit and environmental destruction were all intertwined phenomena. They also took advantage of being in possession of a ‘hot topic’ thanks to their dialogue with the associative world, in order to affirm their role as the subversive oppositional force of the parliament.

355 GPTEC V8.30., ‘Alberto’ to Rezende, 12 December 1985: ‘VW do Brasil – Anfrage’, *ILA INFO*, (89) 1985. *ILA INFO* is quoted by issue number rather than issue date due to the irregularity of the publication.


357 This is what the Greens of Lower Saxony published in their magazine *Die Grünen Informieren*, although it does not appear in the official transcription of Schörhusen’s speech at the state parliament: *Die Grünen Informieren*, 11 December 1985.
The generalist approach taken by the Greens gave the members of Brasilieninitiative the impression that the party was not giving the problem of forced labor the attention it deserved. Actually the party speakers Schörhusen and Trittin did not even pronounce the words ‘slave labor’, ‘torture’ and ‘conditions analogous to slavery’ within the parliament, although the Greens had used these words in a publication announcing their intervention the day before. This irritated the members of Brasilieninitiative, who saw it as a self-interested and amateurish appropriation of their long-term, intensive and difficult work. In the end they viewed the Greens’ action with both frustration and hope, as is clear in a letter written by an activist of Brasilieninitiative to Rezende about the preparation and the unfolding of the debate:

They [the Greens] called me and I indicated Peter [Klein] and Sylvia [Ehlers] as witnesses and sources of documents. Besides, I wrote a long letter, correcting a series of inaccuracies in the text [prepared by the Greens] and giving them a couple of tips. Unfortunately they (the Greens) did not properly prepare themselves (Peter Klein had sent them over 100 pages of photocopies) and due to the arbitrariness of the president of the parliamentary session the discussion became badly led and the Greens found themselves in a very weak position, without ammunition against the accusations of the government party. Their fault, they left everything for the last moment and almost did not read the documents. Sylvia and Peter were really angry. But in any case the question was raised, maybe it will have consequences. […] In the end I think the result was positive.

On the one hand, the Greens’ approach was the price for the ‘Cristalino affair’ to reach a large audience. On the other hand, the Brasilieninitiative activists were not necessarily seeing the gap between their expectations as associative actors, and the reduced margin of power of a party that represented only a small fraction of the parliament. Because of the much reduced size of their faction in comparison to that of the CDU and the SPD, the Greens only had five minutes available to argue their point of view and five more minutes to comment the government’s response—the remaining speaking time of the forty minute debate was

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358 Ibid.
359 Parentheses in the original text.
360 Parentheses in the original text.
361 ‘Eles me telefonaram e eu indiquei Peter e Sylvia como testemunhas e como portadores de documentos. Além disso escrevi uma carta grande, desfazendo uma série de imprecisões no texto e dando algumas dicas. Infelizmente eles (os Verdes) não se prepararam direito (o Peter lhes enviou + de 100 páginas fotocopiadas) e com a arbitrariedade do chefe da mesa a discussão ficou mal conduzida, e os Verdes numa posição muito fraca, sem munição contra as acusações da parte do governo. Culpa deles, deixaram tudo pra última hora e praticamente não leram os documentos. Sylvia e Peter estavam muito brabos. Mas em todo caso a questão foi levantada, talvez as consequências se façam sentir. […] No fundo acho que o resultado foi positivo’: GPTEC V8.30., ‘Alberto’ to Rezende, 12 December 1985.
Another problem was the lack of credibility of the Greens on the German political scene, where they were considered undisciplined and unreliable. The controversial image of the junior ecological party forbade the Lower Saxon SPD to support too expressively the Greens' parliamentary initiatives. If it were to express proximity with the Greens, the SPD might lose its most moderate voters. But the Greens' alleged irresponsibility was also a good excuse for the SPD not to look into a tricky political subject. Because of its historical link with VW, and the unavoidable weight of automobile workers in the party's Lower Saxon electorate, it would have been a perilous game for the SPD to throw accusations against the company.

Thus, during the parliamentary debate of 12 December Arens regretted not to be in a position to express a judgment on forced labor at Cristalino 'because the Greens, of course, present assertions, which cannot even be proved'. The Greens' status as the black sheep of German politics was confirmed at the end of the parliamentary debate, as the president of the assembly, a MP from the CDU, decided to take a disciplinary sanction against Schörhusen on the ground of ‘verbal injury’ against the state government. Schörhusen was sanctioned (as Green MPs regularly used to be) because he had designated as ‘a complete lie’ Ritz’s assertion that the accusations against the VW-farm were unfounded and based on gossip.

For the activists working against forced labor at Cristalino, letting the Greens represent their cause in a parliamentary debate was comparable to attempting to transmit information about Cristalino to the mass media. On the one hand, party initiatives and press articles enabled a larger public to be sensitized, and pressure to be put on political decision-makers concerning the problem of debt bondage. On the other hand it could also mean losing the complex topic of debt bondage in a broader, often cheap ‘cosmopolitanist’ discourse, built on commonplaces such as the ‘Amazon as lungs of the earth’, the ‘persecuted indigenous tribes’ or the ‘starving Third World’, as Amazonian problems were often treated in the German press and in the discourse of political parties or big NGOs. In any case, such a step was necessary to compete with the powerful communication machine of a multinational company such as VW.

Understanding the role of public opinion and globalized media networks in pushing

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363 Ibid., 9152.
364 Ibid., 9160-1.
forward a political cause was not a simple concession given to modernity by the Brazilian and German activists advocating the peões of Cristalino. The networks of denunciation and protest against forced labor at Cristalino, in fact, were also the result of processes, which VW and SUDAM themselves had sought to appropriate in their discourse of modernization. These latter claimed to integrate the Amazon into global economic exchanges, import European know-how into Brazil, build a city in the middle of the jungle, bring an isolated and wild area under the control of the Brazilian central state, and optimize farming production with the help of the newest scientific findings. They claimed to do all this in the name of development, as a path towards universal welfare. The activists against forced labor were not much different, as they used these very processes that the CVRC claimed to incarnate: they resorted to transnational exchange of knowledge and information, sought to link urban and rural problems in a integrative model of Brazil's social inequalities, sought alliances within some parts of the centralized state’s institutions, and resorted to the newest findings of natural sciences in order to link environmental issues with labor exploitation. Just as VW and SUDAM, these activists claimed to act in the name of universal welfare, although they used the keyword of solidarity rather than development.

Whereas the CVRC was founded in the early 1970s on the grounds of a clear delimitation between modernity and archaism, the social conflicts on labor conditions at the CVRC led to a complete blurring of this delimitation. In fact, the actors protesting against Cristalino, from the Amazonian clearing workers to the German Third World solidarity groups, attacked what they saw as the incoherence of a dominant discourse of modernization, which produced the contrary of what it had announced it would do. By constructing a movement against ‘modern slavery’, these actors tried to deconstruct the discourse of Amazonian modernization elaborated by the state and the big firms. The CVRC increasingly appeared as the incarnation of a (paradoxically) out-of-date modernity, working hand in hand with archaic practices. Rezende, a central actor in the denunciation of forced labor at Cristalino, summed up this strategy of deconstruction in a significant sentence:

The Volkswagen Company, which uses the computer, the 21st century, the furthest developed capitalism, lives with forms of work from the 18th century, and this, every day. It is impressive how this can live together: high technology, hyper-developed capitalism, with forms of slavery in a Fazenda.\(^\text{365}\)

A VOLKSWAGEN DO BRASIL S/A e demais accionistas cumpiram integralmente com o compromisso assumido perante o Governo Brasileiro, por solicitação deste, no início dos anos 70, cuja finalidade primacial era a de colaborar no desenvolvimento econômico e povoamento da Amazônia.

Esse empreendimento viu-se coroado de pleno êxito, eis que a mencionada Companhia é hoje uma fazenda modelo com os mais aperfeiçoados padrões técnicos, possuindo instalações pecuárias, de pesquisa e sociais exemplares, que marcaram o pioneirismo no desenvolvimento da região.¹

Wolfgang Sauer and Jochen Prange (treasurer of VWB), in their final appraisal of the Cristalino project, 1986

Es handelte sich dabei um einen 140 000—Hektaren—Betrieb, den wir beginnend mit einer Schule mitten im Urwald bis zur Überstundenzahlung (!) der Cow-Boys, vorbildlich, aber unrealistisch für die Branche [VWB] führten. Unter der professionellen Leitung eines von der Eidgenössischen Technischen Hochschule Zürich diplomierten Landwirtes wurde Umweltgesichtspunkten größte Aufmerksamkeit gewidmet. Die Farm wie auch ein Schlachthof nebenan, an dem wir gemeinsam mit einer Reihe namhafter brasilianischer Unternehmen beteiligt waren, erwiesen sich als finanzielles Desaster. Sie wurden schließlich zum Verkauf gestellt, der sich für uns als langwierig und ebenfalls teuer erweisen sollte. Aus einem Steuerspar-Entwicklungsmodell des brasilianischen Staates war für uns ein Verlustgeschäft in dreistelliger Millionenhöhe geworden.²


5. The end of a model

¹ Volkswagen do Brasil and the other shareholders have complied integrally with the engagement assumed with the Brazilian government, under solicitation of the latter at the beginning of the 1970s, and whose main aim was to collaborate for the economic development and the population of the Amazon. This enterprise saw itself crowned by a full success, since the mentioned company is today a model ranch with the most improved technical standards, with exemplary infrastructure for livestock raising, research and social welfare, which have marked the pioneerism [my italics] of the region': Arquivo do FINAM, SUDAM, Sauer & Prange to Kayath, 1 December 1986.

² ‘It was a business of 140,000 hectares, which we organized in an exemplary but unrealistic way for [VWB], from a school in the middle of the virgin forest to the payment of the cow-boys’ extra-hours. Under professional supervision of a graduate agronomist from the Federal Polytechnic College of Zurich, we gave the greatest attention to environmental issues. The farm as well as a neighboring slaughterhouse, in which we participated together with a series of renowned Brazilian firms, turned out to be a financial disaster. They were finally put up for sale, which turned to be drawn-out and also expensive for us. Out of a tax-saving development model of the Brazilian state, we got a ruinous affair causing a loss of several hundred million’: Hahn, Meine Jahre mit Volkswagen, 57.
5.1. Modernity for Sale. The end of the VW-ranch between economic and political motives

In its issue of February 1987, the VW magazine Autogramm, which had been the main media actor conveying a positive public image of Cristalino in Germany, announced the end of the project to its readers. ‘Bush-farm and slaughterhouse’, so the magazine stated, had ‘been sold off as a result of an agreement between VW and Ford do Brasil’.³ In fact, the two Brazilian companies, leaders in the car industry with 40% and 25% respectively of the national market share, merged in 1987 into the biggest holding in Latin American history, named Autolatina.⁴ The economic crisis of the early 1980s, besides diminishing the middle-class consumer market, had been followed by the adoption of governmental price controls in Brazil, confirmed in February 1986 by a national anti-inflation plan including a general freeze on the final prices of goods.⁵ This conjectural factor, together with the fragmentation of the market caused by the rise of recently arrived brands such as Fiat had led VW and Ford to abandon the perspective of returning to the levels of profit of the previous decade.

The two firms actually completed each other, because they were not directly competing in the same market segments. As such, the creation of Autolatina could be interpreted as a survival reflex at a complex economic conjuncture, where the parent companies in Germany and the U.S. were already thinking about withdrawing from Brazil. The joint venture, which was an idea of Sauer’s, imposed itself as the only rational way of saving the two Brazilian branches, by mutualizing large parts of the operating and production costs.⁶

In this event, the unstable placements of both companies had to be cancelled in order to enable the necessary reinforcement of Autolatina's finance capacity. Cristalino and Atlas were directly concerned by this measure, as they had turned out to regularly need capital assistance. According to Autogramm, VW could no longer afford to sustain such projects, which would inevitably necessitate supplementary subsidies in the future.⁷ Although, in exchange, Ford was already negotiating the sale of its domestic electrical firm Philco,

⁴ Doretto, Wolfgang Sauer, 393.
⁵ Ibid.; Baer, The Brazilian Economy, 111.
⁶ Doretto, Wolfgang Sauer, 393
⁷ ‘Buschfarm und Schlachthof verkauft’.

invoking Autolatina as a reason for ending the CVRC project was hardly credible. This simple bookkeeping explanation contradicted the strong emotional investment of VWB's leaders in the farm project and its high political significance in the Brazilian national context. As mentioned earlier, Sauer had been receiving admonitions from Wolfsburg recommending a drastic reduction of VWB's investments since the early 1980s. Therefore, if VWB's problems of liquidity and its need to concentrate financially on its core activities were nothing new, why should they suddenly become a pretext to sell the CVRC?

I assume that Autolatina was not the cause of Cristalino’s sale, but rather an ideal opportunity to get rid of a project, which VW wanted—and needed—to stop for completely other reasons. The considerable media noise provoked by the alliance between VW and Ford, presented by Sauer as a historic step in Brazilian industry, enabled the end of the ranch to be turned into a discrete side-event, for which VW did not have to justify itself very much. In fact the true reasons for the sale of Cristalino were much less glorious than the Autolatina project. The CVRC bore the consequences of the political turmoil in which a section of Brazilians were rising against land concentration and, concurrently, in which the fight against modern forced labor was being institutionalized. But the most decisive factor was that VW in Germany no longer wanted to support a project that jeopardized its corporate reputation. Therefore, when it became clear that the Amazonian projects would never be financially viable, there were no arguments left for VW to further invest money in them.

The fall of the military regime created a climate in which criticizing the political choices of the deposed government had become fashionable. Since the victory of PMDB candidate, Tancredo Neves, in the indirect presidential election of January 1985 thanks to an alliance with dissidents of the military regime, Brazil was governed by a civilian government, and a constituent assembly was elected in 1986. When, weakened by illness and at age 75, Neves died before his inauguration day, his vice-president, José Sarney, a late dropout from the former authoritarian majority, became President with the paradoxical task of having to assume a left-wing agenda including a large land reform. Sarney even created a new ministry entirely dedicated to this reform, at the head of which he named an advocate from

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Pará indicated by the CNBB and reputed for his sympathy for the rural workers’ movement.\textsuperscript{11} In May 1985, at the Fourth CONTAG Congress, the President announced a National Plan of Land Reform (PNRA) in front of 4,000 rural workers; the Plan promised to settle 1,400,000 families in four years thanks to the expropriation of unproductive latifundio owners.\textsuperscript{12} The new political establishment thought of the land reform as a means of asserting its popular legitimacy in spite of an economic context marked by historically high inflation—235\% in 1985, which penalized the purchase power of the people. Having himself favored land concentration as a governor of the north-eastern state of Maranhão, Sarney was politically at the right of the new governing personnel and did not personally lean towards land reform. As it later turned out, he would do nothing concrete during his term to accelerate structural change in the land property system. When he left power in 1989, PNRA had settled fewer than 90,000 peasant families.\textsuperscript{13}

Yet, Sarney had to answer an increasing demand for land reform, measurable through the constant presence of the topic in the media, within parliaments and all over rural Brazil, where numerous demonstrations and invasions of properties by landless groups were taking place. Over the months following the PNRA announcement, 50,000 families participated in land occupations, often coordinated by the MST with the support of the catholic clergy.\textsuperscript{14} Because he was not willing to rapidly approve large governmental operations of expropriation, the President reacted by identifying certain scapegoats to feed the expectations of public opinion. In March 1985, in the framework of debates on land reform, he indicated his disposition to revise the situation concerning big projects in the Amazon, which had concentrated land with the help of fiscal incentives. He emphasised the examples of Volkswagen as well as Daniel K. Ludwig’s Jari project.\textsuperscript{15} A journalist from the daily \textit{O Estado de São Paulo} depicted this strategy as a perilous xenophobic move, characterizing the aversion for foreign business brought up, he thought, by the new democracy:

Similar to the 1950s, the land problem is starting once again to be handled emotionally and not according to wise economic and social criteria. Those who

\textsuperscript{11} Anete Ivo, ‘Questão Agrária e Crise no Aparelho do Estado’, \textit{Caderno CRH} 3, no. 13 (1990), 68; Bernardo Mançano Fernandes, \textit{A Formação do MST no Brasil} (Petrópolis: Vozes, 2000), 195.
\textsuperscript{14} Branford and Rocha, \textit{Cutting the Wire}, 32.
proceed that way are interested in knowing neither what useful things VW [and other groups] are realizing for Amazônia Legal, nor what they intend to do there in terms of grain and meat production as well as reforestation. It is as if the name Volkswagen were enough to be repudiated by the New Republic.  

VWB itself felt besieged by the surrounding hostility towards big agro-business. In June 1985, after an audience with governor Jáder in Belém, Sauer felt it was necessary to make the surprising announcement that he was favorable to the principle of a land reform, while he insisted that the correct way of doing it was ‘not to touch productive areas’. At the same time, he said, ‘unproductive areas bring no good to the country’ and their owners deserved to be expropriated.

To preserve Cristalino from popular anger, Sauer was thus joining up a foundational idea of the Brazilian left and inventing a new counter-model to his ranch. The inefficient and undesirable form of farming in the Amazon was no longer that of small peasants, which the VW publications had been so far describing as unable to rationally manage a crop of land in the Amazon. Cristalino invented for itself an enemy, which it shared with the landless movement, namely the unproductive traditional rural oligarchies and land speculators, against which VW could, after all, claim that its ‘modern ranch’ still made sense. Unfortunately, this discourse stood in contradiction with previous VW positions, notably expressed through the voice of Brügger, and such contradiction made it particularly difficult to erase Cristalino’s reputation as a symbol of land inequalities. Well aware of the danger, the firm’s executives started to think in early 1986 about selling Cristalino in order to prevent the problems that might result from a possible future occupation of the estate by landless groups, who might benefit from popular or even indirect governmental support.

As a product of this context, an even more crushing motive to put an end to VW’s ranching activities was the accusation of ‘slavery’ sticking to the company, which made it impossible to restore the modern, social-friendly image that Cristalino once had. Admittedly, VW had stopped resorting to the worst gatos in Araguaia, Abilio, Hermínio and Chico—the

16 ‘Da mesma forma que nos anos cinquenta, o problema da terra volta a ser tratado emocionalmente e não à luz de sádios critérios econômicos e sociais. Aos que assim procedem, não interessa saber o que os grupos associados à Volkswagen -pois não se trata apenas dela- estão realizando de útil para o país na Amazônia Legal, nem o que pretendem fazer aqui em termos de produção de cereais e carne e de reflorestamento. E como se bastasse o nome Volkswagen para ser repudiado pela Nova República.’


arrest of the latter by the police actually helped make this decision. Nevertheless, the CVRC did not recover the reputation of a responsible employer, since in 1986 a spokesperson from the Land Reform Ministry (MIRAD) in Brasilia informed German reporters: ‘We are still receiving complaints about violation of the labor law at VW’. The same year, the CPT received new testimonies of peões asserting to have been victims of forced labor at Cristalino. MIRAD even published a list of farms explicitly accused of having practiced ‘slave labor’, including the VW-ranch. At that point, even Brügger admitted that ‘certain forms of slavery’ might have existed in the ranch. He even seemed to assume it and nearly made an apology for debt bondage in front of an English ranch visitor:

It was necessary to have certain control over these lazy Brazilians. They stay two or three months in hotels, accumulating debts. Someone comes and pay the debts. A contract of two or three months is made and they can leave only after [N.B.: gatos often paid a couple of hotel nights spent by the peões in recruiting towns, before demanding back the money once within the fazenda and using this debt as a pretext to maintain workers captive]22

To be sure, things started to be truly embarrassing for VW as Brügger, transgressing the most elementary rules of corporate communication, pronounced similar words in an interview to the Spiegel, one of Germany's leading press magazines:

The peões lounge around the villages, leave people pay their debts and then try to clear off […] hence it might happen that the Gatos get a bit vigorous. We’re living here on the edges of society. It is a big mistake to evaluate the regrettable living conditions of Brazilian seasonal workers with European standards.23

That did not fit the images held by VW in Wolfsburg: the company had not proclaimed itself as a modernizer of the Amazon to accept a decade later the idea of flirting

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19 ‘Der Sicherheitsbeauftragte der VW-Farm (Interview)’, Brasilien Nachrichten, (93) 1986.
with the ‘edges of society’. True enough, most of the German executives had never considered the project with great enthusiasm. Sauer's presentations about Cristalino at the German board of management meetings used not to arouse much reaction. Until the mid-1980s Wolfsburg had simply chosen to leave him managing the project without intervening, probably because VW senior management was simply not interested in the topic, which had nothing to do with car production and made no particular sense in VW's global strategy. Meanwhile, things changed as the forced labor problems of the ranch threatened to ruin the image of the company in Brazil and even in Germany, where well-networked activists of the Third World solidarity movement were on the lookout for Brügger's next gaffe.

VW’s executives in Wolfsburg began to lose patience in 1983 as a call for the boycott of the company's products was launched by German activist Thomas Hax. Of course, this initiative was a drop in the ocean, as Hax's Third World solidarity public was numerically restricted in comparison to the millions of VW-consumers. Still, it symbolically turned the ranch into a direct threat for VW's core industry—the automobile. The simple idea of it was enough to make the ranch a potential danger for the company: Sauer's eccentric Amazonian dreams could only be tolerated to go on as long as they did not disturb VW's serious car business. With the call for boycott, the impermeability between the two things had been transgressed, and on the occasion of his next trip to Germany Sauer was convoked to Wolfsburg, where his superiors told him that it was time to think about getting rid of the Amazonian operation.

While in the following years Sauer did his best to delay the decision of closing the ranch, Brügger, as always, made the matter even worse. As he understood that the Germans were not ready to continue backing the project, he progressively enclosed himself in an attitude of resentment. As a ranch visitor noted in 1986: ‘Brügger sees […] himself surrounded by a hostile world: in Brazil by the ‘communist’ church, in Germany by the Greens, by the matrix in Wolfsburg, which refuses new investments’. The growing gap between Brügger and Wolfsburg illustrated how the German company had morally abandoned the CVRC. Wolfsburg’s declining support for the project was the main reason that pushed VWB to sell the ranch. VW in Germany had taken the defense of Cristalino in the middle of the forced labor affair, but it would not have agreed to risk the firm's reputation for a further

25 Part 4.3. of this thesis.
26 Doretto, Wolfgang Sauer, 353.
scandal. The Cristalino project could have survived in spite of a bad reputation, but it obviously had no future if it was not politically backed and financially sustained by the parent-company.

Finally, the fact that VW's Amazonian engagement was becoming a financial disaster also explained why VW dropped the ranch. While this last motive fitted the official explanation according to which the Amazonian investments where not compatible with the financial consolidation of Autolatina, things were even worse than Autogramm presented them. That in May 1986 VW applied to SUDAM for a new increase in the CVRC's incentive funds for the eight time in twelve years, illustrated the poor financial health of the project. In the degraded economic climate of the 1980s, commercial perspectives for Cristalino's 'ox of the future' looked nothing like they did in the previous decade, when sustained GDP growth rates seemed to announce the rise of a large middle-class adopting European patterns of consumption. The country’s bleak social situation had even pushed the government to freeze national meat prices at a substantially lower level than the costs of production of fattened ox at Cristalino, which lay around 300 dollars. There simply existed no market in Brazil for a cattle-farm managed after the pattern of such expensive modern technology. This lack of profitability had already convinced VW between 1984 and 1986 to cede about one fifth of the CVRC's capital shares to other companies, including Ericsson do Brasil and various Brazilian banks and insurance firms. Even Atlas had to suspend its production in 1986 due to the fall in demand for beef among Brazilian consumers.

VW had already taken distance from the slaughterhouse in 1985, when it had sold most of its shares to remain with only 1.9% of the total, while the Bradesco bank recuperated 51.3% of them. Even more than the ranch, the Atlas factory quickly revealed itself as a financially impracticable affair, at least in the frame of VW's requirements concerning quality and technical level. An internal SUDAM report, which listed the weaknesses of the project in October 1985 left little hope regarding future chances of success. Atlas's failures seemed to demonstrate that VW had learned nothing from the misfortunes of the CVRC: SUDAM blamed the project's design for a lack of consideration of the region's structural problems,

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29 ‘Volkswagen. In einer Randgesellschaft.’
30 Arquivo do FINAM, SUDAM, Sauer & Prange to Kayath, 1 December 1986.
such as the absence of roads and bridges and the high local malaria index. A botched preliminary prospecting operation had not enabled the parties to detect the existence of a phreatic table in the subsoil of the terrain chosen to build the factory. This made it necessary to build a technical basement with extremely elevated financial costs.\textsuperscript{33} As a result of the project's technical delays and cost increase, most of Atlas's providers mistrusted the company's capacity to meet payment deadlines, and VW and its partners encountered constant difficulty in buying factory equipment as well as contracting loans. Atlas had to solicit the help of foreign creditors. But the maxi-devaluation of the Cruzeiro consequent to the crisis of the early 1980s seriously affected Atlas's capacity to repay the loans contracted in US$, not to mention the unmanageable interest rates of the inflation-indexed IFC loans, comprised between 13\% and 17\% a year.\textsuperscript{34} Since VW had acted as guarantor for these loans, it had to take responsibility for their reimbursement years after its withdrawal from the Atlas project. As former German VW executive Carl H. Hahn remembers in his memoirs: ‘The contracts with the International Finance Corporation (IFC) left us at the top of the debts of South America’s biggest slaughterhouse’.\textsuperscript{35}

As a consequence of all these reasons, VW put its shares in the \textit{fazenda} and slaughterhouse up for sale in 1986. The offer comprised the whole Cristalino estate, its production tools, 43, 136 formed hectares of pasture and 46, 712 head of cattle, for a price of eighty million dollars besides twelve million dollars of debt that VW intended to transmit to the new owner.\textsuperscript{36} No one was interested in such a disproportionate deal for a non-profitable business with a damaged reputation. Brazil's first media consortium O Globo offered ten million US$, a price considered risible by Brügger, who personally would not have ceded the \textit{fazenda} for less than thirty million.\textsuperscript{37} A more serious offer came from COPERSUCAR, Sao Paulo's biggest alcoholic sugar producer.

In the end VW concluded a contract with the Matsubaras, a Japanese migrant family of self-made businessmen specialized in cotton production, owners of various cattle ranches and a football team in the southern state of Parana.\textsuperscript{38} Although the Matsubaras offered only 20 million US$, their business profile matched the requirements of SUDAM, which preferred

\textsuperscript{33} \textit{Ibid.}
\textsuperscript{34} Arquivo do FINAM, SUDAM, 28 October 1982, ‘Investment agreement between Atlas Frigorifico S.A. & International Finance Corporation’.
\textsuperscript{35} Hahn, \textit{Meine Jahre mit Volkswagen}, 57.
VW to pass the ranch to a group experienced and interested in farming production, so that the project did not end in the hands of land speculators.\textsuperscript{39} The sale contract was signed on 1 December 1986; three weeks later VW also managed to sell its remaining shares of Atlas to Ricardo Manur, owner of the Leco e Vigor milk factories.\textsuperscript{40} On 11 June 1987, SUDAM officially validated the transfer of the CVRC's stock control from VW to Matsubara.\textsuperscript{41}

So finished VW's business with the Amazon, sold off to a regional group from the south for a disappointing sum, with a cattle herd and pasture complex quantitatively broad beyond expectations and a high indebtedness in spite of the many times capital support was increased by SUDAM. The Matsubaras did not offer to start any particular program of modernization or even maintenance of ranch equipment. As we will see, they would prove incapable of managing VW's legacy correctly and unable—or unwilling—to fulfil the escalated payment agreed with the German company. The failed deal between VW and Matsubara contained no trace of the proud showcase of development and pioneer spirit of the CVRC's beginnings. The ranch had no particularly brilliant appraisal to show off, no social accomplishment for the region, not even the basic merit of having been the only one to respect the law in a lawless place. To make matters worse, the sale of the ranch did not mean that problems were behind VW, as the ‘slavery’ affair continued for a couple of years to stick to the company's feet.

5.2. An ‘epilogue’. Disputes over the meaning of place: Cristalino's several afterlives

5.2.1. The long way to justice and the ‘resolution’ of the VW case from the late 1980s to the mid-1990s

The protagonists of the VW ranch did not disappear after VW withdrew from the Amazon: they continued to argue in tribunals. Justice tribunals in the Brazilian countryside were traditionally favorable to big landowners, especially under the military regime, when

\textsuperscript{39} ‘Volks vende fazenda com 46 mil bois na Amazônia a grupo do PR’; Arquivo do FINAM, SUDAM, 1 December 1986, ‘Recibo de Sinal e Princípio de Pagamento de Venda e Compra de Ações e Outras Avenças’.
\textsuperscript{40} ‘Volks abandona a agropecuária’, \textit{Veja}, 24 December 1986.
\textsuperscript{41} Arquivo do FINAM, SUDAM, 11 June 1987, ‘Resolução n° 6413’.
public powers tended to exert pressure inhibiting judgments that might support the claims of landless workers and thus disturb social order. Although labor justice was known to be slightly more favorable to workers than civil justice, because it used to consider trade union executives as serious interlocutors, the power struggle within tribunals remained clearly unfavorable to workers. Therefore, as in the frame of the ‘slavery’ scandal, complaints were raised against the CVRC to the police and—more rarely—at tribunals, neither VW nor the peões' defenders expected that the complainants might win their case. An open letter from the CPT denouncing violence against rural workers in the south-eastern Amazon (1984) addressed to Figueiredo, Jáder, the Minister for Land Affairs and the governor of Goiás, illustrated this lack of faith in the ability of the judiciary institutions to fight social inequalities: ‘We know that in the majority of these conflicts [opposing workers to landowners] the judges’ decisions, when they exist, are almost always of a flagrant partiality and illegality’.

Yet, even if the fall of the military regime did not modify the structures of power in rural Amazonia, it still created that already mentioned pressure in favor of land reform. Besides, the return of democracy was accompanied by a greater respect for the principle of separation between political powers, hence the pressure from the executive on the judiciary decreased. This context rendered the outcome of the judiciary battle between VW and the peões a little more open.

This battle, however, opposed VW to only a handful of peões symbolically representing all the other presumed victims of the forced labor system. Only between four and six names regularly emerged in the justice reports, as most of the peões who had testified at the CPT, the STR or police offices, did not carry their complaints forward in the form of judiciary action. In particular, there existed no tool such as class action in Brazilian legislation and most of the peões, who were socially and financially powerless individuals, did not feel capable of engaging in a David versus Goliath fight against a multinational firm. In the end, the process lasted almost fifteen years and would have engendered unbearable costs for the few remaining complainants without the constant support of lawyers provided by the CPT and the STR. Moreover, in spite of a final judgement, which gave right to the peões and incriminated VW, it brought the workers only a symbolic amount of financial reparation. The whole process actually was typical of land conflicts in the Amazon, where tribunals at best

44 Delgado, Democracia e Justiça, 48-49.
paid lip service to the workers’ cause, when they did not ostensibly take side with the landowners whose transgressions of the labor law were obvious. In these conditions, one understands why most of the peões preferred not to go to justice.

The legal action, to which I am referring, started on 22 October 1984. It was launched by four workers with the help of a lawyer working for the STR in Luciará (Mato Grosso), the peões’ town of origin, as well as various law counselors from the CPT. By the early 1990s, Frei Henri Burin des Roziers, who was a priest of French origin became the peões’ lawyer, as well as appealing to the media on their behalf. He had succeeded Ricardo Rezende Figueira as a coordinator of the CPT in Santana do Araguaia, after numerous death threats by fazendeiros had pushed the latter to leave the Amazon and become a sociologist specialized in forced labor in Rio de Janeiro. The original—and risky—initiative by the workers Pedro Vasconcelos, Francisco Rezende de Souza, José Desidério and José Pereira de Souza consisted in attacking VW directly under labor law, and not only the gatos, who had employed them. The four peões demanded an official recognition that they had been forced to work without receiving a salary, and asked, as a compensation for the endured wrong, payment from the CVRC for the clearing of 20 ‘alqueires’ and a salary covering three working months. They also demanded a corresponding compensation for diverse labor rights, which had been denied to them by the gatos, such as the thirteenth month salary (proportioned according to the total of months spent in the fazenda), holiday (in the same proportion), week-end and payment of the extra hours they had been forced to work. Finally, they demanded the CVRC to produce proper labor documents and pay the unemployment rights, which they had been deprived of after leaving the fazenda.

These requirements were not particularly high, given the wrong of forced labor, which the workers claimed to have endured. The tendency of Brazilian justice to favor landowners obliged the workers to issue moderate claims. At the same time, these moderate claims showed that the workers’ initiative was not a mere opportunistic one; the four complainants did not seek to profit from the international fame of VW to win millions of dollars in compensation. In actual fact, their demands were even quite banal, and could have been the

47 GPTEC V.10.1.50, Maria José Souza Moraes, ‘Processo n°603/84 (Reclamantes Vasconcelos et al.)’, 14 June 1985.
48 Ibid.
same in a law case against any other Brazilian landowner. Yet, VW stayed on the line of defense it had adopted since 1983, namely alleging not to be responsible for what happened to workers contracted by the gatos. In a hearing on 30 August 1985 at the tribunal of Conceição do Araguaia, the Cristalino fazenda represented by Adão, chief of the farm's security service, refused any possibility of an agreement with the peões, alleging that such a step would ‘give a bad example to the other employees’.  

In front of this deadlocked situation, the peões decided in conjunction with the CPT to confirm their lawsuit against VW, in spite of a negative ruling issued two weeks later by the court judge Eronides Sousa Primo. The latter considered that Volkswagen was not legally responsible for actions committed by subcontracting companies. He said that the complaint against VW had no foundation because there existed no ‘labor relationship’ between the complainants and the defendant, and went so far as to sentence the peões to reimburse the costs of the law case and the firm's lawyer fees to the CVRC. In view of the imbalance between the financial position of the complainants and the multinational firm which was acting behind the fazenda, the judge's decision can be described as a gesture reflecting the unfair power balance reigning in the rural Amazon. To be sure, judge Eronides was particularly hostile to the cause of rural workers and the exponents of liberation theology. In September 1987, he falsely accused Ricardo Rezende Figueira in the national press of fomenting the creation of a terrorist group in the south of Pará with the support of Nicaragua’s Sandinist government.  

It is uncertain whether what happened next was a consequence of the political climate of the new republic or of the partial renewal of justice personnel due to regime change, but in March 1986 the complainants surprisingly won on appeal and the decision of judge Eronides was revoked. Pedro T. Soprano, president of the regional tribunal of the Eighth Region (states of Pará and Amapá), judged that ‘the defendant as much as the Andrade Desmatamento firm are jointly responsible for the employees' rights’, which resulted in the following sentence: ‘the judges of the regional labor tribunal of the Eighth Region agree unanimously to

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51 Ibid.
52 Figueira, Rio Maria, 128.
consider the employment relationship with the defendant Companhia Vale do Rio Cristalino, proved’.

However, the CVRC started a new proceeding demanding the transfer of all accusation charges over the Andrade Desmatamento enterprise belonging to the gato Chicô, which delayed the outcome of the lawsuit.\textsuperscript{54} In sum, VW’s strategy was not even to negate the facts, but to detach itself from any kind of responsibility and dissociate the cases of forced labor which happened at Cristalino from the image of the company. The company’s aim was not fundamentally that the peões lose their fight, but that they win it against someone else, if possible against their former gato, without symbolically damaging the image of VW. For the German firm, the whole affair of forced labor related to the traditional labor relations functioning in the Amazon, not to VW’s modern ranching program. This position was not specific to VW, but actually a classical discourse of defense at the time from a section of the landowners accused of forced labor in the Amazon, who, as Rezende remembers:

tried to hide behind tortuous mechanisms to escape their social and economic responsibilities. There was a generalized attempt to de-personalize the employer. Landowners said that the responsibility was on the side of the subcontractors […] so that when one of the enslaved reached Justice to plead his rights against these ‘host employers’ the accused did not attend the hearings. […] No one took on their responsibilities, neither with regard to labor law, nor in the penal area\textsuperscript{55}

From 1986 to 1989, the Cristalino lawsuit simply remained stuck in the office of the judge of Conceição do Araguaia, in spite of repeated calls by CPT lawyers to accelerate it.\textsuperscript{56} The creation of a new district court for the area of Santana of Araguaia, which was supposed to take over the lawsuits concerning the county, was the cause of even worse administrative delays. After the case file was transferred from Conceição to Santana do Araguaia, the file remained untreated again until 1992, when a judge confirmed the authenticity of the accusations raised by the peões and directed VW to fulfil all the financial and administrative


\textsuperscript{55}‘ilegalidades jurídicas dos proprietários dos imóveis e dos seus empreiteiros. Eles se refugiavam em mecanismos tortuosos para escapar às responsabilidades sociais e econômicas. Havia toda uma tentativa de despersonalização do empregador. Os proprietários diziam que a responsabilidade era dos empreiteiros e estes, por sua vez, fugiam de suas responsabilidades. de tal forma que, quando algum dos escravizados alcançava a justiça “para pleitear os seus direitos contra estes ‘empregadores fantasmas’”, os acusados não compareciam às audiências. A autora poderia inferir que, em geral, tanto os proprietários quanto os empreiteiros acabavam não sendo molestados. Ninguém assumia responsabilidades, quer trabalhistas, quer criminais’: Figueira, ‘Por Que O Trabalho Escravo?’, 37.

\textsuperscript{56}GPTEC V9.62., press files from 23 August 1997, ‘O Pote de Barro contra o Pote de Ferro’.
demands of the workers. The judge even ordered that the CVRC pay twice the value of the salary, which the peão should have received for clearing.

However, a sudden new development took place a few weeks later, when the court communicated that the lawsuit file had mysteriously disappeared: there was simply no written trace of the judgement and as such, no formal document obliging VW to pay. Only because of an intensive lobbying of the CPT was the file finally ‘rediscovered’ in 1994 as mysteriously as it had vanished. It came out that the lawsuit documents had simply been ‘forgotten’ in a desk drawer belonging to the tribunal's official bookkeeper, to whom the file had been transmitted immediately after the ruling in order to calculate and actualize according to inflation the sum due by VW to the workers. A new administrative transfer of the file to the labor law tribunal of Conceição do Araguaia forced the complainants to wait one further year before the sentence of 1992 was finally confirmed. Only in 1997, when Cristalino was definitively auctioned off by VW, which had kept the mortgage on the ranch because of the Matsubaras' incapacity to pay its full value, did the payment finally take place. VW deposited 4,858 Reais —meanwhile Brazil's new currency— at the tribunal for the complainants, a drop in the ocean representing 0.02% of the value of the auction earned by VW, but a symbolic victory for the workers.

The reasons for the many developments, which disturbed these thirteen years of the lawsuit and made it last so long, lay beyond the scope of my research and should be difficult to find out in view of the many administrative changes, which affected local justice during that period. However, I summed up this long judiciary struggle because it says a lot about the extreme difficulty of taking legal proceedings against big ranches in Amazon, even after the fall of the military regime. All the mysterious obstacles, incomprehensible delays, transfers of the CVRC case from tribunal to tribunal, unless they constituted a simple coincidence or the symptoms of an ill-functioning institutional apparatus, seem to point at possible pressures trying to delay the definitive sentence. It also seems a little surrealistic that, although at a certain stage even the Brazilian government—through the voice of MIRAD—recognized at least the partial responsibility of VW in the forced labor affair, legal justice needed thirteen years to barely hint at it. This brought the priest Henri des Roziers, who had largely played his

58 Ibid.
61 Ibid.
part in this whole judiciary struggle, to the following conclusion:

To obtain their labor rights, small in value but great in dignity, from a billionaire company, the four workers […] had to fight fourteen years against the greed, lack of cooperation and bad faith of the powerful latifundio and the conniving justice of Pará.º²

5.2.2. Cristalino after Volkswagen: the multiple transformations of an Amazonian ‘hot spot’

The ‘fazenda Vale do Rio Cristalino’ in Pará came back into the headlines in February 2013, when the regional press made an appraisal of the land conflicts that had taken place there since 2008.º³ The local CPT and workers’ trade-unions announced that these conflicts had provoked fourteen murders in only three years. The situation, in sum, was far from the dream of modernity driving the creation of the farm in 1973.

Not only did the Cristalino affair endure until the late 1990s through the forced labor lawsuit, neither did the life of the ranch stop after VW left—on the contrary, Cristalino remained a place of human conflict over natural resources. Throughout the 1990s and 2000s, it became an even more disputed land estate, traversed by violent confrontations between interest groups, with hesitating interventions by the state and a latent problem of (lacking) environmental conservation. Cristalino became a place which was emblematic of the contemporary problems of the Amazon. It spoke for the failure of the modernization plans of the Brazilian state, which, with the help of private economic actors, had once claimed to introduce ‘civilization’ to the region and integrate it into the rest of the nation in a perspective of economic development. Yet, it seems that rather the contrary of the national motto ‘Order and Progress’ has reigned over Cristalino. The atmosphere there has come closer to a civil war rather than ‘Order’, with no certitude about who should take over the management of Cristalino and no long-term perspective for the estate. Rather than Progress, the natural production base and tools of the ranch have degraded and no conceptual or practical basis has

emerged from which to improve the living conditions of local workers.

The Matsubaras did not do much for the farm and, as they neither respected the payment steps agreed with VW nor drew up a plan for the commercialization of beef, the car company finally sold the ranch to the Brazilian businessmen Eufrásio Pereira Luiz and José Marcos Monteiro in 1997. The Matsubaras had not developed any program of conservation or improvement of the pasture. They had left soils to degrade and and parasite weeds to invade the fields. But this did not seem to much disturb the new owners who had no intention of practicing cattle-breeding seriously, but rather wanted to profit from the land property legislation to make money. In fact, a law that was introduced in the frame of PNRA stipulated that unproductive land, in which landless peasants squatted, and which they claimed, could be nationalized and redistributed according to a generous financial procedure of compensation for the owners.

As if by chance a group of landless peasants invaded Cristalino and demanded a redistribution of the land only a few weeks after Pereira and Monteiro acquired the CVRC. After a presidential decree of 21 August 1998 had declared the area of ‘social interest’, INCRA initiated an expropriation proceeding accompanied by a promise of 40 million Reais of compensation, twice the price for which the two businessmen had bought the ranch from VW. The STR of Santana denounced the level of the sum. They argued that the land had been left by the successive owners in extremely bad condition and that new investments would be needed to restore it and create the necessary conditions of production for the landless families. Overall, as a rumor crossing the Araguaia region put it, it was very probable that the owners had discreetly opened the doors of their own ranch to landless peasants.

Put simply, the federal government authorized INCRA to expropriate the land within two years in favor of 2,500 families. Confident that a large operation of redistribution with proper land titles would take place, 1,700 families from the region started to cultivate crops of land at Cristalino in February 1999. According to Ademir Andrade, meanwhile senator of

64 Le Breton, *Trapped*, 155-6.
65 Ibid.
67 Ibid.
68 Ibid.
Pará, up to 3,000 families had settled on the ranch up to August. INCRA, however, hesitated to process the promised expropriation procedure, due to pressure from the state company, Nuclear Industries of Brazil (INB), which was simultaneously pushing through a program of uranium prospection in areas close to Cristalino. INB alleged that farming projects could disturb the mineral exploration of the region.

A new development happened in November 1999, when indicators of uranium presence in the subsoil of Cristalino were discovered by INB, which led the government to suspend the process of expropriation. Parts of the property were directly requisitioned for prospection by INB, and the state treasury suspended the payment of 40.22 million Reais to Pereira and Monteiro. As for the perspectives for the landless peasant families, drawn into Cristalino by the laxity of the two landowners and the encouragements of rural trade-unions and INCRA, they were simply stuck. Ademir Andrade attempted to organize an agreement according to which the 3,000 peasant families could provide the necessary agrarian products and workforce to satisfy the needs of a future pole of mineral exploration, but his proposition remained unheard.

This is when true chaos began to prosper at the former VW-ranch. The families decided to stay, in order not to release the pressure on state authorities, and also because many of them had started to farm the land and had nowhere else to go. Former employees of the CVRC, taking advantage of both their knowledge of the place and the confusion created by contradictory governmental announcements, continued to deforest the fazenda in search of valuable timber. Outsiders sought to take advantage of this disorder to get a piece of land. As Le Breton writes:

estate buildings were sacked and property stolen, bands of gunmen began to roam about freely, and the settlers were reduced to a state of fear and trembling. Rival groups of settlers moved in to get a slice of the action. Gold miners came swarming in and posted no fewer than 120 separate claims.

STR delegates started to express their surprise about the coming of hundreds of squatter families brought to the ranch under the banner of a small landless organization based in

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70 Ibid.
71 ‘Sem-Terra e Estatal disputam área no Pará’.
72 ‘Ademir Andrade pede imediata desapropriação de fazenda’.
73 Le Breton, Trapped, 157.
74 Ibid.
Brasilia, which they had never heard about.\textsuperscript{75} To complicate matters further, it came out that areas in which families were living contained uranium on the land’s surface, which led Ademir Andrade to make a speech in the senate warning about possible risks for human health.\textsuperscript{76} INB used the pretext of this notice to encourage the authorities to organize a displacement of the families to another area outside Cristalino. At that point the owners of the fazenda asked for their property rights to be reinstated. But the rural workers’ unions protested against this decision, on the ground that already present settlers were using the land productively and therefore fulfilling the social function of the estate, as required in the Land Statute passed in 1964 and still in force.

During the early 2000s, the peasant families of Cristalino managed to sustain relative media attention and political support within the federal parliament, thanks to the renewed success of the land reform issue, illustrated at national scale by the growing popularity of the MST. The coming to power of the PT with the election of President Lula da Silva in 2002 also illustrated a revival of popularity for land reform. More particularly, the constant support of politicians of the state of Pará such as Ademir Andrade, old political companion of the Cristalino workers, who meanwhile had joined the left-wing socialist party (PSB), helped the landless families of the VW ex-ranch not to fall into oblivion. The federal deputy Paulo Rocha (PT), son of a poor and large rural workers’ family of Pará also felt personally concerned by the fate of the Cristalino landless.\textsuperscript{77} He repeatedly solicited the Ministry of Agrarian Development and the Ministry of Science and Technology, asking them to nullify the hypothesis that the area contained radio-activity and possibly uranium in its subsoil—a hypothesis that was blocking the expropriation proceedings.

The first Lula years promoted land redistribution as a programme priority, although, reminiscent of Sarney, the PT president privileged media-appealing announcements of expropriation focused on single emblematic cases over structural reform. After the government pressured the National Department of Mineral Production, the latter discarded its remaining hopes regarding the existence of substantial quantities of uranium in Cristalino in April 2004.\textsuperscript{78} On the alleged basis of a soil analysis, the Department gave its agreement for resuming the process of expropriation. On 20 May 2005, Lula expropriated 87 000 hectares of

\textsuperscript{75} Ibid.
\textsuperscript{76} ‘Ademir denúncia risco de contaminação por urânio em fazenda no Pará’, Agência Senado, 3 September 1999.
\textsuperscript{77} GPTEC V9.67.1., Rocha to Lucena et al., 20 May 2004.
\textsuperscript{78} Ibid.
the Rio Cristalino fazenda through a presidential decree.\textsuperscript{79} In an e-mail addressed to PT members, colleagues and personalities involved in the Cristalino case such as Rezende, Rocha summed up the situation as follows:

The struggle of these workers for a piece of soil, on which to live and produce, was arduous and long until the land was won. The first expropriation process, which lingered years in procedure, was finally suspended in 1998. A new procedure was opened in 2003 and, thanks to the interest and engagement of the Lula government, there was a more rapid administrative treatment.\textsuperscript{80}

In spite of this decision, things are far from being resolved in the fazenda. While about 80,000 hectares have painfully been distributed to the squatter families, many medium fazendeiros have begun to raise cattle illegally on the estate.\textsuperscript{81} They have used threats to convince some families to leave the area, creating, according to Roziers, an authentic ‘climate of war’ in the place.

Even more problematic are the 60,000 hectares officially still belonging to the CVRC, but which have been themselves invaded by 600 families who settled there in 2008, organized into a rival organization to the MST, called National Federation of Workers of Family Agriculture (FETRAF).\textsuperscript{82} As they started to occupy the place and demonstrate, the general director of INCRA, Raimundo Oliveira, visited them with two delegates from the governmental party PT, the federal congressman Raimundo Oliveira and the state deputy Bernadete Ten Caten. They promised the FETRAF families that within ninety days the CVRC would be completely expropriated and transformed into a settlement project for the small peasantry.\textsuperscript{83} The event provoked scenes of jubilation among the squatters. However, no concrete governmental act followed, and the incidents in situ worsened. Only in 2010, four workers were murdered as a consequence of the many conflicts traversing the place.\textsuperscript{84}

In February 2013, the director of property policy of the Santana do Araguaia STR, Epaminondas Ferreira Belém, described the fazenda’s situation as one of the gravest in

\textsuperscript{79} Ibid.

\textsuperscript{80} ‘A luta daquelas Trabalhadores por um pedaço de chão para morar e produzir foi árdua e demorada até a conquista da terra. O primeiro processo de desapropriação, que demorou anos em tramitação, acabou sendo arquivado em 1998. Um novo processo foi aberto no ano de 2003 e, graças ao interesse e ao compromisso do Governo Lula, houve uma tramitação mais rápida’: Ibid.

\textsuperscript{81} ‘Clima de Guerrana Fazenda Rio Cristalino, no Pará’, http://www.mst.org.br/Clima-de-guerra-na-fazenda-Rio-Cristalino-no-Pará, access date 4 September 2013.

\textsuperscript{82} ‘Minha vida vale 20 mil reais no Pará’, diz Frei Henry’, http://www.mst.org.br/node/10251, access date 4 September 2013.

\textsuperscript{83} ‘Clima de Guerra na Fazenda Rio Cristalino, no Pará’; Mendes, ‘Fazenda Rio Cristalino / Pará’.

\textsuperscript{84} Ibid.
He predicted that the conflicts could end in a massacre if the federal and state governments did not act: ‘Many people have already died and others will yet if nothing is done’. Epaminondas stated that murders were practiced by gunmen and armed militias employed by fazendeiros. According to FETRAF, these have been sending death threats to the families, invading their homes and frightening them by depredation, gun firing and killing animals. Workers’ representatives accused INCRA of creating illusions for the peasant families with false promises of land redistribution. Faced with these complaints, INCRA has lately argued that generalized ecological degradation in the ranch has made it pointless to resume the process of expropriation. The devastation of Cristalino's forests has left the fazenda with degenerated, unproductive soil, making it nearly impossible to sustain hundreds of families through farming activities.

The Cristalino case has thus become completely opaque: to say what is true in the declarations of state representatives, who pressures whom and who is in conflict with whom in the local area lies beyond the scope of academic research. NGOs such as the CPT still examine the case but without charging too closely in as they used to do in the 1980s, for the climate of violence has made it perilous for them to even enter the ranch. Thirteen years of controlled deforestation under the ‘reign’ of VW and twenty-seven years of savage clearing processed by unidentified actors in a hurry to appropriate the land in order not to leave it to others have ravaged the soils. The conquest of nature by humans did not create modernity or civilization, at least not as VW and SUDAM used to depict it in the early 1970s.

At the same time, alternatives to the model of dependent development once symbolized by the partnership between the two organizations did not emerge. The notions of ‘development’, western know-how and high-tech ranching techniques do not produce the social authority they once did. But the state apparatus hardly supports small peasants trying to create a possible alternative to top-down developmentalism in the form of cooperative agricultural projects. Even the different landless groups, which occupy the ranch seem to be handicapped by internal rivalries. Although the certitudes and the optimism once guaranteed by the developmentalism discourse are gone, they have not been chased out by another political consensus. A common model of management and distribution of the resources in the rural spaces of the Amazon is yet to be found.

85 Ibid.
86 Ibid.
87 Ibid.
5.2. Conclusion: *the Amazon’s last pioneers*

The *Companhia Vale do Rio Cristalino* (CVRC), VW’s cattle-ranch in the Amazon from 1973 to 1987, was not the work of one individual. Many actors contributed to its birth, not only in the VW Company but also in Brazilian administrative bodies such as the Superintendence for the Development of the Amazon (SUDAM). Yet, the project had one spokesperson with a special relationship to the media, the then CEO of VW do Brasil, Wolfgang Sauer, born in Stuttgart, Germany. He warrants particular attention not only because he delivered a particularly valuable testimony about Cristalino in his autobiography *O Homem Volkswagen* (‘The Volkswagen Man’), published in 2012. His life also reflected the cultural plurality and cross-border nature of the ranching project, which mixed seemingly opposed objectives such as globalizing the Amazon (integrating the region into international economic exchanges) and nationalizing it (reinforcing both Brazilian identity and state in the region). A few months after the publication of his biography, Sauer, the ‘Volkswagen Man’, passed away at the age of eighty-three. After arriving in Brazil in 1961 and acquiring citizenship in 1982, he had continued to live in the country. Having started his career as a foreign executive, he died as a Brazilian historical figure. His biography thus complicates the historiographical storyline about ‘missionaries’ of development from Europe or the US, who in the context of the Cold War used the ‘Third World’ as an experimental field onto which they stubbornly imposed economic models elaborated in industrial countries.\(^88\)

The CVRC relied in part on importing western ‘know-how’ and quality standards. It focused on the scientific expertise of renowned European and U.S. research centers trying to create the breed of cattle most suited to the development of meat production in the Amazon. In the early 1980s, texts of the VW Company still compared the agricultural colonization of the Amazon to the ‘conquest of nature’ perpetuated in middle-age Central Europe or from the seventeenth century by European migrants in North America.\(^89\) The standards that the CVRC claimed to reach in terms of productivity, labor conditions and social welfare where those of the industrial world.


\(^{89}\) Richter, *Die Fazenda am Cristalino*. 
At the same time, the roots of the CVRC are also to be understood in the framework of a patriotic narrative of Brazilian history: a country of pioneers pushing the frontier of civilization from the coast to the west, with the Amazon as a horizon to follow, so as to tend toward the completion of a ‘great Brazil’. Sauer’s heroes were the Bandeirantes, early settlers who from the sixteenth century onward marched into the ‘wild’ interior spaces and enslaved native groups on their way. His model for measuring the success of a development project was the capital Brasilia, built in only five years (1956-1960) under supervision of the popular president, Kubitschek. In fact, Cristalino and Brasilia were projected at completely different scales but they obeyed a similar patriotic belief, according to which the occupation of the hinterland was vital to national sovereignty and development.90 The social imaginary to which Sauer constantly referred was the Brazilian nation, a Brazilian ‘we’ in which he fully included himself. He fought several times for the survival of the Cristalino ranching program in the name of what he saw as the Brazilian interest, against the will of VW global management in Wolfsburg.

VW’s Amazonian investments were crucial elements of the company’s strategy to build itself a truly Brazilian image. Celebrating the early activities of Atlas Frigorífico, a slaughterhouse launched in the Amazon by VW in partnership with SUDAM and different Brazilian companies in 1983, Sauer presented the project as the realization of a national dream:

With the start of Atlas Frigorífico, whose establishment has been made possible by the support of SUDAM, the dream of occupying the ‘Amazonian emptiness’ is coming true […]. The future of the Amazon has effectively started […] and it is with great faith that a group of pioneers have erected Atlas Frigorífico, a new symbol of the country’s integration, in the midst of the jungle.91

Since 1977, VW do Brasil (VWB) was also selling its cars with the advertising slogan: ‘a marca que conhece o nosso chão’ (‘the brand that knows our land’).92 It sounded like the self-confident assertion of a company, which considered itself deeply rooted in the Brazilian territory, right up to the pioneer frontier of the rain forest.

While it was not necessarily the ‘partner in development’ that it claimed to be in Brazil, VW actually managed to become a companion of the nationalist project proposed by the country’s politico-economic elite, also carrying over key features of government propaganda. Moreover, ‘the brand that knows our land’, together with other marketing slogans appealing to national feelings, was a sign that VW’s Brazilianization was not only a strategy for convincing politicians, but also a central element in seducing Brazilian consumers. Although from a multinational background, VWB built its success on identifying itself with Brazilian development—from the top (through partnerships with policy makers) to the bottom (by selling the idea to the public that VW was a major actor in the national project). A spectacular step in this process was the company’s active participation in the colonization of the Amazon. The Amazon episode highlights both the public authorities’ recognition of VW as a partner in national progress and VW’s determination to contribute to national unity.

To recognize this does not mean that we have to fall into a marketing trap and credit VWB with selfless loyalty to its host country. Certainly, VWB excelled in communication more than it actually worked in the Brazilians’ interest. While the firm’s public relations policies adroitly manipulated national symbols, to the point that many Brazilians did not even remember that VW was actually a foreign group, VWB still transferred massive profits to its European parent company. Moreover, as a former executive recognized in his memoirs, VWB’s management was poorly ‘Brazilianized’, and remained firmly in the hands of Germans.93 VW’s Brazilianization was made possible only because the authoritarian regime in power during the ‘economic miracle’ promoted a national-developmentalist vision, which was compatible with the expectations of multinational investors, and was ready to integrate them into national projects.

It remains that, while global VW had its headquarters in Germany, the CVRC was not a ‘German’ project: here again, we are far from the historiographical representation of ‘missionaries’ from the North directly transferring a model to the South. More geographic diversification and cultural relativism are thus needed to complete the historiography of developmentalist ideas and projects. The role taken by German actors in the CVRC project is different from the model of North-South relations classically described by historians.

Most of the development historians cited in the present study have particularly devoted

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93 Hahn, Meine Jahre mit Volkswagen.
their attention to a tête-à-tête between the U.S. and the world’s South.\textsuperscript{94} Therefore, they have studied development discourses on the basis of an industrial country, the U.S., which had conceived foreign aid programs, in particular for Latin America, since the late 1930s.\textsuperscript{95} After the Second World War, U.S. governments clearly strove to design a missionary function for their country, consisting in helping the world’s South out of poverty. As early as in 1949, President Harry Truman argued in his famous ‘Four Points’ speech that his nation must follow a ‘program’ in development matters: ‘We must embark’, he said, ‘on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas’.\textsuperscript{96} In the context of the Cold War, which saw them competing with the Soviet Union for extending their influence in the countries of the world’s South, the U.S. also sought to integrate economic cooperation and development aid into a consistent diplomatic policy. Impressed by this strategy, global historians have tended to depict development as a powerful vehicle for single industrial nations to export a coherent set of values to southern countries in order to achieve clear economic or diplomatic goals.\textsuperscript{97}

In practice, the U.S. development policy rarely produced concrete development projects that fully went according to plan in the ‘Third World’. This is why we need more case studies, which look at the implementation of single development projects in the world’s South, so as to demystify the idea of development as a global ‘mission’. But we also need more studies like the present one, which look at western industrial countries other than the U.S.: countries that carried less legible and more contrasted visions of development. Not all industrial countries managed to design a clear development agenda for the world’s South. Unlike the U.S., Germany had no historical tradition in the matter. As it became a major economic power after the Second World War, Germany was aware of the economic advantage it could gain from building partnerships with big countries of the South such as India or Brazil. But it was historically unprepared to assume social responsibilities in the ‘Third World’. As Unger shows, the German government did not manage to agree on a strong institutional organ of decision in development policy in the 1960s, as political responsibilities

\textsuperscript{94} There are of course exceptions to this exclusive focus on the U.S., such as Corinna R. Unger, ‘Industrialization vs. Agrarian Reform: West German Modernization Policies in India in the 1950s and 1960s’, \textit{Journal of Modern European History} 8, no. 1 (2010).
\textsuperscript{96} Cit. in Esteva, ‘Development’, 7.
\textsuperscript{97} Ekbladh, \textit{The Great American Mission}; Cullather, \textit{The Hungry World}. 
in this field remained divided between three rival ministries. The Ministry for Economic Cooperation, entirely dedicated to development aid, suffered several fundamental strategic changes in the following decades. These changes resulted from the conflict within German politics between a ‘humanitarian’ view and another view wedded to ‘realpolitik’, for which foreign aid should serve above all German economic interests. German development policy always depended on changing governmental alliances and political conjunctures. In fact, divided German viewpoints on the CVRC concretely show that there was no stable and consensual ‘German’ program of development as there tended to be a U.S. one after the Second World War. While positive newspaper reports in the German media cultivated a certain enthusiasm for the CVRC, many bureaucrats in the German ministries and in the embassy in Brazil remained skeptical. The political and business personnel of the German Federal Republic had no clear, coordinated, set of values and methods for Germany to offer to the world.

In this regard, VW played an ambiguous role as a global symbol of the renaissance of German society after the Second World War and as a ‘German’ institution promoting development in the world. The declarations of VW executives, German government officials but also German newspapers about the CVRC always swung between corporate language and humanitarian tones. Sometimes they simply presented the VW ranch as a model industry that would provide impulse to new economic practices and create a chain of demand, which would indirectly help Brazil to develop. But on other occasions they described the ranch as a real development aid program, planned to nourish the poor with protein, educate the children of the Amazonian countryside and provide the local population with decent housing. This confused position illustrates that the efforts of the German elites to elaborate a detailed development concept for the world’s South were limited, if they existed at all.

This of course did not preclude governmental or economic actors from Germany from raising interest in the VW ranch, which, for example, included a program of timber exportation linked with the demand of the German paper industry for primary goods. In fact, German governments were greatly concerned with making foreign aid and German economic interests compatible. But this concern did not take the form of a strong ideological discourse employed in the same form in all development projects led by German citizens throughout the world. The VW executives, who were engaged in the CVRC, were no ‘German missionaries

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98 Unger, ‘Export und Entwicklung’, 79.
99 Balsen and Rössel, Hoch die internationale Solidarität.
100 Unger, ‘Export und Entwicklung’, 85.
of development’. The absence of a strict developmentalist dogma coming from the home country gave them great freedom in conceiving the Cristalino ranch as a project symbolically situated in continuity with representations of Brazilian nationalism.

The cultural differences that might exist between Germans and Brazilians represented only a minor obstacle in the conception of the cattle-ranching project. The divisions lay elsewhere. Ideological disagreements within Brazilian developmentalist institutions, such as the SUDAM agency in charge of financing private colonization projects, proved highly problematic. These internal political struggles reflected the contradictory position of the military regime. On the one hand, the regime claimed that developing the Amazon would secure Brazil’s territorial security against ‘foreign greed’. On the other hand, the regime called upon multinational companies such as VW to be key partners in the region’s colonization. This mixture of patriotic propaganda and openness to foreign capital comes to light in a speech delivered in 1975 by Alacid Nunes, a governmental party deputy and President of the parliamentary ‘Commission of the Amazon’:

Experience recommends bringing together, in any intensive program of colonization of the Amazon, the national and the foreign, as long as the latter is ready to collaborate and contribute, with the know-how it possesses, to the success of the colonization. It is a continuous challenge that the Amazon poses to the men of my time, just as it posed a challenge to the generations, which fought in the past to awaken Brazil’s North [the Amazon].

Incoherence and divisions also existed within VW, where many Germans, ignorant of the symbolic meaning of the Amazonian conquest in Sauer’s strategy of ‘brazilianizing’ the image of the company, saw the Cristalino project as economically non-profitable. Behind the apparent consensus that economic, political and media actors from Brazil and abroad displayed for VW’s ‘model ranch’, there existed multilayered negotiations between groups and even among individuals, whose views were sometimes contradictory in themselves. In particular, the environmental question laid bare the incapacity of the CVRC project to follow a clear idea of what development should be. SUDAM argued with the Brazilian Institute of Forest Development (IBDF), a public organ controlling forestry issues, over the restrictions on deforestation to impose on VW. The ranch manager, a German-speaking Swiss native,

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101 ‘A experiência recomenda que, em qualquer programa intensivo de Colonização na Amazônia, se reúnam o elemento nacional e o estrangeiro, desde que este se disponha a colaborar e a contribuir com o know-how que possui, para o sucesso da Colonização […] É um desafio continuado que a Amazônia lança aos homens de meu tempo, como lançou, no passado, às gerações que lutaram pelo soerguimento do Setentrião brasileiro’: Alacid Nunes, A Colonização na Amazônia. Discurso na Sessão de 27-11-75 da Câmara dos Deputados (Brasília: Câmara dos Deputados, 1975), 3.
dismissed concerns over forest destruction as grotesque, while he himself imposed strict rules to ensure animal welfare on his farm. The divisions and alliances that produced the outlines of the project crossed national and cultural borders; at the same time these borders remained present. For example, VW had markedly different advertisement strategies for the Amazonian ranch depending on whether these targeted the German or Brazilian public. Thus, the history of the CVRC can be seen as an invitation to re-think the history of development, which is not only the product of an asymmetrical North-South dialectic conditioned by the context of the Cold War, but also a concept in constant negotiation, reflecting fragmented political interests. Of course Cristalino was embedded in a consensual narrative depicting development as a victorious crusade of civilization against natural contingencies, as a ‘forward-thrusting arrow’ leading to universal welfare and as the condition for a nation to accomplish its historical destiny. But this consensual narrative was precisely there to hide behind vague collective goals the complex political transactions, which led toward the big development projects.

In the Brazilian context, development as a promise for positive change was intimately linked with the objective of exploiting the country’s organic riches to the fullest. Perceived by the military regime’s ideologues as a huge and virgin natural space, biologically declining but bursting with soil and subsoil resources, the Amazon was a symbol of this objective. Techno-scientific progress was presented as the central condition for Brazil to win the ‘war against nature’ in the Amazon and disposed—so Sauer believed—the Cristalino project to ‘find answers to the most diverse natural phenomena in the midst of the forest’. The government put a range of fiscal incentives in place to facilitate the modernization of agronomic techniques so as to make the Brazilian Amazon a global leader in beef export. In these conditions, a triumphant propaganda hid the fact that the amount of academic knowledge about the forest ecology was negligible. This propaganda also ignored the grounded expertise of people already living in the Amazon, many of whom practiced farming or small activities of extraction such as river fishing, rubber-tapping or nut gathering. The institutions participating in the colonization of the Amazon did not discuss the risks implied by a massive use of clearing bulldozers or soil fertilizers. Such discussions were considered unnecessary as scientific knowledge would establish ways to handle the forest, technology would tame the wild and economic expertise would predict what the nation would receive of the forest’s


103 Doretto, O Homem Volkswagen, 342.
exploitation. This strict separation between politics on the one side, and nature as a preserve of technical expertise on the other, formed the condition that allowed projects like Cristalino to come to light, under the auspices of a military regime, which deeply believed in a technocratic organization of society.104

In the politics of Amazonian colonization, development was a key-word justifying private projects with the vague promise that these would serve the general interest of the nation. But development was also a key-word evoking expertise, know-how and technical efficiency. VW received the development label from the hands of the Brazilian state via SUDAM, which validated the CVRC project and contributed to pushing it through with massive subventions. This label became sufficient for the company to be credited with unlimited technical expertise, which exempted VW from busying itself with the particularities of the local ecology and the possible environmental consequences of the Cristalino project. As a result of this carelessness, the company kept coming across unexpected natural obstacles. The spreading of toxic weeds, soil degradation and high cattle mortality all provoked considerable delays, cost increases and the abandonment of technical plans in the establishment of the ranching program. Such problems were not supposed to arise in the making of a big development project said to be able to take up any challenge posed by nature.

The CVRC project represented a local continuation of the Green Revolution in the Amazon. The Green Revolution had consisted in a multitude of initiatives of technology transfer to accelerate the access of humans to soil resources in rural areas of the Third World. In the post-war decades, Green Revolution programs received overwhelming support from governing institutions everywhere in the world, at regional, national and transnational levels. But in the late 1960s the Green Revolution had started to be challenged from the fringes of natural sciences by scientists underlining the environmental risks carried by (supposed) technical progress and the limits of science in fixing potential damages to nature. The biologist Rachel Carson, for example, managed to turn her book *Silent Spring* (1962), which identified chemical fertilizers as a peril for the earth, into a global best-seller.105

Both as co-actors of this global ecological moment and perpetuators of a Brazilian tradition of forest conservationism dating back to the early nineteenth century, Brazilian natural scientists adapted this new scientific message in the framework of local controversies during the mid-1970s. Pointing to the danger of rapid environmental devastation, they

105 Carson, *Silent Spring*.  

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concentrated their criticism in a struggle against development policies in the Amazon. They attacked the government as well as big cattle-ranching companies on the grounds of scientific uncertainty, insufficient human knowledge of the tropical forest ecology and the impossibility of predicting the effects of deforestation on soils, biodiversity and climate. By surrendering the authority of science, these Brazilian scientists threatened the whole developmentalist logic, which cast them as possessors of material knowledge. At the same time, precisely because they were fundamental actors of this logic, they managed to disseminate the environmentalist warning even within Brazilian administrative and governmental organs. The question of deforestation became a matter of debate and a line of political division within various institutions of the military regime, including those such as SUDAM, which were in charge of developing the Amazon.

A victim of its own fame, VW’s ‘model ranch’ became one of the main targets of critical scientists who regarded forest clearing with alarm, when a NASA satellite photographed a fire of exceptional reach in the area of the Cristalino estate in 1976. Barely aware of the global environmental debate and culturally distant from the semantic codes of political ecology, the VW executives not only needed time to realize how the new image of the company as an ‘environmental villain’ could endanger its reputation. They also showed themselves inept in justifying the making of giant fires from a technical point of view, as some scientists noted that the CVRC should have resorted to mechanical tree felling instead, while technocrats regretted the undifferentiated elimination of lucrative tree species. Some agronomists also raised their voices to say that these fires were irrational as they threatened the productivity of the ranch’s soils over the mid- and long-term. The harsh attacks against VW coming from the Brazilian Society for the Progress of Science (SBPC) chipped away at Cristalino’s legitimacy as a development project.

The emergence of nature as political subject made of Cristalino an environmental problem, jeopardizing the equilibrium of life in the rain forest. The history of the CVRC thus testifies to a rising accountability for nature in human affairs, which affected the political legitimacy of development. Where political discourses, such as developmentalism in the colonization of the Amazon, relied on denying the role played by nature in human affairs, it is the role of historians to investigate the entire range of actors who participated in the political game. We see in the history of the CVRC that natural things constitute unpredictable factors. They can lead to changing the outlines of a big project. They can even lie at the basis of new political alliances or contribute to interrogating dominant discourses. A look at colonization policies in the Amazon clearly brings to light how certain political representations of natural
things provoked material changes in the environment. The idea of the Amazon as a declining forest, with limitless resources needing to be tapped, encouraged a massive scramble for clearing, pasturing and fertilizing. But the political storm, which gathered criticisms against clearing at Cristalino, also shows how much environmental change modified the terms of political negotiation. This is why we need an integrated history of nature and politics rather than building up environmental history as a categorized field in which the material and the political are studied distinctly.\footnote{It is thus necessary to revise the classification of different branches or levels of analysis in environmental history suggested by Donald Worster, ‘Transformations of the Earth: Toward an Agroecological Perspective in History’, \textit{The Journal of American History} 76, no. 4 (1990), 1090; and more recently by Mc Neill, ‘Observations on the Nature and Culture of Environmental History’.}

At the time of the VW ranch, concerns with deforestation were not entirely new in Brazil. Since the emergence of a nationalist thought in the early nineteenth century, a section of the Brazilian elites had cultivated a patriotic discourse in politics, literature and the arts that glorified the specificity of tropical nature and its role in shaping Brazilian culture. On this basis, the tropical forest had symbolized the richness, diversity and ‘tropicality’ of the Brazilian nation. In fact, as it managed to cross the border of academic sciences, the wave of criticism against deforestation at Cristalino transformed into a discourse in which nationalism could merge with environmentalism. Parliamentary representatives, in particular, who argued that the ecological equilibrium of the forest was part of Brazil’s territorial integrity, were enraged about this story of a foreign company squandering the national commons. Concerns over social equality joined this national-environmentalist platform criticizing the concentration of land in the hands of a capitalist firm. Leading opposition politicians also turned the struggle against Cristalino into a claim for democracy, as they blamed the military regime for supporting big private projects without concern for the wishes of the Brazilian people. By combining these different ideas, the criticisms against Cristalino managed to convince a broad range of actors, including grassroots environmentalist groups, scientists, politicians, journalists, administrators and activists from the land reform movement. The following extract of a letter from a reader in Rio de Janeiro to the national daily \textit{Jornal do Brasil} (1977) illustrates the new, at the same time environmentally sensitive and nationalist, mood stimulated by the fire at Cristalino and other affairs of deforestation by multinational groups:

\begin{quote}
It is with great sadness that I address myself to the \textit{Jornal do Brasil} to join my voice to thousands of others, so Brazilian as my concern is with respect to the national problems regarding the conservation of our patrimony […]
\end{quote}
I feel ill every time I hear those recommendations aiming to transform the Amazon into an enormous pasture. I feel ill knowing what Volkswagen is doing to the Amazon [...]. My God, when is the use of common sense and reason going to come back to rule? It is a pity that precisely those who use this common sense [...] are systematically accused of getting in the way of this fever of progress that so much torments us.107

Not only actors concerned with the fate of the forest were looking at the Cristalino experiment with a skeptical eye, but so also were activists interested in the life of landless rural laborers engaged on big Amazonian landholdings. Addressing both the scarcity of resources and the problem of monopolistic property that created unfair labor relations, the conflict over land emerged at the junction between nature and labor. By the late 1970s trade-unions, priests supporting liberation theology and independent workers started to raise concerns over the way VW treated its Amazonian workforce, in particular the seasonal laborers in charge of clearing the forest at Cristalino. Activists described the CVRC ‘development project’ as a ‘latifundio’, that is a disproportionately big private property symbolizing violence, authoritarian management and transgression of labor law in the Brazilian countryside. This negative image provided the context for the forced labor scandal, which brought the VW ranch to the headlines again in 1983.

That year, a local network of Christian activists and trade-union representatives helped a number of seasonal clearing workers who had fled from Cristalino to publicly reveal a system of forced labor existing at the fringes of the ranch. VW had entrusted the management of the clearing workforce to Amazonian companies led by middle-men locally called ‘gatos’, who offered such services to virtually all the big cattle-ranches of the region. As the fact that gatos resorted to strategies of debt bondage to fool workers and keep them captive for several months was locally well-known, VW could hardly ignore it. A heritage of the labor system which prevailed during the Amazonian rubber boom in the late nineteenth century, the practice of debt bondage had increased in the late 1960s, as the policies of forest colonization pushed forward the demand for a massive and cheap workforce. VW was in no way the only company to give up control over seasonal workers and outsource the clearing of its ranch to

107 ‘É com grande tristeza e pesar que me dirijo ao Jornal do Brasil para juntar minha voz a milhares de outras, tão brasileiras como a minha preocupação em relação aos problemas nacionais [...] na conservação do nosso patrimônio [...]. Sinto-me mal cada vez que ouço conselhos no sentido de transformar a Amazônia num imenso pasto natura; sinto-me mal ao saber o que a Volkswagen vem fazendo na Amazônia [...]. Meu Deus, quando será que o uso do bom senso e da razão voltará a imperar? E infelizmente o que os tem e os usa, a despeito de quaisquer pressões, é logo acusado de querer deter essa febre de progresso que tanto nos atormenta’: Aloyso Fagerlange, ‘Ecologia’. Jornal do Brasil, 28 September 1977.
local firms that prospered at the fringes of legality. However, the CVRC case was the first to become the object of a public scandal that found a durable echo not only in the Brazilian, but also in the German and international press. What is more, the array of actors who tried to ‘help’ the presumed forced laborers at Cristalino grew impressively diverse. Beyond persons who traditionally mobilized for labor rights and land equality, the battle against ‘modern slavery’—as many activists defined it—at the VW ranch also found support among members of the governing, pro-military party of Brazil. Abroad, actors as politically different as the Flemish Lenten Campaign, the German Greens or a parliamentary representative of the British Tory Party protested against forced labor at the VW ranch.

The study of forced labor in the Brazilian Amazon has been a booming field in the social sciences since the early 2000s, but the global dimension of the issue has been neglected so far. The present research underlines the international connections behind modern occurrences of forced labor, not only in terms of investment and production, but also through the transnational partnership of protest actors fighting against labor exploitation. Indeed, the divulging of documents revealing the existence of forced labor at the CVRC partly resulted from the formation of alternative, internationally open, new social movements in Germany after 1968. Actors of the environmentalist, Christian, Third World solidarity and pacifist branches of the German left alternative scene created the pressure, which finally led VW to abandon its Amazonian projects. Therefore, the Cristalino case confirms the existing research on how the internationalization of protest, notably in the Cold War context, could contribute to destabilizing powerful actors.\(^{108}\) Yet, except for a few works exploring the transnational impacts of anti-colonial or liberation theology movements, international protest history has so far privileged the analysis of exchanges within the industrialized world.\(^{109}\) By comparison, protest historians classically represent left-political activism in the world’s South as a kind of virtual platform toward which young North American or European activists projected their revolutionary dreams, if not frustrations.\(^{110}\) In particular, new social movements in Germany have often been analyzed against an interactive background of exchanges with protest


repertoires and actors in the Anglo-Saxon societies.\textsuperscript{111} In proposing a different geographical focus that follows protest networks spanning between Brazil and Germany, I have shed light in this study on some aspects of the—still under-researched—multitude of human experiences which hid behind the thousands of ‘committees of solidarity with the Third World’ between 1968 and the fall of the Berlin Wall.

One notable characteristic of these committees was their strong penetration by environmentalist ideas, which this study illustrated with regard to the alliance between Third World solidarity activists and the Green Party that alerted German public opinion about forced labor on the VW ranch. In Germany, the problematization of both deforestation and social exploitation in the tropical forest were intertwined. The fact that the Amazon started to become a symbol of the environmental crisis in the late 1970s gave international visibility to the region. After having been concerned with tropical deforestation, European Third World solidarity supporters developed a greater attention for the Amazon. They started to report about the destruction of Amerindian villages, the murder of rural workers and the resurgence of slavery-like practices. In sum, the progression of environmental concerns in western Europe gave local activists in Brazil new opportunities for transcontinental alliances based on the denunciation of social injustice in the Amazon. Thus, environmental apprehensions about endangered tropical forests lent support to international activists for the Cristalino workers, just as the growing demand for agricultural deforestation had fueled forced labor networks in the Amazon. The history of the VW ranch is an emblematic example of how the interests of socially disadvantaged workers could objectively merge with claims for the preservation of nature, in the frame of a larger critique of authoritarian policies of development.

To grasp this emblematic dimension is essential if we want to understand how the VW ranch could be constructed into a symbol of socio-environmental injustice. Many Brazilian and foreign groups had invested in excessively large cattle-ranches and participated in destroying the forest with armies of overexploited laborers. Contrarily to the claim made by famous personalities such as the landscape architect Roberto Burle Marx around 1976, there was no evidence that VW set the ‘biggest fire’ in world history in Cristalino. But the social visibility of the project, its claim to be a ‘model ranch’ illustrating development to perfection and the fact that it was owned by a foreign company made of Cristalino an ideal catalyst of the emerging fears that the rain forest might be progressively destroyed. Similarly, VW was

by no means the first or only ranch to rely on the services of gatos. It is even debatable whether the car company was directly responsible for the many cases of forced labor imputed to the CVRC. Nevertheless, in a politico-economic climate marked by proliferating land conflicts, a wave of great strikes in the car industry and a ravaging debt crisis, which stimulated the hostility against foreign economic actors, the VW ranch became an ideal target for the Brazilian left to attack. Because VW was a famous multinational company, this attack did not remain restricted within Brazilian borders but also had repercussions abroad.

The Brazilian government and VW intended to work for globalization in the Amazon by bringing foreign investments into the region and turning it into a major exporter of primary goods. What they harvested turned out to be a globalization of the Amazon, through which the region became an object of global debates producing critiques of big development projects. In effecting transnational advertising for the CVRC project and claiming to create a global model of farming modernization, VW had contributed to attracting global attention toward the Amazon. International observation and transnational mobilization against abusive treatment of the workers and the environment in VW’s modern ranch were the logical consequences of the global ambitions, which accompanied the project.

The evaluation of a big development project largely depends on the project’s own objectives. Massive disillusionment grew out of the perception that the CVRC’s results lagged far behind the promises initially made by VW and SUDAM. Not only did the CVRC have a negative social impact, it also failed to match the technical targets, which were supposed to demonstrate the project’s modernity. VW could maybe have kept some legitimacy as a farming enterprise if only it had been able to balance its weakness in socio-environmental management with solid agro-technical accomplishments.

A well known example showing that the achievement of technical goals can save the legitimacy of a big development project is the building of the capital city Brasilia in the second half of the 1950s. Not only had Sauer compared the making of ‘his’ ranch to that of Brasilia, but a local opponent of VW in the Amazon also described Cristalino as a little Brasilia in the jungle. In fact the two projects were both designed according to developmentalist logic, although at completely different scales. They both reflected a nearly unshakable confidence in the future and an unlimited faith in technology, which endowed their planners with the conviction that they could not fail because they were following the direction of history. Thus, when asked about the material problems or the geographic

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112 I borrowed this distinction from Kolk, *Forests in International Environmental Politics.*
Cristalino and Brasilia also both produced socio-economic disappointments. Kubitschek brought Brazil close to bankruptcy with his developmentalist ambitions and his Brasilia project turned out to be a social disaster for the workers who had built the city. They did not earn the privilege to live in its ‘modern’ districts and remained confined to shantytowns in insalubrious living conditions. A bit like the clearing workers of a high-tech farm in the Amazon, they appeared to be the outcasts of modernity.

Nevertheless, Kubitschek did at least realize Brasilia’s technical objective, insofar as the project of a capital city suitable to host the Brazilian federal administration was fulfilled. Brasilia might be an austere, characterless and monotonous city, whose structure eliminates conviviality and ruins social life. However, the architecture of its main, overwhelmingly spacious square does fulfill its role of making visitors feel the greatness of the federal institutions. Automobile traffic is exemplarily fluid in the city, whose creators thought that a modern city should be designed for cars. As Scott underlines, ‘Brasilia is about the closest thing we have to a high modernist city’, insofar as its morphology and functional division (except for the city margins, which grew in a disordered fashion) are easily legible to the external eye and thus controllable by state authorities. There is, in sum, a lot to criticize in Brasilia, but from a developmentalist point of view that praises control, rationalization and mechanization, and according to the thinking that human achievements should compete in dimension with the work of nature, Brasilia is a success.

Cristalino, by contrast, did not successfully see through the creation of the ideal mixed cattle breed; neither did it become a major beef export unity nor did it initiate new management methods in the surrounding region. VW proved neither able to meet its own technical agenda nor to demonstrate that the heavy technological investment of its ranching program could cope with unplanned ecological obstacles. For a project whose legitimacy

\[113\] GPTEC V6.1., press files from 11 October 1976, ‘Sauer diz que VW já investiu 65 mi na fazenda do PA’.


\[117\] Interestingly Scott, whose book ‘Seeing like a State’ strives to demonstrate how certain big projects are bound to fail, sees only the spreading of uncontrolled city margins as a ‘proof’ that Brasilia did not work according to plan. By underlining the anarchical structure of these unplanned suburbs, he unwillingly evidences the success, from a modernist point of view, of Brasilia’s planned downtown districts: Scott, Seeing Like a State, 117-30.
relied on the imputed knowledge and domination over natural laws through technical expertise, this failure was dramatic. Cristalino, in sum, missed the technical success, which partly ensured Brasilia’s social acceptance in spite of the mechanisms of exclusion, which accompanied the birth of the capital city.

The CVRC’s loss of political legitimacy resulted from the emergence of multiple controversies. It was a partial, gradual and splintered process, through which environmental indignation, land conflict, labor law scandal and technical failure were pronounced at different moments by separate, albeit partly overlapping, groups. This is to say that there was no massive social movement against Cristalino. To be sure, the present study does not claim that developmentalist ideas were suddenly rejected en bloc and banned forever just because of the mistakes of a ranching project. The rise and fall of Cristalino is rather a story about the accumulation of small defects, the discovery of signs of incoherence and the proliferation of questions within the developmentalist framework. The failure of the CVRC did not foreshadow the end of development but illustrated its passage from a consensual position into the realms of controversy, in which it has stayed ever since.

Cristalino acted as a catalyst for a multitude of frustrations generated by the socio-environmental consequences of developmentalist policies. It symbolized how a big technical project could be fraught with disappointments and bad surprises. Therefore, the history of Cristalino matters because the various protests that degraded the image of the project also illustrated the step by step disintegrating of the widespread belief that development was a straight route leading to the resolution of all problems. Although development remained a frequently quoted concept in the following decades of Brazilian politics, it grew imperfect, ‘fractured and lacked a clear rational set of approaches to guide its implementation’.118 The idea, which had driven governmental policies since the 1940s, of a consensual pact for the national economy mixing public and private interests to benefit both the rich and the poor did not survive the economic crisis of the early 1980s.119 The plan of a green revolution for the countryside was buried in the late 1980s due to political divisions over the issue of land reform. An innovative section dedicated to environmental protection in the Constitution of 1988 confirmed that Brazil’s completion as a nation did not necessarily lie in the fullest

118 This is David Ekbladh’s analysis concerning the perceived transformation of development in the 1970s: Ekbladh, The Great American Mission, 10.
119 João Paulo dos Reis Veloso, O Ultimo Trem para Paris; Luiz Carlos Bresser-Pereira, Developing Brazil: Overcoming the Failure of the Washington Consensus (Boulder: Lynne Rienner Publishers, 2009).
exploitation of its organic resources.\textsuperscript{120} Hence, even if development did not fade away, the consensual ambitions that constituted its power of persuasion did.

At the same time, it should remain clear that the protest movements, which appeared in the history of Cristalino and continued to grow in the following decades have not offered a consensual counter-model to replace developmentalism. Until recently, deforestation even continued to expand in the Amazon and although forced labor has decreased, it remains one of the region’s greatest plagues. But infrastructural, farming or mining projects in the Brazilian rain forest now regularly trigger demonstrations both in the country and abroad. Amerindians make the headlines by occupying the Brazilian Parliament when the state threatens to reduce their territory in the name of development.\textsuperscript{121} Social networks mobilize millions of people to petition against a dam in the Amazon or pressure the Brazilian President to veto a reform aiming at increasing the flexibility of the forest code.\textsuperscript{122} The present study helps in understanding why such protests happen today, because it depicts a historical moment in which developmentalism started to lose ground faced with the emergence of novel alliances. The implication of nature in a critique of technocratic governance, the construction of the Amazon as an international political object, the rise of a globally idealized, autonomous worker at the center of Brazilian land conflict, the emergence of the—today institutionalized—campaigns against ‘modern slavery’ and the utilization of transnational channels of communication by marginalized forest populations to challenge multinational companies: all these were new political constellations, which often cut their teeth struggling against big development projects and still contribute to shaping political relations until today.

It has become a commonplace in reports about deforestation that the Amazon as a forest might disappear one day.\textsuperscript{123} That prediction might not be grounded scientifically, but the fact that it hangs over Amazonian politics like a sword of Damocles shows how economic

\textsuperscript{120} Hochstetler and Keck, \textit{Greening Brazil, Environmental Activism in State and Society}, 14.
\textsuperscript{121} \textit{Veja}, 16 April 2013.
\textsuperscript{122} There have been various petitions against the Belo Monte dam since 2011, some of them gathering nearly or more than half a million signatures: \texttt{http://raoni.com/assinatura-peticao-contra-belo-monte.php}; \texttt{http://www.avaaz.org/pt/pare_belo_monte/}, access date 21 December 2013. A petition urging President Dilma Rousseff to veto a reform relaxing the Forest Code had managed to obtain over two million signatures by the time it was handed to the Brazilian government in 2012: \texttt{http://www.brasil.gov.br/meio-ambiente/2012/05/ministros-recebem-peticao-com-cerca-de-2-milhoes-de-assinaturas-pedindo-veto-ao-codigo-florestal}, access date 21 December 2013.
perspectives have shifted, how our view on nature has changed and how obsolete the idea of a pioneer frontier of development sounds by now. There could not be a greater contrast between the representations of the vanishing tropical woods in the early twenty-first century and the optimism of the early 1970s, according to which modern cattle ranches would revitalize the region and make it a symbol of the human capacity to tame the wild through the strength of an ever progressing technology.

The CVRC was one of the last big projects born in the Amazon under the sign of that confident pioneer spirit which nowadays seems dated. It was one of the last projects to carry the national-developmentalist legitimacy, combining two ways of pioneering. On the one hand, Cristalino symbolized the advancement of the Brazilian nation-state into the wild, in historical continuity with the myth of a country realizing itself through a heroic march into its unknown interior territories. On the other hand, the project was depicted as a pioneer in the sense of embodying the avant-garde of development, creating the ‘ox of the future’ and showing a path for the agricultural modernization of the tropics. In its initial phase, the VW ranch might thus have been one of the last development projects whose planners could ignore socio-ecological claims and feel unconcerned by political demands for democratic control. To be sure, the VW ranch was one of the last big projects that still conceptualized the Amazon as a frontier of civilization and a virgin and endless space rather than an arena of conflicts over ever diminishing resources. In this sense, Cristalino’s fathers were the Amazon’s last pioneers.
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