

VOLKSWAGEN IN THE AMAZON

**The Tragedy of Global Development
in Modern Brazil**

ANTOINE ACKER



GLOBAL AND INTERNATIONAL HISTORY

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ANTOINE ACKER

University of Turin



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Volkswagen in the Amazon

From 1973 to 1987, Volkswagen's 140,000-hectare "pioneer" cattle ranch on the Amazon frontier laid bare the limits of capitalist development. These limits were not only economic, with the core management of a multinational company engaged in the "integration" of an extreme world periphery, but they were also legal and ethical, with the involvement of indentured labor and massive forest burning. Capitalist development's physical limits were exposed by an unpredictable ecosystem refusing to submit to VW's technological arsenal. Antoine Acker reveals how the VW ranch, a major project supported by the Brazilian military dictatorship, was planned, negotiated, and eventually undone by the intervention of internationally connected actors and events.

Antoine Acker earned his PhD at the European University Institute and has extensively researched and taught in seven different countries on a broad range of topics, including environmental and Brazilian history and German culture and language, as well as political sciences. He was a lecturer at the Sorbonne Nouvelle in Paris (2013–2014) and at the University of La Rochelle (2014–2015), and a guest scholar in the universities of Bielefeld, Maastricht, and Bern (2015–2016). He is currently a postdoctoral researcher at the University of Turin in affiliation with the Marie Skłodowska-Curie excellence fellowships program co-funded by the European Commission.

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Preface and Acknowledgments

I do not exactly remember where I first saw it mentioned that VW had run a farm in the Amazon, but it was probably no more than a footnote. This case caught my attention because it appeared to me, at first sight, to be a paradigm of the exploitation of the South by the North. Yet, as I started to trace the connections involved in that story, I realized it was something else, more than just another example of unequal exchange. It was about the irony of modern capitalism, which was feeding a context of global political connections at the same time as an expansion of global trade, a context of circulation of imaginaries at the same time as an exchange of commodities, a context of growing risk awareness at the same time as an increasing impact of technological progress on humans and the environment.

The trope of the earth's lungs burning, which has emerged as an internationalized definition of the Amazon, is thus an outgrowth of capitalist globalization in both the material and imaginary sense. The tremendous influx of exogenous capital into the region from the late 1960s, combined with misguided beliefs in development as a global doctrine, did concretely give impulsion to uncontrollable forest burning, and revitalized old networks of social exploitation. But it is precisely the acceleration of global connections in and about the Amazon that constructed transforming rainforest ecologies into a mirror of the modern world's excesses, reflecting the latter's astonishing destructive capacities. Embedded in the postmodernist wave of the 1970s, which saw the rise of transnationally networked initiatives to question the ins and outs of our insatiable economic model, the history of VW in the Amazon incarnates that tragedy

of global development. It gives a picture of the extraordinary capacity of the modern, globalized capitalist system to permanently hit back at itself.

Kiran Klaus Patel is the one person who challenged me to think about my project in terms of its meaning for global history. He has accompanied this research from the beginning, and I cannot say enough how remarkable an advisor and a support he has been. Several other scholars have, very generously, read and extensively commented on my drafts, and I feel indebted to all of them: Sebastian Conrad, Dirk Moses, Claudia Damasceno Fonseca, Christof Mauch, João Klug, Kevin Niebauer, Corinna Unger, Leila Hadj-Abdou, Julia Tischler, and Stella Krepp. Among the many colleagues who kindly received me to discuss the design of my research or who attended presentations of my work in progress in Europe, Brazil, and the United States, José Augusto Pádua, Olivier Compagnon, François-Michel Le Tourneau, Georg Fischer, Jana Otto and Sidney Chalhoub gave particularly precious advice. In 2014, an article related to this research resulted in unexpected and extremely interesting feedback from inside and outside the academic sphere, and I owe this opportunity to Alexandre Fortes, who encouraged me submitting it to the *Revista Brasileira de História*. Two anonymous reviewers at Cambridge University Press, with their rich and knowledgeable reading and warm encouragement, gave the ultimate impulse to improve this book's content. James Naylor Green, who contacted me thereafter, was one of them: I cannot thank him enough for the fineness and precision of his feedback.

This work would not have been possible without the PhD grants I received from the Gulbenkian Foundation and the French Ministry of Superior Education and Research. The unique staff, infrastructure, library, and traveling grants of the EUI, Florence, enabled me to develop this project in the best possible conditions. The kind support of Antonella Romano was particularly meaningful in this context. I have to mention the help of the EUI language center (particularly Nicki Hargreaves and Nicky Owtram), thanks to whom I also met Ann-Marie Kilgallon, who gave a precious contribution to making the English in this book read more smoothly. Later, my fellowships at the Center for InterAmerican Studies in Bielefeld and at the Walter Benjamin Kolleg in Bern were wonderful opportunities to re-conceptualize my research as a book, thanks to the generous working conditions offered by these institutions and the stimulating exchange I had with their researchers. In Bielefeld, I am especially grateful for the trust placed in me by Olaf Kaltmeier and Anne Tittor, with whom I had wonderful conversations about the intersection between

power and environment in history. Finally, I brought the last corrections to this book in Turin, boosted by the dynamism of Serenella Iovino, who welcomed me so warmly in the environmental humanities research group she created. In this final phase, I received funding from the European Union's Seventh Framework program for research and innovation under the Marie Skłodowska-Curie grant agreement No 609402 – 2020 researchers: Train to Move (T2M).

This work benefited from the engagement of many archivists and librarians. In Germany, I would like to address particular thanks to Joaquim Peito in Göttingen, and to the staff of the historical office of the VW company in Wolfsburg. Manfred Grieger, who was VW's chief historian at the time of my research, was particularly open to my project and always available for interesting discussions. In the Amazon, my greatest gratitude goes to Jane Silva at the CPT in Belém and Odila Tavares de Andrade at the FINAM archive. I had a very fruitful journey collecting archival material, factual knowledge, and stimulating ideas in Rio de Janeiro thanks to the members of GPTEC, especially Adônia Antunes Prado and Ricardo Rezende Figueira. The latter helped me not only with his enlightening analysis on forced labor, but also in the way he welcomed me in Rio and with the memories he shared about his time in the Araguaia. Several other close witnesses and actors of the history analyzed in this book deserve immense thanks for sharing their personal memories and/or documents with me: Thomas Hax, Lúcio Flávio Pinto, Frei Henri de Roziers, and Julio Rodriguez. Finally, in September 2016, I met the NDR journalist Stefanie Dodt, who has shot a documentary movie about the traces left by VW in the Amazon, and we had discussions about the credibility, value and interpretation of some historical sources, for which I would like to thank her. For the preparation of her film, she gathered new material which I did not have the chance to integrate to my research. I am certain that the final product of her work will bring interesting insights, to put in perspective with the findings exposed in this book.

There are so many names I would like to add to this list, persons who helped with useful advice, a text revision, or some friendly support, who accompanied me on parts of my research trips, offered me a place to stay on these occasions, shared pleasant breaks with me during writing times, or helped me find my way through academic life. Space limits make it impossible to mention them all here and I will make sure to thank them personally for it. There is no doubt that my parents and my brothers deserve warm thanks, because the attraction for the Portuguese-speaking

world that inspired this book surely has to do with the tasty Portuguese meals, funny car trips to Algarve and heady Cape Verdean music that accompanied my childhood. Last, but truly, not least, I am grateful to Antonio, for having helped me with almost everything, and at any time. I hope he enjoys this book.

Acronyms

This list represents only the acronyms used in at least two sections of the text.

AEA	Associação dos Empresários da Amazônia
AK ₃ W	Freiburger Aktion Dritte Welt AND Aktionskreis Dritte Welt Recklinghausen
ARENA	Aliança Renovadora Nacional
BASA	Banco da Amazônia
CDU	Christlich Demokratische Union
CONDEL	Conselho Deliberativo da SUDAM
CONTAG	Confederação Nacional dos Trabalhadores da Agricultura
CPT	Comissão Pastoral da Terra
CVRC	Companhia Vale do Rio Cristalino
DIEESE	Departamento Intersindical de Estatística e Estudos Sócioeconômicos
FAO	Food and Agriculture Organization of the United Nations
FAZ	Frankfurter Allgemeine Zeitung
FBCN	Fundação Brasileira para a Conservação da Natureza
FETAGRI	Federação dos Trabalhadores Rurais
FRG	Federal Republic of Germany
GPTEC	Grupo de Pesquisa Trabalho Escravo Contemporâneo
IFC	International Finance Corporation
ILA	Informationsstelle Lateinamerika
INCRA	Instituto Nacional de Colonização e Reforma Agrária
INPA	Instituto Nacional de Pesquisas da Amazônia
ISI	import-substituting industrialization
MDB	Movimento Democrático Brasileiro

MIRAD	Ministério da Reforma Agrária
MST	Movimento dos Trabalhadores Rurais Sem-Terra
NASA	National Aeronautics and Space Administration
PMDB	Partido do Movimento Democrático Brasileiro
PT	Partido dos Trabalhadores
SBPC	Sociedade Brasileira pelo Progresso da Ciência
SPD	Sozialdemokratische Partei Deutschlands
STR	Sindicato de Trabalhadores Rurais
SUDAM	Superintendência do Desenvolvimento da Amazônia
VW(B)	Volkswagen (do Brasil)

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Introduction

In September 2015, after the United States Environmental Protection Agency (EPA) found that Volkswagen (VW) had equipped vehicles with a “defeat device” capable of outwitting diesel emission tests, a global storm followed. The multinational company fell into a spiral of executive resignations, governmental investigations, lawsuits, falls in stock values, and massive drops in sales worldwide.¹ In Brazil, the modest fine imposed on VW by the country’s main environmental agency had a particularly bitter taste as it coincided with stunning revelations about the company’s past.² In the midst of the diesel scandal, twelve retired automobile workers filed a lawsuit accusing VW of having helped the military dictatorship, in power between 1964 and 1984, to spy on, arrest, and torture them. The workers’ action was a foreseeable consequence of the investigations by the Comissão Nacional da Verdade (CNV), mandated by the federal government to elucidate crimes committed under military rule. In 2014 and 2015, these investigations resulted in two reports based on damning evidence that at various moments VW had used its logistical, financial, and security resources to participate in state repression against workers it deemed “subversive.”³

¹ “Abgas-Skandal: VW hat Ärger an allen Fronten,” *Automobilwoche*, October 2, 2015.

² “Ibama multa Volkswagen do Brasil em R\$ 50 milhões por fraude,” *Ascom Ibama*, November 12, 2015.

³ CNV, *Relatório da CNV: Volume II. Textos temáticos* (Brasília: CNV, 2014), 66–72, 85, 321, 330; final report of the Fórum de Trabalhadores por Verdade, Justiça e Reparação (2015), downloaded from: <http://cspconlutas.org.br/2015/09/forum-de-trabalhadores-entrega-o-mpf-denuncia-da-participacao-da-volks-na-ditadura-civil-militar-do-brasil/>; access date December 15, 2015.

The military era corresponded to a form of golden age for VW do Brasil (VWB), which remained Latin America's largest private corporation during the entire period, under the lead of its charismatic chief executive officer (CEO), Wolfgang Sauer.⁴ In his autobiography published in 2012, Sauer spoke of his nostalgia for the osmosis between the multinational company and the military government.⁵ He paid tribute to the "Brazilian miracle" of the 1970s, when historic growth figures, driven by policies that favored capital concentration, led the automobile industry to blossom. Sauer's memories reflected the "developmentalist" mentality of the elites in the period, that is, the belief that production growth, based on technical progress rather than social reform was the sole key to the improvement of society and the nation's self-realization. Of these bright years, Sauer wrote that only one thing still "pained" him when he "remembered or talked about it."⁶ He did not refer thereby to any harm done to the workers, but to the "splendid disaster" of a "state-of-the-art farm in the midst of the Amazon jungle," run by VW from 1973 to 1986, under the name Companhia Vale do Rio Cristalino (CVRC).⁷ The history of this 140,000-hectare "pioneer" cattle ranch on the rain forest frontier, depicted by Sauer as "monumental," is an astounding example of the authoritarian development model, which the Brazilian state promoted in the early 1970s, in conjunction with private partners. At a moment when censorship covered the noise of torture throughout the country, the dictatorship invited domestic and foreign companies to participate in the "conquest of the Amazon," under the admiring eye of political, business, and media actors in Europe, the United States, and Brazil. Yet, in his book, Sauer underlined how, for him, this dream of conquest "transformed into a nightmare." As it awakened transnational protest, condemnation, and interventions in defense of rain forest populations and nature, the farming project gave rise to "grave difficulties," "criticisms," and "threats" for Sauer, preventing his "ascension towards head of global VW."

What Sauer experienced, to his cost, was a global shift in perceptions of tropical forests, from a developmentalist consensus based on the

⁴ Antoine Acker, "The Brand that Knows Our Land: Volkswagen's 'Brazilianization' in the 'Economic Miracle,' 1968–1973." *Monde(s). Histoire, Espaces, Relations* 5, no. 6 (2015).

⁵ Maria Lúcia Doretto, *Wolfgang Sauer: O homem Volkswagen. 50 anos de Brasil* (São Paulo: Geração, 2012).

⁶ Note on translations: All translations from Portuguese or German to English are mine, except for a small number, which were already translated in the sources or literature that I have used.

⁷ For this and the following: *ibid.*, 342–50.