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TO RUENC/SERSTATE WASHDC PRIORITY

INFO ZEN/AMEMBASSY BRASILIA RUESUP/AMCONSUL SAO PAULO

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ZEN/AMCONSUL BELEM

ZEN/AMCONSUL BELO HORIZONTE

ZEN/AMCONSUL CURITIBA ..

ZEN/AMCONSUL PORTO ALEGRE

ZE/AMCONSUL SALVADOR

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CONFIDENTIA KRIO DE JANEIRO 1561

DOD

AID AUGUST 20 PC

SUBJECT & CARLOS LACERDA EASES BACK INTO SPOTLIGHT

1. CARLOS LACERDA RETURNED TO POLITICAL SPOTLIGHT IN LAST FEW DAYS AFTER LYING LOW FOR SOME TIME (HIS DAILY COLUMN IN DIARIO DE NOTICIAS DISCONTINUED ABOUT ONE MONTH AGO). LACERDA APPEARED BEFORE PARLIAMENTARY COMMISSION INVESTIGATING

PAGE TWO RUESUA 1501 C O N F I D E N T I A L FOREIGN INFLUENCE IN NEWS MEDIA TO BLAST ARCHFOE ROBERTO MARINHO (O GLOBO PUBLISHER) AND HAS USED INTERVIEWS DURING COMINGS AND GOINGS TO SOUND OFF IN GENERAL (FOR EXAMPLE, TO SUPPORT MANIFESTO OF AMAURY KRUEL), BUT PIECE DE RESISTANCE SO FAR WAS LETTER TO EDITOR JORNAL DO BRASIL WHICH APPEARED AUGUST 18.

2. LETTER PURPORTED TO BE GORRECTION OF JB STORY LACERDA NAD ADVISED MDB LEADER VIEIRA DE MELO TO CONTAIN OPPOSITION SO AS NOT TO GIVE PRESIDENT PRETEXT FOR DERAILING COSTA E SILVA CANDIDACY, BUT IN FACT CONSTITUTED MOST VEHEMENT ATTACK ON GOB BY LACERDA SO FAR. SUCH VITUPERATION BY LACERDA NOT IN ITSELF NEW . BUT LETTER SCALES NEW HEIGHTS OF PURLE PROSE ("MORAL HERMAPHRODITISM" ONE OF MILDER EXPRESSIONS USED) AND WENT QUITE FAR IN PATRONIZINGLY DISMISSING ANY HOPE FOR IMPROVEMENT IN SITUATION UNDER COSTA E SILVA.

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3. IN LETTER LACERDA SAID HE FAVORED MUCH STRONGER OPPOSITION TO CASTELLO GOVERNMENT. SEEDS OF SUCH OPPOSITION EXIST IN BOTH ARENA AND MDB, BUT THESE ARE "ARTIFICIAL CREATIONS DOOMED TO EXTINCTION", AND IT IS WHAT FOLLOWS THEM THAT INTERESTED HIM. HE CALLED FOR MORE FORCEFUL OPPOSITION. NOT FRIGHTENED BY

PAGE THREE RUESUA 1501 C O N F I D E N T I A L
GOVERNMENT'S CASSATION POWER, AND SAID IF REVOLUTION NOT RENOVATED, ON DAY AFTER CASTELLO GOVERNMENT (OR THAT OF SUCCESSOR,
WHICH WILL BE SAME OR WORSE) THERE WILL BE COMMUNISM IN BRAZIL.
THIS IS SO, HE SAID, BECAUSE PEOPLE WILL NOT HESITATE TO TRADE
WESTERN CIVILIZATION FOR RIGHT TO EAT AND WORK, AND ABOVE ALL
IMPRESSION THAT THEIR EXISTENCE IS TAKEN INTO ACCOUNT.

4. LETTER CONTAINED USUAL LUMPS FOR UNITED STATES. AVARICE AND STUPIDITY SOME AMERICANS, "FOGETHER WITH COWARDICE AND VANITY SOME BRAZILIANS ARE DOING MORE FOR COMMUNISM THAN ALL THOSE WHO LOST POLITICAL RIGHTS FOR BEING COMMUNISTS, HE MAINTAINED. GOB HAS CREATED APPARENT PASSIVITY IN COUNTRY WHICH HAS DELUDED CIA, TIME-LIFE AND OTHER U.S. "ORGANS OF CONTROL" WHICH OPERATING OPENLY HERE, BUT "GROWING LIBERAL OPINION IN U.S." AND GREAT MAJORITY BRAZILIANS NOT SO DELUDED. IN HIS VIEW LEGITIMATE UNDERSTANDING BETWEEN U.S. AND A FREE BRAZIL CONFIDENT OF ITS OWN VITALITY HAS BEEN DESTROYED BY "PRIMITIVISM OF CIA AND DICTATORSHIP OF FOOLS" SO THAT WHAT REMAINS IS DEADWEIGHT FOR U.S. AND NIGHTMARE FOR BRAZIL.

PAGE FOUR RUESUA 1501 C O N F I D E N TI A L
5. COMMENT: APPROXIMATELY ONE-THIRD OF LETTER IS INVECTIVE
DIRECTED AT ROBERTO MARINHO, AND ONE MOTIVE FOR LETTER IS
UNDOUBTEDLY REACTION TO FRONT-PAGE EDITORIAL IN MARINHO'S O
GLOBO ON PREVIOUS DAY WHICH EXCORIATED LACERDA AND OPPOSED HIS
"EXHUMATION". ALSO POSSIBLE, HOWEVER, THAT THIS OPENING GUN
IN LACERDA-GOB BATTLE. JORNAL DO BRASIL OF AUGUST 19 CITES
"GOVERNMENT SPOKESMEN" TO EFFECT LETTER CONSTITUTES ATTEMPT
BY LACERDA TO TAKE OVER LEADERSHIP OF OPPOSITION.

6. ONE POPULAR THEORY HAS BEEN LACERDA LYING LOW AT PRESENT TO FACILITATE COMING TO TERMS WITH COSTA E SILVA AFTER ELECTION, POSSIBLY IN HOPE OF ACQUICCNG CABINET POST, BUT THIS WILL BE MORE DIFFICULT IN VIEW OF WAY COSTA E SILVA TREATED IN LETTER. COSTA E SILVA, LACERDA SAID, IS NOT PREPARED TO GOVERN, IS STUDYING FOR TASK AT "KINDERGWYHEN LEVEL", AND HAS NOT GIVEN SLIGHTEST INDICATION WHAT HIS POLICIES WILL BE.

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7. SOURCE CLOSE TO LACERDA TOLD EMBOFFS THAT LACERDA DOES NOT BELIEVE COSTA E SILVA WILL EVER BECOME PRESIDENT, EITHER BECAUSE CASTELLO BRANCO WILL CONTINUE SELF IN OFFICE OR DERAIL COSTA E

PAGE FIVE RUESUA 1501 C O N F I D E N T I A L SILVA CANDIDACY. IF TRUE, THIS COULD EXPLAIN NEW TACTICS. SOURCE ALSO CLAIMED LACERDA STILL TRYING TO PLAY TO BOTHEIAMPS AND KEEP NAME IN NEWS FOR LONG-RANGE REASONS. UTTERANCES SUCH AS THIS LETTER WILL MAKE APPROACH TO COSTA E SILVA INCREASINGLY DIFFICULT.

8. LACERDA'S TACTICS HAVE SHIFTED PERCEPTIBLY AND PROBABLY TO A MORE EFFECTIVE LINE. PARTICULARLY IN LIGHT OF STEPPED UP CRITICISM OF CASTELLO BRANCO GOVERNMENT ON ECONOMIC AND POLITICAL GROUNDS INCLUDING ARMY-CHURCH ISSUE WHICH WHILE NOW CONTAINED. HAS GIVEN OPPOSITION HIGHLY EFFECTIVE WEAPON WHICH BEING EXPLOITED. HOW FAR HE HOPES TO GO NOT YET CLEAR BUT FONMIN TOLD AMBASSADOR THURSDAY NIGHT THAT LACERDA IS EXPECTED TO COME OUT WITHIN FEW DAYS WITH BLAST AGAINST GOVERNMENT SO STRONG THAT IF GOVERNMENT DOES NOT TAKE ACTION IT WILL BE BRANDED AS WEAK AND COWARDLY. AS NOTED RIO 1497 PRESIDENT CASTELLO BRANCO INTENDS TO TAKE SOME DEFENSIVE ACTION, NATURE OF WHICH NOT KNOWN. LACERDA MAY BE HOPING TO PRECIPITATE CRISIS BY FORCING GOVERNMENT MAKE MARTYR OF HIM. WE HAVE NO FIRM INFORMATION THAT THESE MOVES ARE PART OF PLANNED SUBVERSIVE ATTEMPT BUT SOME ASPECTS OF RECENT DEVELOPMENTS GIVE BASIS FOR CONCERN. WHILE MDB CONTINUES DIVIDED AND UNSURE OF ITSELF THE CONTINUED PACED PRONOUNCEMENTS FROM INPORTANT DISAFFECTED REVOLUTIONARY ELEMENTS JOINING OPPOSITION CHORUS. GIVE IMPRESSION SOME

PAGE SIX RUESUA 1501 C O N F I D E N T I A L CENTRAL DIRECTION MAY EXIST.

9. NO EVIDENCE OF WEAKENING IN UNITY OF ARMED FORCES,
AND WHILE POSSIBILITY TROUBLE CANNOT BE ENTIRELY DISCOUNTED,
NO DANGER TO SECURITY OF GOVERNMENT'S CONTROL NOW VISABLE.
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