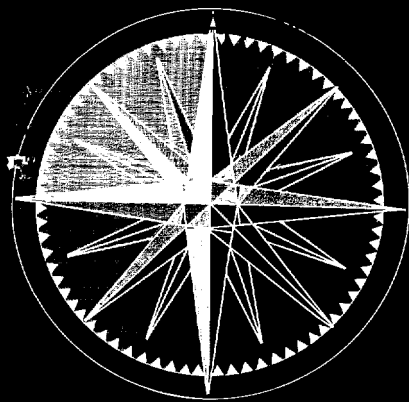


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SPECIAL REPORT

THE ROLE OF THE MILITARY IN THE BRAZILIAN GOVERNMENT

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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THE ROLE OF THE MILITARY IN THE BRAZILIAN GOVERNMENT

In his first year in office President Castello Branco of Brazil has been at pains to ensure that his administration is essentially civilian controlled and directed. He firmly avows that despite his long military career, he is "not a soldier-statesman," but a civilian presiding over a conventional government.

At the same time the military are obviously exerting influence on official policies to an unusual degree even for Brazil, where the armed forces have traditionally been the ultimate political arbiters. Their influence is felt in part through participation of military figures in executive and advisory roles in the government. Even more, perhaps, it is felt in strong pressures from "hard-line" elements in the military for fundamental political reforms and quick economic solutions.

There is a general feeling among the armed forces that now is the time to make certain that corruption and subversion are permanently eliminated, thus preventing a return to the chaotic politics that prevailed in Brazil for 30 years before the overthrow of Goulart in April 1964.

The April Revolution

The overwhelming majority of the armed forces seem convinced that by ousting Goulart they prevented the imminent destruction of Brazil's constitutional institutions and a possible Communist takeover. As a leader of the revolution Castello Branco shares the military interest in making sure that its aims are not lost in irresolution or half-measures. In a report which he circulated shortly before the Goulart ouster, Castello Branco defined the military's primary responsibility

as that of guaranteeing Brazil's constitutional institutions, not of defending particular governments. (The constitution provides that the mission of the armed forces is "to defend the country and guarantee the constitutional powers and law and order.")

In a departure from earlier interventions by the military into the political realm, the leading officers considered themselves in the events of early 1964 the principal leaders of an authentic revolution which would be complete only when they

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THE BRAZILIAN GOVERNMENT'S BASIC PROGRAM

I CURRENT ANTI-INFLATION PROGRAM

1. Federal budget deficit reduced by increasing revenues through tax reforms and by cutting expenditures.
2. Subsidies eliminated on imports of petroleum and wheat; subsidies to railways, ports, and other government enterprises reduced.
3. Restrictions placed on credit expansion and currency issue; central banking system created.
4. Wage levels held to noninflationary level by preventing frequent and drastic increases.
5. Private foreign investment encouraged by relaxing profits remittance laws, liberalizing mineral concessions policy, and signing of investment guarantee agreement with US.
6. External financial assistance renewed, including both new capital and rescheduling of payments on large short-term debt, of which more than \$250 million postponed.

II LONG RANGE GOALS

A. Economic Development

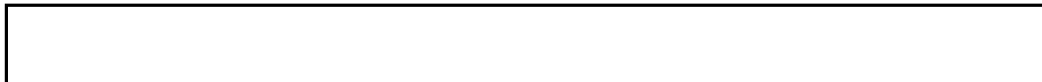
1. Emphasize public investment in infrastructure, particularly power and transportation.
2. Increase agricultural production through technical assistance.
3. Improve distribution of agricultural and industrial supplies.
4. Reduce extreme inequalities in regional distribution of income.
5. Increase export earnings by expanding level and variety of exports.

B. Reforms

1. Revamp agrarian structure; promote utilization of unused and underused holdings.
2. Encourage development of free, democratic labor movement.
3. Construct low-cost housing for urban workers.
4. Improve educational system, including restricting excessive student politics.
5. Improve organization and efficiency of government through reform of administrative framework.
6. Reduce number of political parties.
7. Combine military ministries under unified defense ministry.

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had destroyed the legacy of irresponsible, corrupt politics inherited from the Vargas period (1930-1954)--still very much alive in some local governments despite the efforts of the Castello Branco administration. Consequently, they were determined not to return control of the country to the politicians as had occurred after several similar armed forces revolts in recent Brazilian history. This attitude led to some excesses during the period immediately following 1 April as military commanders took charge of the massive investigations into subversion and corruption under the general supervision of an army marshal. Many local inquiries actually operated without effective federal control and became virtual witch hunts. Politicians and military officers were at times stripped of their political rights and positions on the basis of unconvincing evidence.

No advanced plans to operate the government after the fall of the old regime had been formulated. In the confusion following Goulart's downfall, the military assumed complete authority for a short period, acting through the "Supreme Revolutionary Command," a three-man body representing the major military branches.

Civilian Accent in the Castello Branco Administration

Castello Branco assumed the presidency on 15 April after his election by Congress to fill

out Goulart's unexpired term. He was given greatly increased executive powers by the revolution's basic law, the Institutional Act, including special punitive authority and simplified procedures for obtaining quick congressional action on vital legislation.

The armed forces provided Castello Branco his only reliable support. Nevertheless, he made clear his intention from the outset to be a civilian leader. He resigned his army commission and in symbolic testimony to his sincerity gave away his uniforms. In speeches before military groups he reminded the armed forces of their traditional responsibility to legality and urged them to stay out of politics. Senior military officers, such as Army Chief of Staff Decio Escobar, followed the President's lead in directing their subordinates to keep the military out of politics and vice versa.

The Cabinet

Castello Branco has filled virtually all the important cabinet posts with civilians, usually experienced technicians. In the formulation and day-to-day execution of the administration's basic policies of financial stabilization, social reform, and economic development, he has tended to rely almost completely on his civilian cabinet members for counsel, particularly on Planning Minister Roberto Campos. The only active military officer in the cabinet

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aside from those in the defense posts, Interior Minister Cordeiro de Farias, seems to have little influence beyond his field of competence, the supervision of federal independent agencies.

Of the three military ministers, War Minister Costa e Silva, who represents the army, has by far the strongest influence, and his views have weight outside the purely military field. His strong advocacy of civilian supremacy has restrained others who would prefer to have the armed forces run the country. Costa e Silva has consistently demonstrated his respect for and loyalty to Castello Branco, his friend of long standing, and apparently supports the President's policies. While there are great differences in personality and methods between the two men, they appear to share the same basic views and to work together without serious friction.

The war minister also is an important buffer between Castello Branco and the hardliners in the military, for whom he has some sympathy. These are the "pushers" who find the President too slow and cautious in advancing the aims of the revolution. Costa e Silva has cooperated with the President, for example, in reassigning troublesome hardliners and has discouraged public political statements by active officers.

Presidential Advisers

The military's influence is considerably more apparent in the "unofficial cabinet" than among the ministers. President Castello Branco has drawn many advisers from close associates who served in the army with him over the years. A number of them head important executive departments and are consulted on both nonmilitary and military matters. Among those in the inner circle is retired General Golbery Couto e Silva, chief of the National Intelligence Service, which was formed last year to provide the President with a steady flow of information on political and security matters. Another is General Ernesto Geisel, chief of the Presidential Military Household, who is frequently consulted by the President on policy matters not related directly to his responsibility as principal military adviser in the executive office. Castello Branco also seems to rely heavily on two other army officers, General Jurandyr Mamede and Colonel Carlos de Meira Mattos.

These are the most important among the small number of career military people who are directly involved in the decision-making process. Generally they are long-time friends of the President, respected and competent. As confirmed legalists, they strongly respect the

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traditional role of the armed forces as defenders of the constitutional institutions.

State Agencies

The present regime has followed the Brazilian tradition of naming military officers to head many administrative agencies. The president of Petrobras, the state oil monopoly, for example, is a retired army marshal, and Brazil's state-owned motor vehicle plant is run by a major. However, such officials have relatively little effect on broad policy.

The Hard-line Military

Despite the substantial voice that the officer corps has in the government through appointments to official posts and through close personal ties with Castello Branco, there is considerable dissatisfaction with the regime, and even opposition, among the so-called hard-line elements of the armed forces. In terms of capabilities and intent, the hard-liners appear to constitute the most serious potential threat to the administration, although they probably comprise only a minority of the military.

There are two loose groupings among the hard-liners, but the composition of these alignments seems to vary according to the specific issues involved at any given time. Perhaps the more vocal are the relatively small number of self-styled "durissimos"--ultrahard-liners

--represented by retired Admiral Sylvio Heck, one of the most energetic but ineffective critics of the government, and several other high-ranking officers both active and retired. Among them are several congenital plotters who, like Heck, seem to have gained new stature through their identification with the movement that overthrew Goulart. Others, including such right-wing figures as Generals Mourao Filho, Moniz de Aragao, and Alves Bastos, are self-appointed overseers of the revolution who feel that Castello Branco has not been firm enough in dealing with political and economic problems. Many of them charge that the government's economic policies and agrarian reform program are "socialistic."

The Heck group commands little firm support in the armed forces and seems to have no effective organization. The nucleus of a formal organization may exist in the Radical Democratic League, which has brought together a number of military men and right-wing civilians in Rio de Janeiro and Sao Paulo. The ultrahard-liners' opposition to aspects of the austerity and reform programs is often echoed by certain conservative financial interests such as the powerful Federation of Industries of Sao Paulo and the leading landowners' associations. These organizations are especially critical of the government's restrictive credit policies and tight tax laws. The influential newspaper O Estado

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do S. Paulo is another important booster of the Heck camp.

A more significant political force than the Heck alliance are the younger hard-line military officers, mainly at the colonel-major level. They generally respect Castello Branco and agree with what he has been doing, but feel that he has not pursued the aims of the revolution diligently enough. They tend to overlook practicality in their idealistic pursuit of reform.

There is considerable dissatisfaction among these younger, nationalistic officers over what they regard as undue softness toward corruption and subversion. They assert that the purge campaign against leftist and corrupt politicians has fallen far short of its stated purpose of "cleaning up Brazil." The government is also criticized, often naively, for pursuing a gradualist approach in curbing inflation. According to the hard-line, price controls must be instituted and further rises in the cost of living should be halted "by decree."

Although a large percentage of officers at the middle and lower grades in all of the services probably hold these views, they have no acknowledged leader nor is there any sign of effective organization. Nonetheless, they will continue to bring pressure on the administration periodically for further investigations into subversion and

corruption and for cure-all economic measures and social reforms.

Net Effects, Prospects

To a great extent the firm leadership and personal prestige of Castello Branco alone have averted encroachment by the armed forces. In all probability a lesser individual would have fallen under military domination during the early months of the revolution with resultant damage to the constitutional order. Castello Branco acknowledges that only with armed forces support does he have the strength to carry out basic reforms and implement the austerity program, at least until the government's policies have shown satisfactory results clearly discernible to the public. At the same time he emphasizes that "a president cannot rest his support on bayonets lest he be stabbed by them." Accordingly, as long as Castello Branco continues in office and can avoid any sudden economic and political deterioration, the military's influence probably will remain subordinate. Prospects are that the military will continue to participate in policy formulation but will not determine it unless drastic changes for the worse occur.

The President is, nevertheless, sensitive to the rumblings among the hard-liners and can be expected to take appropriate precautions to ward off any dangerous build-up in hard-line pressure, granting concessions when necessary. His agreement

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last year to a one-year extension of his mandate and his reluctant decision to intervene in Goias State and remove Governor Mauro Borges last fall are in part illustrative of his willingness to compromise under unusually heavy demands.

For the longer run, the question of electing Castello Branco's successor--presidential elections are scheduled for November 1966--will become paramount to the military. Castello Branco is the only figure at the moment whose candidacy would be supported by the armed forces, but for the present he appears

determined not to run. Of the leading candidates at the moment --Governors Carlos Lacerda of Guanabara, Adhemar de Barros of Sao Paulo, and Magalhaes Pinto of Minas Gerais--none appears acceptable to the armed forces. If it appears that an undesirable candidate would gain the presidency and Castello Branco remains adamant in his plans to leave office, this would greatly increase the chance of a move by the hard-liners to install a military-dominated regime.

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