

CounterSpy, April - May 1979, pp. 4-23.

Brazil and CIA

by Peter Gribbin

In the rush to consolidate its role as the new leader of the so-called Free World, the U.S. government saw as a major task the containment of countries which, during the Second World War, had begun to pursue an independent course of development. If and when change was to occur, it was to be of a made-to-order variety, directed from Washington. To this end, the establishment of powerful, centralized police forces in Asia, Africa, and especially Latin America became a top priority.

The person the Eisenhower administration charged with organizing a task force on police training was Byron Engle.¹ He was chosen because of his experiences training Japanese police after WW II and setting up a police advisory board in Turkey. Funding for the new police program supposedly came from the State Department, even though Engle had been with the CIA since 1947. This prompted FBI head J. Edgar Hoover to complain that the police program was just one more CIA cover.²

When the Kennedy administration moved into Washington, Engle's program took on new life. The cabinet-level Counter-Intelligence (C-I) Group was headed by Maxwell Taylor, a former general who was later named U.S. Ambassador to South Vietnam. The C-I Group along with the CIA was responsible for creating the Special Forces (Green Berets); new training in counter-insurgency at military schools from the National War College on down; and new courses at the Foreign Service Institute, all designed to make members of the State Department, the CIA and the military branches knowledgeable in counter-insurgency techniques. In addition, a special Committee on Police and Police Training was set up under the direction of U. Alexis Johnson, who has worked hand-in-glove with the CIA throughout his career. Johnson later became deputy ambassador to South Vietnam, but in his present capacity he appointed Engle as head of the new, expanded police program. After all, hadn't Engle once trained 100,000 Japanese police in only two months?³

In the Fall of 1961, just as Joao Goulart was taking over the presidency, the United States began an expanded influx of CIA agents and AID officials into Brazil. AID Public Safety advisers like Dan Mitrione were responsible for "improving" the Brazilian police forces. Engle sent CIA officer Lauren J. (Jack) Goin to Brazil under the cover of "adviser in scientific investigations." Before coming to Brazil, Goin had set up the first police advisory team in Indonesia which was instrumental in the CIA-backed coup which culminated in the documented killing of over three-hundred thousand Indonesians. He had also served with Engle when the first police advisory team was created in Turkey.⁴

Economic Background

The Goulart regime of 1961-1964 represented the "fundamental contradiction between a government's responsibility to the citizens who elected it, and the obedience to the demands of foreign creditors expressed in the IMF stabilization program."⁵ A government which refuses to make any gesture toward meeting their conditions frequently finds its international credit for imports cut off which, in turn, increases the likelihood of a CIA-induced, right-wing coup.

A country in the throes of a balance of payments crisis is usually unable to obtain needed credit unless "significant policy changes are made."⁶ For example, new loans may be obtained only through a change away from nationalist economic policies toward measures favoring foreign investment. As is being increasingly borne out by other Third World countries, Brazil's democratic system at the start of the 1960s proved unequal to the difficult challenge posed by the foreign exchange constraint. Since Goulart was elected by a "populist" coalition of voters spanning class lines, the party system itself discouraged strategies that might put any significant group at a disadvantage. In this atmosphere, the coup of '64 became a *sine qua non* for new U.S. credit.

Previously, in 1958, President Juscelino Kubitschek had been forced to come to an agreement with the International Monetary Fund on certain stabilization measures in order to secure a \$300 million loan.⁷ (His predecessor, Getulio Vargas, had committed suicide in 1954. Behind him he left a document in which he blamed outside forces for helping to create the circumstances that drove him to take his life: "The foreign companies made profits of up to five hundred percent. They demonstrably deprived the state of more than a hundred million dollars by false evaluations of import goods.⁸) But the president of the Bank of Brazil refused to go along with the government's proposed credit squeeze which would have caused a depression in the private sector. After floundering around for the greater part of 1958, instituting half-way measures unacceptable to the IMF, Kubitschek broke off negotiations and gave up hope for the American loan. He managed to obtain the needed foreign credit by means of a short-term, high-cost loan from private sources abroad. But his successor, Janio Quadros, inherited a full-scale debt repayment crisis that could no longer be postponed.

Quadros immediately came to terms with the IMF and his foreign creditors. He abolished the "exchange auctions" which the Brazilian government, by auctioning off its foreign exchange reserves to the highest bidder/importer, had previously used as a source of revenue.⁹ Certain exchange controls (subsidies) were established for "necessary" imports, effecting a devaluation of the Brazilian cruzeiro by fifty percent. The IMF was still not satisfied, however, and by July of 1961 it succeeded in forcing Quadros to abolish all exchange controls and to peg all exchange transactions at the (free) world market rate.¹⁰

By meeting the IMF's demands, Quadros was able to negotiate new credits and reschedule payments due with his U.S. and European creditors. Inflation still raged, however, and when Quadros limited credit (like Kubitschek before him) he came up against strong political counterpressures. Hoping to win popular support and a new mandate to lead the country, Quadros resigned after only eight months in office.

Although some sources saw his resignation as being forced upon him by the CIA, Quadros had, in fact, been the U.S. government's last hope for bringing their brand of stability to Brazil within a democratic framework. In the *New York Times* of August 26, 1961, the mood of the State Department was described as "one of fear that the departure of President Quadros from Brazil's political scene, if it is not reversed, would plunge the country into serious political difficulties threatening its stability and interfering with the financial and economic stabilization program."

Quadros' successor, Joao Goulart, whose political strength rested on the close ties he had fostered with the unions while Minister of Labor under Vargas, was to the left of the Brazilian political spectrum. The real threat -- to industrialists, the army and foreign investors -- was the likelihood that under Goulart organized labor would become the dominant political force in Brazil.¹¹ If Quadros could not carry through his stabilization program, there seemed even less to hope for, in that respect, from Goulart.

During Goulart's presidency, the contradictions inherent in Brazil's post-war development reached the breaking point. Goulart had inherited the accumulated problems of fifteen years of inflation and foreign borrowing which none of his predecessors had successfully tackled. Brazil's last effort at economic stabilization within a democratic framework was made in 1963. The Three-Year plan, drawn up by Minister of Finance, Santiago Dantas, and Minister for Economic Planning, Celso Furtado, was made with one eye on the Brazilian electorate and the other on the IMF.¹²

On the one hand, this plan promised to carry out tax and agrarian reforms while resuming a high rate of growth. Simultaneously, however, it sought to curb inflation which was a precondition for receiving new credits and/or deferral of payments due. In 1963, this crushing debt repayment burden threatened to eat up 45 percent of Brazil's export earnings.¹³ When the plan was presented to the IMF, the latter wanted more stringent conditions. These were: devaluation of the cruzeiro; exchange reform which meant abolishing subsidies on the import of wheat and petroleum; and, restrictions on the budget deficit (which translated into a cutback in government services) and on wage increases. These restrictions were designed to contract the money supply and depress the costs of goods and labor. Cheaper goods and labor (at the expense of the workers) would make Brazilian products more competitive on the world market. But the contradictory elements of the Three-Year Plan soon exploded.

Brazil was able to head off imminent disaster when the Agency for International Development (AID) agreed to release \$400 million on the condition that the government stick to its austerity program.¹⁴ The government's program was doomed to failure, however, because of a proposed 70 percent wage increase to government employees -- the military among them -- whose support was necessary if Goulart was to stay in power. Caught between a rock and a hard place, Goulart gave in to the wage increase and held off on the proposed stabilization. The U.S. immediately suspended its aid disbursements.

Goulart further exacerbated American hostility towards him when he signed the Profit Remittance Law.¹⁵ This law, which infuriated foreign investors, provided that profit remittances could be calculated only on the amount of capital originally brought into the

country, and not on the (much larger) unremitted past profits which had been reinvested in Brazil. U.S. distaste for Goulart was expressed in the cutting-off of aid to his government while at the same time giving aid to certain conservative state governors (Carlos Lacerda in Guanabara and Adhemar de Barros in Sao Paulo) with whom it thought it could do business.

The final act of Goulart's futile attempt to placate both foreign and domestic interests was played out in the first quarter of 1964. Early in the year, Goulart held discussions on yet another exchange reform and rescheduling of Brazil's foreign debt with a three-man team from the IMF. But this attempt to come to terms with his creditors fell through when, in a gesture towards the Left, he announced the expropriation and redistribution of privately owned land and the nationalization of private oil refineries. Unfortunately, these moves did more to mobilize the Right than they did to gain support from the Left. On April 1, 1964, the military quickly deposed Goulart and installed its own caretaker government.

The subsequent fifteen years have shown that with the overthrow of Joao Goulart, democracy in Brazil came to a screeching halt. After a shaky twenty years, basic political rights were abandoned. Provisions of the First Institutional Act drawn up after the coup created a *cassacao*, or political death for ten years. These emergency powers soon gave way to a Second Institutional Act. The Fifth Institutional Act shut down Congress, suspended *habeas corpus* for political activity, and gave full autocratic power to the president.¹⁶ Labor laws enacted after the coup rescinded virtually all job-related rights: the right to strike, to negotiate directly with the employers instead of the state, and to establish trade union representation within factories.¹⁷ The destruction of democracy in Brazil was evidence of the impossibility of serving two masters. Goulart was never able to reconcile the legitimate demands of domestic pressure groups with the external economic constraints of Brazil's creditors. As a final ironic twist, Goulart's refusal to succumb to foreign pressures only served to irritate undemocratic forces inside Brazil to the point where they saw it in their interest to get rid of democracy and Goulart in one fell swoop.

Imperialism's Internal Allies: Brazil's National Enemies

In the fall of 1961, just as Joao Goulart was assuming the presidency, the United States began to make contact with his right-wing opposition. At the same time, the CIA began a multifaceted penetration of Brazilian society designed to influence that country's internal politics. Lincoln Gordon, U.S. ambassador to Brazil, was appointed the same day that Goulart's predecessor, Janio Quadros resigned. Soon after his arrival in October, Gordon met with a right-wing admiral named Silvio Heck. Heck informed Gordon of a poll of the armed services which revealed that over two-thirds of the enlisted men opposed Goulart. Heck also hoped that when it came time to oust Goulart "the U.S would take an understanding view."¹⁸ Although Gordon later determined that Heck's figures were exaggerated, he never once warned Goulart or his advisers of this conspiracy.

The CIA, for its part, took more than a passive interest in helping right-wing military forces come to power in Brazil. The overthrow of Goulart and the destruction of

democracy in Brazil was effected through the manipulation of diverse social groups. Police, the military, political parties, labor unions, student federations and housewives associations were all exploited in the interest of stirring up opposition to Goulart. Yet, while Washington's original intent may have been to replace Goulart with the strongman General Castello Branco, the guaranty of the coup's longterm success demanded an increase in U.S. material and training for the Brazilian security forces which continues to this day.

The military coup took as its first president Humberto Castello Branco, a man who had a long and close relationship with the United States military. During the Allied invasion of Italy in 1945, a number of prominent Brazilian officers participating in the campaign became exposed to American military ideas and tactics.¹⁹ Castello Branco's roommate in Italy was a CIA-coup engineer, then-Lieutenant Colonel Vernon (Dick) Walters. In 1964, Walters was the U.S. embassy's military attaché, and the man most closely connected with Brazil's military leadership.

Since the end of World War II, Washington had used its role as policeman of the so-called Free World to justify expanding its influence in the Brazilian forces. Military planning between the two countries was coordinated by a Joint Brazil United States Military Commission (JBUSMC). In 1949, the Pentagon helped Brazil set up and staff the Escola Superior de Guerra (Advanced War College), a carbon copy of the U.S. National War College.²⁰

The Advanced War College is responsible for national security studies, development of military strategy, and ideas on nation building -- the last being taken from the Pentagon and the U.S. Army's experience in reconstructing postwar Japan.²¹ To this day, the college has graduated over three thousand civilians and military managers indoctrinated in a right-wing military ideology and the belief that only the armed forces can lead Brazil to its proper destiny as the great power of Latin America.²²

Another Brazilian army general who was instrumental in the coup was Golbery do Couto e Silva. Like Castello Branco, Couto e Silva was a member of Brazil's military elite who became enamored of U.S. military thinking while a member of the Allied expeditionary force in Italy in 1945.²³ The Brazilian army's "intellectual gray eminence," Couto e Silva was particularly influential in the formation of the Advanced War College, popularly known as the "Brazilian Sorbonne." At one point the head of Dow Chemical's Brazilian section, Couto e Silva became head of Brazil's first national intelligence service, the SNI, after the coup in 1964.²⁴

In the early 60s, the now-retired General Couto e Silva became the chief of staff at the Institute for Social Research Studies (IPES, in Portuguese). The leading inspiration at IPES was Glycon de Paiva,²⁵ a mining engineer from the state of Minas Gerais. To avoid detection, IPES posed as an educational organization that donated money to reduce illiteracy among poor children. IPES' real work, however, was organizing opposition to Goulart and maintaining dossiers on anyone de Paiva considered an enemy.

Making the rounds of Brazil's major industrialists, de Paiva was able to appeal to their interests by translating his visceral hatred of communism into a simple message they could understand: Goulart wants to take away from you that which is yours. In this way, de Paiva was able to drum up close to \$20,000 a month in donations.²⁶

One immediate target of IPES' anti-Goulart campaign were housewives, whom de Paiva recognized as being receptive to warnings about the threat that communism posed to the Brazilian family, and to the values of society in general. He set up women's societies in all the major cities. In Rio de Janeiro it was called the Women's Campaign for Democracy (CAMDE).²⁷ During the week of the coup in March 1964, IPES organized a huge march against Goulart. In Sao Paulo 10,000 people joined a March of the Family with God for Freedom. Sao Paulo women presented a manifesto on behalf of Christian democracy, while at the same time the Archbishop of Sao Paulo forbade his bishops from participating in the march because he said it had been funded by the U.S. advertising agency, McCann Erickson.²⁸

De Paiva's major concern, however, was the threat posed by Goulart's openness towards the Left. In this respect, Couto e Silva's role in keeping files at IPES was twofold. On the one hand, he put paid agents in the Brazilian military to make sure that key men throughout the services remained loyal to the Brazilian "nation" and not to Goulart. At the same time, IPES placed paid informers in factories, schools, and government offices to report on supporters of Goulart. Petrobras, the state-owned oil company, received special attention as de Paiva was convinced that Goulart had many supporters there. Before Couto e Silva was finished, IPES had files on 400,000 "enemies" of Brazil.²⁹

Another part of the CIA's effort to create anti-Goulart sentiment in Brazil was the rigging of elections. Working through a front group called the Instituto Brasileiro de Acao Democratica (IBAD), the CIA channeled money into local political campaigns. IBAD, in turn, passed the money through its two branches, Democratic Popular Action (ADEP) and Sales Promotion, Inc.³⁰ In the 1962 elections, IBAD not only funded more than one thousand candidates but recruited them so that their first allegiance would be with IBAD and the CIA. At every level, from state deputies up to governorships, the CIA stacked the ballots in favor of its candidates.

In February, 1964, the CIA was nearly "burned" by a parliamentary investigation into its violation of election laws in 1962.³¹ The CIA had spent close to \$20 million, but a scandal was averted by three developments: five of the nine members of the investigating committee had themselves received CIA funds; three of banks involved -- First National City Bank, the Bank of Chicago, and the Royal Bank of Canada -- refused to reveal the foreign sources of the money deposited in the IBAD and the ADEP accounts; and lastly, Goulart, still hoping to appease Washington, saw to it that the final report was laundered.

The CIA also manipulated certain members of the student movement. The benefits of having assets in the universities, however, were not realized until after the overthrow of Goulart. Though largely ineffectual before the coup, the Grupo de Acao Patriotica (GAP) was later used to spy on members of the national student union (UNE). GAP was founded by Aristoteles Luis Drummond whose hero was the right-wing Admiral Silvio Heck.³²

During a radio talk show he did in Rio de Janeiro, Drummond expounded on GAP's determined defense of liberty and property, which he claimed only the military could safeguard. Not surprisingly, the interview was rebroadcast by the Voice of America. Later on, the CIA supplied Drummond with 50,000 books and Cold War pamphlets on the communist menace and, more to the point, diatribes against the UNE. Still, GAP's following was small and whenever Drummond put up posters saying "GAP with Heck," he made sure it was in the dead of the night.

In the four years following the coup, however, Drummond and GAP came to play a key role in the new junta. For example, during a student demonstration in May of '68, protesting the discriminating cost of education, a military jeep was overturned and set on fire. The next morning, Drummond was asked to speak about the incident with President Costa e Silva. Boarding a military aircraft, Drummond was flown to Brasilia where he spent an hour with the president identifying leaders of the demonstration and assuring Costa e Silva that they were communists who did not represent the majority of students.³³

Police Operations

As opposition to the military junta increased, control of the state apparatus became synonymous with increased surveillance, arrests, and torture of those engaging in political activity. In response, Couto e Silva, the chief of staff at IPES, took his hundreds of thousands of files to Brasilia to set up the first national intelligence service, the SNI.³⁴ As with the creation of DINA in Chile, Brazil's SNI was set up *immediately after* a CIA-backed military coup. Inevitably, the SNI turned to its more powerful counterpart in the North. In police barracks all over Brazil it was common knowledge that many officers took money from, and reported directly to, the CIA stations. In return, the CIA and the SNI began to push the police for results. Hard-pressed for incriminating evidence on subversives, the police concluded that nothing made a detainee more willing to talk than a little torture. Besides, working closely with the CIA opened one up to special stores of equipment. Everything from tear gas to field telephones (used to administer electric shocks) could be delivered immediately from the Panama branch of the CIA's Technical Services Division (TSD). Requesting such material through normal channels might take months.

Yet, the information on dissidents in Couto e Silva's files was inconclusive, and the processing of prisoners was cumbersome. An alternative resource had to be found. The sense of limitations on the part of the Brazilian police soon gave rise to vigilante groups which sought to appease the fears of Brazil's new leaders and their U.S. backers. One of the men who acted on these concerns was Henning Albert Boilesen, president of a liquid gas company. The suspicion that Boilesen was in the pay of the CIA grew when he began soliciting money from wealthy industrialists for a new organization called Operacao Bandeirantes (OBAN).³⁵ OBAN united the various military police intelligence services into one paramilitary organization which knew no limits.

Esquadras da Morte (Death Squads) were not a new phenomenon in Brazil. Before the coup they had been a source of extra income for off-duty policemen. If a thug needed a rival eliminated, he could arrange for a member of a Death Squad to get the job done. Despite salary increases from the AID, six years after the coup Death Squad executions by off-duty police personnel were still taking place. And now, a new wrinkle had been added. The "Ten for One" dictum meant that for every killing of a Death Squad member, ten people would die. When a Sao Paulo police investigator was killed in 1970, nearly twenty people were executed by the police.³⁶

U.S. AID officials knew of and supported police participation in Death Squads. In Uruguay, a CIA operations officer, William Cantrell, used the cover of an AID Public Safety Advisor to help set up the Department of Information and Intelligence (DII).³⁷ Cantrell's chauffeur, Nelson Bardesio was himself a member of the Death Squad in Montevideo. Under interrogation by Tupamaros guerrillas in 1972, Bardesio testified that the DII served as a cover for the Death Squad. Bardesio's testimony further revealed that a Brazilian diplomat offered to set up radio communications between Brasilia and Montevideo. Uruguayan intelligence officials, claimed Bardesio, received Death Squad-type training in Brazil. The living link between the two countries' Death Squads is Sergio Fleury, a top officer of the political police in Brazil. A leader in the elimination of the Brazilian left, Fleury has been identified by hundreds of political prisoners as the man who supervised their torture.³⁸ Through his work in the Death Squads, Fleury's infamy has spread from Sao Paulo to all of Brazil and on to Uruguay. On at least two occasions, he met with groups of Uruguayan police through CIA contacts.³⁹

The systematic use of torture was also condoned if not encouraged by U.S. AID officials. Police in Brazil once speculated on what the Public Safety Advisor Dan Mitrione would do if he were witness to the torturing of a prisoner. One said he would leave. Another asked, "Where, the country?" "No," said the first, "leave the room."⁴⁰ To this day, the U.S. Public Safety Program in Brazil has assisted in the training of over 100,000 federal and state police personnel. Moreover, 600 high-ranking officers have received training at the now-defunct International Police Academy (IPA) on the campus of Georgetown University in Washington DC.⁴¹ The United States is also responsible for the construction, equipping, and development of the curriculum and faculty of Brazil's National Police Academy, its National Telecommunications Center; and the National Institute of Criminalistics and Identification.⁴²

In the actual torturing of prisoners, the military and civilian police worked hand in hand. It was a common practice for prisoners to be taken from a prison run by the civilian police to one run by a branch of the military and then back again to a facility run by the police. CENIMAR, the navy's intelligence section, had its main prison and torture center in the basement of the Ministry of the Navy, near the docks of the harbor in Rio de Janeiro. U.S. Navy officers based at the naval mission often heard screams from across the courtyard. But none of them -- not even mission commander, Rear Admiral C. Thor Hanson -- ever raised the matter with their hosts.⁴³

From the CENIMAR facility, prisoners were shipped across Guanabara Bay by motor launch to a prison on the Isle of Flowers. Inside the low white buildings were interrogators who specialized in torture. The staff there was made up of members of the Department of Political and Social Order (DOPS). The island's commander was Clemente Jose Monteiro Filho, a graduate of the School of the Americas (commonly referred to as the *escuela de golpes*, the school of coups) at Fort Gulick in the Panama Canal Zone.⁴⁴ The leader of interrogation and torture was Alfredo Poeck, a navy commander who had taken a three month course at the Special Warfare School at Fort Bragg in 1961.⁴⁵

A common torture routine consisted of a preliminary beating by a flat wooden paddle with holes drilled through it called a *palmatoria*. This would be followed by a more concentrated application of electric wires to the genitals designed to elicit information from the victim. If this method failed, the prisoner was subjected to another round with the *palmatoria* -- often for six hours at a time.⁴⁶ Today, Brazil's terror technology has advanced beyond the electric prod and the wooden paddle. Testimony from political prisoners verified by the Brazilian College of Lawyers lists among the newest inventions a refrigerated cubicle called a *geladeira*. Nude prisoners are boxed in the *geladeira* for several days at a time and frequently doused with ice-cold water. All the time, loudspeakers emit deafening sounds. One prisoner described this as a "machine to drive people crazy."⁴⁷

The graduates of CIA-connected police programs in the U.S. are an undeniable concern to the Brazilian people. *CounterSpy*, speaking to this concern, is presenting the names of these graduates during the 1961-64 periods:

Dates indicate when the person was in the U.S.

Abreu, Antonio Candido (4/15/63-7/15/63)	Ferreira, Rubens Jose (7/15/63-10/15/63)
Affonso, Leonel Archanjo (4/15/63-7/15/63)	Firmo Sereno, Joao (4/15/63-7/15/63)
Almeida, Eudes Batista (7/15/63-10/15/63)	Hostin, Jose Mario (4/15/63-7/15/63)
Almeida, Jose Tabosa (4/15/63-7/15/63)	Lage, Raimundo Valerio Dias (7/15/63-10/15/63)
Andrade, Neylor Vasconcellos (4/15/63-7/15/63)	Mafra, Heitor Martins (7/15/63-10/15/63)
Araujo, Jose Eduardo (7/15/63-10/15/63)	Nascimento, Ricardo Frazao do (4/15/63-7/15/63)
Araujo, Taltibio Delivalle y (4/15/63-7/15/63)	Nogueira, Hever da Silva (1/15/63-2/15/63)
Arnaut, Vilmar Leal (7/15/63-10/15/63)	Oliveira, Alceu Drummond (7/15/63-10/15/63)
Barbosa, Joaquim (4/15/63-7/15/63)	Pereira, Paulo Fernandes (1/15/63-4/15/63)
Boffa, Carlos Alberto (7/15/63-10/15/63)	Ribeiro, Arlindo Bento (7/15/63-10/15/63)
Brandao, Raul (4/15/63-7/15/63)	Rosa, Helio Pestana (1/15/63-4/15/63)
Costa, Jose Luiz (7/15/63-10/15/63)	Saraiva, Iaci Cruz (1/15/63-2/15/63)
Da Costa, Ismar Concalves (1/15/63-4/15/63)	Silva, Paulo Souza da (4/15/63-7/15/63)
Dantas, Walter (1/15/63-4/15/63)	Silva, Wilson Gomes da (7/15/63-10/15/63)
De Abreu, Eudes Coutinho (1/15/63-4/15/63)	Silveira Filho, Paulo Agemiro da (7/15/63-10/15/63)
De Almada, Antonio Soares (4/15/63-7/15/63)	Sousa, Saulo Nunes (4/15/63-7/15/63)
De Arruda, Firmiand Pacheco (1/15/63-4/15/63)	Souza, Dilson de Almeida (1/15/63-4/15/63)
Fernandes, Antonio (7/15/63-10/15/63)	Teixeira, Dioran (7/15/63-10/15/63)
Fernandes, Oezer Carvalho (1/15/63-2/15/63)	

Labor Operations

In this final section we will examine how CIA's subversion of Brazilian labor leaders and other trade union officials helped to topple Goulart. As such, we are making available to the people of Brazil the names of those persons who participated in special training sessions in the U.S. from 1961-1964. These courses were run by the American Institute for Free Labor Development (AIFLD) which, according to Philip Agee, is a "CIA controlled labor center financed through AID."⁴⁸ Before going into the names, however, it is important to trace the history of U.S. labor's cahoots with American foreign policy in Latin America.

Since the middle of the 1950s, the American Federation of Labor and the Congress of Industrial Organizations -- once they had merged to become the AFL-CIO -- have taken on an increasingly active role in the implementation of American foreign policy. When the International Confederation of Free Trade Unions (ICFTU) was established as an anti-communist rival to the World Federation of Trade Unions (WFTU), the "Free World" acknowledged that Latin America would become the exclusive domain of the AFL-CIO in its Cold War counter-offensive against its perceived nemesis, Soviet Expansionism.⁴⁹

ICFTU's affiliate in the Western hemisphere was the Inter-American Regional Organization of Workers (ORIT). In both ideology and practice, ORIT mirrored the AFL-CIO, which both funds and profits from its little sister to the South. ORIT's "prime goal is

to fight Communism and to promote 'democratic trade-unionism.' It preaches reform within the existing capitalist system, denying the existence of class antagonism.... ORIT points to the U.S. as an example of the rewards that the system can heap upon the working class and organized labor."⁵⁰ The principle sources of ORIT's funding have been the AFL-CIO, ICFTU's International Solidarity Fund, and other U.S. agencies. In 1961, its annual budget amounted to \$125,000, excluding the grants.⁵¹ The CIA has exercised considerable control over ORIT. In the early 60s, Morris Paladino was ORIT's Director of Education, Director of Organization and Assistant Secretary General. At the same time, Paladino was also the CIA's principal agent in ORIT, working out of the CIA's International Organizations (IO) Division in Mexico City.⁵²

Another creature of the AFL-CIO's work in the international arena is the American Institute for Free Labor Development (AIFLD). Inaugurated in 1962, AIFLD's board of directors testifies to the commonality of interests shared by the CIA and America's industrial and labor elite. AIFLD's executive director until 1966 was Serafino Romualdi, former Inter-American representative for the AFL-CIO. Other board members include AFL-CIO chief George Meany; Joseph Beirne, head of the Communication Workers of America and a collaborator in CIA labor operations through the Post, Telegraph and Telephone Workers International (PTTI); J. Peter Grace, an ex-president and present chairman of the board of AIFLD, and head of the W.R. Grace Company which has extensive interests in Latin America. Other business leaders who hold or have held executive positions include Charles Brinckerhoof, chairman of the board of the Anaconda Company; William M. Hickey, president of the United Corporation; Robert C. Hill, director, Merck and Company; Juan C. Trippe, chairman of the board, Pan American World Airways; Henry S. Woodbridge, chairman of the board, Tru-Temper Copper Corporation.⁵³ A new member of AIFLD's board of directors was Nelson Rockefeller who joined shortly before his death. Aside from this illustrious crew, executives rounding out AIFLD's leadership come from Gulf Oil International, Johnson and Johnson International, Owens-Illinois, and members of the Institute of International Education and the Fund for International Social and Economic Education, both recipients of funding from CIA fronts.⁵⁴

The extent to which AIFLD is under the aegis of the CIA is indicated by the fact that Serafino Romualdi, while at AIFLD, was still an agent of the CIA's International Organizations (IO) Division. Through the IO Division, Romualdi and William Doherty -- former Inter-American Representative of the Post, Telegraph and Telephone Workers International (PTTI) and now AIFLD's Social Projects Director -- exercised day-to-day control of AIFLD for the CIA.⁵⁵

Unlike ORIT's out-front role in promoting pro-Western trade unionism, AIFLD is dedicated to "strengthening the democratic labor sector in terms of ... technical assistance and social projects ... primarily in the areas of education and training, manpower studies, cooperatives and housing."⁵⁶ William Doherty is less equivocal when he points out that AIFLD is an example of the desirability of cooperation between employers and workers. He thus emphasizes AIFLD's main goal: to dispel the hostility of Latin American workers toward U.S. corporations.⁵⁷

A less optimistic but more realistic appraisal of AIFLD's role is given by Philip Agee in his book, *Inside the Company*. Speaking of its creation in 1962, he states that AIFLD is "Washington's answer to the limitations of current labor programs undertaken through AID as well as through ORIT and CIA stations." The problem, says Agee, was "how to accelerate expansion of labor organizing activities in Latin America in order to deny workers to labor unions dominated by the extreme left and to reverse communist and Castroite penetration."⁵⁸

"AID programs," says Agee, "are limited because of their direct dependence on the U.S. government.... ORIT programs are limited because its affiliates are weak or non-existent in some countries.... The CIA station programs are limited by personnel problems, but more so by the limits on the amount of money that can be channeled covertly through the stations and through international organizations like ORIT and ICFTU."⁵⁹

Under the official cover of "adult education," AIFLD sets up social projects such as workers' housing, credit unions and cooperatives. AIFLD's major task, however, is similar to ORIT's in that it seeks to organize anti-communist labor unions in Latin America. To this end, AIFLD set up training institutes which would carry on the teaching of courses presently being given by AIFLD members. And although administrative control of the training institutes in Washington would be by AIFLD, it was hoped that the institutes themselves would be headed by salaried CIA agents under operational control of the local CIA station.⁶⁰

A logical outcome of AIFLD's obsession with anti-communism was the direct participation of its trainees in the overthrow of Joao Goulart. Even before Goulart came to power, AFL-CIO leaders were critical of growing communist strength in both the labor movement and in Juscelino Kubitschek's government. In 1956, Romualdi, along with labor attaché Irving Salert and U.S. ambassador James C. Dunn, arranged to have Brazilian labor leaders visit the U.S. AIFLD's goal was the "development of a core of labor leaders who, by commanding the enthusiastic support of the rank and file, could turn back Communist attempts to capture the Brazilian labor movement."⁶¹

The 1960 elections saw Janio Quadros elected president and Goulart vice-president. During this time, Romualdi began to court Carlos Lacerda, the right-wing governor of Guanabara, the capital of which is Rio de Janeiro. When Quadros attempted to halt Brazil's raging inflation by limiting the supply of credit, pressure against him mounted. In August of '61, after only eight months in office, Quadros unexpectedly resigned. By doing this, he hoped to rally the nation behind him and thus give himself new popular support. But Lacerda, acting on the advice of Romualdi, saw to it that the expected communist call for a general strike would be defeated. Speaking to the opening session of the ORIT convention being held in Rio, Lacerda said he would resign in order to lead "from the streets" the fight against Quadros.⁶² During the convention, Romualdi and AFL-CIO secretary-treasurer William F. Schnitzler pressured the labor leaders into boycotting the proposed strike.⁶³

When the call for a general strike was issued on August 26, the Maritime Workers, the Central Committee of the Railway Unions and the Trade Union Committee for the

Defense of Democracy, representing over four million workers, prevented their members from honoring the strike, thus causing its failure.⁶⁴

When news of ORIT's complicity with Lacerda's anti-government plans became known, Quadros' Minister of Labor threatened to outlaw ORIT in Brazil. Only Quadros' resignation kept him from issuing the decree.⁶⁵

ORIT's relations with Quadros' successor were even worse. Early in 1962, an ORIT delegation headed by General Secretary Arturo Jauregui, Mexican Senator Manuel Pavon and Romualdi went to Brasilia to confer with Goulart. After waiting the whole day to speak with the president, the delegation left without even having had a chance to see Goulart. When Goulart came to New York later in the year, he innocently asked the AIFLD director, "My dear Romualdi, when are you coming to visit me in Brasilia?"⁶⁶

Goulart's popularity steadily declined as inflation ate away the wages of Brazilian workers. Between 1958 and 1963, the cost of living increased by over 600 percent.⁶⁷ To counter the combined criticism of industry, commerce, the military and the Church, Goulart began to take his case to the workers and oppressed people of Brazil's countryside. But Romualdi and his allies had other plans.

To undermine Goulart's support in organized labor, ORIT, AIFLD, and the American embassy worked to break up the left-dominated CGT (General Workers Command), the nation's largest progressive labor organization. Their efforts culminated at the Third National Labor Congress of 1962. A U.S. labor specialist flown in especially for the occasion plotted strategy for the "democratic" trade union leaders. They convinced this minority bloc to pull out of the gathering, thus undermining the CGT's efforts to unify labor.

Meanwhile, the Movimento Democrático Sindical (MDS), under its motto "God, private property and free enterprise," received AIFLD aid and advice in sponsoring meetings and setting up trade-union courses. In addition, the Instituto Cultural do Trabalho (ICT) -- AIFLD's local affiliate partially financed by U.S. business concerns -- trained labor personnel and disseminated anti-communist propaganda. In response to growing radical peasant movements in the rural Northeast, AIFLD initiated a series of training and aid programs for reformist groups and leaders.⁶⁸

The close ties between AIFLD and the CIA went beyond the use of AIFLD trainees in CIA-sponsored coups. It is the CIA's desire to continue its penetration of labor unions as a means of silencing one of the main foci of opposition to the U.S. presence in Latin America. In Brazil, the CIA channeled \$30,000 to the International Federation of Petroleum and Chemical Workers (IFPCW) through its conduit the Andrew Hamilton Foundation.⁶⁹ It was AIFLD's plan to get the IFPCW to affiliate with its anti-communist IFPCW counterpart in North America.

As a measure of the success of its payoff, sixteen major petroleum unions in Brazil failed to unite in a National Federation of Petroleum Workers which the CIA opposed. AIFLD was able to get these unions to align with the conservative IFPCW by awarding financial

aid to unions taking such a course. At one point, the IFPCW representative in Brazil, Alberto Ramos, wrote to one A. Noguria, "I have with me 45 million cruzeiros (almost \$17,000) for you to distribute to the unions for campaigns in accordance with our plans." An itemized payoff sheet attached to the note listed the following recipients: \$875.00 to Dr. Jorge Filho of the Ministry of Labor; a bonus of \$312.50 to a reporter for favorable newspaper coverage; and \$140.63 to two labor leaders for helping the IFPCW defeat an opposition candidate for union office. However, because of these revelations, the IFPCW was forced to end its Brazilian organizing efforts.⁷⁰

In the fall of '63, Romualdi and AIFLD vice-president Berent Friele -- "an old Brazilian hand belonging to the Rockefeller entourage" -- met with one of Goulart's chief opponents, Adhemar de Barros, governor of Sao Paulo.⁷¹ De Barros told the two men of plans already under way to mobilize police and military contingents against Goulart. When he complained that the U.S. Embassy was not listening, Romualdi wrote to the embassy's labor attaché, John Fishburn. "The Embassy's reaction," says Romualdi, "was, of course, noncommittal."⁷²

Even before his pleas to the embassy fell on deaf ears, Romualdi had decided that "a substantial sector of labor's rank and file were fed up with the Goulart regime."⁷³ Starting in 1963, AIFLD "trained in Washington a special all-Brazilian class of thirty-three participants."⁷⁴ After travelling to Western Europe and Israel with Romualdi, they returned to Brazil. Upon arrival, some went to the countryside to organize and conduct seminars. Others went to Rio, Sao Paulo and various industrial centers. Here then are the names of those persons who participated in CIA-directed labor training courses in the U.S. from 1961-1964:

Dates indicate when the person was in the U.S.

* designates participation in the AIFLD training session in Washington DC in the first three months of 1963

Abate, Hugo (9/15/61-12/15/61)
Abbud, Jose (7/15/61-9/15/61)
Abrita, Antonio (8/15/63-10/15/63)
Abritta, Ernane Souza (8/15/61-11/15/61)
Almeida, Gilson Dias de (6/15/63-9/15/63)
Almeida, Jose Gomes de * (1/15/63-3/15/63)
Amante, Francisco Hegidio (7/15/61-9/15/61)
Araujo, Paulo Henrique * (1/15/63-3/15/63)
Barbosa, Jose Sebastiao (7/15/63-9/15/63)
Barbosa, Onofre Martins (8/15/62-10/15/62)
Bareta, Nelson (7/15/63-10/15/63)
Barreto, Benjamin Bittencourt (9/15/61-12/15/61)
Barreto, Vincente de Paulo (5/15/63-7/15/63)
Barros, Luiz Capitolino (7/15/63-10/15/63)
Bastos, Carlindo Martins (1/15/63-3/15/63)
Bastos, Thodiano Conceigao da Silva * (1/15/63-3/15/63)
Bayer, Wilfredo Marcos (9/15/61-12/15/61)
Bottega, Abilio (6/15/62-9/15/62)
Braga, Nelson (5/15/63-7/15/63)
Branco, Aparicio de Cerqueira (7/15/62-10/15/62)
Branco, Eliseu Castelo * (1/15/63-3/15/63)
Brasiel, Wanderly Pimenta * (1/15/63-3/15/63)
Busse, Ralf (8/15/62-10/15/62)
Carvalho, Antonio Nelson (10/15/62-12/15/62)
Carvalho, Aureo * (1/15/63-3/15/63)
Castanheira, Bento * (1/15/63-3/15/63)
Cerqueira, Jose de Arimateira (7/15/61-9/15/61)
Cesar, Jose Oliveira (8/15/61-11/15/61)
Contesino, Erico Antonio (7/15/61-9/15/61)
Correa, Jose Benedicto (7/15/63-10/15/63)
Costa, Fortunato Batista de (6/15/63-9/15/63)
Costa, Jose Alives da (7/15/63-10/15/63)
Crocetti, Mario Domingos * (1/15/63-3/15/63)
Cruz, Serafim Ferreira da (11/15/60-12/15/60)
Cunha, Euclides Veriato da (7/15/63-10/15/63)
Cunha, Joao Manoel (7/15/63-10/15/63)
Da Silva, Pedro Guedes (7/15/60-10/15/60)
Dantas, Antonio Cavalcanti (6/15/63-9/15/63)
De Silva, Manoel Francisco (11/15/60-12/15/60)
Dias, Irineu Francisco (4/15/61-7/15/61);
Dimbarre, Alfredo (7/15/63-10/15/63)
Diogo, Nelson (6/15/63-9/15/63)
Faraco de Morias, Hermenegildo (8/15/61-10/15/61)
Faria, Geraldo Pio de * (1/15/63-3/15/63)
Ferreira, Alcides * (1/15/63-3/15/63)
Ferreira, Jose Felix (10/15/63-12/15/63)
Luiz, Jose Martinho (9/15/61-12/15/61)
Machado Filho, Antonio Rodriguez (8/15/63-10/15/63)
Magnani, Fabio (8/15/63-10/15/63)
Maluf, Edmundo Amin * (1/15/63-3/15/63)
Manzoni, Antenor (7/15/63-10/15/63)
Marcassa, Joao * (1/15/63-3/15/63)
Marinho, Dominiciano de Sousa (6/15/62-9/15/62)
Marques, Ivo Bento * (1/15/63-3/15/63)
Mello, Jose Gabriel de (8/15/61-10/15/61)
Mello Jr., Theodore Narciso (5/15/63-7/15/63)
Moreira, Joao Balbino Goncalves (6/15/62-9/15/62)
Moreira, Pedro Martins (8/15/61-10/15/61)
Mueller, Cezar Francisco (9/15/61-12/15/61)
Nascimento, Luiz (8/15/61-3/15/62)
Nascimento, Zozimo Gomes * (1/15/63-3/15/63)
Nascimerto, Djalma Paiva do * (1/15/63-3/15/63)
Neves, Jose Ferreira (8/15/61-11/15/61)
Nina, Celso Afonso (8/15/63-10/15/63)
Nogueira, Paulo * (1/15/63-3/15/63)
Oliveira, Deodato (7/15/61-9/15/61)
Oliveira, Edward Ximenes de (8/15/61-11/15/61)
Oliveira, Elieser da Silva * (1/15/63-3/15/63)
Oliveira, Jose Luiz de (7/15/63-10/15/63)
Oliveira, Solon de * (1/15/63-3/15/63)
Oliveira, Vbirajara Ferreira de (7/15/63-10/15/63)
Paiva, Carlos de * (1/15/63-3/15/63)
Paiyao, Miguel Santos de (1/15/61-4/15/61)
Paula, Elison Galdino de * (1/15/63-3/15/63)
Pereira, Antenor (7/15/63-10/15/63)
Pereira, Vitalino Alexandre (10/15/63-12/15/63)
Pinto, Geraldo Servulo (10/15/62-12/15/62)
Priess, Carlos Fernando (9/15/61-12/15/61)
Provensi, Mario Jose (8/15/61-10/15/61)
Queiroz, Martinho Martins (7/15/61-11/15/61)
Rego, Ormilo Moraes (8/15/63-10/15/63)
Reimer, Getulio (8/15/62-10/15/62)
Reinaldo, Bernardino da Silva (7/15/63-10/15/63)
Reis, Leopoldo Miguel Dos (7/15/61-9/15/61)
Rezende, Osvaldo Gomes (8/15/62-10/15/62)
Ribeiro, Adair (7/15/61-9/15/61)
Rebeiro, Nelio de Carvalho (8/15/63-10/15/63)
Ribeiro, Vbaldino Fontoura * (1/15/63-3/15/63)
Rocha, Hildebrando Pinheiro (6/15/63-9/15/63)
Roque Netto, Sebastiao Jose (8/15/61-10/15/61)
Santos, Etavaldo Dantas dos (6/15/63-9/15/63)
Santos, Reinaldo dos (9/15/61-12/15/61)

Ferreira, Sonia Aparecida (5/15/63-11/15/63)
 Florentino, Primo Berto (10/15/63-12/15/63)
 Fonseca Filho, Tristao Pereira da (6/15/62-9/15/62)
 Fonseca, Valdenor Flores da (7/15/63-10/15/63)
 Francisco, Alvise * (1/15/63-3/15/63)
 Freitas, Jose Reis (10/15/63-12/15/63)
 Gevaerd, Cezlos Jose * (1/15/63-3/15/63)
 Gil, Waldomiro (8/15/62-10/15/62)
 Giro, Guilherme (6/15/62-9/15/62)
 Gomes, Silvio (10/15/62-12/15/62)
 Gomes, Vicente de Paula (10/15/63-12/15/63)
 Goncalves, Darci Manoel (6/15/63-9/15/63)
 Goncalves, Osmar H. (7/15/61-9/15/61)
 Guimaraes, Benedicto Luiz (8/15/61-11/15/61)
 Hauk, Helmuth (8/15/63-10/15/63)
 Helfenstrein, Werno (8/15/61-10/15/61)
 Leite, Antonio Pereira (7/15/63-10/15/63)
 Leite, Floriano Gomes (8/15/61-10/15/61)
 Lenzi, Carlos Alberto Silveira (5/15/63-7/15/63)
 Lima, Jose Bezerra de * (1/15/63-3/15/63)
 Lima, Manoel Barbosa (6/15/62-9/15/62)
 Lirani, Julio (8/15/61-10/15/61)

Scoz, Elzide (10/15/63-12/15/63)
 Silva, Alvimar Macedo (9/15/61-12/15/61)
 Silva, Avelino da (8/15/61-10/15/61)
 Silva, Edir Inacio da (10/15/62-12/15/62)
 Silva, Francisco Narciso da (9/15/61-12/15/61)
 Silva, Helio Jose Nunes da (6/15/63-9/15/63)
 Silva, Horacio Arantes (6/15/62-9/15/62)
 Silva, Humberto Ferreira (9/15/61-12/15/61)
 Silva, Ivan (6/15/63-9/15/63)
 Silva, Joao Baptista Raimundo da (7/15/61-9/15/61)
 Silva, Julio Trajano da * (1/15/63-3/15/63)
 Silva, Paulo da Cruz (7/15/63-10/15/63)
 Silva, Waldomiro Luiz da (9/15/61-12/15/61)
 Silva Sobrinho, Jose Domingues (8/15/62-10/15/62)
 Silveira, Jose Bernardino da (8/15/61-11/15/61)
 Silveira Jr., Norberto Candido (9/15/61-12/15/61)
 Sousa Barbosa, Onesimo de (10/15/63-12/15/63)
 Souto, Carlos Ferreira (7/15/61-9/15/61)
 Souza, Adelino Rodrigues de (6/15/62-9/15/62)
 Torreko da Costa, Carlos Coqueijo (3/15/62-5/15/62)
 Vianna, Gilberto Luiz (7/15/63-10/15/63)
 Waitd, Nilo (8/15/61-10/15/61)

The role of AIFLD's trainees in the coup was made clear by the CIA's William C. Doherty, AIFLD Director of Social Projects at the time. At an AFL-CIO Labor News Conference in July 1964, Doherty noted that the trainees "were very active in organizing workers.... As a matter of fact, some of them were so active that they became intimately involved in some of the clandestine operations of the revolution [Washington's code-word for the coup] before it took place on April 1. What happened in Brazil ... did not just happen -- it was planned -- and planned months in advance. Many of the trade union leaders -- some of whom were actually trained in our institute -- were involved in the revolution [see above], and in the overthrow of the Goulart regime."⁷⁵

AIFLD had succeeded in delivering the Brazilian labor movement from Communist leadership. Its supposed goal of creating an independent, democratic labor movement, however, was quickly abandoned. Two and a half years after the coup, AFL-CIO union leaders who went to Brazil under AID's exchange program returned with a devastating indictment of conditions for workers and unions in Brazil. In a *New York Times* dispatch from Rio de Janeiro (November 23, 1966), James Jones of the United Steel Workers of America stated that "The leaders of unions here have the greatest fear I have ever seen in my life. They are afraid to raise their voices on behalf of their workers for fear of police reprisals."⁷⁶

In fact, AIFLD leaders supported the authoritarian measures taken by the military junta and provided rationales for its policies. After one of Serafino Romualdi's principal

contacts, Adhemar de Barros, was deprived of his political rights for ten years, Romualdi stated equivocally that "it is still too early for a final judgement on the success or failure of the Brazilian 1964 revolution [sic!]"⁷⁷ To cement its solidarity with the new regime, William Doherty appeared on the same platform with Brazil's president, General Castello Branco, in April 1966 to help lay the foundation for an AIFLD housing project in Sao Paulo. During his speech, Doherty declared that it was "appropriate that the ceremonies were taking place on the second anniversary of Brazil's democratic Revolution [sic]."⁷⁸

Conclusion

The denial of all political rights and the suppression of working class efforts to gain a more equitable share of Brazil's enormous natural wealth give the lie to the country's "economic miracle" that foreign investors proclaim.⁷⁹ Whatever gains Brazil can speak of are realized by only a small elite. Furthermore, the markets which she can boast of are those for raw materials, agricultural products and manufactured goods. These markets are all export-oriented and thus depend on the fluctuating prices of the world market. When we add to this the cheap cost of Brazilian labor, which is a prerequisite for keeping these goods competitive, is it any wonder that Brazil's *per capita* GNP is one of the lowest in Latin America?⁸⁰ Clearly, the cost of fueling Brazil's "economic miracle" is more than its people can tolerate.

Since the military coup of 1964, there has been a decline in the real wages of Brazilians amounting to almost 40 percent.⁸¹ Brazil's gross foreign debt for 1978 is expected to reach a spectacular \$40 billion, with interest and amortization payments totalling \$8 billion.⁸² The reason for the seeming paradox between a country so rich in natural resources yet one whose people suffer life-long misery is quite simple, however: for capitalists, both Brazilian and foreign, the masses are looked upon as costs, not customers: the lower their real wages, the higher the profits from selling to the local upper class and the international market.⁸³

If cheap labor and an absence of political opposition have been considered Brazil's major investment advantages since 1964, events of recent years suggest that the attractiveness of Brazil to foreign investors may be on the decline. In 1978, Brazilian autoworkers paralyzed the industry with a major strike.⁸⁴ In 1969, bank robberies by revolutionary groups in Sao Paulo alone amounted to over \$1.5 million.⁸⁵

Brazil's rulers themselves have had to assume a "get-tough" attitude toward the U.S. in the wake of State Department reports on human rights violations. In order to gain credibility amongst their local backers, the Brazilians showed how badly they were miffed: by canceling in March, 1977 a 25-year-old military assistance treaty between Washington and Brasilia. At the same time, Brazil turned down a \$50 million loan credit for the purchase of military supplies because of human rights demands attached to it by the U.S. Congress.⁸⁶ In September, 1977, the Brazilian Foreign Ministry announced the termination of a Brazilian-American military commission and a naval commission established in 1942 to coordinate World War II efforts. Also canceled were a 1967 pact governing the use of armaments imported from the U.S. and a 1952 agreement for U.S. participation in aerial mapping of Brazil.⁸⁷ Of the March rejection, chief of staff General Moacir

Barcelos Potyguara stated that the decision would cause no problems in Brazil's military preparedness.⁸⁸

Unfortunately, this cavalier attitude will not effect the long-term military relations between the two countries. The March, 1977 announcement was to take place one year later. No mention was made of rejecting that which is already in the pipeline to Brazil. At the least, Brazil should benefit for years to come from its friendship with the U.S. Furthermore, U.S. opposition to Brazil's planned purchase of West German nuclear reprocessing technology seems to have subsided. In a recent visit to Brazil, Vice President Mondale backed away from criticizing the country's plans to build a uranium reprocessing plant capable of producing weapons-grade plutonium.⁸⁹

As for Brazil's new president, Joao Baptista Figueiredo, and what lies in store for the Brazilian people, a few words must be said. For the unsuspecting, last month's appointment of Figueiredo as president appeared to usher in a new era of liberalization for that country's political situation. Pledging to continue the reforms (which included the closing of Congress for four months in 1977) initiated by his predecessor, Ernesto Geisel, Figueiredo declared that it would be his "unswerving purpose" to make Brazil a democracy. He guaranteed freedom of expression for the "many segments of Brazilian public opinion."⁹⁰ But for those who have even the slightest familiarity with the man who is Brazil's fifth military head of state since the armed forces carried out a CIA-backed coup in 1964, Joao Baptista Figueiredo is to be watched closely.

His background speaks to the intimate role the CIA has played in making Brazil one of the most repressive and, not surprisingly, one of the "safest" investment climates in Latin America. After the '64 coup, the CIA helped Brazil set up its first national intelligence service, the SNI. Figueiredo became the director of its Rio office. Later he was named head of the military police in Sao Paulo, after which he became then-President Emilio Medici's chief of staff. Before coming to Brasilia in 1974 to direct the SNI, Figueiredo commanded the Third Army in Porto Alegre. Given the documented penetration and usurpation of the SNI and the police forces by the CIA, can there remain any doubt that with Figueiredo's ascendancy to the executive office, Langley truly has their "man in Brazil"?

In an effort to dress up the seamy history of their new president, the National Renewal Alliance, the Government party, hired the largest advertising agency in Brazil to change Figueiredo's public image. The agency, Al Cantro Machado, which works closely with the huge New York ad agency, Doyle, Dane & Bernbach, replaced Figueiredo's dark glasses with clear, metal-framed ones, got him to tone down on insults such as "For me the smell of horses is better than the smell of people," and, finally, succeeded in projecting him as almost a populist, anti-establishment figure.

But for the people of Brazil, the media blitz around "election" time contrasts sharply with the harsh conditions under which they have lived since the '64 coup. With the creation of the SNI and the imposition of successive Institutional Acts, the democratic freedoms Brazilians once enjoyed have been destroyed. The danger of living in South America's oldest police state, however, has not deterred them from struggling to achieve basic human rights. As Figueiredo took office on March 15, over 200,000 industrial workers were on strike in Sao Paulo demanding

a wage hike of 78 percent to keep pace with Brazil's astronomical rate of inflation, up 44 percent over last year.⁹¹

Contradicting his liberalization pledges and new image, Figueiredo, after only a week in office sent troops into Rio de Janeiro on Friday March 23rd. The troops seized the union headquarters and arrested 1,600 workers. Although the workers were released over the weekend, the Ministry of Labor unilaterally called for new union elections and issued a decree which stripped a group of union officials of their posts. The duly-elected head of the metal, mechanical and electrical workers' union, Luiz Inaco da Silva has been prohibited from running for reelection or participating in union activity. Although Inaco has denied that the strike was called to test the promised liberalization of the Figueiredo regime, the manner in which it was dealt with makes clear the government's intolerance of even legal opposition.

It is in the wake of this strike-breaking that Figueiredo's statement about "fair-play" between Brazil's legislative and executive branches must be evaluated. During his inaugural address, he stated that "The game is just beginning and as soon as I am in office the ball will belong to me. If the politicians play well, fine. But if they play badly, I will put the ball under my arm and leave the field."⁹² If this warning was ambiguous at the time, Figueiredo's actions of last week [March 1979] have clarified any uncertainty that people may have had. Under the new president, the future of Brazil's 116 million people bodes ill. For, without the slightest hesitation, Figueiredo has removed democracy from the realm of political possibilities in Brazil and has tucked it away in his desk drawer where it will continue to gather dust as it has for the past fifteen years, to be brought out again at the next showing of Brazilian "liberalization."

CIA Officers in Brazil as of August, 1978

Burton, Stewart D. (born: 5 April 1928)

Burton has served in Brazil on three previous occasions: from 1952-1955 at the Consulate General in Sao Paulo as a Vice-Consul with the rank of S-11; from 1962-1964 at the Consulate in Curitiba as a "political officer" with the rank of R-5; and from 1967-1970 at the Consulate General in Rio de Janeiro as a "political officer" progressing from R-4 to R-3. As of August, 1978, Burton was at the Embassy in Brasilia under the cover of "First Secretary."

Graves, R. Martin (born: 1 July 1937)

Graves, also, has had previous experience in Brazil. In 1967 he was stationed in Recife as an Economic Officer with the rank of R-6. From 1968 to 1969 he served at the then-Embassy in Rio de Janeiro as a Political Officer with the rank of R-5. At the end of 1969 he was transferred to Sao Paulo where he served for three years as a Political Officer. After a stint in Saigon and back home at the State Department, Graves was reassigned to the Embassy in Brasilia as a Political Officer in January, 1976. In August, 1978 he was transferred to the Consulate General in Rio de Janeiro.

Neves, Antonio L. (born: 15 June 1931)

Neves first came to Brazil in 1962 after seven years in the Department of Army as an "analyst." His first assignment was at the then-Embassy in Rio de Janeiro as an Attaché with the rank of R-6. He served for four years in Brazil, after which he was assigned to Rome, and then the State Department in Washington. He reappeared at the Consulate General in Rio de Janeiro in August, 1978.

Edger, David N. (born: 20 June 1945)

Edger taught public school in 1967-1968 before serving as an "educator" in the Department of Army for five years. Upon joining the State Department in January, 1973, he was assigned to the Embassy in Santiago, Chile as a "political officer" with the rank of R-7. As of August, 1978, he was working in the U.S. Embassy in Brasilia. His position is that of Second Secretary.

Mallet, John W. (born: 10 April 1945)

Mallet's government experience consists of two years as a "program analyst" with the Department of Army from 1972-1974. When he joined the State Department in 1975, he was assigned to the Embassy in Santiago as a "political officer" with the rank of R-7. As of August, 1978, he has been at the Embassy in Brasilia working under the cover of Second Secretary.

CIA Collaborators in Brazil as of August, 1978

The following U.S. government employees have collaborated or worked with the CIA in a functional capacity:

Arenales, Alfonso (born: 1 March 1926)

Arenales joined the State Department in 1957 where he served as an "intelligence research analyst" for two years. He has served in Iran, Rio de Janeiro and the Dominican Republic. It should be noted that during Arenales' three years in the Dominican Republic (1964-67), Lyndon Johnson and the CIA overthrew the democratically elected president Juan Bosch; invaded the island with over 40,000 U.S. Marines; and sent in Brazilian troops to crush the popular resistance movement. Arenales is presently serving in the political section of the U.S. Embassy in Brasilia as a Consul.

High, George Borman (born: 25 July 1931)

High joined the State Department in 1956 and served for two and a half years as an "intelligence research analyst." He has served in Angola and Lebanon (where he was an "Arab language-area trainee" at the Foreign Service Institute field-school). Back at the State Department, he served as the desk officer for South Africa, Angola-Mozambique, and Madagascar, respectively. He has served in Ecuador and Argentina, and has been detailed to the Army War College. As of August, 1978, High was at the U.S. Embassy in Brasilia, serving as a Consul for Ministerial Affairs.

Povenmire, Dale Miller (born: 6 June 1930)

Povenmire joined the State Department in 1957 with the rank of R-8. In 1958 he was stationed in Santiago as a "political and economic officer." He spent the next three years at the State Department as an "intelligence research specialist." His next assignments

were in Zanzibar and Paraguay. In 1966, Povenmire was back at the State Department as an "international relations officer." Two years later, he became a representative at the National Military Command Center of the Joint Chiefs of Staff at the Pentagon. He was then assigned to Venezuela and Portugal. As of August, 1978, he was the "labor officer" at the Consulate General in Sao Paulo.

References

1. A.J. Langguth, *Hidden Terrors*, New York: Pantheon Books, 1978, p. 47.
2. *Ibid.*, p. 49.
3. *Ibid.*, p. 51.
4. *Ibid.*, pp. 71-72.
5. Cheryl Payer, *The Debt Trap: The IMF and the Third World*, New York: Monthly Review Press, 1974, p. 44.
6. *Ibid.*, p. 15.
7. *Ibid.*, p. 149.
8. Langguth, *Hidden Terrors*, p. 64.
9. Payer, *Debt Trap*, p. 145.
10. *Ibid.*, p. 150.
11. Langguth, p. 71.
12. Payer, p. 152.
13. *Ibid.*
14. *Ibid.*, p. 153.
15. *Ibid.*, p. 153.
16. Langguth, p. 145.
17. Helen Shapiro and Steven Volk, "Global Shift: Brazil Steals the Show," North American Congress on Latin America, *Report on the Americas*, Jan.-Feb. 1979, p. 25.
18. Langguth, p. 85.
19. Penny Lernoux, "Fascism in Brazil," *Inquiry*, November 27, 1978, p. 13.
20. Langguth, p.95
21. Lernoux, "Fascism in Brazil," p. 13.

22. *Ibid.*, p. 16.
23. *Ibid.*, p. 13.
24. *Ibid.*, p. 13.
25. Langguth, p. 85.
26. *Ibid.*, p. 86.
27. *Ibid.*, p. 90.
28. *Ibid.*, p. 108.
29. *Ibid.*, p. 87.
30. *Ibid.*, p. 90.
31. *Ibid.*, p. 102.
32. *Ibid.*, p. 89.
33. *Ibid.*, p. 154.
34. *Ibid.*, p. 120.
35. *Ibid.*, p. 123.
36. Michael Klare and Nancy Stein, "Police Terrorism in Latin America," North American Congress on Latin America, *Latin America and Empire Report*, Jan. 1974, p. 21.
37. *Ibid.*
38. *Ibid.*
39. Langguth, p. 244.
40. *Ibid.*, p. 140.
41. Klare and Stein, "Police Terrorism," p. 21.
42. *Ibid.*
43. Langguth, p. 162.
44. *Ibid.* p. 163.
45. *Ibid.*, p. 96.
46. *Ibid.*, pp. 164-165.
47. Lernoux, p. 14.
48. Philip Agee, *Inside the Company: CIA Diary*, New York: Stonehill, 1975, p. 601.

49. Hobart A. Spalding, Jr. "U.S. and Latin American Labor: The Dynamics of Imperialist Control," in *Ideology and Social Change in Latin America*, June Nash, Juan Corradi and Hobart Spalding, Jr. editors, New York: Gordon and Breach, 1977, p. 66.
50. *Ibid.*, p. 62.
51. *Ibid.*, p. 63.
52. Agee, *Inside the Company*, p. 237.
53. Ronald Radosh, *American Labor and United States Foreign Policy*, New York, Random House, 1969, p. 420.
54. Spalding, "U.S. and Latin American Labor," p. 67.
55. Agee, p. 244.
56. U.S. Senate, Committee on Foreign Relations, Subcommittee on American Republic Affairs, *Survey of the Alliance for Progress, Labor Policies and Programs*, 90th Congress, 2nd Session, July 15, 1968, pp. 5-9.
57. Radosh, *American Labor*, p. 418.
58. Agee, p. 243.
59. *Ibid.*, p. 244.
60. *Ibid.*, p. 245.
61. Serafino Romualdi, *Presidents and Peons: Recollections of a Labor Ambassador in Latin America*, New York: Funk and Wagnalls, 1967, p. 278.
62. *Ibid.*, p. 285.
63. *Ibid.*, p. 286.
64. *Ibid.*
65. *Ibid.*
66. *Ibid.*, p. 287.
67. *Ibid.*, p. 288.
68. Spalding, pp. 70-71.
69. Radosh, p. 432.
70. Ernest Garvey, "Meddling in Brazil: The CIA Bungles On," *Commonweal*, February 9, 1968, pp. 553-54.
71. Romualdi, *Presidents and Peons*, p. 289.
72. *Ibid.*
73. *Ibid.*

74. *Ibid.*
75. See Radosh, p. 427.
76. See George Morris, *CIA and American Labor: The Subversion of the AFL-CIO's Foreign Policy*, New York: International Publishers, 1967, p. 95.
77. Romualdi, p. 290.
78. Radosh, p. 427.
79. Payer, pp. 143-44.
80. *Ibid.*, p. 144.
81. Paul M. Sweezy, "Corporations, the State and Imperialism," *Monthly Review*, November, 1978, p. 9.
82. See Shapiro and Volk, "Global Shift," p. 25.
83. Sweezy, "Corporations," p. 9.
84. Shapiro and Volk, p. 26.
85. Joao Quartim, *Dictatorship and Armed Struggle in Brazil*, New York: Monthly Review Press, 1971, p. 169.
86. *New York Times*, 11 March 1977, p. A-1.
87. *Washington Star*, 20 September 1977, p. A-1.
88. *New York Times*, 11 March 1977, p. A-1.
89. *Washington Post*, 23 March 1979, p. A-20.
90. *New York Times*, 16 March 1979, p. A-3.
91. *Washington Post*, 27 March 1979, p. A-10.
92. *New York Times*, 16 March 1979, p. A-3.