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- 2 -

this line to the President.

(c) Guanabara Assembly MDB Leader Paulo Ribeiro thought Castello Branco would postpone the elections and convene a constituent assembly late in 1967. He noted that the military had always supported democratic solutions in Brazil and that Costa e Silva would retain little of his influence in the Army once he leaves the War Ministry; hence on July 2 the President would be holding all the aces.

(d) Former PTB President Lutero Vargas foresaw developments much along the same lines. He thought Castello Branco's maneuvers to undermine Costa e Silva's support within the Army had been initiated with the firing of General Justino Alves Bastos and the consequent weakening of General Kruel. If one looks at the Army today, Lutero said, it is apparent that the key commanders are loyal to Castello Branco and not Costa e Silva. He thought the elections would be postponed in order to give Castello time to eliminate Costa e Silva entirely. He thought this could be done by means of launching another candidate, such as Cordeiro de Farias, who could win support from the MDB ranks.

3. In connection with the above it is interesting to note that Costa e Silva, at a dinner party on June 17, said in the presence of the reporting officer that he considered it a great challenge (desafio) to resign from his position as Minister of War.

4. At the same time, however, it is also important to note that a split between Castello Branco and Costa e Silva is the MDB's only hope and the word being spread by opposition politicians and newspapers clearly has Machievellian motivations. At present the odds still appear to be against the success of such a tactic of desperation.

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