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MEMORANDUM OF CONVERSATION

DATE: Feb. 12, 1969

SUBJECT: Justification for IA-6: USG/GOB Relations

PARTICIPANTS: Major General Aloysio Guedes, Commander Second Infantry Division
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SUMMARY

Two Brazilian military representatives justified Institutional Act No. 5 as necessary to arm the Government with means to combat Communist subversion and put an end to corrupt and politically self-serving activities. They reiterated a view often heard in influential business circles in São Paulo that Castello Branco had failed to go far enough in pursuing the aims of the 1964 Revolution; and they thought that succeeding events, marked by opportunism and corrupt practices on the part of politicians and others, leftist influence in news media, and Communist conspiratorial activities, had brought the country to a danger point where drastic action was essential. To substantiate their thesis, they recited a train of 1968 events such as student rioting and numerous terrorist and subversive acts including the assassination of Captain Chandler. They claimed the Communists inspired and directed these activities. Referring to the involvement of Brazilian Army Captain La Marca in the conspiracy, they observed that the latter was undoubtedly of vast proportions and that, alas, relatively little headway had been made in tracking down its leaders.

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The military representatives were convinced the outcome of the struggle being waged by the GDB was of as much importance to the USG as to Brazil. They said the United States would be "committing suicide" if it restricted or failed to continue U. S. aid or withdrew its friendship from the GDB. They pleaded for a recognition of the significance of the 1964 Revolution asserting that if Goulart had not been stopped Communism would have taken over Brazil. Eventually all South America would have been lost to the Free World. They asserted that a tragic result of any USG/GDB estrangement would be its help to the Communist cause. The Communists, they claimed, would exploit U. S. coolness toward Brazil by spreading the word that the USG, doing violence to the respected thesis that economic assistance should be provided without strings, had been quick to withdraw help whenever the GDB did anything that displeased Washington. They noted also that an unfriendly USG attitude would cause disillusionment among the people generally and among the ruling class in particular and would gravely jeopardize chances for a renewal of any fruitful collaboration. Finally, they observed that while hyper-nationalists such as the men leading Peru were in the minority in the Brazilian military establishment, American censure of the GDB would help that class to grow with the danger of the eventual assumption of power in Brazil by a nationalistic, socialistic and anti-American group.

In a long conversation February 18 at Motta's apartment, arranged at the request of the military gentlemen involved, General Guedes and Colonel Bantle insisted that Institutional Act No. 5 and subsequent measures were absolutely necessary to save Brazil from civil war at best and an eventual Communist takeover at worst. (As both men talked and each nodded agreement to the other's words, I shall simply use "they" throughout.) They argued that as a consequence of political opportunism and maneuvering on the part of too many politicians, widespread corruption, and serious Communist inroads in various sectors of Brazilian life, particularly in that of communications, Brazil had by 1964 reached the brink of the Communist chasm. By a prodigious consensual effort of democratically-oriented and freedom-loving Brazilians, in which the Armed Forces played only one but an extremely important part, the Revolution of 1964 was effected.

They continued, however, that it was very difficult to correct overnight a national condition that had resulted from many years of deterioration. They in effect reiterated a view we have often heard expressed by São Paulo

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business and professional leaders since IA-5 that Castello Branco, albeit a formidable man and leader, had failed to go far enough in cleaning up the situation. Succeeded by a Costa e Silva administration with its "humanization" of the Revolution, the impetus of the latter had petered out and the resulting situation had been exploited by enemies of the Revolution for their own ends. The same politically opportunistic, corrupt and subversive forces, not having been uprooted, had waxed in strength and activity. The same elements of news media that had so significantly contributed to a situation of substantial Communist influence in the Goulart Government had resumed work with now visible results.

The military men recalled a train of events of 1968 which culminated in IA-5. Among these were student "passadas" obviously largely Communist inspired and directed; waves of bank robberies and serious terrorist attacks such as the dynamiting of Second Army Headquarters, thefts of arms and munitions, and murders including that of Captain Chandler; the illegal effort to convene the UNE congress at Ituaia where sizeable quantities of arms and Communist subversive literature were found; the discoveries at GRUP (Residential Center of São Paulo University) of quantities of arms and subversive literature including detailed instructions on mob violence tactics, etc.

They talked at some length about Captain La Marca who defected from the Fourth Infantry Regiment of General Guedes' Division on January 24 (along with a sergeant and one or two other enlisted men). They expressed dismay and chagrin that the Army had been harboring such a formidable opponent. They said it was hard to believe, but there it was, and they could attribute it only to a burning ideology on the Captain's part. Both officers knew La Marca and had been impressed by his intelligence and cold efficiency. He was always in the forefront. Ironically, he had excelled in simulated combat exercises in which he would usually play the part of the guerrilla leader. They felt sure, and of course earnestly hoped, there were no more such types hidden in their ranks. But they expressed considerable apprehension over the magnitude of the organization of which La Marca was a part. While valuable leads had been provided by recent arrests and some progress was being made against this obviously widespread and powerful conspiracy, they noted there were undoubtedly big brains and money behind the movement and so far the authorities had not gotten very far in tracking down the supreme leaders.

They mentioned that only the day before the State police had engaged in gunplay in downtown São Paulo with several more terrorists, one of whom had been killed. This had led to finding yet another sizeable cache of arms and ammunition in a downtown apartment and a quantity of subversive literature. (This was the same episode reported in CAS Report No. HBP-4493 of 18 February and was described by them in essentially the same terms as the report.)

The General noted there had been speculation that one of the men who had escaped from the apartment was Captain La Marea, but he personally doubted it. They noted that La Marea's wife and children, and the wife and children of the defected sergeant, had gone to Italy; and they noted that their travel and living expenses were undoubtedly paid for by the obviously well-funded International Communist Movement ("M. I. C.") as they referred to it several times).

Both gentlemen asserted in rather impassioned tones that IA-5 was absolutely necessary to cope with the kind of destructive activity they had described and particularly to confront, and hopefully eventually to overcome, the Communist conspiracy that was intent on finally controlling the country. They said "at least now we have means" to move against the danger. They asked rhetorically how Brazil could possibly save itself if it were not armed with exceptional powers. To my comment that many people would respect that Great Britain, Canada, Belgium and the United States, to name but a few countries, were able to do this within the framework of a democratic government, they wrung their hands and replied "but our conditions are so different." They declared it was extremely difficult for people outside Brazil to understand what was really going on in Brazil and what Brazil really had to do.

Motta mentioned the suspension or "review" of United States Government aid and the military men wondered about the attitude of the USG toward the Brazilian Government and toward recent events in Brazil. I told them about the critical press treatment Brazil had received and was continuing to receive in the United States, and abroad generally, and that this naturally conditioned public and official opinion about Brazil. I noted that even if the President of the United States viewed the Brazilian picture exactly as they themselves did, and if consequently he wished to embrace the Brazilian Government, he would have extreme difficulty in doing so from a political and practical standpoint. After all, I observed, the President of the United States had to be responsive to political considerations and external and internal opinion. With respect to U. S. Congressional opinion, I noted, there was a good deal of hostile feeling toward the United States Government's being closely associated with what appeared to many Congressmen as an arbitrary military dictatorship, disrespectful of certain rights and principles our people had long taken for granted such as freedom of the press, the right to dissent, independence of the judicial and legislative powers, etc. I noted that the newest U. S. Senator from the State of New York, a Republican and therefore of the President's own party, had recently publicly criticized the turn of events in Brazil. I noted that the

President of the powerful Senate Foreign Relations Committee, Senator Fulbright, could be expected critically to question any measures the new Executive would take appearing to favor and support a ⁹⁹Brazilian military dictatorship. ⁰⁰ I stressed they had to appreciate the political facts of life in the United States and realize that men in our Government who might see things quite differently than the way the press saw them would have difficulty in having their point of view prevail in the councils of our Government.

I inquired what would be the effect in Brazil of the United States Government's restricting or not continuing assistance and what might be the result of a withdrawal of our heretofore close friendship and collaboration. They both responded that the United States in that event would be ⁹⁹committing suicide. ⁰⁰ They insisted that the outcome of the struggle in which Brazil was engaged with the destructive forces of Communism was just as important to the United States as to Brazil. They asked whether the United States realized what would have happened if Goulart had not been stopped and Communism had indeed taken over in Brazil. They were certain South America would have been eventually lost to the Free World. They said the Brazilian military, closely unified in spite of reports to the contrary, were convinced they were engaged in an historic struggle. The Brazilian military were in fact democratically inclined and did not like as a normal thing to invest Government with exceptional powers. However, things were far from normal and it was far better to give the Government authority and means required to keep the ship of state in safe waters than to lose the ship with a ⁰⁰business as usual⁰⁰ attitude. Regardless of the posture and attitude of the USG with respect to aid and friendship, the leaders of Brazil would not, for they simply could not, be swayed from their present course. The refusal of friendship and assistance on the part of the United States would of course make their job much harder. A more tragic aspect of USG-GOB estrangement, however, would be the aid and comfort thereby given to our common enemies. Such a USG attitude would likely cause such widespread disillusionment among the public generally in Brazil, and among the ruling classes in particular, that the fruitful, friendly collaboration of the past could hardly ever again be reached. They noted how cleverly, persistently and cynically the Communists and elements used and manipulated by them had used such fraudulent issues as the MEC/USAID agreement, U. S. espousal of birth control, supposed U. S. designs on the Amazon basin, etc. to condition large sectors of the Brazilian population into an anti-American frame of mind. The Communists would hardly be less likely, in the event of U. S. coolness toward Brazil, to exploit that fact to the detriment of the United States position in Brazil and to prospects of future alliance. The Communists would shout from the house tops that the USG, which had always professed its economic assistance was given without strings, was quick to withdraw help the moment the Brazilian Government acted in a way that displeased Washington.

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The two military gentlemen several times mentioned events in Peru. I inquired whether there might be in the Brazilian Armed Forces elements of a hyper-nationalistic stripe such as appeared to be characteristic of the present leadership in Peru. They said there were such elements in the Brazilian military establishment but fortunately they were much in the minority. They noted, however, that if the USG should appear now to be unfriendly, this would help such people to emerge and grow. Lawyer Matta commented at this juncture that he personally was convinced that a marked coolness on the part of Washington toward the GOB would provide a powerful impetus for the eventual assumption of power in Brazil by a group of nationalistic, socialistic, and anti-American men.

COMMENT

My informants were obviously following the GOB's general line of justification for the drastic action of IA-5 and numerous supplementary measures taken in its wake. Holes have been shot in this party line and in parts of it in numerous reports from Brazil. Nevertheless, it would be at USG peril to reject out of hand everything these military representatives said as mere efforts to justify the usurpation of authority by power-hungry and dull-witted soldiers. The disturbing and destructive 1888 episodes they recounted, notwithstanding that there is considerable ground for protest against the inadequacy of the Brazilian educational system, are a sobering and irrefutable reminder that there are influential subversive forces at work in this society not robust enough easily to tolerate their violence and effects. One American family, that of Capt. Chandler, fared grievously badly from this violence. Particularly sobering are recent revelations about the extent of the terrorist conspiracy uncovered as a consequence of the quite fortuitous arrest of four men in Itaperiçua da Serra. Captain La Marea's disappearance and his and some of his soldiers' links to the conspiracy give added cause for real concern.

It is patent that the GOB over-reacted to provocations and showed particular tactlessness in the political field. Nevertheless it finally did what it felt it had to do on December 18, not entirely without justification it must be admitted, and both we and it are stuck with it. Therefore, putting aside the question whether the GOB was justified in issuing IA-5 and pursuing its subsequent repressive course, it is important to weigh the future of USG-GOB cooperation. I personally believe that if the USG, in consideration of

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lofty principles or because of internal or external political pressures of one kind or another, decides to restrict or not resume aid to Brazil or publicly scolds or expresses disapproval of the GOB, USG-GOB relations could easily deteriorate to a point of crisis. In this event, assuming the present Government stays in power, it might indeed be difficult in the foreseeable future to get back on terms of fruitful collaboration. This opinion, incidentally, is shared by most officers of this Consulate General. It should be borne in mind that these often simplistic, yet highly sensitive and proud military leaders who will be running this country for a long time, have not lost faculties of observation and can still make comparisons and judgments. They might well perceive, for example, that the Peruvian military's overthrow of Belaunde Terry did more violence to democratic and constitutional processes than their own tightening the screws. And might they not note that the USG not only quickly recognized the Peruvian usurpers as a legitimate Government, but held out to them the promise of a continuation of aid in an imploring gesture for the new Government of Peru to settle with IPC? They might sense that, in sharp contrast, our aid to Brazil was immediately suspended ("placed under review") when the GOB issued IA-5 which, although disappointing, was hardly on a legal par with the Peruvians' completely arbitrary action. Also, it must be borne in mind that these Brazilian leaders remember that the Revolutionary Government of Brazil extricated the United States from a grave political predicament when it threw some 1200 men into the Dominican Republic situation following the landing of U. S. Marines. The GOB even provided the supreme Commander of the OAS Force. They are fully aware that had they not done this, the United States would have been in the supremely "imperialist" and politically untenable position of being in the Dominican Republic venture practically speaking only with Generals Strossner and Somoza! They also poignantly remember being part of the U. S. Fifth Army in Italy, permitting Uncle Sam to mount a string of air bases in the northeast, and fighting German U-Boats as an adjunct of Admiral Jonas Ingram's South Atlantic Force. In these circumstances, for the United States Government to scold and censure the GOB would be incomprehensible and could so outrage them they could be fixed in a position of "hate U. S.", like a spurned lover, and could do all sorts of foolish things against their own and our interests.

The Brazilian military and the Brazilian Government are not alone in imploring the United States not publicly to pressure the GOB as a way either of trying to force compliance with our norms of conduct or of placating certain segments of U. S. or hemisphere opinion. The American Chamber

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of Commerce for Brazil in São Paulo to a man hopes ardently aid will be resumed and the best possible cooperative relationship established and maintained. Maybe they are afraid that, if this does not happen, their huge investments in this country will suffer the fate eventually of IPC in Peru. They as we must shudder to read press reports that the Argentine Government supports Peru in its IPC issue with the U.S. The industrial, business and financial elite of this country overwhelmingly think the same way. And only this week, even the leader of the Santos Construction Workers' Union, while not at all happy with the COB, counseled the United States Government through our Labor Officer not to eliminate aid because of the adverse impact that would have on the Brazilian people.

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