

NOTE: This document contains information affecting the national defense of the United States within the meaning of the espionage laws, Title 18, U.S.C., Sec. 793 and 794. The transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law.

**CONFIDENTIAL**

CONFIDENTIAL

(Classification and Control Markings)

This report contains unprocessed

Plans and/or policies should not be evolved

or modified solely on the basis of this report.

1. COUNTRY: BRAZIL  
2. SUBJECT: (C) Gen. (Ret.) MURICY Still in Hot Water  
3. ISC NUMBER:  
4. DATE OF INFORMATION: April-November 1971  
5. PLACE AND DATE OF ACQ: Brasilia, 2 Nov 71  
6. EVALUATION: SOURCE B INFORMATION 2  
7. SOURCE: Major General REYNALDO Mello de Almeida, Vice Chief of Staff of the Army  
8. REPORT NUMBER: 6 809 0312 71  
9. DATE OF REPORT: 8 November 1971  
10. NO. OF PAGES: 3  
11. REFERENCES: DIRM 1C  
IR 6 809 0237 71  
12. ORIGINATOR: USDAO, Brazil  
13. PREPARED BY: *Arthur S. Moura*  
ARTHUR S. MOURA, Col,  
14. APPROVING AUTHORITY: Defense Attache

15. SUMMARY:

(C) It has been reported previously that Gen. (Ret.) Antonio Carlos da Silva MURICY, former Chief of Staff of the Army, is looked upon with something less than esteem and respect by his former colleagues, including President MEDICI. This IR adds the authoritative testimony of Gen. REYNALDO to the list of those saying ugly things about Gen. MURICY.

(Leave Blank)

1. (C) It is ironic that two senior military officers who were bitter antagonists while both were influential and on active duty, are now in rapid decline in terms of personal prestige and political potential. One of them, Maj. Gen. (Ret.) AFFONSO Augusto de ALBUQUERQUE LIMA, was passed over for promotion and forced to retire into oblivion largely through the maneuvering of the then Chief of Staff of the Army, Gen. Antonio Carlos da Silva MURICY. Now, Gen. MURICY, retired for age in December, 1970 while riding the crest of enormous prominence, has slipped into a form of disgrace in the eyes of his comrades, thereby joining AFFONSO as a political "has been."

16. DISTRIBUTION BY ORIGINATOR:

USCINCSO  
USARSO

17. DOWNGRADING DATA:

GROUP 3  
DOWNGRADED AT 12 YEAR INTERVALS; NOT AUTOMATICALLY DECLASSIFIED

18. ATTACHMENT DATA:

None

CONFIDENTIAL

**CONFIDENTIAL**

(Classification and Control Markings)

GPO 878-185

DD FORM 1396  
1 SEP 62

REPLACES DA FORM 1048, 1 AUG 60, OPNAV FORM 3820 (Rev 10-61), AF FORM 112, JUL 61, WHICH MAY BE USED UNTIL 1 JAN 63.

DECLASSIFIED

Authority AND 53094

REC'D DS-4C2 19 NOV 1971

94

335700-DR  
901210-DR  
105320-DR

CONTINUATION SHEET

CONFIDENTIAL

(Classification and Control Markings)

REPORT NO. 6 809 0312 71

PAGE 2 OF 3

PAGES

ORIGINATOR USDAO  
Brazil

(Leave Blank)

Gen. MURICY's plunge began when he accepted a financially attractive position as head of a 12-company complex belonging to Dr. Francisco CATAO. The wealthy CATAO, who spends most of his time in Paris, got into hot water through the shady operations of one of his major companies, the DOCAS DA BAHIA (Bahia Docks) at the port of Salvador, Bahia. The Company is in such bad repute that the Federal Government took over control several months ago. Apparently CATAO paid MURICY his rumored current salary of \$10,000 dollars per month to see if he could get the DOCAS Company off the hook with the Federal Government and returned to CATAO's control.

2. (C) Gen. MURICY has always been regarded as a bit naive. Moreover, with a string of very young children to raise and educate, he has always had a penchant for an opportunity to supplement his meager military pay. He obviously saw the CATAO offer as a once-in-a-lifetime opportunity and didn't see anything wrong in accepting the job and in seeking to use old friends to influence official decisions favorably. Unfortunately, according to Gen. REYNALDO Mello de Almeida, Vice Chief of Staff of the Army and a former MURICY collaborator, President MEDICI, Army Minister GEISEL, National Intelligence Chief FONTOURA, and a good many others disapprove of MURICY's acceptance of a profitable influence-peddling arrangement. Gen. REYNALDO said that, up until several months ago, whenever MURICY came to Brasilia, old colleagues invited him to stay with them and to eat his meals with them. Thus, MURICY often stayed at the Army Minister's quarters. He also was asked to lunch or dinner at the Presidential Palace. However, he indiscreetly used such occasions to promote the designs of the CATAO group and to insist that his former associates use their influence to facilitate company objectives. The invitations have dried up, Gen. REYNALDO said, and even he is now reluctant to invite MURICY to come by his apartment, because he knows that unreasonable requests will be made.

3. (C) Gen. REYNALDO said that it was bad enough when Army people learned of MURICY's handsome stipend. The General confirmed something which has been apparent to me for many years: the average Brazilian officer, because of his relatively low pay, believes that anyone who makes anything in the \$2,000 to \$10,000 bracket per month must be a crook. Thus, most officers had immediate reservations toward their former Chief of Staff when he was reported in the \$10,000 per month category. Those suspicions were increased when he went to work for the somewhat tainted CATAO group, and they appeared confirmed when he blatantly sought to use senior contacts for less-than-100% honorable purposes. The straw that broke MURICY's back, according to Gen. REYNALDO, was his recent attempt to promote a meeting of the minds between liberal Catholic clergymen and the Federal Government. MURICY was received by President MEDICI several weeks ago and there was considerable speculation at the time over the purpose of the meeting. Gen. REYNALDO says that the President was astonished when MURICY used the audience to urge understanding and a dialogue with liberal churchmen and such church-identified anti-Government intellectuals as Candido Mendes and Helene Fragozo. After MURICY left the palace the President reportedly told Gen. FIGUEIREDO, his personal staff chief, and Gen. FONTOURA, head of the National

CONFIDENTIAL

CONFIDENTIAL

(Classification and Control Markings)

REPLACES AF FORM 112A, JUL 61 WHICH MAY BE USED UNTIL 1 JAN 63.

DD FORM 1396c  
1 SEP 57

DECLASSIFIED

Authority NWD 53094

CONTINUATION SHEET

~~CONFIDENTIAL~~  
CONFIDENTIAL

(Classification and Control Markings)

REPORT NO. 6 809 0312 71  
PAGE 3 OF 3 PAGES  
ORIGINATOR USDAO  
Brazil

(Leave Blank)

Intelligence Service, that he never again wanted to see MURICY, and that he wanted his relationships with the individuals cited closely watched.

COMMENT: (C) I told Gen. REYNALDO that I now held the Legion of Merit for presentation to Gen. MURICY and that I had some reservations over the propriety of asking the Ambassador to present it. The General gave me a lecture on "the odd habit you Americans have of awarding decorations to military men after they retire." He suggested that I check out the matter of MURICY's award with Army Minister GEISEL and Gen. FONTOURA. I plan to do just that.

CONFIDENTIAL  
CONFIDENTIAL

(Classification and Control Markings)

DD FORM 1396c  
1 SEP 62REPLACES AF FORM 1121, JUL 61 WHICH MAY BE  
USED UNTIL 1 JAN 63.

DECLASSIFIED

Authority

NND 53094