

# AIRGRAM

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POL 23-9 BRAZ  
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ACTION		
ARM/R	REP	AF
1	1	
ARA	EUR	FE
NEA	CU	INR
		5
E	P	SPIL
4	1	1
CPM	SCA	AID
1	2	12
S/S	S/P	B
27	1	1
AGR	COM	FRB
	10	
INT	LAB	TAR
7	6	
TR	XMB	AIR
		5
ARMY	CIA	NAVY
5	10	5
OSD	USIA	NSA
15	8	3
		NSC
		6

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ANALYSIS & DISTRIBUTION  
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JAN 21 1964

FROM : AmEmbassy RIO DE JANEIRO

DATE: January 20, 1964

SUBJECT: Fears of Coup at Time of Rio Gas Strike

REF : EmbTels 1473 and 1486  
*ARA ARA*

In EmbTel 1473 we reported that on January 14 the British had picked up a report from what they described as a good source to the effect that President Goulart was at that time preparing a "provocation" designed to lead up to a pro-government coup.

Rumors of this nature and suspicions in general regarding the President's intentions in conjunction with the Rio gas strike (the first in the history of the company) and other strikes apparently led on January 14-16 to substantial apprehension on the part of opposition elements that Jango might be contemplating immediate action.

As ARMA reported in his C-2, and as we mentioned in EmbTel 1473, Army Chief of Staff General Castello Branco told the War Minister that any attempt at a pro-government coup would meet with resistance. ARMA's C-3 quotes Castello Branco's Chief of Cabinet as telling the War Minister in a second meeting on January 16 that a pro-government coup would be met with resistance by elements of the Armed Forces and that he, Castello Branco, would join such elements.

Considerable apprehension was felt by Guanabara officials, including Governor Lacerda, that action by the President against Guanabara and/or Lacerda was imminent. Lacerda sent a rather agitated telegram to Governor Adhemar de Barros in São Paulo GROUP 3 - Downgraded at 12 year intervals; not automatically declassified.

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Contents and Classification Approved by:  
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Clearances:  
SCHLESINGER  
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on the morning of January 16 stating "the situation is growing more serious by the minute...everything indicates that there is in progress a plan for the de facto intervention of Guanabara, later to be extended to São Paulo, in an adaptation of the coup that took place in Czechoslovakia. I send this message before telegraphic communications are interrupted." Lacerda added "I ask you to tell the people of São Paulo that Guanabara will resist...with all the means at its command, which are few, but it hopes they will be enough to allow time for the formation of a generalized resistance throughout the country." The brother of a top Lacerda aid called the Embassy, also on the morning of January 16, to say that the situation was more serious than it had ever been, and warned that "anything can happen".

Juracy Magalhães, retired general and former Governor of Bahia, told the Ambassador and ARMA at a reception held by the DCM on the evening of January 16 that he had seen Governor Lacerda that afternoon and that the Governor indeed believed that intervention and some sort of an attempt at a coup was imminent. Juracy stated that Lacerda had prepared a message to the Brazilian people, for publication in the event he was arrested or killed. Juracy added that he had told Lacerda, who was about to make a video-tape to be telecast in Rio that evening, that the governor would make an outstanding president of Brazil, but that the most important contribution he could make now and in the 21 months between now and the elections would be to display the qualities of "serenity and humility".

Aside from the telegram to Adhemar, Lacerda's public reaction to the week's events was limited to two statements issued to the press. In his advertised television appearance on January 16, he restricted himself to a few generalized comments on the gas strike. On January 17, however, he issued a "Manifesto to the Nation" (EmbTel 1492) in which he charged the federal government with responsibility for the "illegal and revolutionary" strikes and said that "all indications are that there is being waged in Brazil a revolutionary war whose consequences are becoming more and more apparent". He charged that the week's events were a "prelude to the generalization of disorder throughout the country and to the institution of...a 'sindicalist' or 'popular' government along totalitarian lines". He ended with the statement that "the golpe prepared for this week failed. Let us await the next attempt, which will not be long in coming. But let no one then claim he is unaware. No one can say he has not been warned."

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Adhemar de Barros seems to have taken seriously Lacerda's warning, which may have been supported by information available to him. In any event, he is reported seriously to have considered moving a large part of his força publica (totaling some 21,000 men) to the Guanabara border, but is said to have been dissuaded by Second Army (São Paulo) Commander General Amauri Kruehl. Other sectors in São Paulo also showed considerable concern. Representatives of the PSD, UDN, PSP, PRT, PL, PRP and PST issued a statement on January 17 in which they "repudiate every and any attempt towards an extra-legal solution of the crisis that dominates the nation" and "vehemently condemn the adoption of measures threatening to juridico-constitutional liberties, principal among these measures being that of federal intervention in any State, for whatever reason". Both the press and private citizens report that an atmosphere of major crisis existed in São Paulo on January 16.

In his handling of the gas strike, Goulart seems to have displayed some awareness of the extreme unpopularity of the strike with the population of Rio. We do not know at this point whether or not Goulart thought of attempting to parlay the immediate situation existing at that time into an attempted coup on his own behalf. Justice Minister Jurema made it clear that a draft decree had been prepared for federal intervention in the gas division of the "Rio Light Company", a private entity within the jurisdiction of the State of Guanabara, and it is possible that rumors of this "intervention" were expanded, correctly or incorrectly, to mean that more extensive intervention in Guanabara might be imminent. As we did in the case of the state of siege crises, we will attempt to do something of a post-mortem on the case to see insofar as possible what the true facts of the matter were.

In any event, the episode is illustrative of how quickly crises and semi-crises, largely verbal, can arise in Brazil under present circumstances. There have been numerous examples of such affairs during the past year and a half and all have, so far, eventually subsided without dramatic outcome. Some, however, have produced tangible results such as, for example, the Congress' granting of the January, 1963 plebiscite. The process by which such crises can flare up and subside, beyond demonstrating the Brazilian talent for compromise and "the indefinite postponement of the inevitable", illustrates the deep-seated suspicion which many Brazilian politicians have of Goulart's intentions. That we share these suspicions the Department knows. Juracy Magalhães

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told ARMA on January 17 that President Goulart had approached him while he was Governor of Bahia proposing a coup. Another alleged proposal of this kind by Goulart was described in considerable detail last November by PSD Deputy Armando Falcão (Embassy's A-646, November 26, 1963).

Juracy Magalhães told ARMA that he believed that Goulart was constantly looking for an opening for a coup attempt but was cautious and drew back when he saw resistance developing. In the light of this analysis, which seems sound, the sometimes frantic-appearing and largely verbal resistance which the opposition raises at times such as last week acquires meaning. It is quite conceivable that if the opposition did not at such times engage in verbal "escalation", Jango would conclude that the track was clear and reach for unconstitutional powers.

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