

THE POLICY CONSEQUENCES OF MILITARY RULE IN
ARGENTINA, BRAZIL, AND PERU

A Thesis
Presented to
the Faculty of the Department of Political Science
University of Houston

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts

by
Stephen Arnold Monie

May 1975

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ABSTRACT

This study examines the role of the military by analyzing the consequences of military rule in three Latin American political systems: Argentina, Brazil, and Peru. Dealing with data taken from secondary sources, this analysis tests the proposition that the military is performing either a modernizing or a predatory role.

A quantitative method of analysis was used to test whether a shift of political power from a civilian to a military regime would result in a significant change in public policy. An investigation of the performance or capability of the military regimes between 1950-1974 was constructed. The study considered six socio-economic factors as having likely influence upon national development. They were: (1) education, (2) public health, (3) taxation, (4) foreign debt, (5) military expenditures, and (6) inflation.

The findings indicated (1) that there was a high degree of similarity in the number of instances where military regime have played modernizing and predatory roles, (2) that the rate of inflation was more often controlled by

military regimes than civilian regimes, and (3) that the policy outcomes vary greatly from one case to another. The most important finding of this study indicated that it is highly difficult to generalize about the role of the military in Latin America.

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CHAPTER I

INTRODUCTION

The more data we get on the sociology of armed forces and the more informed the studies that emerge on the actual performance of militaries in power, the more complex the arguments should become.

--Henry Bienen¹

From the nineteenth century to the early 1970's the military in Latin American countries has played a predominant political role. In the nineteenth century, the effects of the military in politics varied in disparate countries but the general record was one of preserving the status quo. Frequently, the military in the nineteenth and early twentieth century proved unable or unwilling to provide the changes that were needed for social, economic, and political development. Their actions in the early twentieth century appeared to benefit the military at the cost of economic development of their countries. However, since the World War II era, the role of the military in politics has increased

¹Henry Bienen, "The Background to Contemporary Study of Militaries and Modernization," in Bienen, Henry, The Military and Modernization (Illinois: Atherton, Inc., 1971), p. 20.

and the military is playing a very important role in the modernization of Latin America.

With respect to Latin America, scholars in the 1960's spent much ink and time debating whether the military play basically a progressive or a negative role in modernization.² Whereas the traditional view of the military in Latin American politics is one of preserving the status quo, the contemporary view is one of being progressive and change-oriented. Studies have now continually asserted that the military is one of the best organized institutions in Latin America. These studies claim that the discipline and organization of the military is far superior to that of other Latin American institutions such as legislatures, bureaucracies, and political parties. They further assert that while the military has been influenced by contemporary Western military technology, the military has also been instilled with the spirit of rapid technological development. In their rhetoric the military has emphasized change and national development. While the military is considered by some social scientists to be the most effective

²Samuel P. Huntington, Political Order in Changing Societies (New Haven: Yale University Press, 1968), p. 219.

instrument of change in contemporary modernizing countries, these same social scientists, however, differ on the military's commitment to use these skills to modernize Latin American societies. And so scholarly interpretations have resulted in rival interpretations of the role of the military in the process of modernization.

Two schools of thoughts have studied and debated the role of the military in Latin America.³ One school of thought, called the "traditionalist point of view," is hostile to the intervention of the military and views the military as being a predatory agent in the process of modernization. The leading proponents of this school are Edwin Lieuwen and Martin Needler. The second school, called the "revisionist point of view," is non-hostile to the intervention of the military and views the military as being a modernizing agent. The leading proponents of this school are John J. Johnson and Lyle McAlister.

Another student of military politics who has had a profound impact in clarifying the role of the military in

³Martin C. Needler, "The Latin American Military: Predatory Reactionaries or Modernizing Patriots?" Journal of Inter-American Studies, XI (April 1969), 237-39.

modernizing countries is Samuel P. Huntington. Based upon his careful study of the pattern of military intervention in politics, Professor Huntington places the military in Latin America in general, and Argentina and Brazil in particular, in a negative or predatory role in the process of modernization. To elaborate:

As society changes, so does the role of the military. In the world of oligarchy, the soldier is a radical; in the middle-class world he is a participant and arbiter; as the mass society looms on the horizon he becomes the conservative guardian of the existing order. Thus, paradoxically but understandably, the more backward a society is, the more progressive the role of its military; the more advanced a society becomes, the more conservative and reactionary becomes the role of its military.⁴

Before continuing the study of the role of the military in Latin American politics, it is necessary to define a key term on which the discussion is based. To begin with, the term "modernization" will be restricted to action, changes, and development that are largely relevant to politics and that are deliberately undertaken by political leaders (see Chart 1.1).

The shift from an agricultural society to an industrial society than presupposes the occurrence of modernization. In the same sense, the shift from an illiterate

⁴Huntington, Political Order in Changing Societies, p. 221.

society to a literate society presupposes the occurrence of modernization. The countries which were known as underdeveloped but are now known as developed are those where there occurred a process of modernization. This view places stress on the crossing of a threshold between two distinct stages in the history of mankind. The two general categories are changes in individual subjective orientations and changes in the structure of social relationships.

Chart 1.1

Modernization

Undeveloped	Developed
Agricultural	Industrial
Illiterate	Literate
Rural	Urban
Oral communication	Mass communication

Structurally, then, modernization is a term of urbanization, literacy, mass media communication, and so on. In this context, modernization, therefore, is a series of societal processes which tend to come together as a whole. In other words, the distinction between "underdeveloped" and "developed"

types of countries serves as a beginning in the understanding of modernization.

But since modernization entails strong political rule in underdeveloped countries, what is needed is an institution that has historically followed a predominant political role in Latin American politics. It is at this point that the military in Latin American politics is put in its proper perspective.

The military has been the most important power contender in Latin American politics since Latin America achieved its political independence in the early part of the nineteenth century. Military involvement in politics is still on an upward curve in Latin America. Thus, it is likely that we will see more and not fewer regimes dominated by the military in the years ahead as more governments are brought into being which are inadequate to the tasks confronting them. Because these societies are, for the most part, at a low level of economic productivity and at high degrees of social cleavages, the military has remained the most important power contender in Latin American politics since the end of World War II.

Indeed, most studies dealing with the military in

Latin American countries or, for that matter, the military in developing countries have been concerned with the causes of military rule rather than the consequences of military rule.⁵ The military in Latin America since 1950 has demonstrated how much hegemony it actually maintains.⁶ The frequency of successful military coups in Latin America since 1950 is demonstrated in Table 1.1. Although questions of the causes of military rule in Latin America have been the main concern of social scientists, perhaps the most interesting questions regarding military participation in politics relate to the effects of military rule.⁷ Observers now try to evaluate the performance of the military as a ruling group.

One of the basic purposes of this paper is to understand the role of the military in Latin America during the

⁵Jerry L. Weaver, "Assessing the Impact of Military Rule: Alternative Approaches," in Schmitter, Philippe C., Military Rule in Latin America: Function, Consequences, and Perspective (Beverly Hills: Sage Publication, 1973), p. 83.

⁶Charles F. Denton and Preston Lee Lawrence, Latin American Politics: A Functional Approach (California: Chandler Publishing Co., 1972), p. 166.

⁷Abraham F. Lowenthal, "Armies and Politics in Latin America," World Politics, XXVII (October 1974), 124.

1960's. Is the military a modernizing force or a predatory one? Will a shift of political power from a civilian to a military regime result in a significant change in public policy?

TABLE 1.1

Number of Successful Military Coups

Country	Since 1950
Argentina	6
Brazil	3
Colombia	2
Peru	1
Venezuela	2
Total	14

Source: Charles F. Denton and Preston Lee Lawrence, Latin American Politics: A Functional Approach (San Francisco: Chandler Publishing Co., 1972), p. 166.

Recent studies have emphasized the modernizing or predatory role of the military in Latin American politics without clarifying the precise indicators for these terms. This study, however, qualifies and quantifies both terms. Two interpretations of the consequences of military behavior are offered: the military as modernized and the military as

predators. The military regime performs a modernizing role in national development when it:

- (1) increases expenditures in education (measured in percentages of the national budget and the GNP)
- (2) increases expenditures in public health (measured in percentages of the national budget and the GNP)
- (3) increases taxes (measured in percentages of the GNP)
- (4) decreases the foreign debt (measured in terms of the ratio of foreign debt to the GNP)
- (5) decreases military expenditures (measured in percentages of the national budget and the GNP)

Chart 1.2

Military as Modernizers

Public Policy Outcomes	Increase(+)/Decrease(-)
% National budget spent on education	+
% GNP spent on education	+
% National budget spent on public health	+
% GNP spent on public health	+
Taxes as a % GNP	+
Ratio of the foreign debt to the GNP	-
% National budget spent on military	-
% GNP spent on military	-
Rate of inflation	-

The military performs a predatory role in national development when it:

- (1) decreases expenditures in education (measured in percentages of the national budget and the GNP)
- (2) decreases expenditures in public health (measured in percentages of the national budget and the GNP)
- (3) decreases taxes (measured in percentages of the GNP)
- (4) increases the foreign debt (measured in terms of the ratio of the foreign debt to the GNP)
- (5) increases military expenditures (measured in percentages of the national budget and the GNP)
- (6) increases the rate of inflation

Chart 1.3

Military as Predators

Public Policy Outcomes	Increase(+)/Decrease(-)
% National budget spent on education	-
% GNP spent on education	-
% National budget spent on public health	-
% GNP spent on public health	-
Taxes as a % GNP	-
Ratio of the foreign debt to the GNP	+
% National budget spent on military	+
% GNP spent on military	+
Rate of inflation	+

While this study will be based on empirical data, the most important similarity between the two schools of thought is that these social scientists do not attempt to support their theses with empirical data. The purpose of this paper is to analyze whether or not the military is a modernizing agent in Argentina, Brazil, and Peru.

In analyzing this purpose, social scientists have viewed the modernizing countries from a "culture-bound point of view." That is, they view civilians in modernizing countries as the natural power-holders in a political system rather than the military. In modernizing countries, it was assumed that the future would be determined by the activities of civilian politicians. These social scientists did not see the military as the most important and critical group in the course of modernization. But the military has become and, more than likely, will remain an important political force for decades to come, and social scientists can be criticized because little empirical evidence has been done on the role of the military in Latin American countries. This is in fact the major criticism labeled at and directed to the two schools of thought--the "traditionalist point of view" and the "revisionist point of view." They assert polemically rather than

proving empirically. As a result, this study will systematically use empirical evidence to evaluate the policy consequences of military rule in Argentina, Brazil, and Peru.

In effect, this study shall use the policy outcomes of the military and civilian regimes to measure the consequences of military rule. Studies of comparative cross-national political processes have almost totally ignored the question of public policy outcome in favor of the study of the formal institutional differences between such governments. In regard to the role of the military in politics, a study of public policy outcomes in Latin America is necessary to clarify the controversy between the two schools. Policy outcomes may be defined as the value allocations of a society, and these allocations are the chief output of the society's political system.⁸ The analysis of policy outcome of a political system is aided by the concept of performance. To this end, performance aids in describing the contribution by the holders of political power. The problem for social scientists to discover, therefore, is not whether the military is getting out of politics but how and for what ends the military

⁸Thomas Dye, Politics, Economics, and the Public: Policy Outcomes in the American States (Chicago: Rand McNally, 1966), p. 1.

will use the force and the influence it unquestionably possesses.⁹

Performance thus will indicate if there is a change or not. To define it loosely, "performance" is the name we give to any outcome which is desired but improbable without an effect to produce it.¹⁰ Ultimately, the outcome is determined by the political system. With increased governmental responsibilities in the economic and social field and with greater intervention by the government in the economic affairs of a country, the importance of governmental budgeting as a tool for economic development has increased.¹¹ For most third world countries, the political system is the determining factor in the country's rate of economic development.

The fundamental question is: What difference does it make in terms of public policy outcomes whether a government is under civilian or military rule? Or, rather, how much have

⁹Lyle McAlister, "The Military," in Johnson, John C., Continuity and Change in Latin America (Stanford: Stanford University Press, 1964), p. 160.

¹⁰Karl Deutsch, Politics and Government (New York: Houghton Mifflin, 1970), p. 196.

¹¹B. N. Gupta, Government Budgeting with Special Reference to India (Bombay: Asia Publishing House, 1967), p. 293.

military regimes accomplished both absolutely and in comparison with civilian regimes? This can be accomplished by measuring the kinds of policy changes brought about by a military government.

The focus will be on the countries in which the military constitutes a competing group of competing groups in the following political systems: Argentina, Brazil, and Peru. The period of this paper covers from 1950 and ends in 1974. This period was basically chosen for one reason.

Since about 1950 the themes of Latin American politics have been different enough from those of the years immediately preceding that one can profitably speak of a new period in the politics of the area. That is, while the processes of politics have not necessarily changed, the central issues are significantly different from those of the immediate past to the extent that the period merits separate treatment.¹²

The primary method used will be quantitative. For these three political systems, a thorough investigation of the performance or capability of the military regimes between 1950-1974 will be constructed. The study considers essentially six socio-economic factors as having likely influence upon national development. They are: 1) education, 2) public health, 3) taxation, 4) foreign debt, 5) military, and 6) inflation.

¹²Martin C. Needler, Latin American Politics in Perspective (New Jersey: Van Nostrand, 1963), p. 28.

The second chapter of the paper will be a political history of the political systems. The third chapter will consist of the application and findings of the study. And, finally, the fourth chapter will construe the findings of the study.

CHAPTER II

CASE STUDIES OF ARGENTINA, BRAZIL, AND PERU

The extent to which military institutions and individuals become politicized is a function of the weakness of civilian political organizations and the inability of civilian political leaders to deal with the principal policy problems facing the country.

--Samuel P. Huntington¹

Argentina: 1950-1973

From 1950 to 1970 the military in Argentina removed several regimes from power by extra-constitutional means. In 1955 General Juan Peron was removed from power by the military. After this coup occurred, another coup did not take place until the 1960's. Because civilian regime were unable to cope with the political and economic problems in the 1960's, the military in 1962 and 1966 supplanted civilian regimes. And finally, the military in 1970 supplanted a military regime. During these two decades (1950-1970), the Argentine political system lacked in large part the capability of providing for the peaceful transfer of political leadership.

¹Samuel P. Huntington, Political Order in Changing Societies (New Haven: Yale University Press, 1968), p. 219.

In 1951 Juan Peron, the man who came to power in the 1940's and who completely changed the politics of Argentina, was re-elected for a six-year term. In the early 1950's Peron's power began to decline, however. The economy was in a very shaky state. In 1951 economic recession and inflation were firmly rooted in Argentina and military men had many reasons for discontent.² The effects of rampant inflation and an extremely unfavorable balance of trade were due largely to the financial policies of the Peron administration.³ One observer wrote:

Instead of encouraging investment in agriculture, where Argentina had a worldwide competitive advantage, Peron pushed industrialization and accelerated benefits for industrial workers, whose wages went up far rapidly than their productivity. In the process, Peron gained the enduring loyalty of Argentina's workers, but he also accustomed the nation to the difficult course of development through inflation. Printing money to cover deficits became habitual and so did inflation.⁴

Military intervention in 1955 seemed to be the panacea to the ills of Argentina and to be a step to establishing

²Marvin Goldwert, Democracy, Militarism, and Nationalism in Argentina, 1930-1966 (Austin: Institute of Latin American Studies, 1972), p. 111.

³Peter G. Snow, Political Forces in Argentina (Boston: Allyn and Bacon, 1971), p. 84.

⁴David C. Jordan, "Authoritarianism and Anarchy in Argentina," Current History, LXVIII (January 1975), 2.

financial stability and economic development. At the inception of the military regime in Argentina, General Eduardo Lonardi served as President of the Provisional Government. The Provisional President Lonardi, however, did not serve very long as chief executive of Argentina because the military removed him from power less than eight weeks after he had served as Provisional President. When General Pedro Aramburu became President of Argentina, the pattern of politics took a different course than the previous interim regime. While the rest of the policies was very similar to the policies of General Lonardi, the most significant difference was that this regime got rid of men linked with Peron's regime. The other policies were: promotion of private enterprise, a curb on inflation, the restoration of freedom of speech and the press and of constitutional, civilian government as soon as possible.

The Aramburu regime could be characterized as a "caretaker government" since his regime served as a temporary custodian until it became possible to restore a civilian, constitutional government. Most of the political parties as well as the three services--Army, Navy, and Air Force--supported this regime because they felt that a caretaker government was a political necessity. Consequently, this regime was

successful in overcoming efforts to turn it out.

By the late 1950's, it was strongly evident that this regime's support was on the decline. After Aramburu removed the Peronists from positions of power in the unions, he replaced them with military men. The fact that the officers had little, if any, knowledge of how to run a labor organization and conception of the workers' role was absolutely ignored. As a result, this move reinforced Peronism in that those workers who had been disillusioned with Peron turned again in that direction.

As the interim administration of Aramburu ended in February, 1958, Arturo Frondizi was elected president. President Frondizi was confronted with two of Argentina's most perennial problems: (1) the economic crisis and (2) the continuing support for Peron in the Political arena.

Since the central problem of Argentina in the late 1950's was economic, President Frondizi turned his efforts to this problem area. In the first year of his term in power, he proposed an "austere" program of stabilization and development. The general aims of the program were threefold: (1) curb inflation, (2) create financial stability through austerity, and (3) increase production and thus raise the

standard of living.⁵ In projecting the rate of social change, Frondizi shifted his stand from radicalism to moderation. The policies of Frondizi's administration also had repercussions in the political and labor fields since his measures were basically integrationist; i.e., his greatest efforts were in trying to maintain peace between the Peronists and the military. But as he attempted to retain Peronist support, Frondizi alienated conservative elements in the military. Thus, the years between the late 1950's and early 1960's were marked by the commitment of a civilian regime to eradicate a fragmented society.

Because hostility between the Peronists and the military played a major factor in the fragmentation of Argentina, President Frondizi attempted to improve conditions by allowing Peronists to participate in the March 1962 election. At first, Peronists could only vote. But when Frondizi made it legal for the Peronist Party to participate in the election of March 18, 1962, it was the first time in a national election since 1955 that they were not only able to vote but also permitted to organize and present their own candidates and platforms. Instead of making a poor showing, the Peronists,

⁵Snow, Political Forces, p. 84.

though a minority of the voting populace, won control of the provinces, where they had none before. When the Peronists scored breathtaking victories in gubernatorial and congressional elections, the members of the military who were hostile to the integrationist policy surfaced and led the way in overthrowing Frondizi on March 29, 1962.⁶

In the meantime a polarization of the military took place. One faction within the military favored representative democracy. The other basic unit opposed representative democracy. In the struggle for supremacy, the former group dominated the stand that the military took. In terms of the political problems, they stated that a civilian, constitutional government was to be restored at what was the earliest possible moment. Until then, the man who served temporarily as the head of government during this period (1962-1963) was Jose Guido.

On October 12, 1963, Arturo Illia became President of Argentina. The perennial problems that confronted the Illia regime were the Peronists, the military, widespread unemployment, inflation, and general economic disarray. One year later, there were tentative signs in the political sphere that

⁶Goldwert, Democracy, Militarism, and Nationalism, p. 111.

Argentina was making advances in democracy as evidenced by the legislation of neo-Peronist parties. This was indeed tentative. On June 28, 1966, the heads of three Argentina armed services--Lieutenant General Pistarin, Rear Admiral Verala and Brigadier Alarez--overthrew the 32-month-old regime of Illia.

This phenomenon occurred in part at least because President Illia was unable to retard the economic and social hardships that were put on the people and had in the end ceased to rule. Economic problems were among the most serious facing the country. And politically, Illia had not resolved the question of what to do with a large percentage of the electorate that still supported the former leader, Juan Peron.

On June 28, 1966, for the second time in less than five years, the military in Argentina disrupted the political processes and prevented the elected president from finishing his term of office. Many people welcomed the advent of Lieutenant General Juan Carlos Ongania because they believed he could solve some of the chronic economic and social problems facing the country. In the 1950's and 1960's, for instance, the Argentine situation had gone through several successful and unsuccessful coups, economic confusion induced

by inflation coupled with stagnation, and rising social tensions. "In view of the general expectation of civilian and military elements who oppose it," as Astiz notes, "it would also appear that the military establishment has assigned itself, with some civilian approval, the new role of straightening out the country's economic and political problems . . . identified by the high-sounding name of the Argentine Revolution."⁷

Thus, one of the main objectives of the Onganía government was to promote economic development as well as political stability. The economic situation was characterized by a soaring rate of inflation, growing trade imbalance, rising unemployment and underemployment. In 1969, riots, strikes, and demonstrations followed. Of course, this was nothing new. Violence was by far an integral, regular, predictable part of the Argentine political process during the years of democratic government from 1955 to 1965.⁸

⁷Carlos Alberto Austin, "The Argentine Armed Forces," Western Political Quarterly, XXII (December 1969), p. 876.

⁸Jeanne Kirkpatrick, Leader and Vanguard in Mass Society (Cambridge: M.I.T. Press, 1971), p. 75.

While President Ongania slowed down price increases and opened up the mining industry to foreign as well as domestic capital in the economic field, no such progress was made in the political field.⁹ Ongania stated that as long as he was president there would be no elections or return to civilian rule for a long time. However, by failing to respond in a favorable way to the military's demand to plot a course which would stop the rising resentment in Argentina, Ongania was removed from power on June 8, 1970.

The military then named General Roberto Levingston as president. Instead of following Ongania's economic policies, President Levingston did just the opposite, moving toward a program designed to force economic growth even at the cost of renewed inflationary pressure. Levingston's tenure was soon shortened on March 23, 1971.

When the political and economic conditions in Argentina continued to deteriorate, the military removed Levingston and Lanusse assumed the presidency. Argentina had seen eight presidents in seventeen years when President Alejandro Lanusse took office in 1971. It was under these conditions

⁹Julio A. Fernandez, "Crisis in Argentina," Current History, LXIV (February 1973), 50.

that Lanusse pledged to hold elections in 1973. His concern was not in formulating a long-term economic policy, but in staying in power until elections in 1973. The Argentine economy, as it turned out, was seemingly falling apart.

By mid-1972, Lanusse was faced with an inflation of 60 percent--the highest in the world; a cost of living that had risen over 25 percent in the first four months of 1972, and a budget deficit for 1972 at close to 5.7 billion pesos, or U.S. \$570 million.¹⁰ Faced with this economic crisis, President Lanusse proposed a Gran Acuerdo Nacional (Great National Agreement, GAN), envisioning this agreement as an avenue for dialogue among the major political ways and means to create political environment for Argentina.

Another critical issue that Lanusse faced was the growing wave of terrorist activity in Argentina. It was felt that this activity was geared to discredit the Lanusse government. With the increased terrorist activity, the people of Argentina became concerned that the 1973 elections would not be held. Indeed, this activity did appear to have an impact on the Lanusse regime. Under the confusion which beset

¹⁰Ibid., p. 51.

Argentine politics, Lanusse began to engage in dialogue with Peron and approved his return to Argentina as a full-fledged citizen.

When Peron returned to Argentina, he was nominated by the Justicialist Front as their presidential candidate. But President Lanusse ruled Peron ineligible in the 1973 elections; subsequently, Peron asked that his name be withdrawn. After they realized that Peron was not going to run, the Justicialist Front nominated Dr. Hector Campora as its presidential candidate.

In 1973 elections were held as Lanusse had pledged when he took office in 1971. On May 25, 1973, Campora became president. In each instance where military regimes replaced civilian regimes, civilian politicians were unable to deal with the principal policy problems in Argentina. To get a better overview of the policy problems under both military and civilian regimes, Chart 2.1 shows the principal policy problems that faced Argentina in the 1950's, 1960's, and early 1970's.

Chart 2.1

Principal Policy Problems in Argentina

Policy Problems	1950's	1960's	Early 1970's
Balance of payments . .	x	x	x
Peronism	x	x	x
Inflation	x	x	x
Housing	x	x	x
Transportation network	x	x	x
Foreign debt		x	x
Military	x	x	x
Foreign and domestic investments.		x	x
Wage increase.			x
Terrorist activity . .			x
Unemployment	x	x	

Brazil: 1950-1974

The military in Brazilian politics has been one of the most important institutions since 1889, but has become the most important political institutions since 1964. From 1951 to 1964 the Brazilian political system was ruled by civilian regimes, but in 1964 the political system underwent one of the most typical phenomena in Latin American societies: military rule supplanted civilian rule. Even before 1964, however, military interventions had occurred. Military interventions occurred in 1954-1955 and 1961. Even though the Brazilian military had acted as an important political force in Brazilian politics, it was not until 1964 that the military moved into power and decided not to release it. From this point on, the Brazilian military indicated with its repressive measures that it was there to stay. So after thirteen years of civilian rule, the military has wrested political power from their civilian counterparts and has thus controlled the highest political office since then.

In the presidential election of 1950 Getulio Vargas, a highly controversial figure in Brazilian politics, emerged victorious over two other candidates. Before he became

president in 1950, Vargas had governed Brazil between 1930 and 1945. But Brazil in 1951 was a more complex society than in 1930. In 1930 Brazilian industry did not play a major role in the economy; in 1951 Brazilian industry was assuming a major role in the economy. As the urban population increased because of industrialization, the participation in electoral politics also increased. This meant that the Brazilian political system would have to adapt and adjust to the process of modernization. One observer wrote:

Although many new city-dwellers were only partly integrated into the modern economy, they did begin to participate in the political system. By limiting the vote to the literate, the 1946 constitution disenfranchised most of the rural population. But urbanization brought literacy. The number of voters doubled between 1945-1960. New demands could be put to the political leaders. The established prerogatives of the business and urban middle classes were under a corresponding challenge. Parts of the new political programs extended that challenge to the rural oligarchies.¹¹

As a result, the federal government under the Vargas regime increasingly played a central role in the economy.

One of the first tasks of the government was to draw up an economic program. Vargas emerged with a formula that was acceptable to many sectors of the Brazilian society. He

¹¹Henry J. Steiner and David M. Trubek, "Brazil--All Power to the Generals," Foreign Affairs, XLIX (April 1971), 467.

applied economic nationalism to the internal and external aspects of Brazil's economic policies. This formula--for example, Petrobras--appeared attractive to the members of the middle-class who identified with industrialization and modernization and who felt that Brazil needed to establish control over the direction of her economy.¹² Petrobras was, in essence, a mixed public-private petroleum corporation. The petrobras proposal was not only an example of a "nationalist" investment policy; rather, it was also an attempt to ease the growing strain on the balance of payments by substituting domestic sources of oil for the imported oil that was consuming scarce foreign exchange.¹³ As this formula became widely disseminated and understood, Vargas placed top priority on a full-fledged industrialization policy at the expense of all short-term goals.

His economic policies, however, were not equipped to deal with inflation. Inflation and domestic tensions--social and political--increased at such an alarming rate that his

¹²Thomas E. Skidmore, Politics in Brazil, 1930-1964: An Experiment in Democracy (New York: Oxford University Press, 1967), p. 109.

¹³Ibid., p. 99.

political position increasingly deteriorated.

In response to his deteriorating political position, Vargas reshuffled his cabinet, appointing Joao Goulart, a politician who had the reputation of collaborating with Communists and other militant labor leaders. In the beginning, Vargas appeared to court the industrial and middle class; later, he courted the urban working class. His strategy changed because he wanted to get support from the increasingly important working class. This move, of course, alarmed the industrial and middle class. The industrial and middle class launched an opposition to Goulart's appointment, becoming such an important issue that Goulart was dismissed. Even though the opposition to Goulart stopped, the opposition to Vargas continued.

During the controversy over Goulart workers demanded wage increases because the cost of living had increased. Speculation had naturally focused on Goulart. Speculation increased over the level at which the new minimum wage should be set. But by sacrificing Goulart, Vargas inevitably relinquished his support of the working class. To win the worker's support, Vargas accepted a 100 percent increase and praised

Goulart as a friend of the workers.¹⁴ Other events occurred that left Vargas with little or no political support.

On February 8, 1954, junior officers presented a memorandum to the War Minister, arguing that the army was threatened with a crisis of authority. This event, among others, added impetus to the movement for dismissal. On August 23, the high command issued an ultimatum calling for Vargas to resign, resulting in Vargas committing suicide on August 24, 1954.

Vargas' death resulted in a caretaker government. After his death, the Vice President, Filho Cafe, became the acting president until the next presidential election, which was little more than a year away.

In little more than a year the caretaker government changed hands three times. Filho did not serve until the next presidential election because he suffered a heart attack and because he took a leave of absence on November 8, 1955. The Speaker of the Chamber of Deputies, Carlos Luz, then became the president. Shortly after, when a controversy developed between Luz and the Minister of War, Henrique Lott,

¹⁴Joao Quartim, Dictatorship and Armed Struggle in Brazil, trans. by David Fernbach (New York: Monthly Review Press, 1971), p. 40.

Luz requested that Lott resign and issued the order removing Lott on November 11, 1955. When Lott rejected his dismissal and sent tanks into the streets, Luz then fled aboard a battleship and issued a manifesto explaining his actions. In the aftermath Congress convened and refused to accept Luz's explanation of events. In a joint session it declared that Luz had violated the Constitution, and so it appointed President Pro Tem of the Senate Artur Ramos to head the Brazilian government temporarily until Juscelino Kubitschek, the newly elected president, could be inaugurated. In January, 1956, Ramos left the presidency and Kubitschek was inaugurated.

Kubitschek, an imaginative and energetic man, served his full term. From the very beginning, his emphasis in economic policy became apparent. The acceleration of development assumed priority over the control of inflation and an already rapid industrialization. While the Kubitschek administration pursued a policy of all-out-growth, inflation had become virtually out of control. As he moved to curb inflation, Kubitschek attempted to carry out a disinflationary policy at the expense of the working class, bringing increased agitation for wage increases. In his effort to maintain a high level of foreign investment, this also increased the opposition of

indigenous business interests to him. He finally gave up on inflation in July, 1959, when he sacrificed control of inflation to attain existing growth targets. These factors seemingly contributed to putting an opposition leader in the presidency. Kubitshek thus left policy problems raised by inflation to the next president.¹⁵

Janio Quadros, school teacher-turned-politician, elected president in 1961, was chosen to respond to the internal problems in Brazil. He showed an encouraging determination to come to grips with inflation and government corruption and to halt the drift to the left. But after only seven months as president Quadros resigned and was replaced by Vice President Joao Goulart.

Quadros resignation posed a dilemma for the decision-makers in Brazil, since his resignation meant that Goulart would become the next president. The military, however, felt that Goulart was unfit to rule, and so interfered extra-constitutionally to bar him from the presidency. When the military was faced with a split and civil war threatened, a compromise put forward by Congress to change the Constitution in favor of a parliamentary system resolved the problem. This

¹⁵Ibid., p. 43.

system modified the previously absolute power of the president. After this, Goulart was sworn in as president, but executive authority and responsibility were vested in a council of ministers drawn from Congress. Civil war was thus averted, and Goulart became the first parliamentary president in Brazil.

This system of government lasted for only sixteen months from September, 1961 to January, 1963. While Goulart placated the right, his ascendancy was opposed by large segments of the middle class. The political climate soon changed in 1962 when the working class demonstrated on the side of Goulart and when Congress rejected his replacement for the first Prime Minister. Goulart then shifted to the left. In a national plebescite the people voted to return to the presidential form of government, lasting from January, 1963 to 1964. Instead of consolidating the disunited political forces and building a political consensus, Goulart succeeded in fragmenting the left and, at the same time, uniting the right into a strong opposition.¹⁶ As inflation increased in 1963 he conceded higher wage increases to the working classes to maintain his populist following. This, of course, intensified the hostility of the middle class.

¹⁶Jordan M. Young, The Brazilian Revolution in 1930 and the Aftermath (New Jersey: Rutgers University Press, 1967), p. 113.

In March, 1964, the Brazilian economy was on the edge of collapsing because of inflation and political strikes. Because the Goulart government, made up of Communists and their sympathizers, fomented chaos and prepared to capitalize on it, opponents of the regime armed themselves to fight in the streets.

The stage was now set for a military take-over. The coup began on March 31, 1964, and ended two days later, causing Goulart to flee into exile and his supporters to be jailed. With Goulart out of the government, Paschoal Ranier Mazzini, Speaker of the House, served a little more than one week as president.

After almost two weeks of intense political and legal maneuvering, Marshall Castelo Branco became president. In Brazil the process of modernization had created not only an urban industrial nation but also crucial social and economic problems and, hence, serious strains on the political system. When Branco took office in April, 1964, he moved to reconstitute political authority and to respond to the process of modernization. The regime's three main economic aims were: 1) the attainment of stability, 2) the removal of distortions in the economy, and 3) the resumption of growth; the approach

to the economic problems was directed at their sources. In essence the Branco regime tried to create the social and economic conditions deemed essential to political stability.

Since political repression was deemed necessary for political stability, political repression under the Branco regime dominated the Brazilian political scene. The military's view between 1964 and 1967 also valued political stability over economic growth. This regime left the Artura Silva regime to accomplish the latter.

On March 15, 1967, Branco abandoned power to his successor; Marshall Costa Silva became Brazil's second military president since Goulart's regime was overthrown in 1964. Since Silva was a supporter of the coup in 1964 and intended to pursue its consequences, his regime was viewed as an extension of Branco's regime. Armed with the instruments inherited from the Branco regime and benefiting from an economic recovery after 1964-1966, Silva seemed certain to preside over the regime's consolidation. Since the repressive apparatus of the military under the Branco government was securely established, he was able to take advantage of his first year in office to reduce the regime's unpopularity and attempt to normalize the national political life.

But in 1969 the government had achieved just the opposite. While it received lows in popularity, it received highs in economic growth. Students for the most part protested the regime's backward educational policy; civilian politicians also criticized the regime. The military regime of Silva struggled through 1968 amid criticism from most sectors except the army. In December the regime put an end to the criticism by disbanding Congress and assuming one-man rule. But more importantly, the Brazilian economic system fared much better under military regimes in the late 1950's and early 1960's.

When President Silva became incapacitated by a stroke, the military Cabinet members chose Emilio Garrastazu Medici to serve as president. President Medici had the good fortune to reach office when Brazil was on the threshold of the most impressive sustained surge of economic growth in the nation's history.¹⁷

After reversing the negative trend registered in 1963 and 1964, the Gross National Product increased by a respectable 5 to 7 percent through 1968, well above the rate of population growth, and rose to 9 percent in 1969. Since 1970, GNP has risen at or above 10 percent each year.¹⁸

¹⁷Rollie E. Poppino, "Brazil After a Decade of Revolution," Current History, LXVI (January, 1974), 3.

¹⁸Ibid.

During the same period, the rate of inflation declined as well.

With President Medici in power, distribution of income between social classes took on a different outlook. Whereas the preceding military regimes did well only in terms of the economy, President Medici aimed at improving the conditions not only of the economy but also of the people. One of his remedies was the social integration program. It aimed at converting the traditionally underprivileged sectors of society into capable and enthusiastic participants in the plan for national development.

Under its aegis, minimum wages have been raised faster than the rise in living costs, and a system of deferred income has been instituted from low income families may draw to meet major expenses. In a similar vein, social security has been extended to virtually all wage earners, rural and urban. The regime has pledged massive new investments to overcome perennial deficiencies in housing and public health. Together with education, these services will receive over \$16 billion in budgetary support during 1973 and 1974.¹⁹

Since Medici's approach left little room for improvement, he felt that public discussion and partisan debate over policies or alternative programs to resolve national problems was not needed. During his four year in office, President Medici progressively circumscribed the participation of the

¹⁹Ibid., p. 5.

public and of the official party in policy formation and the broad political process. When Medici was inaugurated, he aroused hopes that were just the opposite. By initiating several signs at that, President Medici seemed to point toward a return to more open, democratic rule. For example, the Congress had been reconvened and remained in session, prior censorship of the press had been lifted, and the President had reiterated his own hope to leave democracy established in Brazil by the end of his term. But while this was going on, President Medici moved to strengthen the power of his office by assuming personal responsibility for selecting candidates for Congress and governor of his party.

In April, 1973, the regime struck at the press, reinstituting prior censorship of newspapers and extending it to Brazilian and foreign periodicals circulating in the country and allowing no disparaging comment to the government to appear in print.

It was in this political climate that General Ernesto Geisel was chosen as the administration candidate to succeed Medici. In the instance where the military regime replaced the civilian regime, civilian politicians were unable to deal with the principal policy problems in Brazil. To get a better

overview of the policy problems under both military and civilian regimes, Chart 2.2 shows the principal policy problems that faced Brazil in the 1950's, 1960's, and early 1970's.

Chart 2.2

Principal Policy Problems in Brazil

Policy Problems	1950's	1960's	Early 1970's
Inflation	x	x	x
Balance of payments . . .	x	x	x
Urban guerrilla warfare		x	x
Domestic and foreign investment	x	x	x
Social integration . . .			x
Wage increase	x	x	x
Inequality in geograph- ical income distribution	x	x	x
Agrarian reform		x	x
Housing		x	x
Unemployment		x	x

Peru: 1950-1974

The Peruvian military has also played a dominant political role during the 1960's; in the late 1960's the military transformed itself into the most important political institution in Peru. From the 1950's to the early 1960's the Peruvian political system was ruled by constitutionally elected regimes. Civilian rule came to an end in 1962 when the Peruvian military took over after an election to prevent Haya de la Torre of the Alianza Popular Revolucionaria Americana (APRA) or former President Manuel Odria from becoming president. The Alianza Popular Revolucionaria Americana, which had represented the views of the lower classes and some middle groups since the 1930's, was the enemy of the military. It had been frequently outlawed and excluded from electoral politics. While the military intervention in 1962 resulted in a military government for one year, the military in 1968 announced that they had no intentions of returning power to the civilian politicians. This event clearly indicated the current role of the military in politics.

In the 1950 election, General Manuel Odria was elected president for a six-year term. Because his regime increased

the military budget and repressed the Apristas, his regime was viewed somewhat as a conservative one. But this was not the case since he pursued a policy of gradualism to the social, economic, and political problems in Peru.

In the area of social problems Odria moved to improve the social problems of the lower classes. In 1951 the Maria Delgado de Odria Centre of Social Assistance--also founded in 1951--provided medical attention and supplied medicines and even houses for Lima's poor. In some ways Odria's social program was inadequate because it did not call upon the rich to contribute adequately to the social welfare of the country. And because the country was faced with a serious recession during this time, adequate contributions from the rich were desperately needed.

President Odria inherited the economic problems from the previous regime in the 1940's. Inflation became one of the most serious problems as the economy grew worse. The cost of living in 1956, for example, was 92.6 percent higher than when he seized the presidency in 1948.²⁰ Nevertheless, his regime enjoyed the benefits of the Korean War boom that made

²⁰Fredrick B. Pike, The Modern History of Peru (New York: Frederick A. Praeger, 1967), p. 293.

possible stable prices in Peru.²¹

During the early 1950's President Odria suppressed the APRA. Later, civilians demanded the abolition of political repression. Instead of responding with political repression, the Odria regime followed its policy of gradualism and responded to these political forces by promising free elections.

When the presidential election of 1956 took place, Manuel Prado, a civilian, was elected president. Because his victory was due in large part to APRA support, President Prado rewarded or granted APRA the right to exist legally and to run its own presidential candidate in 1962. With this support, Prado presided over a period of relative political stability. Besides this, Prado's term of office provided the best opportunity for APRA to extend and elaborate its organized base of party apparatus and activities.²²

A badly mismanaged economy inherited from Odria accompanied this period of relative political stability. President Manuel Prado inherited a virtually empty treasury, a problem

²¹David Chaplin, "Peru's Postponed Revolution," World Politics, XX (April 1968), 405.

²²Grant Hilliker, The Politics of Reform in Peru: The Apristas and Other Mass Parties of Latin America (Baltimore: John Hopkins Press, 1971), p. 74.

of dwindling foreign currency reserves, and an unrealistic commitment to the continuation of vast public works projects, to the expansion of the bureaucracy and to the elevation of its salaries.²³ In combating the economic conditions, his policies were based upon a free-market economy, an austerity program, and a sound currency. In terms of housing and land, Peruvians accomplished very little. A few urban housing projects were initiated; however, they were inadequate given the increase in the flow of migration into the cities.²⁴ During his reign as president, Prado lacked an effective social reform program in aiding the plight of the lower classes.

In the 1962 presidential election charges were made to the effect that fraud had been committed. It started when none of the three candidates--Haya de la Torre (APRA), Belaunde Terry, and Odria--received the required one-third of the votes cast, the outcome went to Congress. But when the Belaunde elements charged that fraud had been committed, Odria and Haya started negotiating. During the negotiations between the two presidential candidates, the military stepped in and declared elections for 1963. The move was designed to preclude

²³Pike, *The Modern History of Peru*, p. 297.

²⁴*Ibid.*, p. 299.

a chance of the APRA presidential candidate to accede to the presidency. In the aftermath, General Ricardo Perez headed the military junta that assumed power.

Godoy, after assuming power, did not pursue a vindictive policy, but did pursue a somewhat liberal policy. Pike states:

Individual guarantees were respected, as was the freedom of the press; labor organizations were allowed to function freely; and political parties, including the APRA and even the Communist Party, were permitted to engage in normal activities. Promising that honest and free elections would be held the following June, Perez Godoy set himself to the task of making Peru's year of military government one of impressive accomplishments.²⁵

Some of the junta's accomplishments were: (1) established a bank to extend low-interest credit for the purchase of inexpensive houses; (2) established a new housing agency to carry out slum-clearance projects; (3) instituted several pilot land reform projects; (4) gave technical training to rural laborers; and (5) provided new agrarian credit facilities. The military regime of 1962-1963 made certain significant changes. Then in the early part of 1963 President Godoy was overthrown and replaced by another military officer.

Another serious political problem that Belaunde faced

²⁵Ibid., p. 301.

was congressional opposition from APRA. And when guerrilla warfare became serious in 1965, the military began to press him to take stronger action. But because of the weakness of the Belaunde government, the military's support for him gradually dampened.

In spite of these factors, however, President Belaunde continued to enjoy fairly good relations with the military until a serious economic decline developed and worsened in 1967 and 1968, with scheduled June, 1969 elections approaching.²⁸

Since 1950, the value of the Peruvian currency, the sol, had remained steady at 27 soles to the dollar; then in 1965 inflationary pressures intensified rapidly, and the value of the sol in 1967 sank to 40 to the dollar.²⁹

Faced with inflation, Belaunde in 1968 signed an unpopular contract with the International Petroleum Company (I.P.C.), a subsidiary of the Standard Oil Company. The petroleum issue provoked the inevitable: the military overthrew Belaunde. Again, military distaste for APRA seemed to play a

²⁸Stephen L. Rozman, "Evolution of the Political Role of the Peruvian Military," Journal of Inter-American Studies, XII (October, 1970), 560.

²⁹Marvin Alisky, Peruvian Political Perspective (Center for Latin American Studies: Arizona State University, 1972), p.15.

role in persuading the military to assume power. Because Belaunde's political structure had deteriorated as the result of the fragmentation of his party, the path seemed clear to an APRA presidential victory.

When Belaunde was overthrown by the military on October 3, 1968, the junta declared the I.P.C. agreement null and void. As the chief executive of Peru, President Alvarado became the political leader of the most important political party in the Peruvian political system--the military. He did not waste time in using his newly acquired political power by abrogating Belaunde's agreement with the I.P.C., on October 9, 1968. The first thing that the military did was to nationalize the I.P.C. The coup of 1968 thus changed the course of Peru's previous direction and rule.

President Alvarado further committed himself to socio-economic reform when he promulgated Decree Law 17716 on June 24, 1969. This constituted his regime's most dramatic stroke in domestic affairs. The objective of the law, as stated in the preamble, included raising the standard of living of Peru's disadvantaged, enlarging the national budget, and providing the capital necessary to spur industrialization.³⁰ The

³⁰George W. Grayson, "Peru's Military Government," Current History, LVIII (February 1970), 69.

military has changed from the constitutional caretakers in 1962 to the reform-minded policy makers in 1968.

It appeared to be genuinely committed to socio-economic reform and had announced that it would maintain power to implement a twenty-year development plan. This kind of commitment was needed since Belaunde had left General Velasco Alvarado a stagnant economy. Unemployment had gripped 10 percent of the work force; construction was paralyzed; tourism had fallen off; and foreign and domestic investors looked upon Velasco's regime with jaundice eye because of the I.P.C. dispute.³¹

Under these conditions, opponents to the regime surfaced. On the right were land owners displaced by the agrarian reform, businessmen whose properties have been expropriated by the military government and politicians associated with the APRA and other parties that dominated the political system before the military closed Congress and suspended elections; on the left were student activities who had joined with workers to stage one-day strikes. President Alvarado appears to be designing a new social order by instituting social reforms.

³¹Ibid., p. 69.

In each instance where military regimes replaced civilian regimes, civilian politicians were unable to deal with the principal policy problems in Peru. To get a better overview of the policy problems under both military and civilian regimes, Chart 2.3 shows the principal policy problems that faced Peru in the 1950's, 1960's, and early 1970's.

Chart 2.3

Principal Policy Problems in Peru

Policy Problems	1950's	1960's	Early 1970's
Inflation	x	x	
APRA	x	x	
Landless campesinos . . .	x	x	x
Unemployment	x	x	x
Corruption	x	x	
Guerrilla activities . . .		x	
Land redistribution . . .	x	x	x
Balance of payments . . .		x	x
Food supply short falls .			x
Regional development policies		x	x
Agrarian reform	x	x	x
Water supply and sewer- age service		x	

CHAPTER III

IMPACT OF MILITARY RULE ON THE SIX POLICY OUTCOMES IN ARGENTINA, BRAZIL, AND PERU

Societies should be judged by the substance of their modernizing policies and by their success in bringing the benefits of modern knowledge to bear on their political, economic, and social problems at a reasonable human cost, rather than by their labels. There are political leaders that call themselves conservative, or nationalist, or democratic, or liberal, or socialist, or communist who have been relatively successful in these respects. Others bearing the same labels have committed excesses in the belief that they are advancing human welfare. When military regimes come to power in new states, they do so more often than not because the army officers are among the best trained bureaucrats available, and they should be judged by their performance.

--Cyril E. Black¹

This chapter examines how military regimes differ in terms of policy outcomes from those of civilian regimes by analyzing the consequences of military rule in three Latin American countries: Argentina, Brazil, and Peru. To know precisely how the military differs, two interpretations of the consequences of military behavior tested: the "military as

¹Cyril E. Black, The Dynamics of Modernization (New York: Harper and Row, 1966), p. 163.

modernizers" and the "military as predators." We will consider a military regime to be performing a "modernizing role" when it:

- (1) increases expenditures in education (measured in percentages of the national budget and the GNP)
- (2) increases expenditures in public health (measured in percentages of the national budget and the GNP)
- (3) increases taxes (measured in percentages of the GNP)
- (4) decreases the foreign debt (measured in terms of the ratio of the foreign debt to the GNP)
- (5) decreases military expenditures (measured in percentages of the national budget and the GNP)
- (6) decreases the rate of inflation

We will consider a military regime to be performing a "predatory role" when it:

- (1) decreases expenditures in education (measured in percentages of the national budget and the GNP)
- (2) decreases expenditures in public health (measured in percentages of the national budget and the GNP)
- (3) decreases taxes (measured in percentages of the GNP)
- (4) increases the foreign debt (measured in terms of the ratio of the foreign debt to the GNP)

(5) increases military expenditures (measured in percentages of the national budget and the GNP)

(6) increases the rate of inflation

We will now explain several terms which are necessary to the analysis. The first term which needs to be discussed concerns the "regime." When we use the term "regime," we are talking about a particular government controlled by either military or civilian political leadership, such as the Peron regime and the Quadros regime. A civilian regime, for the purposes of this paper, is any regime that was constitutionally elected to power. For instance, since Juan Peron of Argentina (1946-1955) and Manuel Odria of Peru (1950-1956) were elected constitutionally, their regimes are considered civilian regimes. Furthermore, since several changes in regimes occurred close together, these regimes were grouped and treated as one regime.

Another term which needs to be discussed concerns the "rule." When we use the term "rule," we are talking about all years that a particular type of regime was in power. Two types of rule are discussed: civilian and military. "Military rule" consists of all those years that a civilian regime was in power. Thus, when we lump together all the years that a military regime was in power and when we lump together all the

years that a civilian rule can be revealed more comparatively.

Finally, the kind of change that takes place needs to be clarified. When a policy outcome shows an increase or decrease of 10 percent or more from year to year, from civilian or military regime to military regime, from civilian to military rule, it will be considered a significant change. When a policy outcome shows an increase or decrease between 5.0-9.9 percent from year to year, from civilian or military regime to military regime, or from civilian to military rule, it will be considered a moderate change. And finally, when a policy outcome shows an increase or decrease of less than 5 percent from year to year, from civilian or military regime to military regime, or from civilian to military rule, it will be considered an insignificant change.

Argentina

Annual percentages of increases and decreases in the policy outcomes from 1950-1973 in Argentina are shown in Table 3.1. In this section the averages for educational expenditures in the 1950's, in the 1960's, and in the early 1970's will be discussed. However, because the data for foreign debt in the 1950's were not comparable with data for the 1960's and early 1970's, only data for the 1960's and early 1970's were

used. Next, we will present data that show the relationship between military and civilian regimes and educational expenditures. And finally, this section will present data that show the relationship between military and civilian rule and educational expenditures. In the following sections, the other five policy outcomes will follow this same pattern.

TABLE 3.1

ANNUAL PERCENTAGES OF POLICY OUTCOMES IN ARGENTINA

Years	1 % Nat'l Budget Spent on Educa- tion	2 % GNP Spent on Educa- tion	3 % Nat'l Budget Spent on Public Health	4 % GNP Spent on Public Health	5 Taxes as Per- cent of GNP	6 Ratio of GNP to Foreign Debt	7 % Nat'l Budget Spent on Mili- tary	8 % GNP Spent on Mili- tary	9 Rate of Infla- tion
1950	8.7	1.2	15.3	2.1	5.9	--	22.4	3.1	26
1951	7.7	1.0	21.1	3.2	7.2	--	20.6	3.1	37
1952	8.8	1.2	12.7	1.9	7.5	--	21.6	3.3	39
1953	9.5	1.2	15.8	2.3	6.8	--	23.0	3.2	4
1954	9.7	1.2	15.2	2.2	6.8	--	23.4	3.1	4
1955	10.9	1.2	4.7	.6	6.1	--	19.1	2.4	12
1956	9.7	1.1	5.1	.7	6.5	--	20.6	2.8	13
1957	13.3	.9	6.5	.5	5.9	--	20.7	2.3	25
1958	10.2	1.7	9.0	1.8	5.8	--	12.6	2.3	32
1959	10.8	1.6	9.3	1.6	7.3	--	15.1	2.4	114
1960	9.7	1.1	10.2	1.6	7.1	7.5	18.6	2.7	27
1961	9.7	1.4	11.4	1.6	7.9	10.3	15.9	2.3	14
1962	10.7	1.5	11.6	1.6	5.6	11.7	16.5	2.3	26
1963	12.2	1.6	10.9	1.4	4.8	12.0	17.3	2.2	26
1964	15.0	2.2	11.6	1.7	5.0	9.5	15.1	2.2	22

TABLE 3.1 (Continued)*

Years	1 % Nat'l Budget Spent on Educa- tion	2 % GNP Spent on Educa- tion	3 % Nat'l Budget Spent on Public Health	4 % GNP Spent on Public Health	5 Taxes as Per- cent of GNP	6 Ratio of GNP to Foreign Debt	7 % Nat'l Budget Spent on Mili- tary	8 % GNP Spent on Mili- tary	9 Rate of Infla- tion
1965	15.2	1.8	12.6	1.5	5.4	9.3	16.4	1.9	29
1966	13.2	1.8	10.2	1.3	5.6	9.1	16.0	2.1	32
1967	13.0	1.7	6.0	.8	7.2	9.5	17.0	2.3	29
1968	13.9	1.9	13.3	1.8	7.5	9.7	12.5	1.7	16
1969	14.9	1.9	10.9	1.4	5.9	9.6	14.9	1.9	8
1970	15.2	1.9	14.7	1.8	5.9	9.5	15.0	1.9	14
1971	15.3	--	15.1	--	5.4	10.6	14.6	--	35
1972	--	--	--	--	5.0	--	--	--	78
1973	11.4	--	--	--	--	--	--	--	121
1974	--	--	--	--	--	--	--	--	--

*For source of tabulated data, see page 58.

Argentina

Following are sources of data designated numerically to correspond with pertinent columns of Table 3.1.

- 1 - 2 data on education as a percentage of the national budget computed from U.N.:

Statistical Yearbook (as a percentage of the GNP computed from U.N.);

Statistical Yearbook and International Monetary Fund, International Financial Statement, 1950-1959; Bolsa, vol. 5 (February 5, 1971) for 1970;

Europa Yearbook, 1971; and Inter-American Development Bank, Economic and Social Progress, 1973, for 1973.

- 3 - 4 Data on public health (includes social security and social services) as a percentage of the national budget computed from U.N.;

Statistical Yearbook (as a percentage of the GNP computed from U.N.);

Statistical Yearbook and I.M.F., I.F.S., 1950-1968; Europa Yearbook, 1969; Bolsa, vol. 5 (February 1971), 1970-1971.

- 5 Data on taxes as a percentage of the GNP computed from U.N.

Statistical Yearbook and I.M.F., I.F.S., for 1950-69;
Gross National Product Growth Rates and Trend Data
by Region and Country, 1972 and I.D.B., Economic and
Social Progress in Latin America, 1973, for 1970-72.

- 6 Data on foreign debt as a ratio of the GNP computed
from Gross National Product Growth Rates and Trend
Data by Region and Country, 1973, and I.D.B., Economic
and Social Progress in Latin America, 1973.

- 7 - 8 Data on military expenditures as a percentage of the
national budget computed from U.N.;
Statistical Yearbook for 1951-55, 1958-69, and taken
from Joseph E. Loftus, Latin American Defense Expendi-
tures, 1938-1965, for 1950, 1956-57, 1965; data as a
percentage of the GNP computed from U.N.,
Statistical Yearbook and I.M.F., I.F.S., for 1950-52,
1955, 1959, 1965-69 and taken from Loftus for 1953-54,
1956-58, 1960.

- 9 Data on the rate of inflation taken from Felipe Pazos,
translated by Ernesto Cuesta in collaboration with the
author, Chronic Inflation in Latin America, p. 14, for
1950-70 and I.M.F., I.F.S., for 1971-73.

The First Variable: Percent of National Budget and GNP Spent on Education

When educational expenditures as a percentage of the national budget are considered, the average was 9.9 percent in the 1950's, 12.8 per cent in the 1960's, and 13.9 percent in the early 1970's. When educational expenditures as a percentage of the GNP are considered, the average was 1.2 percent in the 1950's, 1.6 percent in the 1960's, and 1.9 percent in the early 1970's. While the average for the national budget for the 1960's showed a significant increase from the average for the 1950's, the early 1970's average was above the average for the 1960's. And while the average for the GNP for the 1960's showed an increase from the average for the 1950's, the early 1970's average was above the average for the 1960's.

Military and Civilian Regimes

Table 3.2 illustrates the relationship between military and civilian regime and educational expenditures of the national budget and of the GNP in Argentina. The average for educational expenditures for the military regime of Aramburu (1955-1958) was 11.0 percent of the national budget compared to 9.2 percent of the national budget for the civilian regime of Juan Peron (1946-1955). The average for educational

TABLE 3.2

PERCENTAGE OF NATIONAL BUDGET AND GNP SPENT ON EDUCATION
IN ARGENTINA BY TYPE OF REGIME

Type of Regime	% Nat'l Budget Spent on Education	% GNP Spent on Edu- cation	Mod(+)/Pred(-)*
Civilian regime (1946-55)	9.2	1.1	
Military regime (1955-58)	11.0	1.2	+
Civilian regime (1958-62)	10.2	1.4	-
Civilian regime (1962-63)	12.2	1.6	+
Civilian regime (1963-66)	14.6	1.9	+
Military regime (1966-70)	14.2	1.8	
Military regime (1970-71)	15.3	--	+
Military regime (1971-73)	11.4	--	-

Source: See Table 3.1.

*Modernizing = (+)

Predatory = (-)

expenditures for the military regime of Lt. General Aramburu (1955-1958) was 1.2 percent of the GNP for the civilian regime of Juan Peron (1946-1955). When the military regime of Lt. General Ongania (1966-1970) was in power, his regime spent an average of 14.2 percent of the national budget for educational expenditures compared to 14.6 percent of the national budget for educational expenditures for the civilian regime of Illia (1963-1966). The average for educational expenditures for the military regime of Lt. General Ongania (1966-1970) was 1.8 percent of the GNP compared to 1.9 percent of the GNP for the civilian regime of Illia (1963-1966). While the average for educational expenditures for the military regime of Brigadier General Levingston (1970-1971) was 15.3 percent of the national budget, the average for educational expenditures for the military regime of Lt. General Lanusse (1971-1973) was 11.4 percent of the national budget. There was a significant increase in the percentage of the national budget spent on education by the military regimes of Lt. General Aramburu (1955-1958) and of Brigadier General Levingston (1970-1971), an insignificant decrease by the military regime of Lt. General Ongania (1966-1970), and a significant decrease by the military regime of Lt. General Lanusse (1971-1973). Thus, there was a

significant increase in the percentage of the GNP spent on education by the military regime of Lt. General Aramburu (1955-1958), but a significant decrease by the military regime of Lt. General Onganía (1966-1970).

In terms of education expenditures, Table 3.2 suggests that Argentina has played both a modernizing and a predatory role. We discover that when the Argentine military decreased educational expenditures, unfavorable and favorable economic problems existed before it came to power. This deterioration was especially clear when its predecessor's period was compared. We discover that when the Argentine military increased educational expenditures, there were favorable economic conditions. When educational expenditures were decreased, they apparently had a small claim on the Argentine national budget. This change then may have been due, in part, to the amount spent on educational expenditures and its vulnerability to national fiscal problems.

Military and Civilian Rule

The First Variable: Percent of National Budget and GNP Spent on Education

Table 3.3 reveals the relationship between military and civilian rule and educational expenditures as percentages of the national budget and the GNP in Argentina. Military rule, when different military regimes are combined, showed an average of 12.9 percent of the national budget for educational expenditures compared to 10.8 percent of the national budget for educational expenditures for civilian rule, when different civilian regimes are combined. Military rule showed an average of 1.5 percent for educational expenditures compared to 1.4 percent for civilian rule. The data in Table 3.3 suggests that the Argentine military has played a modernizing role in terms of educational expenditures.

The Second Variable: Percent of National Budget and GNP Spent on Public Health

When public health expenditures as a percentage of the national budget are examined, the average was 11.4 percent in the 1950's, 10.8 percent in the 1960's, and 14.9 percent in the early 1970's. When public health expenditures as a percentage of the GNP are examined, the average was 1.6 percent

TABLE 3.3

PERCENTAGE OF NATIONAL BUDGET AND GNP SPENT ON EDUCATION
IN ARGENTINA BY TYPE OF RULE

Type of Rule	Policy Outcome		
	% of National Budget Spent on Education	% of GNP Spent on Education	Mod(+)/Pred(-)
Military rule	12.9	1.5	+
Civilian rule	10.8	1.4	-

Source: See Table 3.1.

in the 1950's, 1.4 percent in the 1960's, and 1.8 percent in the early 1970's. While the average of the national budget for the 1960's decreased from the average for the 1950's, the early 1970's average showed a significant increase above the average for the 1960's. And while the average of the GNP for the 1960's decreased from the average for the 1950's, the early 1970's average showed an increase above the average for the 1960's.

Military and Civilian Regimes

Table 3.4 reveals the relationship between the military and civilian regimes and public health expenditures as a percentage of the national budget and the GNP in Argentina. The military regime of Lt. General Aramburu (1955-1958) spent an average of 6.8 percent of the national budget for public health expenditures compared to 14.1 percent of the national budget for public health expenditures for the civilian regime of Juan Peron (1946-1955). The military regime of Lt. General Aramburu (1955-1958) spent an average of 1.0 percent of the GNP for public health expenditures compared to 2.0 percent of the GNP for the civilian regime of Juan Peron (1946-1955). The military regime of Lt. General Ongania (1966-1970), spent an

TABLE 3.4
PERCENTAGE OF NATIONAL BUDGET AND GNP SPENT
ON PUBLIC HEALTH IN ARGENTINA
BY TYPE OF REGIME

Type of Regime	% Nat'l Budget Spent on Public Health	% GNP Spent on Pub- lic Health	Mod(+)/Pred(-)
Civilian regime (1946-55)	14.1	2.0	
Military regime (1955-58)	6.8	1.0	
Civilian regime (1958-62)	10.6	1.6	+
Civilian regime (1962-63)	10.9	1.4	
Civilian regime (1963-66)	11.4	1.5	+
Military regime (1966-70)	11.2	1.4	
Military regime (1970-71)	15.1	--	+
Military regime (1971-73)	--	--	

Source: See Table 3.1.

average of 11.2 percent of the national budget for public health expenditures compared to 11.4 percent of the national budget for the civilian regime of Illia (1963-1966). The military regime of Lt. General Ongania (1966-1970) spent an average of 1.4 percent of the GNP for public health expenditures compared to 1.5 percent of the GNP for the civilian regime of Illia (1963-1966). The military regime of Brigadier General Levingston (1970-1971) spent an average of 15.1 percent of the national budget for public health expenditures. There was a significant decrease in the percentages of the national budget spent on public health by the military regime of Lt. General Aramburu (1955-1958), an insignificant decrease by the military regime of Lt. General Ongania (1966-1970), and a significant increase by the military regime of Brigadier General Levingston (1970-1971). Thus, there was a significant decrease in the percentage of the GNP spent on public health by the military regimes of Lt. General Aramburu (1955-1958) and of Lt. General Ongania (1966-1970).

In terms of public health expenditures, Table 3.4 suggests that the Argentine military has played both a modernizing and predatory role. We discover that when the Argentine military increased public health expenditures, favorable economic

conditions existed before it came to power. We discover that when the Argentine military decreased public health expenditures, there were unfavorable economic conditions existing before it came to power. When public health expenditures were decreased, they apparently had a large claim on the Argentine national budget. When public health expenditures were increased, they apparently had a small claim on the national budget. This change then may have been due, in part, to the amount spent on public health expenditures and its vulnerability to national fiscal problems.

Military and Civilian Rule

Table 3.5 reveals the relationship between military and civilian rule and public health expenditures as 2 percent of the national budget and the GNP in Argentina. The average for public health expenditures for military rule was 10.0 percent of the national budget compared to 12.3 percent of the national budget for civilian rule. And the average for public health expenditures for military rule was 1.2 percent of the GNP compared to 1.7 percent for civilian rule. The data in Table 3.5 suggest that the Argentine military has played a predatory role.

TABLE 3.5

PERCENTAGE OF NATIONAL BUDGET AND GNP SPENT ON PUBLIC HEALTH IN ARGENTINA

Type of Rule	Policy Outcome		
	% of National Budget Spent on Public Health	% of GNP Spent on Public Health	Mod(+)/Pred(-)
Military rule	10.0	1.2	-
Civilian rule	12.3	1.7	+

Source: See Table 3.1.

The Third Variable: Taxes as Percent of GNP

When taxes as a percentage of the GNP are examined, one finds that the average was 6.5 percent during the 1950-1959 period, 6.2 percent during the 1960-1969 period, and 5.4 during the 1970-1972 period.

Military and Civilian Regimes

Table 3.6 reveals the relationship between military and civilian regimes and their ability to extract taxes from their society as measured by taxes as a percent of the GNP. The average for taxes for the military regime of Lt. General Aramburu (1955-1958) was 6.0 percent compared to 6.7 percent for the civilian regime of Peron (1946-1955). The military regime of Lt. General Ongania (1966-1970) showed an average of 6.8 percent for taxes compared to 5.3 percent for the civilian regime for Illia (1963-1966). Since the military regime of Brigadier General Levingston (1970-1971) showed an average of 5.9 percent, the military regime of Lt. General Lanusse (1971-1973) showed an average of 5.2 percent. There was a significant decrease by the military regimes of Lt. General Aramburu (1955-1958), of Brigadier General Levingston, and of Lt. General Lanusse (1971-1973), and a significant increase by the

military regime of Lt. General Onganía (1966-1970).

In terms of taxes, Table 3.6 suggests that the Argentine military has played both a predatory and a modernizing role. We discover that when the Argentine military increased taxes, the rate of inflation decreased. We discover that when the Argentine military decreased taxes, the rate of inflation increased. This change may have been due, in part, to the inflationary pressures.

TABLE 3.6

TAXES AS PERCENTAGE OF GNP IN ARGENTINA
BY TYPE OF REGIME

Type of Regime	Taxes as a % of GNP	Mod(+)/Pred(-)
Civilian regime (1946-55)	6.7	
Military regime (1955-58)	6.0	-
Civilian regime (1958-62)	6.9	+
Civilian regime (1962-63)	4.8	-
Civilian regime (1963-66)	5.3	+
Military regime (1966-70)	6.0	+
Military regime (1970-71)	5.9	-
Military regime (1971-73)	5.2	

Source: See Table 3.1.

Military and Civilian Rule

Table 3.7 reveals that the relationship between military and civilian rule and their ability to extract taxes from their society as measured by taxes as a percent of the GNP. Military rule showed an average of 6.1 percent for taxes compared to 6.4 percent for civilian rule. The data in Table 3.7 suggest that the Argentine military has played a predatory role in terms of taxes.

TABLE 3.7

TAXES AS A PERCENTAGE OF GNP IN ARGENTINA
BY TYPE OF RULE

Type of Rule	Policy Outcome	
	Taxes as a % of GNP	Mod(+)/Pred(-)
Military rule	6.1	-
Civilian rule	6.4	+

Source: See Table 3.1.

The Fourth Variable: Ratio of the Foreign Debt to the GNP

When the ratio of the foreign debt to the GNP is considered, the average was 9.8 percent in the 1960's and 10.0 percent in the early part of the 1970's. The average for the early 1970's showed a moderate increase from the average for the 1960's.

Military and Civilian Regimes

Table 3.8 illustrates the relationship between military and civilian regimes and the ratio of the foreign debt to the GNP in Argentina. The average for foreign debt for the military regime of Lt. General Ongania (1966-1970) was 9.5 percent compared to 9.3 percent for the civilian regime of Illia (1963-1966). The military regime of Brigadier General Levingston (1970-1971) showed an average of 10.6 percent. Thus there was an insignificant increase by the military regime of Lt. General Ongania (1966-1970) and a significant increase by the military regime of Brigadier General Levingston (1970-1971).

In terms of foreign debt, Table 3.8 suggests that the Argentine military has played a predatory role. We discover that when the Argentine military increased foreign debt,

social expenditures decreased while taxes decreased. This change may have been due, in part, to the increase in social expenditures while there was a decrease in taxes.

TABLE 3.8

RATIO OF THE FOREIGN DEBT TO THE GNP IN ARGENTINA
BY TYPE OF REGIME

Types of Regime	Ratio of Foreign Debt to GNP	Mod(+)/Pred(-)
Civilian regime (1958-1962)	9.8	
Civilian regime (1962-1963)	12.0	-
Civilian regime (1963-1966)	9.3	+
Military regime (1966-1970)	9.5	
Military regime (1970-1971)	10.6	-

Source: See Table 3.1.

Military and Civilian Rule

Table 3.9 reveals the relationship between military and civilian rule and the ratio of the foreign debt to the GNP in Argentina. Military rule showed an average of 9.7 percent for foreign debt compared to 9.9 percent for civilian rule. The data in Table 3.9 suggest that the Argentine military has played neither a modernizing nor a predatory role in terms of foreign debt.

TABLE 3.9

RATIO OF THE FOREIGN DEBT TO THE GNP IN ARGENTINA
BY TYPE OF RULE

Type of Rule	Policy Outcome	
	Ratio of Foreign Debt to GNP	Mod(+)/Pred(-)
Military rule	9.7%	
Civilian rule	9.9%	

Source: See Table 3.1.

The Fifth Variable: Percent of National Budget
and GNP Spent on Military

When military expenditures as a percentage of the national budget are examined, the average was 19.9 percent in the 1950's, 15.9 percent in the 1960's, 14.8 percent in the early 1970's. When military expenditures as a percentage of the GNP are examined, the average was 2.8 percent in the 1950's, 2.1 percent in the 1960's, and 1.9 percent in the early 1970's. While the average of the national budget for the 1960's showed a significant decrease from the average in the 1950's, the early 1970's average was moderately below the average for the 1960's. And while the average of the GNP for the 1960's showed a significant decrease from the average in the 1950's, the early 1970's average was significantly below the average for the 1960's.

Military and Civilian Regimes

Table 3.10 illustrates the relationship between military and civilian regimes and military expenditures as a percentage of the national budget and of the GNP in Argentina. The military regime of Lt. General Aramburu (1955-1958) spent an average of 17.9 percent of the national budget for military expenditures compared to 21.6 percent of the national budget

for the civilian regime of Peron (1946-1955). The military regime of Lt. General Aramburu (1966-1970) spent an average of 2.4 percent of the GNP for military expenditures compared to 3.0 percent of the GNP for the civilian regime of Peron (1946-1955). The military regime of Lt. General Ongania (1966-1970) spent an average of 14.8 percent of the national budget for military expenditures compared to 15.8 percent of the national budget for the civilian regime of Illia (1963-1966). The average for military expenditures for the military regime of Lt. General Ongania (1966-1970) was 1.9 percent of the GNP compared to 2.0 percent of the GNP for the civilian regime of Illia (1963-1966). The average for military expenditures for the military regime of Brigadier General Levingston (1970-1971) was 14.6 percent of the national budget. Thus, there was a significant decrease in the percentage of the national budget spent on the military by the military regimes of Lt. General Aramburu (1955-1958), Lt. General Ongania (1966-1970) and a moderate decrease by the military regime of Brigadier General Levingston (1970-1971). And there was a significant decrease in the percentage of the GNP spent on military expenditures by the military regimes of Lt. General Aramburu (1955-1958) and of Lt. General Ongania (1966-1970).

TABLE 3.10

PERCENTAGE OF NATIONAL BUDGET AND GNP SPENT ON MILITARY
IN ARGENTINA BY TYPE OF REGIME

Type of Regime	% of National Budget Spent on Military	% of GNP Spent on Military	Mod(+)/Pred(-)
Civilian regime (1946-1955)	21.6	3.0	
Military regime (1955-1958)	17.9	2.4	+
Civilian regime (1958-1962)	16.5	2.4	+
Civilian regime (1962-1963)	17.3	2.2	-
Civilian regime (1963-1966)	15.8	2.0	+
Military regime (1966-1970)	14.8	1.9	+
Military regime (1970-1971)	14.6	--	
Military regime (1971-1973)	--	--	

Source: See Table 3.1.

In terms of military expenditures, Table 3.10 suggests that the military has played only a modernizing role. We discover that when the Argentine military decreased military expenditures, unfavorable economic conditions basically existed before it came to power. When military expenditures were decreased, they apparently had a large claim on the Argentine national budget. When military expenditures were increased, they apparently had a small claim on the national budget. This change then may have been due, in part, to the amount spent on military expenditures and its vulnerability to national fiscal problems.

Military and Civilian Rule

Table 3.11 reveals the relationship between military and civilian rule and military expenditures as a percentage of the national budget and of the GNP in Argentina. The average for military expenditures for military rule was 15.9 percent of the national budget compared to 18.6 percent of the national budget for civilian rule. The average for military expenditures for military rule was 2.1 percent of the GNP compared to 2.5 percent of the GNP for civilian rule. Table 3.11 suggests that the Argentine military has played a significant modernizing role in terms of military expenditures.

TABLE 3.11
PERCENTAGE OF NATIONAL BUDGET AND GNP SPENT
ON MILITARY IN ARGENTINA
BY TYPE OF RULE

Type of Rule	Policy Outcome		
	% of National Budget Spent on Military	% of GNP Spent on Military	Mod(+)/Pred(-)
Military rule	15.9	2.1	+
Civilian rule	18.6	2.5	

Source: See Table 3.1.

The Sixth Variable: The Rate of Inflation

When the rate of inflation is examined, one finds that the average was 30.6 percent during the 1950-1959 period, 24.3 percent during the 1960-1969 period and 62 percent during the 1970-1973 period. While the average for the 1960's showed a moderate decrease from the average for the 1950's, the early 1970's average was significantly above the average for the 1960's.

Military and Civilian Regimes

Table 3.12 illustrates the relationship between military and civilian regimes and the rate of inflation in Argentina. The average for the rate of inflation for the military regime of Lt. General Aramburu (1955-1958) was 23.3 percent compared to 20.3 percent for the civilian regime of Juan Peron (1946-1955). The military regime of Lt. General Ongania (1966-1970) showed an average of 16.7 percent for the inflation rate compared to 27.6 percent for the civilian regime of Arturo Illia (1963-1966). The military regime of Brigadier General Levingston (1970-1971) showed an average of 35 percent for the rate of inflation, and the military regime of Lt. General Lanusse (1971-1973) showed an average of 99.5 percent for the rate of inflation. The inflation rate increased significantly under the military regimes of Lt. General Aramburu (1955-1958), of Brigadier General Levingston (1970-1971), and of Lt. General Lanusse (1971-1973), and decreased significantly under the military regime of Lt. General Ongania (1966-1970).

In terms of the rate of inflation, Table 3.12 suggests that the Argentine military has played not only a predatory role but also a modernizing role. We discover that when the

TABLE 3.12

RATE OF INFLATION IN ARGENTINA BY TYPE OF REGIME

Type of Regime	Rate of Inflation	Mod(+)/Pred(-)
Civilian regime (1946-1955)	20.3%	
Military regime (1955-1958)	23.3%	-
Civilian regime (1958-1962)	45.2%	-
Civilian regime (1962-1963)	26.0%	+
Civilian regime (1963-1966)	27.6%	
Military regime (1966-1970)	16.7%	+
Military regime (1970-1971)	35.0%	-
Military regime (1971-1973)	99.5%	-

Source: See Table 3.1

Argentine military increased the rate of inflation, social expenditures increased while taxes decreased. We discover that when the Argentine military decreased the rate of inflation, social expenditures decreased while taxes increased. When military expenditures were decreased, they apparently had a large claim on the Argentine national budget. This change then may have been due, in part, to the amount spent on social expenditures and the amount of taxes extracted.

Military and Civilian Rule

Table 3.13 reveals the relationship between military and civilian rule and the rate of inflation in Argentina. Military rule showed an average of 37.1 percent for the rate of inflation rate compared to 29.4 percent for civilian rule. The data in Table 3.13 suggest that the Argentine military has played a predatory role in terms of the rate of inflation.

TABLE 3.13

RATE OF INFLATION IN ARGENTINA BY TYPE OF RULE

Type of Rule	Policy Outcomes	
	Rate of Inflation	Mod(+)/Pred(-)
Military rule	37.1%	-
Civilian rule	29.4%	+

Source: See Table 3.1.

Brazil

Annual percentages of increases and decreases in the policy outcomes from 1951-1973 in Brazil are shown in Table 3.14. In this section, the averages of the national budget and the GNP for educational expenditures in the 1950's, in the 1960's, and in the early 1970's will be discussed. Next, we will present data that show the relationship between military and civilian regimes and educational expenditures in Brazil. Since data for educational and public health expenditures were combined in the secondary sources for the 1950's, it was necessary to combine educational and public health expenditures for the 1960's and the early 1970's. And since the data for foreign debt in the 1950's were not comparable with the 1960's and the early 1970's, only data for the 1960's and the early 1970's were used. And finally, this section will present data that show the relationship between military and civilian rule and educational expenditures. In the following section, the other policy outcomes will follow this same pattern.

TABLE 3.14

ANNUAL PERCENTAGES OF POLICY IN BRAZIL

Years	1 % Nat'l Budget Spent on Educa- tion	2 % GNP Spent on Educa- tion	3 % Nat'l Budget Spent on Public Health	4 % GNP Spent on Public Health	5 Taxes as Per- cent of GNP	6 Ratio of GNP to Foreign Debt	7 % Nat'l Budget Spent on Mili- tary	8 % GNP Spent on Mili- tary	9 Rate of Infla- tion
1951	9.8	.7	--	--	7.1	--	39.0	2.5	12
1952	9.9	.8	--	--	6.9	--	32.5	2.6	17
1953	10.2	.9	--	--	7.4	--	28.2	2.6	14
1954	10.7	.9	--	--	7.2	--	26.5	2.3	22
1955	9.8	.9	--	--	7.1	--	28.2	2.6	23
1956	6.6	.8	--	--	6.6	--	24.6	3.0	21
1957	9.4	1.0	--	--	7.8	--	29.2	3.3	16
1958	9.8	1.1	--	--	6.9	--	27.5	3.1	15
1959	10.7	1.1	--	--	7.2	--	23.9	2.5	39
1960	10.8	1.2	--	--	8.3	12.4	20.8	2.3	29
1961	9.2	.8	4.5	.3	7.6	10.3	16.6	2.0	33
1962	8.4	.8	4.3	.4	6.6	11.8	15.7	1.8	52
1963	9.3	1.0	4.0	.4	5.7	11.9	15.2	1.7	70
1964	9.7	1.0	3.6	.4	3.8	11.8	14.0	2.0	92
1965	12.2	1.3	3.3	.3	4.9	12.3	23.1	3.0	66

TABLE 3.14 (Continued)*

Years	1 % Nat'l Budget Spent on Educa- tion	2 % GNP Spent on Educa- tion	3 % Nat'l Budget Spent on Public Health	4 % GNP Spent on Public Health	5 Taxes as Per- cent of GNP	6 Ratio of GNP to Foreign Debt	7 % Nat'l Budget Spent on Mili- tary	8 % GNP Spent on Mili- tary	9 Rate of Infla- tion
1966	9.6	.8	4.2	.3	4.0	12.6	18.8	2.1	41
1967	8.7	.8	3.4	.3	2.5	13.0	25.2	3.9	31
1968	6.3	.8	2.2	.3	4.1	14.3	22.3	2.6	22
1969	8.6	.9	2.5	.2	4.9	12.7	18.7	2.6	22
1970	6.5	.7	1.6	.1	4.2	11.0	17.3	1.9	23
1971	5.8	.6	1.3	.1	9.1	10.6	20.3	2.3	20
1972	5.6	.6	1.2	.1	9.7	--	20.2	2.1	20
1973	5.2	--	1.0	--	--	--	17.9	--	18
1974	--	--	--	--	--	--	--	--	--

*For source of tabulated data, see page 89.

Brazil

Following are sources of data designated numerically to correspond with pertinent columns of Table 3.14.

- 1 - 2 Data on education as a percentage of the national budget computed from U.N.:

Statistical Yearbook, for 1951-1960, from Europa Yearbook, for 1961-63, 1967-73, and from Statesman Yearbook, for 1964-66; data as a percentage of the GNP computed from U.N., Statistical Yearbook, for 1951-60, from Europa Yearbook, for 1961-63, 1967-72, and from Statesman Yearbook, for 1961-63, 1967-72, and from Statesman Yearbook, for 1964-66.

- 3 - 4 Data on public health as a percentage of the national budget computed from U.N., Statistical Yearbook, for 1951-60, from Europa Yearbook, for 1961-63, 1967-73, and from Statesman Yearbook, for 1964-66; data as a percentage of the GNP computed from U.N., Statistical Yearbook, for 1951-60, from Europa Yearbook, for 1961-63, 1967-72, and from Statesman Yearbook, for 1964-66.
- 5 Data on taxes as a percent of the GNP computed from U.N., Statistical Yearbook and I.M.F., I.F.S., for 1951-70 and from Europa Yearbook and IMF., I.F.S., for 1971-72.

- 6 Data on foreign debt as a ratio of the GNP computed from Gross National Product Growth Rates and Trend Data by Region and Country 1973 and I.D.B., Economic and Social Progress in Latin America, 1973.
- 7 - 8 Data on military expenditures (defense) as a percentage of the national budget computed from U.N., Statistical Yearbook, for 1952, 1953, 1958, 1964, 1966-70 and taken from Loftus, for 1951, 1954-57, 1959-63, 1965; data as a percentage of the GNP computed from U.N., Statistical Yearbook, for 1952-54, 1958, 1960, 1964-70; from Europa Yearbook, for 1971-73, and taken from Loftus, for 1951, 1955-57, 1959, 1961-63.
- 9 Data on the rate of inflation taken from Felipe Pazos, tr. by Ernesto Cuesta in collaboration with the author, Chronic Inflation in Latin America (New York: Praeger Publishers, 1972), p. 14 and from I.M.F., I.F.S., for 1971-73.

Military and Civilian Regimes

Table 3.15 illustrates the relationship between military and civilian regimes and educational expenditures as a percentage of the national budget and of the GNP in Brazil. The military regime of Marshall Branco (1964-1967) spent an average of 10.1 percent of the national budget for educational expenditures compared to 9.1 percent of the national budget for the civilian regime of Joao Goulart (1961-1964). Of the GNP, the military regime spent an average of .9 percent for educational expenditures compared to .9 percent for civilian regime of Joao Goulart (1961-1964). The military regime of Marshall Silva (1967-1969) spent an average of 7.9 percent of the national budget on educational expenditures. Of the GNP, the military regime of Marshall Silva (1967-1969) spent an average of .8 percent on educational expenditures. The military regime of General Medici (1969-1974) spent an average of 5.7 percent of the national budget on educational expenditures. Of the GNP, the military regime of General Medici (1969-1974) spent an average of .6 percent on educational expenditures. The percentage of the national budget spent on education was increased significantly by the military regime of Marshall Branco (1964-1967) and decreased significantly by the military

regime of Marchall Branco (1964-1967) and decreased significantly by the military regimes of Marshall Silva (1967-1969) and of General Medici (1969-1974). The percentage of the GNP spent on education was identical for the military regime of Marchall Branco (1964-1967) and the civilian regime of Joao Goulart (1961-1964) and was decreased significantly by the military regimes of Marshall Silva (1967-1969) and of General Medici (1969-1974).

TABLE 3.15

PERCENTAGE OF NATIONAL BUDGET AND GNP SPENT
ON EDUCATION IN BRAZIL
BY TYPE OF REGIME

Type of Regime	% Nat'l Budget Spent on Education	% GNP Spent on Edu- cation	Mod(+)/Pred(-)
Civilian regime (1961-64)	9.1	.9	
Military regime (1964-67)	10.1	.9	+
Military regime (1967-69)	7.9	.8	-
Military regime (1969-74)	5.9	.6	-

Source: See Table 3.14.

In terms of educational expenditures, Table 3.15 suggests that the Brazilian military has played not only a predatory role but also a modernizing role. We discover that when

the Brazilian military increased educational expenditures, unfavorable economic conditions existed before it came to power. This deterioration was especially clear when its predecessor's period was compared. We discover that when the Brazilian military decreased educational expenditures, economic conditions were improving. When educational expenditures were decreased, they apparently had a large claim on the Brazilian national budget. When educational expenditures were increased, they apparently had a small claim on the Brazilian national budget. This change then may have been due, in part, to the amount spent on educational expenditures and its vulnerability to national fiscal problems.

Military and Civilian Regimes

Table 3.16 illustrates the relationship between military and civilian regimes and public health expenditures as a percentage of the national budget and of the GNP in Brazil. The military regime of Marshall Branco (1964-1967) spent an average of 3.6 percent of the national budget on public health expenditures compared to 4.1 percent of the national budget for the civilian regime of Joao Goulart (1961-1964). Of the GNP, the military regime spent an average of .3 percent on public health expenditures compared to .3 percent for the

civilian regime of Joao Goulart (1961-1964). The military regime of Marshall Silva (1967-1969) spent an average of 2.3 percent of the national budget on public health expenditures. Of the GNP, the military regime of Marshall Silva (1967-1969) spent an average of .2 percent on public health expenditures. The military regime of General Medici (1969-1974) spent an average of 1.2 percent of the national budget on public health expenditures. Of the GNP, the military regime of General Medici (1969-1974) spent an average of 1.2 percent on public health expenditures. The military regimes of Marshall Branco (1964-1967), of Marshall Silva (1967-1969), and General Medici (1969-1974) decreased the percentage of the national budget spent on public health significantly. The military regime of Marshall Branco (1964-1967) and the civilian regime of Joao Goulart (1961-1964) showed the same for the percentage of the GNP spent on public health, but the military regimes of Marshall Silva (1967-1969) and of General Medici (1969-1974) decreased the percentage of the GNP spent on public health.

In terms of public health expenditures, Table 3.16 suggests that the Brazilian military has not only a predatory role but also a modernizing role.

TABLE 3.16

PERCENTAGE OF NATIONAL BUDGET AND GNP SPENT
ON PUBLIC HEALTH IN BRAZIL
BY TYPE OF REGIME

Type of Regime	% Nat'l Budget Spent on Public Health	% GNP Spent on Public Health	Mod(+)/Pred(-)
Civilian regime (1961-64)	4.1	.3	
Military regime (1964-67)	3.6	.3	-
Military regime (1967-69)	2.3	.2	-
Military regime (1969-74)	1.2	.1	-

Source: See Table 3.14.

We discover that when the Brazilian military decreased public health expenditures, unfavorable and favorable economic conditions existed before it came to power. When public health expenditures were decreased, they apparently had a large claim on the Brazilian national budget. This change then may have been due, in part, to the amount spent on public health expenditures and its vulnerability to national fiscal problems.

Military and Civilian Rule

Table 3.17 reveals the relationship between military and civilian rule and educational and public health expenditures as a percentage of the national budget and of the GNP in Brazil. The average for educational and public health expenditures for military rule was 10.3 percent of the national budget compared to 10.7 percent of the national budget for civilian rule. The average for educational and public health expenditures for military rule was 1.0 percent of the GNP compared to 1.0 percent of the GNP for civilian rule. Table 3.17 suggests that the Brazilian military has played neither a predatory nor a modernizing role in terms of educational and public health expenditures.

The Third Variable: Taxes as Percent of GNP

When taxes as a percentage of the GNP are examined, one finds that the average was 7.1 percent of the 1950's, 5.2 percent in the 1960's, and 7.6 percent in the early 1970's. While the average for the 1960's showed a significant decrease from the average for the 1950's, the early 1970's average was significantly above the average for the 1960's.

TABLE 3.17

PERCENTAGE OF NATIONAL BUDGET AND GNP SPENT ON EDUCATION
AND PUBLIC HEALTH IN BRAZIL
BY TYPE OF RULE

Type of Rule	Policy Outcome		
	% National Budget Spent on Education and Public Health	% GNP Spent on Education and Public Health	Mod(+)/Pred(-)
Military rule	9.9	1.0	-
Civilian rule	10.7	1.0	+

Source: See Table 3.14.

Military and Civilian Regimes

Table 3.18 illustrates the relationship between military and civilian regimes and their ability to extract taxes from their society as measured by taxes as a percent of the GNP. The military regime of Marshall Branco (1964-1967) showed an average of 3.8 percent for taxes compared to 5.9 percent for the civilian regime of Joao Goulart (1961-1964). The average for taxes for the military regime of Marshall Silva (1967-1969) was 4.5 percent. The average for taxes for the military regime for General Medici (1969-1974) was 7.6 percent. While the military regime of Marshall Branco (1964-1967) decreased taxes significantly, the military regimes of Marshall Silva (1967-1969) and of General Medici (1969-1974) increased taxes significantly.

In terms of taxes, Table 3.18 suggests that the Brazilian military has both a modernizing and a predatory role. We discover that when the Brazilian military increased taxes, the rate of inflation also decreased, but was still considerably high. This change then may have been due, in part, to the inflationary pressures.

TABLE 3.18
TAXES AS A PERCENTAGE OF GNP IN BRAZIL
BY TYPE OF REGIME

Type of Regime	Taxes as a % of GNP	Mod (+)/Pred(-)
Civilian regime (1951-54)	7.1	
Civilian regime (1954-56)	7.1	
Civilian regime (1956-61)	7.3	
Civilian regime (1961-64)	5.9	-
Military regime (1964-67)	3.8	-
Military regime (1967-69)	4.5	+
Military regime (1969-74)	7.6	+

Source: See Table 3.14.

Military and Civilian Rule

Table 3.19 reveals the relationship between military and civilian rule and their ability to extract taxes from their society as measured by taxes as a percent of the GNP. The average for taxes for military rule was 5.4 percent compared to 6.8 percent for civilian rule. Table 3.19 suggests that the Brazilian military has played a predatory role in terms of taxes.

TABLE 3.19

TAXES AS A PERCENTAGE OF GNP IN BRAZIL
BY TYPE OF RULE

Taxes of Rule	Policy Outcome	
	Taxes as a % of GNP	Mod(+)/Pred(-)
Military rule	5.4	-
Civilian rule	6.8	+

Source: See Table 3.14.

The Fourth Variable: Ratio of the
Foreign Debt to the GNP

When the ratio of the foreign debt to the GNP is considered, one finds that the average was 12.3 percent in the 1960's and 10.8 percent in the early part of the 1970's. The average for the early 1970's showed a significant decrease from the average for the 1960's.

Military and Civilian Regimes

Table 3.20 illustrates the relationship between military and civilian regimes and the ratio of the foreign debt to the GNP in Brazil. The military regime of Marshall Branco (1964-1967) showed an average of 12.6 percent for foreign debt compared to 11.4 percent for the civilian regime of Joao Goulart (1951-1964). The average for foreign debt for the military regime of Marshall Silva (1967-1969) was 13.5 percent. The military regime of General Medici (1969-1974) showed an average of 10.8 percent. Consequently, foreign debt was increased significantly by the military regime of Marshall Branco (1964-1967), moderately by the military regime of Marshall Silva (1967-1969), and decreased significantly by the military regime of General Medici (1969-1974),

In terms of foreign debt, Table 3.20 suggests that the Brazilian military has played both a modernizing and a predatory role. We discover that when the Brazilian military increased foreign debt, unfavorable and favorable economic conditions existed before and while it was in power. We discover that when the Brazilian military decreased foreign debt, favorable economic conditions existed. This change then may have been due, in part, to the amount spent on social expenditures and the amount of taxes extracted.

TABLE 3.20

RATIO OF THE FOREIGN DEBT TO THE GNP IN BRAZIL
BY TYPE OF REGIME

Type of Regime	Foreign Debt as Ratio of GNP	Mod(+)/Pred(-)
Civilian regime (1956-61)	12.4	
Civilian regime (1961-64)	11.4	+
Military regime (1964-67)	12.6	-
Military regime (1967-69)	13.5	-
Military regime (1969-74)	10.8	+

Source: See Table 3.14.

Military and Civilian Rule

Table 3.21 reveals the relationship between military and civilian rule and the ratio of the foreign debt to the GNP in Brazil. The average for foreign debt for military rule was 12.3 percent compared to 11.6 percent for civilian rule. Table 3.21 suggests that the Brazilian military has played a modernizing role in terms of foreign debt.

TABLE 3.21

RATIO OF THE FOREIGN DEBT TO THE GNP IN BRAZIL
BY TYPE OF RULE

Type of Rule	Policy Outcome	
	Foreign Debt as Ratio of GNP	Mod(+)/Pred(-)
Military rule	12.3%	-
Civilian rule	11.6	+

Source: See Table 3.14.

The Fifth Variable: Percent of the National
Budget and GNP Spent on Military

When military expenditures as a percentage of the national budget are examined, one finds that the average was 27.9 percent in the 1950's, 19.0 percent in the 1960's, and 19.2 percent in the early 1970's. When military expenditures as a percentage of the GNP are examined, one finds that the average was 2.7 percent in the 1950's, 2.3 percent in the 1960's, and 2.1 percent in the early 1970's. While the average of the national budget for the 1960's showed a significant decrease from the average for the 1950's, the early 1970's average showed an insignificant change from the average for the 1960's. And while the average for the national budget for the 1960's showed a significant decrease from the average for the 1950's, the early 1970's average showed a significant decrease from the average for the 1960's.

Military and Civilian Regimes

Table 3.22 illustrates the relationship between military and civilian regimes and military expenditures as a percentage of the national budget and of the GNP in Brazil. The average for military expenditures for the military regime of Marshall Branco (1964-1967) was 22.3 percent of the national

budget compared to 15.3 percent of the national budget for the civilian regime of Joao Goulart (1961-1964). The military regime of Marshall Silva (1967-1969) spent an average of 20.5 percent of the national budget for military expenditures. The military regime of General Medici (1969-1974) spent an average of 19.2 percent of the national budget. Of the GNP, the military regime of Marshall Branco (1964-1967) spent an average of 2.3 percent compared to 1.8 percent for the civilian regime of Joao Goulart (1961-1964). Of the GNP, the military regime of Marshall Silva (1967-1969) spent an average of 2.6 percent for military expenditures compared to 2.1 percent for the military regime of General Medici (1969-1974). The percentage of the national budget spent on the military was increased significantly by the military regime of Marshall Branco (1964-1969), decreased moderately by the military regimes of Marshall Silva (1967-1969) and of General Medici (1969-1974). The percentage of the GNP spent on the military was increased significantly by the military regimes of Marshall Branco (1964-1967) and of Marshall Silva (1967-1969) and decreased significantly by the military regime of General Medici (1969-1974).

TABLE 3.22

PERCENTAGE OF NATIONAL BUDGET AND GNP SPENT ON MILITARY IN BRAZIL
BY TYPE OF REGIME

Type of Regime	% National Budget Spent on Military	% GNP Spent on Military	Mod (+)/Pred(-)
Civilian regime (1951-54)	29.5	2.5	
Civilian regime (1954-56)	28.2	2.6	
Civilian regime (1956-61)	25.2	2.8	+
Civilian regime (1961-64)	15.3	1.8	+
Military regime (1964-67)	22.3	2.6	-
Military regime (1967-69)	20.5	2.6	+
Military regime (1969-74)	18.9	2.1	+

Source: See Table 3.14.

In terms of military expenditures, Table 3.22 suggests that the Brazilian military has played not only a predatory role but also a modernizing role. We discover that when the Brazilian military increased military expenditures, unfavorable economic conditions existed. We discover that when the Brazilian military decreased military expenditures, there were favorable economic conditions. When military expenditures were decreased, they apparently had a large claim on the Brazilian national budget. When military expenditures were increased, they apparently had a small claim on the Brazilian national budget. This change then may have been due, in part, to the amount spent on military.

Military and Civilian Rule

Table 3.23 reveals the relationship between military and civilian rule and military expenditures as a percentage of the national budget and of the GNP in Brazil. Military rule showed an average of 20.7 percent of the national budget for military expenditures compared to 23.8 percent of the national budget for civilian rule. Military rule showed an average of 2.4 percent of the GNP for military expenditures compared to 2.4 percent of the GNP for civilian rule.

Table 3.23 suggests that the Brazilian military has played a modernizing role in terms of military expenditures.

TABLE 3.23

PERCENTAGE OF NATIONAL BUDGET AND GNP SPENT
ON MILITARY IN BRAZIL BY TYPE OF RULE

Type of Rule	Policy Outcome		
	% National Budget Spent on Military	% GNP Spent on Military	Mod(+)/Pred(-)
Military rule	20.4	2.4	+
Civilian rule	23.8	2.4	-

Source: See Table 3.14.

The Sixth Variable: The Rate of Inflation

When the rate of inflation is examined, one finds that the average was 19.8 percent in the 1951-1959 period, 45.8 percent in the 1960-1969 period and 20.2 percent in the 1970-1973 period. While the average for the 1960's showed a significant increase from the average for the 1950's, the early 1970's average was significantly below the average for the 1960's.

Military and Civilian Regimes

Table 3.24 illustrates the relationship between military and civilian regimes and the rate of inflation in Brazil. The average for the inflation rate for the military regime of Marshall Branco (1964-1967) was 45 percent compared to 61 percent for the civilian regime of Joao Goulart (1961-1964). The military regime of Marshall Silva (1967-1969) showed an average of 22 percent for the inflation, while the military regime of General Medici (1969-1974) showed an average of 20 percent for the rate of inflation. The military regimes of Marshall Branco (1964-1967), of Marshall Silva (1967-1969), and of General Medici (1969-1974) decreased the inflation rate significantly.

In terms of the rate of inflation, Table 3.24 suggests that the Brazilian military has played only a modernizing role. We discover that when the Brazilian military decreased the rate of inflation, social expenditures decreased while taxes increased. This change may have been due, in part, to the amount spent on social expenditures and the amount of taxes extracted.

TABLE 3.24
RATE OF INFLATION IN BRAZIL BY TYPE OF REGIME

Type of Regime	Rate of Inflation	Mod(+)/Pred(-)
Civilian regime (1951-54)	16.2%	
Civilian regime (1954-56)	23.0%	-
Civilian regime (1956-61)	24.0%	
Civilian regime (1961-64)	61.7%	-
Military regime (1964-67)	46.0%	+
Military regime (1967-69)	22.0%	+
Military regime (1969-74)	20.0%	+

Source: See Table 3.14.

Military and Civilian Rule

Table 3.25 reveals the relationship between military and civilian rule and the rate of inflation in Brazil. The average for the rate of inflation for military rule was 29.2 percent compared to 32.5 percent for civilian rule. Table 3.25 suggests that the Brazilian military has played a modernizing role in terms of the rate of inflation.

TABLE 3.25

RATE OF INFLATION IN BRAZIL
BY TYPE OF RULE

Type of Rule	Policy Outcome	
	Rate of Inflation	Mod(+)/Pred(-)
Military Rule	29.2%	+
Civilian Rule	32.5%	-

Source: See Table 3.14.

Peru

Annual percentages of increases and decreases in policy outcomes over twenty-four years (1951-1974) in Peru are shown in Table 3.26. In this section, the averages of the national budget and of the GNP for educational expenditures in the 1950's, in the 1960's, and in the early 1970's will be discussed. However, because the data for foreign debt in the 1950's were not comparable with the 1960's and the early 1970's, only data for the 1960's and the early 1970's were used. Next, we will present data that show the relationship between military and civilian regimes and educational expenditures in Peru. And finally, this section will present data that show the relationship between military and civilian rule and educational expenditures. In the following section, the other policy outcomes will follow this same pattern.

TABLE 3.26
ANNUAL PERCENTAGES OF POLICY OUTCOMES IN PERU

Years	1 % Nat'l Budget Spent on Educa- tion	2 % GNP Spent on Educa- tion	3 % Nat'l Budget Spent on Public Health	4 % GNP Spent on Public Health	5 Taxes as Per- cent of GNP	6 Ratio of GNP to Foreign Debt	7 % Nat'l Budget Spent on Mili- tary	8 % GNP Spent on Mili- tary	9 Rate of Infla- tion
1951	14.3	1.6	6.7	.7	4.8	--	23.3	2.7	8
1952	13.0	1.6	4.4	.4	6.8	--	20.1	2.4	6
1953	11.4	1.6	1.5	.2	6.3	--	16.0	2.9	8
1954	12.4	1.6	4.0	.4	6.5	--	15.0	2.5	5
1955	11.8	1.6	4.1	.4	7.8	--	13.3	2.1	5
1956	13.7	2.1	6.5	1.1	8.4	--	18.3	3.3	6
1957	14.6	2.2	3.1	.5	8.3	--	16.5	3.2	9
1958	9.8	1.7	8.9	1.5	8.9	--	18.0	3.4	10
1959	10.6	1.7	13.9	2.3	9.8	--	16.7	2.9	13
1960	16.0	2.4	14.1	2.0	11.1	7.2	16.0	2.4	9
1961	28.3	5.5	6.5	1.3	11.0	7.2	20.5	2.3	9
1962	20.0	3.1	10.4	1.6	10.8*	9.6	19.4	2.3	6
1963	20.1	3.2	14.5	2.5	12.4*	9.8	13.5	2.7	6
1964	19.8	3.3	15.0	2.9	10.3	12.3	12.0	2.8	10
1965	22.4	3.7	6.0	.9	8.2	13.7	17.1	2.8	19

TABLE 3.26 (Continued)*

	1	2	3	4	5	6	7	8	9
Years	% Nat'l Budget Spent on Educa- tion	% GNP Spent on Educa- tion	% Nat'l Budget Spent on Public Health	% GNP Spent on Public Health	Taxes as Per- cent of GNP	Ratio of GNP to Foreign Debt	% Nat'l Budget Spent on Mili- tary	% GNP Spent on Mili- tary	Rate of Infla- tion
1966	22.5	3.8	5.1	.7	8.3	17.2	15.6	2.6	12
1967	21.6	4.2	6.8	1.0	9.9	18.5	16.7	3.2	14
1968	21.7	3.6	4.7	.8	10.1	19.6	19.3	3.2	31
1969	19.5	3.1	4.9	.8	10.8	20.2	13.4	2.1	10
1970	19.5	3.8	6.3	1.2	10.9	20.0	16.6	3.2	10
1971	--	--	--	--	--	19.1	--	--	7
1972	19.9	--	5.6	--	--	--	16.2	--	7
1973	--	--	--	--	--	--	--	--	11
1974	17.5	--	5.5	--	--	--	--	--	--

*For source of tabulated data, see page 114.

Peru

- 1 - 2 Data on education as a percentage of the national budget computed from U.N., Statistical Yearbook, for 1951-60, 1963-67, from Europa Yearbook, for 1961-62; from Statesman Yearbook, for 1968-70, 1972 and taken from I.D.B., Economic and Social Progress in Latin America, 1973, for 1974; data as a percentage of the GNP computed from U.N., Statistical Yearbook and I.M.F., I.F.S., for 1951-60, 1963-67; from Europa Yearbook, for 1961-62; from Statesman Yearbook, for 1968-70.
- 3 - 4 Data on public health as a percentage of the national budget computed from U.N., Statistical Yearbook, for 1951-60; from Europa Yearbook, for 1961-63, 1967; from Statesman Yearbook, for 1964-66, 1968-72, and taken from I.D.B., for 1973; data as a percentage of the GNP computed from U.N., Statistical Yearbook, for 1951-60; from Europa Yearbook, for 1961-63, 1967; from Statesman Yearbook, for 1964-66, 1968-70.
- 5 Data on taxes as a percentage of the GNP computed from U.N., Statistical Yearbook and I.M.F., I.F.S.
- 6 Data on foreign debt as a ratio of the GNP computed from Gross National Product Growth Rates and Trend

Data by Region and Country, 1973, and I.D.B., Economic and Social Progress in Latin America, 1973.

- 7 - 8 Data on military expenditures (defense) as a percentage of the national budget computed from U.N., Statistical Yearbook, for 1960, 1965-67 and taken from Loftus for 1951-59, 1961-64; data as a percentage of the GNP computed from U.N., Statistical Yearbook and I.M.F., I.F.S., for 1951-60, 1965-68, from Statesman Yearbook and I.M.F., I.F.S., for 1969-70; and taken from Loftus, for 1961-64.
- 9 Data on the rate of inflation from Baer, W., et al., Inflation and Growth in Latin America (Homewood: R. D. Irwin, 1964), p. 82 and from I.M.F., I.F.S., for 1963, 1968, 1971-73.

The First Variable: Percent of National Budget
and GNP Spent on Education

When educational expenditures as a percentage of the national budget are examined, one finds that the average was 12.4 percent in the 1950's, 21.1 percent in the 1960's, and 18.9 percent in the early 1970's. When educational expenditures as a percentage of the GNP are examined, one finds that the average was 1.7 percent in the 1950's, 3.5 percent in the 1960's, and 3.8 percent in the early 1970's. While the average of the national budget for the 1960's showed a significant increase from the average for the 1950's, and the early 1970's average was significantly below the average for the 1960's. And while the average of the GNP for the 1960's showed a significant increase from the average for the 1950's, the early 1970's average was significantly above the average for the 1960's.

Military and Civilian Regimes

Table 3.27 illustrates the relationship between military and civilian regimes and educational expenditures as a percentage of the national budget and of the GNP in Peru. The military regime of Division General Godoy (1962-1963) spent an average of 20.1 percent of the national budget for

TABLE 3.27

PERCENTAGE OF NATIONAL BUDGET AND GNP SPENT ON EDUCATION
IN PERU BY TYPE OF REGIME

Type of Regime	% of National Budget Spent on Education	% of GNP Spent on Education	Mod(+)/Pred(-)
Civilian regime (1950-1956)	12.7	1.6	
Civilian regime (1956-1962)	16.5	2.7	+
Military regime (1962-1963)	20.1	3.2	+
Civilian regime 1963-1968)	21.6	3.7	+
Military regime (1968-present)	19.1	3.4	-

Source: See Table 3.26.

educational expenditures compared to 16.5 percent of the national budget for the civilian regime of Manuel Prado (1957-1962). Of the GNP, the military regime of Division General Godoy (1962-1963) spent an average of 3.2 percent for educational expenditures compared to 2.7 percent for the civilian regime of Manuel Prado (1957-1962). The average for educational expenditures for the military regime of Division General Alvarado (1968-present) was 19.1 percent of the national budget compared to 21.6 percent of the national budget for the civilian regime of Fernando Belaunde (1963-1968). Of the GNP, the average for educational expenditures for the military regime of Division General Alvarado (1968-present) was 3.4 percent compared to 3.7 percent for the civilian regime of Fernando Belaunde (1963-1968). The educational expenditures as a percentage of the national budget were increased significantly by the military regime to Division General Godoy (1962-1963) and decreased significantly by the military regime of Division General Alvarado (1968-present). Educational expenditures as a percentage of the GNP were increased significantly by the military regime of Division General Godoy (1962-1963) and decreased significantly by the military regime of Division General Alvarado (1968-present).

In terms of educational expenditures, Table 3.27 suggests that the Peruvian military has played both a modernizing and a predatory role. We discover that when the Peruvian military increased educational expenditures, unfavorable economic conditions existed before it came to power. This deterioration was especially clear when its predecessor's period was compared. We discover that when the Peruvian military decreased educational expenditures, unfavorable economic conditions existed. When educational expenditures were decreased, they apparently had a large claim on the Peruvian national budget. When educational expenditures were increased, they apparently had a small claim on the Peruvian national budget. This change then may have been due, in part, to the amount spent on educational expenditures and its vulnerability to national fiscal problems.

Military and Civilian Rule

Table 3.28 reveals the relationship between military and civilian rule and educational expenditures as a percentage of the national budget and of the GNP in Peru. The average for educational expenditures as a percentage for military rule was 19.3 percent of the national budget compared to 16.7 of the national budget for civilian rule. The average for educational expenditures as a percentage of the GNP was 3.3 percent compared to 2.6 percent for civilian rule. Table 3.28 suggests that the Peruvian military has played a modernizing role in terms of educational expenditures.

TABLE 3.28

PERCENTAGE OF NATIONAL BUDGET AND GNP SPENT
ON EDUCATION IN PERU BY TYPE OF RULE

Type of Rule	% of National Budget Spent on Education	% of GNP Spent on Education	Mod(+)/Pred(-)
Military rule	19.3	3.3	+
Civilian rule	16.7	2.6	-

Source: See Table 3.26.

The Second Variable: Percent of National Budget
and GNP Spent on Public Health

When public health expenditures as percentages of the national budget are examined, one finds that the average was 5.9 percent in the 1950's, 8.8 percent in the 1960's, and 5.8 percent in the early 1970's. When public health expenditures as percentages of the GNP are examined, one finds that the average was .8 percent in the 1950's, 1.4 percent in the 1960's, and 1.2 percent in the early 1970's. While the average of the national budget for the 1960's showed a significant increase from the average for the 1950's, the early 1970's average showed a significant decrease from the average for the 1960's. And while the average of the GNP for the 1960's showed a significant increase from the average for the 1950's, the early 1970's average showed an unimportant change from the average for the 1960's.

Military and Civilian Regimes

Table 3.29 illustrates the relationship between military and civilian regimes and public health expenditures as a percentage of the national budget and of the GNP in Peru. The military regime of Division General Godoy (1962-1963) spent an average of 14.5 percent of the national budget for public

TABLE 3.29

PERCENTAGE OF NATIONAL BUDGET AND GNP SPENT ON PUBLIC HEALTH
IN PERU BY TYPE OF REGIME

Type of Regime	% of National Budget Spent on Public Health	% of GNP Spent on Public Health	Mod(+)/Pred(-)
Civilian regime (1950-1956)	4.5	.5	
Civilian regime (1956-1962)	9.4	1.5	+
Military regime (1962-1963)	14.5	2.5	+
Civilian regime (1963-1968)	7.2	1.2	-
Military regime (1968-present)	5.5	1.0	-

Source: See Table 3.26.

health compared to 9.4 percent of the national budget for the civilian regime of Manuel Prado (1957-1962). The military regime of Division General Godoy (1962-1963) spent an average of 2.5 percent of the GNP for public health compared to 1.5 percent of the GNP for the civilian regime of Manuel Prado (1957-1962). The military regime of Division General Alvarado (1968-present) spent an average of 5.5 percent of the national budget for public health expenditures compared to 7.2 percent of the national budget for the civilian regime of Fernando Belaunde (1963-1968). The military regime of Division General Alvarado (1968-present) spent an average of 1.0 percent of the GNP for public health expenditures compared to 1.2 percent of the GNP for the civilian regime of Fernando Belaunde (1963-1968). Educational expenditures as a percentage of the national budget were increased significantly by the military regime of Division General Godoy (1962-1963) and decreased significantly by the military regime of Division General Alvarado (1968-present). Educational expenditures as a percentage of the GNP were increased significantly by the military regime of Division General Godoy (1962-1963) and decreased significantly by the military regime of Divisional General Alvarado (1968-present).

In terms of public health expenditures, Table 3.29 suggests that the Peruvian military has played both a modernizing and a predatory role. We discover that when the Peruvian military increased public health expenditures, unfavorable economic conditions existed before it came to power. We discover that when the Peruvian military decreased public health expenditures, unfavorable economic conditions existed before it came to power. When public health expenditures were decreased, they apparently had a large claim on the Peruvian national budget. When public health expenditures were increased, they apparently had a small claim on the Peruvian national budget. Again, this change may have been due, in part, to the amount spent on public health expenditures and its vulnerability to the national fiscal problems.

Table 3.30 reveals the relationship between military and civilian rule and public health as a percentage of the national budget and of the GNP in Peru. Military rule reflected an average of 7.3 percent of the national budget for public health expenditures compared to 7.1 percent of the national budget for civilian rule. Military rule showed an average of 1.5 percent of the GNP for public health expenditures compared to 1.1 percent of the GNP for civilian rule. Table 3.30 suggests that the Peruvian military has played neither a modernizing nor a predatory role in terms of public health expenditures.

TABLE 3.30

PERCENTAGE OF NATIONAL BUDGET AND GNP SPENT ON
PUBLIC HEALTH IN PERU BY TYPE OF RULE

Type of Rule	Policy Outcome		
	% Nat'l Budget Spent on Public Health	% GNP Spent on Public Health	Mod(+)/Pred(-)
Military rule	7.3	1.5	
Civilian rule	7.1	1.1	

Source: See Table 3.26.

The Third Variable: Taxes as Per Cent of GNP

When taxes as a percentage of the GNP are examined, one finds that the average was 7.4 percent in the 1950's, 10.2 percent in the 1960's, and 10.9 percent in 1970. While the average for the 1960's showed an increase for the 1950's, the 1970 figure showed a slight increase from the average for the 1960's.

Military and Civilian Regimes

Table 3.31 illustrates the relationship between military and civilian regimes and their ability to extract taxes from their society as measured by taxes a percent of the GNP. The military regime of Division General Godoy (1962-1963) showed an average of 12.4 percent for taxes compared to 9.9 percent for the civilian regime of Manuel Prado (1957-1962). The average for taxes for the military regime of Division General Alvarado (1968-present) was 10.8 percent compared to 9.3 percent for the civilian regime of Fernando Belaunde (1963-1968). The military regimes of Division General Godoy (1962-1963) and of Division General Alvarado (1968-present) increased the tax revenue significantly.

In terms of taxes, Table 3.31 suggests that the Peruvian military has played only a modernizing role. We discover

that when the Peruvian military increased taxes, the rate of inflation decreased. This change then may have been due, in part, to the inflationary pressures.

TABLE 3.31
TAXES AS A PERCENTAGE OF GNP IN PERU
BY TYPE OF REGIME

Type of Regime	Taxes as a % of GNP	Mod (+)/Pred(-)
Civilian regime (1950-1956)	6.6	
Civilian regime (1956-1962)	9.9	+
Military regime (1962-1963)	12.4	+
Civilian regime (1963-1968)	9.3	-
Military regime (1968-present)	10.8	+

Source: See Table 3.26.

Military and Civilian Rule

Table 3.32 reveals the relationship between military and civilian rule and their ability to extract taxes from their society as measured by taxes as a percent of the GNP. Military rule showed an average of 11.3 percent for taxes compared to 8.6 percent for civilian rule. Table 3.32 suggests that the Peruvian military has played a modernizing role in terms of taxes.

TABLE 3.32

TAXES AS A PERCENTAGE OF GNP IN PERU
BY TYPE OF RULE

Type of Rule	Policy Outcome	
	Taxes as a % of GNP	Mod(+)/Pred(-)
Military rule	11.3	+
Civilian rule	8.6	-

Source: See Table 3.26.

The Fourth Variable: Ratio of the
Foreign Debt to the GNP

When the ratio of the foreign debt to the GNP is considered, one finds the average was 13.5 percent in the 1960's and 19.1 percent in the early part of the 1970's. The average for the early 1970's showed a significant increase from the average for the 1960's.

Military and Civilian Regimes

Table 3.33 illustrates the relationship between military and civilian regimes and the ratio of the foreign debt to the GNP in Peru. The military regime of Division General Godoy (1962-1963) showed an average of 9.8 percent for foreign debt compared to 8.0 percent for the civilian regime of Manuel Prado (1956-1962). The average for foreign debt for the military regime of Division General Alvarado (1968-present) was 19.7 percent compared to 16.2 percent for the civilian regime of Fernando Belaude (1963-1968). Both the military regimes of Division General Godoy (1962-1963) and of Division General Alvarado (1968-present) increased foreign debt significantly.

In terms of foreign debt, Table 3.33 suggests that the Peruvian military has played only a predatory role. We discover that when the Peruvian military increased foreign

debt, unfavorable economic conditions existed before it came to power. This change may have been due, in part, to the amount spent on social expenditures and the amount of taxes extracted.

TABLE 3.33

RATIO OF THE FOREIGN DEBT TO THE GNP IN PERU
BY TYPE OF REGIME

Type of Regime	Ratio of Foreign Debt to GNP	Mod(+)/Pred(-)
Civilian regime (1956-1962)	8.0%	
Military regime (1962-1963)	9.8%	-
Civilian regime (1963-1968)	16.2%	-
Military regime (1968-present)	19.7%	-

Source: See Table 3.26.

Military and Civilian Rule

Table 3.34 reveals the relationship between military and civilian rule and the ratio of the foreign debt to the GNP in Peru. Military rule showed an average of 17.2 percent for foreign debt compared to 13.1 percent for civilian rule. Table 3.34 suggests that the Peruvian military has played a predatory role in terms of foreign debt.

TABLE 3.34

RATIO OF THE FOREIGN DEBT TO THE GNP IN PERU
BY TYPE OF RULE

Type of Rule	Policy Outcome	
	Ratio of Foreign Debt to GNP	Mod(+)/Pred(-)
Military rule	17.2%	-
Civilian rule	13.1%	+

Source: See Table 3.26.

The Fifth Variable: Percent of National Budget
and GNP Spent on Military

When military expenditures as percentages of the national budget are examined, one finds that the average was 17.4 percent in the 1950's, 16.3 percent in the 1960's, and 16.4 percent in the 1970's. When military expenditures as percentages of the GNP are examined, one finds that the average was 2.8 percent in the 1950's and 2.6 percent in the 1960's. While the average of the national budget for the 1960's showed a moderate decrease from the average for the 1950's, the 1970 average of the national budget was about the same for the average for the 1960's. And the average of the GNP for the 1960's showed an insignificant change from the average for the 1950's.

Military and Civilian Regimes

Table 3.35 illustrates the relationship between military and civilian regimes and military expenditures as a percentage of the national budget and the GNP in Peru. The average for military expenditures for the military regime of Division General Godoy (1962-1963) and 13.5 percent of the national budget compared to 17.8 percent of the national budget for the civilian regime of Manuel Prado (1957-1962),

TABLE 3.35.

PERCENTAGE OF NATIONAL BUDGET AND GNP SPENT ON MILITARY
IN PERU BY TYPE OF REGIME

Type of Regime	% National Budget spent on Military	Mod(+)/Pred(-)	% of GNP Spent on Military	Mod(+)/Pred(-)
Civilian regime (1950-1956)	17.6		2.6	
Civilian regime (1956-1962)	17.8		2.7	
Military regime (1962-1963)	13.5	+	2.7	
Civilian regime (1963-1968)	16.1	-	2.9	-
Military regime (1968-present)	15.4	+	2.6	+

Source: See Table 3.26.

The average for military expenditures for the military regime of Division General Godoy (1962-1963) was 2.7 percent of the GNP compared to 2.7 percent of the GNP for the civilian regime of Manuel Prado (1957-1962). The military regime of Division General Alvarado (1968-present) spent an average of 15.4 percent of the national budget for military expenditures compared to 16.1 percent of the national budget for the civilian regime of Fernando Belaunde (1963-1968). The military regime of Division General Alvarado (1968-present) spent an average of 2.6 percent of the GNP for military expenditures compared to 2.9 percent of the GNP for the civilian regime of Fernando Belaunde (1963-1968). Educational expenditures as a percentage of the national budget were decreased significantly by the military regime of Division General Alvarado (1962-1963) and moderately by the military regime of Division General Alvarado (1968-present). Educational expenditures as a percentage of the GNP were decreased significantly by the military regime of Division General Alvarado (1968-present) and were the same for the civilian regime of Manuel Prado (1957-1962) and the military regime of Division General Godoy (1962-1963).

In terms of military expenditures, Table 3.35 suggests that the Peruvian military has played a modernizing role.

We discover that when the Peruvian military decreased military expenditures, unfavorable economic conditions existed before it came to power. When military expenditures were decreased, they apparently had a large claim on the Peruvian national budget. This change then may have been due, in part, to the amount spent on military expenditures and its vulnerability to national fiscal problems.

Military and Civilian Rule

Table 3.36 reveals the relationship between military and civilian rule and military expenditures as a percentage of the national budget and of the GNP in Peru. The average for military expenditures for military rule was 14.9 percent of the national budget compared to 17.2 percent of the national budget for civilian rule. The average for military expenditures for military rule was 2.6 percent of the GNP compared to 2.7 percent of the GNP for civilian rule. Table 3.36 suggests that the Peruvian military has played a modernizing role in terms of military expenditures.

TABLE 3.36.

PERCENTAGE OF NATIONAL BUDGET AND GNP SPENT ON MILITARY
IN PERU BY TYPE OF RULE

Type of Rule	Policy Outcome		
	% of National Budget Spent on Military	% of GNP Spent on Military	Mod(+)/Pred(-)
Military rule	14.9	2.6	+
Civilian rule	17.2	2.7	-

Source: See Table 3.26.

The Sixth Variable: The Rate of Inflation

When the rate of inflation is examined, one finds that the average was 7.7 percent in the 1950's, 12.6 percent in the 1960's, and 8.7 percent in the early 1970's. While the average for the 1960's showed a significant increase from the average for the 1950's, the early 1970's average was significantly below the average for the 1960's.

Military and Civilian Regimes

Table 3.37 illustrates the relationship between military and civilian regimes and the rate of inflation in Peru. The military regime of Division General Godoy (1962-1963) showed an average of 6.0 percent for the inflation rate compared to 9.0 percent for the civilian regime of Manuel Prado (1957-1962). The average for the inflation rate for the military regime of Division General Alvarado (1968-present) was 9.0 percent compared to 17.0 percent for the civilian regime of Fernando Belaunde (1963-1968). Both the military regimes of Division General Godoy (1962-1963) and of Division General Alvarado (1968-present) decreased the rate of inflation significantly.

In terms of the rate of inflation, Table 3.37 suggests that the Peruvian military has played only a modernizing role.

We discover that when the Peruvian military decreased the rate of inflation, social expenditures decreased while taxes increased. This change then may have been due, in part, to the amount spent on social expenditures and the amount of taxes extracted.

TABLE 3.37

RATE OF INFLATION IN PERU BY TYPE OF REGIME

Type of Regime	Rate of Inflation	Mod(-)/Pred(-)
Civilian regime (1950-1956)	6%	
Civilian regime (1956-1962)	9%	
Military regime (1962-1963)	6%	+
Civilian regime (1963-1968)	17%	-
Military regime (1968-present)	9%	+

Source: See Table 3.26.

Military and Civilian Rule

Table 3.38 reveals the relationship between military and civilian rule and the rate of inflation in Peru. Military rule showed an average of 8.5 percent for the rate of inflation compared to 10.5 percent for civilian rule. Table 3.38 suggests that the Peruvian military has played a modernizing role in terms of the rate of inflation.

TABLE 3.38

RATE OF INFLATION IN PERU BY TYPE OF RULE

Type of Rule	Policy Outcome	
	Rate of Inflation	Mod(+)/Pred(-)
Military rule	8.5%	+
Civilian rule	10.5%	-

Source: See Table 3.26.

Summary

Inasmuch as military regimes apparently have an impact on the six policy outcomes, military and civilian rule, all the years that a military or civilian regime was in power, is a meaningful comparison between the consequences of these six policy outcomes. The first case in point is Argentina. Using educational expenditures as the amount of the national budget spent, one finds that the average amount spent on all the years that a military regime was in power was 12.9 percent; the amount of the GNP spent was 1.5 percent. In contrast, the amount of the national budget spent by civilian rule was 10.8 percent; the amount of the GNP spent was 1.4 percent. Using public health expenditures as the amount of the national budget spent, one finds that the average spent all the years that a military regime was in power was 10.0 percent the amount of the GNP spent was 1.2 percent. In contrast, the amount of the national budget spent by civilian rule was 12.3 percent; the amount of the GNP spent was 1.7 percent. Using taxes as the amount extracted from this society, one finds that the average amount extracted from this society all the years that a military regime was in power was 6.1 percent. In contrast, the amount extracted from this society

by civilian rule was 6.4 percent. Using foreign debt as the amount of outside resources received, one finds that the amount of outside resources received was 9.7 percent. In contrast, the amount of outside resources received by civilian rule was 9.9 percent. Using military expenditures as the amount of the national budget spent all the years that a military regime was in power was 15.9 percent; the amount of the GNP spent was 2.1 percent. In contrast, the amount of the national budget spent by civilian rule was 18.6 percent; the amount of the GNP spent was 2.5 percent. Using the rate of inflation as the amount in the cost of living, one finds that the average rate of inflation for all the years that a military regime was in power was 37.1 percent. In contrast, the amount for the rate of inflation by civilian rule was 29.4 percent.

CHAPTER IV

CONCLUSION

The role of case studies is to test general propositions in order to support, deny, or reformulate them. These studies cast doubt on the role of the military as a modernizing and stabilizing agent under widely different conditions of the developing countries.

--Henry Bienen¹

In raising the question whether the military in Latin American politics play basically a modernizing or a predatory role in the process of modernization, the most important finding of this study is that it is difficult to generalize about the role of the military in Latin America. To know precisely how the military has performed, two interpretations of the consequences of military behavior were tested: the "military as modernizers" and the "military as predators." We have considered a military regime to be performing a "modernizing role" when it:

- (1) increases expenditures in education (measured in percentages of the national budget and of the GNP)

¹Henry Bienen, "Introduction," The Military Intervenes (New York: Russell Sage Foundation, 1968), p. xx.

- (2) increases expenditures in public health (measured in percentages of the national budget and of the GNP)
- (3) increases taxes (measured in percentages of the GNP)
- (4) decreases the foreign debt (measured in terms of the ratio of the foreign debt to the GNP)
- (5) Decreases military expenditures (measured in percentages of the national budget and of the GNP)
- (6) decreases the rate of inflation

We have considered a military regime to be performing a "predatory role" when it:

- (1) decreases expenditures in education (measured in percentages of the national budget and of the GNP)
- (2) decreases expenditures in public health (measured in percentages of the national budget and of the GNP)
- (3) decreases taxes (measured in percentages of the GNP)
- (4) increases the foreign debt (measured in terms of the ratio of the foreign debt to the GNP)
- (5) increases military expenditures (measured in percentages of the national budget and of the GNP)
- (6) increases the rate of inflation

Several of the military regimes in Argentina, Brazil, and Peru have played modernizing roles since they came to power. The

countries of these regimes have enjoyed an increase in taxes and a decrease in the rate of inflation. On the other hand, several military regimes, especially those staying in power for a short period, have experienced a decline in taxes and an increase in the rate of inflation.

While the typical military regime between the early 1950's and the early 1970's has continued to play a progressive role, its role since assuming power has about the same as those years under civilian regimes. In general, however, the taxes and the rate of inflation of countries controlled by military regimes staying in power for an extended period have fared better than countries controlled by military regimes staying in power for a short period.

As the above suggested, it is apparent that some military regimes have played predominantly modernizing roles, whereas others have played predominantly predatory roles. It would benefit countries if greater care was exercised in placing regimes in power.

In order to draw an overall view of the policy outcomes of military regimes in Argentina, Brazil, and Peru, it is helpful to compare the results of the six policy outcomes which are used in this paper. In several instances, the policy

consequences of military and civilian regimes were practically the same.

If one compares the results of the policy outcomes in Chapter III, several interesting observations can be made. In this study, whether or not a military or a civilian regime has played a modernizing or a predatory role was based on policy outcomes. If the successor, a civilian or a military regime, increased or decreased a policy outcome by more than 5.0 percent compared to its predecessor, a civilian or a military regime, then one can conclude that a change of this type was either modernizing or predatory. If, on the other hand, the successor, a civilian or a military regime, increased or decreased a policy outcome by less than 5.0 percent to its predecessor, a civilian or a military regime, then one can conclude that a change of this type was neither modernizing nor predatory. This procedure was used in explaining the following information.

First of all, a comparison of the policy outcomes of civilian and military regimes in Argentina is given. As previously stated, the roles of the military regime are based on the policy consequences in fields of (1) education, (2) public health, (3) taxes, (4) foreign debt, (5) military expenditures, and (6) the rate of inflation.

There is a similarity not only in the number of instances where military and civilian regimes played modernizing roles but also in the number of instances where military and civilian regimes played predatory roles.

When all the policy outcomes were added together, there were seven instances where military regimes have played modernizing roles. The military regime of Lt. General Aramburu (1955-1958) played a modernizing role in terms of education and military expenditures. The military regime of Lt. General Onganía (1966-1970) played a modernizing role in terms of taxes, military expenditures, and the rate of inflation. The military regime of Brigadier General Levingston (1970-1971) played a modernizing role in terms of education and public health. The number of instances where military regimes have played modernizing roles was smaller than the number of instances where civilian regimes have played modernizing roles.

There were ten instances where civilian regimes have played modernizing roles when all of the policy outcomes were added together. The civilian regime of Frondizi (1958-1962) played a modernizing role in terms of public health, taxes, and military expenditures. The civilian regime of Guido (1962-1963) played a modernizing role in terms of education and the rate of

inflation. The civilian regime of Illia (1963-1966) played a modernizing role in terms of education, public health, taxes, foreign debt, and military expenditures. In addition to the instances where military regimes have played modernizing roles, there are also instances where they have played predatory roles.

There were nine instances where military regimes have played predatory roles where all of the policy outcomes were added together. The military regime of Lt. General Aramburu (1955-1958) played a predatory role in terms of public health, taxes, and the rate of inflation. The military regime of Brigadier General Levingston (1970-1971) played a predatory role in terms of taxes, foreign debt, and the rate of inflation. The military regime of Brigadier General Levingston (1970-1971) played a predatory role in terms of taxes, foreign debt, and the rate of inflation. The military regime of Lt. General Lanusse (1971-1973) played a predatory role in terms of education, taxes, and the rate of inflation. When the number of instances where military regime have played predatory roles is compared to the number of instances where civilian regimes have played predatory roles, the number of instances where civilian regimes have played predatory roles was smaller.

There were five instances where civilian regimes have played predatory roles when all of the policy outcomes were added together. The civilian regime of Guido (1962-1963) played a predatory role in terms of taxes, foreign debt, and military expenditures; the civilian regime of Frondizi (1958-1962) played a predatory role in terms of education and the rate of inflation. While the military and civilian regimes have played modernizing and predatory roles, there are instances where they have played neither modernizing nor predatory roles.

There were two instances where civilian regimes have played neither modernizing nor predatory roles and four instances where a military regime has played neither a modernizing nor a predatory role when all of the policy outcomes were added together. The civilian regime of Illia (1963-1966) played neither a modernizing nor a predatory role in terms of the rate of inflation, the civilian regime of Guido (1962-1963) in terms of public health. The military regime of Lt. General Onganía (1966-1970) played neither a modernizing nor a predatory role in terms of education, public health, and foreign debt. And the military regime of Brigadier General Levingston (1970-1971) played neither a modernizing nor a predatory

role in terms of military expenditures only.

The difference between military and civilian regimes is smaller in terms of the number of instances where they have played modernizing roles than in terms of the number of instances where they have played predatory roles. However, the number of instances where military regimes have played modernizing roles was almost the same as the number of instances where military regimes have played predatory roles; the number of instances where civilian regimes have played modernizing roles was in fact two times as large as the number of instances where civilian regimes have played predatory roles. In comparing the number of instances where civilian regimes have played modernizing and predatory roles and in comparing the number of instances where military regimes have played modernizing and predatory roles, civilian regimes have by far a higher percentage where they have played modernizing roles.

Next, a careful examination of the comparative results concerning the policy consequences of military and civilian regimes in Brazil is given. The same policy outcomes concerning Argentina were used with Brazil.

There is a good deal of similarity between the policy

outcomes and the various civilian and military regimes. In five of the six policy outcomes the majority of the regimes revealed no perceivable effect in the differences of the policy outcomes in terms of numbers of instances where they have played modernizing and predatory roles. Furthermore, in each policy outcome the number of instances where military regimes have played modernizing roles outnumbered the number of instances where civilian regimes have played modernizing roles, while the number of instances where military regimes have played predatory roles outnumbered the number of instances where civilian regimes have played predatory roles.

When all of the policy outcomes were added together, there were nine instances where military regimes have played modernizing roles. The military regime of Marshall Branco (1964-1967) played a modernizing role in terms of education and the rate of inflation. The military regime of Marshall Silva (1967-1969) played a modernizing role in terms of taxes, military expenditures, and the rate of inflation. Finally, the military regime of General Medici (1969-1974) played a modernizing role in terms of taxes, foreign debt, military expenditures, and the rate of inflation.

In this analysis there were three instances where civilian regimes have played modernizing roles when all the policy outcomes were added together. The civilian regime of Kubitschek (1956-1961) played a modernizing role in terms of military expenditures. The civilian regime of Goulart (1961-1964) played a modernizing role in terms of foreign debt and military expenditures.

When all of the policy outcomes were added together, there were nine instances where military regimes have played a predatory role in terms of public health, taxes, foreign debt, and military expenditures. The military regime of Marshall Silva (1967-1969) played a predatory role in terms of education, public health, and foreign debt. And the military regime of General Medici (1969-1974) played a predatory role in terms of education and public health.

When all the policy outcomes were added together, there were three instances where civilian regimes have played predatory roles. The civilian regime of Filho (1954-1956) played a predatory role in terms of the rate of inflation only. The civilian regime of Goulart (1961-1964) played a predatory role in terms of taxes and the rate of inflation. While the military and civilian regimes have played modernizing and

predatory roles, there are instances where only civilian regimes have played neither modernizing nor predatory roles.

There were three instances where civilian regimes have played neither modernizing nor predatory roles. The civilian regimes of Filho (1954-1956) and Kubitschek (1956-1961) played neither a modernizing nor a predatory role in terms of taxes. The civilian regime of Kubitschek (1956-1961) also played neither a modernizing nor a predatory role in terms of the rate of inflation.

The preceding evaluations are basically correct, even though the results vary from the findings of the more comprehensive and detailed tables in Chapter III. The three military regimes of Brazil have not greatly altered the consequences of military regimes from the number of instances where military regimes have played modernizing roles compared to the number of instances where military regimes have played predatory roles. Without the precise measurements used in this paper, one would have difficulty determining changes in the policy outcomes of the three military regimes.

Of the six policy outcomes, three policy outcomes cover only the 1960's; consequently, the lack of data for the 1950's has resulted in a favorable effect on the number of instances

where the military regimes have played modernizing and predatory roles. In Brazil, education, public health, and foreign debt were used only in the 1960's and early 1970's which had included only one civilian regime. Therefore, it is not surprising that the number of instances where military regimes have played modernizing roles was larger than the number of instances where civilian regimes have played modernizing roles. Interestingly, the smallest number of instances where civilian regimes have played modernizing roles was in a country in which civilian regimes have been practically excluded during the 1960's and the early 1970's.

Finally, a careful examination of a comparison of the policy consequences of military and civilian regimes in Peru is given. The same policy outcomes were also used here.

In this analysis, there were seven instances where military regimes have played modernizing roles. The military regime of Division General Godoy (1962-1963) played a modernizing role in terms of education, public health, taxes, military expenditures, and the rate of inflation. The military regime of Division General Alvarado (1968-present) played a modernizing role in terms of taxes and the rate of inflation. The number of instances where military regimes have played modernizing roles was larger than the number of instances where

civilian regimes have played modernizing roles.

When all of the policy outcomes were added together, there were four instances where civilian regimes have played modernizing roles. The civilian regime of Prado (1956-1962) played a modernizing role in terms of education, public health, and taxes. The civilian regime of Belaunde (1963-1968) played a modernizing role in terms of education only. In addition to the instances where military and civilian regimes have played modernizing roles, there were also instances where they have played predatory roles.

There were four instances where military regimes have played predatory roles when all of the policy outcomes were added together. The military regime of Division General Godoy (1962-1963) played a predatory role in terms of foreign debt only. The military regime of Division General Alvarado (1968-present) played a predatory role in terms of education, public health, and foreign debt. The number of instances where military regimes have played predatory roles was smaller than the number of instances where civilian regimes have played predatory roles.

There were six instances where civilian regimes have played predatory roles when all of the policy outcomes were

added together. The civilian regime of Belaunde (1963-1968) played a predatory role in terms of public health, taxes, foreign debt, military expenditures, and the rate of inflation. The civilian regime of Prado (1956-1962) played a predatory role in terms of the rate of inflation only. While the civilian and military regimes have played modernizing and predatory roles, there is also an instance where a military and a civilian regime has played neither a modernizing nor a predatory role.

When all of the policy outcomes were added together there was only one instance where a civilian regime and a military regime has played neither a modernizing nor a predatory role. Both the civilian regime of Prado (1956-1962) and the military regime of Division General Alvarado (1968-present) played neither a modernizing nor a predatory role in terms of military expenditures.

The effects reveal that the number of instances where military and civilian regimes have played both modernizing and predatory roles are fairly close in terms of the number of instances. In both groups the number of instances where military regimes have played modernizing roles was less than the number of instances where civilian regimes have played

modernizing roles. As one might have expected, the difference in the number of instances where military regimes have played predatory roles compared to the number of instances where the civilian regimes have played a predatory role involved the rate of inflation. However, the number of instances where military regimes have played a modernizing role is two times the number of instances where civilian regimes have played a modernizing role. Interestingly enough, the policy outcome which stands out again was the rate of inflation.

In summary, there was a high degree of similarity in the number of instances where military regimes have played modernizing and predatory roles, even though there were the obvious differences between political activities and impacts of militaries in countries like Brazil and Peru. The first conclusion to be derived from this study is that the military regime of Lt. General Aramburu (1955-1958), of Lt. General Ongania (1966-1970), of Brigadier General Levingston (1970-1971), and of Lt. General Lanusse (1971-1973) do not have a readily perceivable impact on education, public health, and foreign debt in Argentina; that the military regimes of Marshall Branco (1964-1967), of Marshall Silva (1967-1969), and of General Medici (1969-1974) do not have a readily

perceivable impact on education, taxes, foreign debt, and military expenditures in Brazil; and that the military regimes of Division General Godoy (1962-1963) and of Division General Alvarado (1968-present) do not have a readily perceivable impact on education, public health, and military expenditures in Peru.

A second conclusion to be derived from this study is that the rate of inflation is more often controlled by military regimes than civilian regimes. This conclusion may be correct since two out of three of the countries in this study fall in this category.

A third general conclusion is that the policy outcomes vary greatly from one case to another. Some of the military regimes discussed had a highly favorable impact on policy outcomes; in other instances, just the reverse was true. Therefore, it is highly difficult to generalize about the role of the military in Latin America.

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