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contents to lay it open to an unqualified
search as prohibited by law.

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2. SUBJECT: (C) Possible Fate of the
Four Star Generals -
According to I Army

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20 Jun-2 Jul 73

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to RO for two years

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15. SUMMARY:

(C) IR deals with what certain normally astute I Army observers are saying about what the current crop of four-star generals might be doing between now and March 1974. Mentioned are upcoming retirements; a successor to the Army Minister; a new member for the Superior Military Tribunal; and a director for the ITAIPU dam project.

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1. (C) Ever since the announcements in June concerning the candidacies of GEN (Ret) Ernesto GISEL and GEN (Ret) ADALBERTO Pereira dos Santos for the position of president and vice president, respectively, certain I Army officers assigned to the I Army commander's personal and coordinating staff, as well as several others posted to tactical units in the Vila Militar, have been speculating on the fate of the Army's current crop of

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four-star generals between now and March 1974. Taking advantage of their proximity and willingness to discuss their ideas, RO conducted a two-week-long survey. The results of RO's "soundings" follow below.

2. (C) According to the sources, those four-star generals who are scheduled to depart the active service between November 73 and November 74 are:

a. GEN Arthur Duarte CANDAL Fonseca, of the engineer arm; currently serving as Chief of the Armed Forces Staff. He is believed headed for a job with private industry come November of this year.

b. GEN RODRIGO OCTAVIO Jordão Ramos, also an engineer; currently heads the Services Department. He is said to be the best bet to head the ITAIPU dam project once it gets underway.

c. GEN BRENO Borges Fortes, an artilleryman and serving as Army Chief of Staff; I Army sources consider him a mental lightweight and certain to "go home and stay retired" by November 73.

d. GEN João BINA MACHADO, an infantryman. He has been running the Superior War School. He is reportedly going to retire by March 1974, when he will have reached the maximum age - 66 years - allowable under present statutes.

e. GEN HUMBERTO de Souza Mello, of the infantry; in command of the São Paulo-based 2nd Army, he is considered a "shoo-in" as GEN ADALBERTO Pereira dos Santos' replacement on the Superior War Tribunal. He reportedly does not have to retire until September 74.

3. (C) With regard to the remaining active-list four-star generals, the I Army contacts allowed the following:

a. GEN DYRCEU Araújo Nogueira, an engineer in charge of the Engineering and Communications Department (DEC); he is regarded by the I Army sources as "muddle headed." They believe that he will retain the DEC post (where it is reasoned he can do no harm) until eligible for retirement in 1975.

b. GEN Vicente de Paulo DALE COUTINHO, an artillery officer; he has been overseeing the important-to-modernization Ordnance Department. I Army sources insist that he will become the next Army Minister. They claim that DALE COUTINHO is very close to the GEISEL brothers, especially to Ernesto, and is of the same branch as Ernesto. The one flaw - the "spoiler" - is DALE COUTINHO's health. Even though recovered from the open heart surgery of last year, there is always the possibility that Ernesto GEISEL will not want to overtax DALE COUTINHO's health by saddling him with the reorganizing and modernizing Army's top position.

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c. GEN WALTER de Menezes Paes of the infantry and commanding the IV Army. I Army speculators say he will probably keep the IV Army position for a while after the new administration takes over, after which he will most likely be transferred to take over one of the Army's departments. He should be retiring by 1976.

d. GEN Antônio Jorge CORRÊA, Chief of the Training Department and a cavalry officer; this "darling" of the I Army staff officers - they thought at one time that he'd make the best successor to MÉDICI - is considered as the second best prospect to get the Army Minister's post, assuming DALE COUTINHO doesn't get nominated because of his health. The I Army-ers point out that CORRÊA is a good friend of Ernesto GEISEL, is training and research minded - which they consider to be very important in view of the Army's push towards modernization, is in good health and projects a dignified image (important, they say, for public relations purposes).

e. GEN OSCAR LUIZ da Silva, Commander of the III Army, a cavalryman. This general's falling off the horse incident last May (while leading a cavalry charge) has badly hurt his chances for advancement within the Army's hierarchy of assignments. Moreover, his son, who graduated last December from the Military Academy, recently lost part of his right hand in a training accident in III Army. This sudden streak of bad luck is viewed with alarm by the superstitious element in I Army; they reason that Fate herself - for whatever reason - is intervening to limit GEN OSCAR LUIZ's future. They believe that the general will either retain his III Army command or move over to replace BINA MACHADO at the Superior War School.

f. GEN SYLVIO Couto Coelho da FROTA, I Army CG, and a cavalryman. He is said to be number three in Ernesto GEISEL's list of possible Army Ministers. I Army sources claim that it is FROTA's reputation for thoroughness and firmness, as well as his "pro-barracks and no interference in politics" outlook that have impressed Ernesto GEISEL.

COMMENT: (C) It will be interesting to see how accurate the I Army "general-officer watchers" turn out to be in the months ahead. Some of their prognostications - such as the upcoming retirements of some of the generals, CANDAL and BRENQ, for example - are rather obvious in view of the existing retirement law. Other "might be's," for example, GEN HUMBERTO's and GEN DALE COUTINHO's prospects, have been echoed by non-I Army sources, such as some ECEME faculty members and students, and appear to be in the realm of "likely to happen." In any event, note that the speculators (many of them former "presidential succession watchers") have lowered their sights from who might be the next president to what the Army's top layer of generals might be doing under the new regime, a sign that the "back to the barracks" syndrome is taking hold, at least among the more gossip-prone and politically-inclined I Army hands.

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