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POL 13 LACERDA

MEMORANDUM OF CONVERSATION

POST ROUTING

	March 6, 1968				
		To:	Actn	Inf	Init
Subject:	Ambassador's Contacts with Carlos Lac	erola		~	
Place:	Churrascaria Gaucho, Laranjeiras	POL	~	V	
Participants:	Dr. Hugo de Faria, ex-PTB Leader Frank C. Carlucci, Amembassy, Rio	CONS			
Distribution:	AMB DCM DAO MINECON APA/BR - Mr. Kubisch	ADMIN USAID			
AMERICAN CONSULATE GENERAL	POL-2 ARA/INR POL/R EXEC	PC	1	~	
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The reporting officer lunched with Dr. Faria during the midst of a press flurry on the Ambassador's contacts with Carlos Lacerda. The subject naturally alose and Eugo's views are of interest because he reflects the thinking of Goulart and the ruling circles of the ex-PTB. He himself was Sub-Chief of Goulart's Civil Household and continues in regular contact with the exiled ex-President.

Hugo said that the ex-PTB "doesn't like Lacerda" and reiterated the position he previously expressed to us (memcon of January 30, 1968) that the ex-PTB is using Lacerda only as a vehicle of convenience. Hugo said Lacerda had the same "sense of destiny" Goulart had and the ex-FTB was afraid that, once in, he would become a dictator. "However," Hugo noted, "we must admit that Lacerda has the necessary leadership qualities and is gaining ground every day in ex-PTB circles." "We," he added, intend to return to power and although we would prefer other candidates such as incredo Neves (ex-PSD), Lacerda could some day end up as President

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of Brazil. Contacts by the Embassy are given great political importance by Brazilians (something we didn't really need to be told after the experience of the past week), and the Embassy would be very foolish not to keep in touch with all opposition elements.

Hugo said the press reports that the/PTB had criticized Lacerda for meeting with the U.S. Ambassador were false. In the first place, Lacerda had told Goulart he was going to establish contact with the Embassy and Goulart had agreed. In the second place, the ex-PTB opposition (and here Hugo can only speak for the Goulart wing) is "realistic" and wishes to establish a rapport with the Americans. The contact with Lacerda was interpreted as meaning that the Embassy was opening the door for such a rapport. Hugo also told the reporting officer, as have several other opposition political figures, that the contact with Lacerda would help to improve the U.S. image among the masses who have tended to identify the USG intimately with unpopular policies of the Castello Branco and Costa e Silva governments.

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