External Constraints on Economic Policy in Brazil, 1889–1930

Winston Fritsch

Associate Professor of Economics Catholic University of Rio de Janeiro



Contents

List of Tables	ix
Preface	
Acknowledgements	
1 The Shaping of the First Republic: an Introduction	1
1.1 Birth and consolidation of the new regime	1
1.2 Economic policies in the consolidation period	4
2 The Pre-war Gold Standard	13
2.1 The coffee valorisation-exchange stabilisation debate	
and its consequences	13
2.2 Tiding over the 1907-8 world recession	18
2.3 The boom of 1909–1912	22
2.4 Collapse and crisis: 1913–14	28
3 The World War	33
3.1 The early response to the disruption of world trade	
and payments	33
3.2 Readjustment to changed international economic	•
conditions	38
3.3 The end of Brazilian neutrality	45
4 The Impact of the World Postwar Boom and	
Slump: 1919–22	53
4.1 The postwar boom and agitation for banking	
reform	53
4.2 World slump and the support of coffee prices in	
1921–2	58
4.3 Domestic recovery and the fiscal crisis of 1922	69
5 Attempts at Financial Reconstruction	75
5.1 President Bernardes' economic policy programme and	
the constraints on its early enforcement	75
5.2 The Montagu mission	86

viii Contents

5.3	Narrowing options and deflationary adjustment	98
5.4	The end of federal coffee defence	107
5.5	Domestic recession, world recovery and the politics of	
	international finance	110
6	The Postwar Gold Standard	119
6.1	The politics of exchange rate policy and the return to	
	gold	119
6.2	São Paulo's reorganisation of coffee defence	126
6.3	The 1927–8 economic recovery	130
6.4	The onset of the 1929 Brazilian recession	138
6.5	The collapse of São Paulo's coffee defence	
	programme	142
6.6	The crisis of 1930	149
7	Conclusions	161
	Appendix: Statistical Tables	171
	Abbreviations	209
	Notes and References	211
	Bibliography	255
	Index	263