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Potential Political Developments in Brazil

The following are my present thoughts on potential developments which I have listed in the order of their likelihood of occurring.

1) The principal political goal of the present Brazilian government is the perpetuation of itself in power by means of elections. The GOB's chances of achieving this goal are still slightly better than even--though these favorable odds have decreased in recent months due to the GOB's continuing inability to achieve some of its principal economic goals. (e.g. control of inflation).

The principal US line of action in this situation should be to assist the GOB in winning the 1966 presidential elections. Our scope of action will be limited to some extent by the GOB's attitude toward any US involvement but we should at least give consideration--soon--to employing such devices as a special electoral team.

2) The GOB may find that it is unable to perpetuate itself in office by means of elections. If it comes to such a conclusion, it will be most likely to do one of two things: cancel the elections and/or arrange for the indirect election (by the present Congress) of a hand-picked government candidate or the re-election of Castello Branco.

Should the GOB cancel the elections, the US posture--publicly--would of necessity be one of urging elections as soon as feasible. Such urgings, however, should probably not be allowed to affect our basic policy of complete support for the GOB (so long, at least, as the GOB retains its present character) since the postponement or holding of elections will in all probability be directly related to the GOB's ability to achieve certain fundamental economic and political goals, the realization of which is also very much in the US interest.

Should the GOB resort to the "jeito" of indirect elections (a more likely hypothesis than outright cancellation) the U.S. could--and should--continue its present policy of unstinting public and private support for the GOB.

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3) The GOB may lose the 1966 election to an opposition candidate, backed by the PSD and PTB--probably Carvalho Pinto, but possibly a military figure (e.g. Costa e Silva). This would most likely occur by miscalculation, the Castello Branco government believing it can win the election but in fact being unable to do so. Such an opposition victory would inevitably split the present government into 2 factions: those advocating that the opposition candidate be permitted to take office and those advocating he be prevented from doing so (e.g. a situation similar to that which occurred in 1955).

(a) The most likely result of such a confrontation would, in my opinion, be the inauguration as President of the victorious opposition candidate (since I believe the forces opposing the opposition candidate would lose such a show down, precisely as they did in 1955) (b) However, the possibility that the victorious candidate would be prevented from taking office by the present government cannot be dismissed, in view of the repeated assertions by government leaders of their determination to retain power until such time as the Revolution is definitively victorious.

Under alternative (a), the US posture should be similar to that adopted vis a vis Goulart, i.e. a tentative proffer of assistance and co-operation, combined with preparation of plans to deal with an unfriendly government. Under alternative (b), we would probably be best advised to continue our present policies, though we would probably have to publicly urge new elections for US public-relations reasons.

4) Castello-Branco could die unexpectedly. Castello-Branco has obviously already thought of this possibility and prepared against it to the extent of placing Bilac Pinto in the Presidency of the Chamber of Deputies. And should Castello Branco die (or be killed), the present leaders of the GOB would doubtless try to persuade Vice President Alkmin to step aside in favor of Bilac Pinto. The chances for success of this maneuver, however, can be rated as no better than even (as the events of August 1961 adequately demonstrated).

An Alkmin presidency might support us in Hemispheric affairs, but it would certainly lead eventually to a return to the inflationary fiscal policies of the Kubitschek regime (in which Alkmin played so prominent a role) and, probably, the return to the political stage of Kubitschek and others who have been banished by the present government. In these circumstances, the US would have to re-examine its economic assistance policies, and prepare to counter the re-initiation of extreme leftist penetration of the GOB and the re-establishment of anti-US ultra-nationalism as an important segment of the Brazilian body politic.

A Bilac Pinto presidency would be more compatible with our present policies--though it would give us renewed domestic public-relations problems if it were established as a result of an open display of military force. Too, Bilac would probably not give us the unstinting support in Hemispheric affairs which we have received from Castello-Branco (e.g. his statement on the Dominican Republic),

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nor could he be expected to pursue with any vigor the more controversial reformist policies of the Castello Branco regime, particularly in the agrarian field.

5) The GOB could conceivably decide (in the face of clear evidence that it could not win with a candidate closely attuned to it--such as Juracy or Cordeiro) to adopt someone who could win as the "candidate of the Revolution". Carlos Lacerda remains a possibility for this role, as does--according to some--Carvalho Pinto.

US action in such circumstance would depend on who was chosen as the GOB candidate. In the unlikely circumstance that Lacerda and Castello-Branco bury the hatchet and Lacerda becomes the GOB's candidate, we would have to prepare for the probability--distinctly foreshadowed by Lacerda's campaign tactics to date--that a Lacerda presidency would resemble that of Janio Quadros much more closely than that of Castello Branco. In short, lines of action to counter or accommodate to a return to a neutralist foreign policy, a rebirth of officially-continanced ultra-nationalism and an equivocal domestic economic policy.

The character of a GOB-supported Carvalho Pinto candidacy, and presidency, (a most unlikely hypothesis) is difficult to foretell.

6) The present government could be replaced by a rightist military dictatorship. Such a rightist take-over would be most likely to occur as a result of a general failure of the present government's policies--which would provoke a sufficient shift of military support to the hard-line elements to permit them to seize power. It might also occur as a result of the type of show-down between opposing factions within the forces supporting the present government that was described in (3) above.

US action in such a situation would probably be a combination of pressures designed to bring about an eventual return to democratic processes plus limited economic support and co-operation.

7) The establishment of a leftist-authoritarian regime by means of a revolutionary uprising is a possibility. Such an event could occur either as a result of the same sort of general failure of the present government's policies (and resultant drift into political and economic instability) as might trigger the rightist dictatorship hypothesized in (6) above, or it might occur as a reaction to such a rightist dictatorship (particularly if that dictatorship were ineffectual.)

US action in this eventuality would probably depend on the degree of Soviet penetration and control of such a regime. In the very unlikely event that this regime was neither particularly hostile to the US nor very deeply penetrated by the Soviets or Chinese, the US would probably wish to co-operate with it to the extent necessary to encourage latent democratic and pro-US trends. In the event that such a leftist government was actively hostile to the US, however, a combination of economic, political and military sanctions of the sort which have been applied to Castro Cuba would be in order.

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