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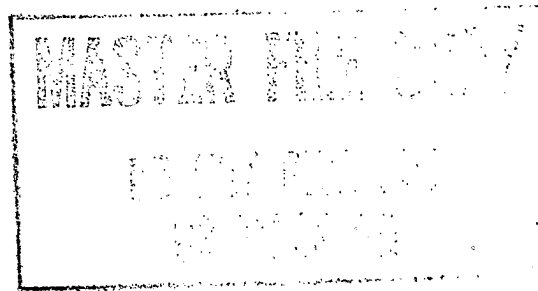
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Brazil's Presidential Succession: The Civilians Return



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An Intelligence Assessment



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ALA 84-10033
March 1984

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Brazil's Presidential Succession: The Civilians Return

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An Intelligence Assessment

This paper was prepared by [Redacted] Office
of African and Latin American Analysis, with
contributions by [Redacted] Office of Central
Reference. It was coordinated with the Directorate of
Operations, [Redacted]

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**Brazil's Presidential Succession:
The Civilians Return**

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Key Judgments

*Information available
as of 13 March 1984
was used in this report.*

The uncertainty surrounding the indirect presidential elections scheduled for next January has thrown open the succession to an array of candidates and has made the military, despite sentiment for a return to the barracks, more of a player in the electoral process. Both President Figueiredo's shortcomings and the political liberalization now under way are creating a free-for-all political atmosphere.

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Despite the uncertainty, we believe the indirect system—which provides for the selection of the president by a 686-member electoral college—will survive for one more election, if only by default. Overwhelming public sentiment for direct balloting is likely to be offset by military opposition, lack of political consensus, and the reluctance of the government's Democratic Social Party (PDS) to give up its majority in the electoral college.

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We judge that the armed forces, despite some uneasiness, remain loyal to Figueiredo and are unlikely to remove him or to upset a victory by any of the leading candidates. We believe the strongest contenders are:

- Congressman **Paulo Maluf**, whose tireless campaigning and backroom maneuvering have won support among government party electors despite Figueiredo's intense personal dislike for him.
- Vice President **Aureliano Chaves**, who impressed the military and other interest groups as Acting President last year and who is reaching out to opposition moderates.
- Interior Minister **Mario Andreazza**, who is Figueiredo's choice for the nomination but lacks support in the military and the opposition.
- Opposition party leader Governor **Tancredo Neves**, whose centrist policies give him the broadest institutional backing of any opposition figure and make him potentially acceptable to Figueiredo and the military.

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In our opinion, the military will remain the arbiter of Brazilian politics. If the administration's eroding authority makes it appear unable to resist the popular campaign for direct elections (we estimate those chances at perhaps 1 in 5), then the likelihood of military action would be great. We would expect the armed forces to:

- Arrange for an interim presidency of perhaps two years preparatory to an open contest.
- Disqualify ideologically unacceptable civilian candidates like populist Governor **Leonel Brizola** of Rio de Janeiro.

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Opposition and government politicians alike probably would acquiesce to either move, reasoning, as we do, that otherwise the risk of outright intervention would be too high. If the armed forces did not move quickly enough to forestall direct elections or disqualify Brizola and the latter somehow were elected, we judge the odds to be better than even that the military would abort the transition process entirely.



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No matter which civilian succeeds Figueiredo, the political environment will be different. The assertiveness of Congress and other groups, along with the dismantling of the regime's extraordinary powers, will leave the new president ill equipped to balance competing forces and maintain coherent policies. Any successor will find Brazil's domestic and external economic problems particularly troublesome. Both the government party and the major opposition party, forged under an authoritarian system, are badly divided and likely to split and re-form in new coalitions within the first year or so of the civilian regime.



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We judge that all of the leading candidates are moderates unlikely to diverge sharply from current policies on key US-Brazilian issues and that the transition to civilian rule represents a positive step for US interests in promoting democracy in South America. Nevertheless, the systemic political changes now under way will make the Brazilian Government less predictable than at any time since the early 1960s. Because Congress, the political parties, the business community, and public opinion in general will assume greater importance, the new president will have to take a tougher line on issues such as negotiations with the IMF and foreign creditors.



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Brazil's Presidential Succession: The Civilians Return

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Introduction

There is a sense of moment in Brazil as the country approaches the presidential elections scheduled for January 1985. For the first time in 20 years, the selection of the next president is no longer the exclusive prerogative of the incumbent or the military high command. Rather, it will be determined by the interaction of several forces within the relatively open political system that has evolved since the late 1970s. President Joao Baptista de Figueiredo has lost control over the choice of his successor due to his administration's mishandling of the economy and to the process of *abertura* (opening), that is, political liberalization.



This paper examines the dynamics of the presidential selection process; the role of the political parties, the armed forces, and other players; the options left to the regime to regain some control over the succession; the likely outcome; and alternative scenarios. In addition, it assesses some of the implications of the succession for Brazil's political landscape and for the United States.



The Regime Loses Control

After seizing power in 1964, the high command carefully but firmly manipulated Brazilian politics. Until recently, successive military regimes ensured the dominance of the government party, the subservience of Congress, the disenfranchisement of the left, censorship of the mass media, and the emasculation of the labor movement. Essential to and reflective of the armed forces' control has been the imposition of a series of generals in the presidency.



Over the past year, however, the military's ability to choose and install the next president has been eroded severely. We believe this loss of power, exercised traditionally through the chief executive, represents in part an acceleration of *abertura*, the gradual loosening of authoritarian measures in preparation for a

return to civilian rule. Initiated by President Ernesto Geisel (1974-79), *abertura* was embraced by his successor, Figueiredo, who, by all accounts, has remained steadfast in his commitment to see the process through. most of the military favored slowly relinquishing power to the civilians, and hardline opponents of liberalization gradually were purged from the officer corps. Since 1979, the Figueiredo administration has:

- Lifted censorship.
- Weakened its own extraordinary powers by revising the national security law.
- Partially reined in the intelligence services, which previously had a free hand in countering leftists and other opponents of the regime.
- Granted amnesty to most individuals who had their political rights taken away in the 1960s.
- Held open congressional, state, and municipal elections in November 1982, in which the government party suffered substantial losses.

According to the original timetable, *abertura's* final step, a return to direct presidential elections, was to occur in 1990. In the interim, the military planned to retain strong—although deliberately diminished—control by ensuring that the government's Democratic Social Party (PDS) would dominate the electoral college and rubberstamp an in-house choice of the next president in 1985. This strategy began to unravel last year, however, because the administration's prestige plummeted precisely at the time its authoritarian means of control were being dismantled. This has left the administration less able to enforce party discipline and control PDS or electoral college delegates or use political muscle to turn back opposition initiatives for systemic change.



In our view, serious economic problems have hastened the *abertura* process and undermined government control. Now in the fourth year of a deep recession, Brazil is suffering negative economic growth, high

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President Joao Figueiredo [redacted]

unemployment, and falling per capita income. Moreover, the regime's efforts to ride out the economic slump by stepping up foreign borrowing led to an acute financial crisis. The necessity of seeking a rescue package from the International Monetary Fund in late 1982 and again last year was a bitter pill for a country that gloried in the "Brazilian miracle" of 1968-74, when annual growth rates averaged 10 percent. [redacted]

We believe the widely held perception of President Figueiredo's lackluster leadership also has eroded the regime's power. During the first half of 1983, the Brazilian press continuously reflected popular concern over his physical and mental health. Doubts about his ability to govern [redacted] were not erased by his improved performance following recuperation from heart bypass surgery in mid-year. [redacted]

[redacted]

he has relied almost

[redacted]

exclusively on a group of close advisers to make and implement policies, without consulting Congress or even the leaders of his own party. Although his championship of *abertura* initially made him the most popular of the country's military presidents, a public opinion poll last September gave Figueiredo the lowest rating ever recorded for a chief executive in Brazil.

[redacted]

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An Unruly Government Party

The growing assertiveness and independence of the government's own party reflects the President's loss of control. Many PDS Congressmen, aware that their political futures increasingly depend less on their relationship to Figueiredo than on their responsiveness to public concerns, are demanding a voice in policy-making and refusing to defer to Figueiredo in the choice of the party's presidential candidate. After changing the rules in mid-1982 to guarantee the government party's dominance of the electoral college, Figueiredo now finds he cannot control the first step in the process—the PDS nomination. Instead of waiting for the President to anoint his successor, as tradition has dictated, three PDS aspirants have thrown their hats in the ring. [redacted]

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The insurgent candidacy of Congressman Paulo Maluf is the most difficult for Figueiredo to swallow. For the past two years, Maluf has been positioning himself for a run at the presidency, building a network of friends and allies through personal contacts and the distribution of favors. [redacted]

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[redacted] Figueiredo detests the Congressman, apparently less for his reputation for corruption than for personal disloyalty. In 1978, Maluf outmaneuvered Brasilia's candidate to win the governorship of Sao Paulo, and his refusal to allow the President to choose the party standard bearer violates Figueiredo's deeply held sense of hierarchy and fealty. [redacted]

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Electoral Rules

The electoral college, scheduled to convene in open session on 15 January 1985, comprises 686 votes—479 federal deputies, 69 senators, and six delegates from each of the 23 states. [redacted]

Only the official candidates of registered political parties may receive votes, and they must be chosen in party convention by 5 September 1984. [redacted]

If no candidate receives at least 344 votes on either of the first two ballots, the election can be decided on the third ballot by a simple majority of those present. The following tabulation shows the electoral college votes, by parties:

Democratic Social Party (PDS)	358
Brazilian Democratic Movement Party (PMDB)	276
Democratic Workers' Party (PDT)	30
Brazilian Labor Party (PTB)	14
Workers' Party (PT)	8

To be eligible, heads of state enterprises must resign six months—and cabinet officers and state governors, five months—prior to the election. The vice president would lose his eligibility if he served as acting president at any time during the six months before the election. [redacted]

The new president is to assume office on 15 March 1985. [redacted]

Vice President Aureliano Chaves also has formally announced his candidacy for the PDS nomination. His stint as Acting President last year while Figueiredo recovered from heart surgery won him praise from both military and civilian sectors but also the President's resentment. [redacted]

[redacted] As a moderate, Chaves is acceptable to most groups, in our opinion, and therefore is a logical compromise if the party convention deadlocks. [redacted]

The third candidate is Figueiredo's favorite, Interior Minister Mario Andreazza. Although at year's end the President publicly abdicated responsibility for "coordinating" the PDS nomination, [redacted]

[redacted] According to the US Consulate in Salvador, the recent commitment to Andreazza of some 70 state delegates to the party convention resulted from Figueiredo's intercession with the Governor of Bahia. One of Andreazza's principal assets is his control over the substantial financial resources of the Interior Ministry, which allows him, according to US Embassy reporting, to cultivate party officials at the local level. [redacted]

Opposition Parties Weigh In

In our view, elements outside the government clique have an opportunity to affect the succession for the first time in two decades. During the past 18 months, the opposition has demonstrated increasing strength and independence. In the elections of November 1982, the opposition parties won a narrow majority in the Chamber of Deputies as well as 10 of the 23 governorships, including those of the most populous and wealthy states. They have used their congressional platform to blast government policies and, along with dissident PDS elements, have won a role in decision-making for the legislature, most notably in wresting concessions from the administration on a key wage-restraint law last November. [redacted]

The PMDB

We agree with US Embassy and press accounts that as the largest opposition party—its congressional strength is nearly equal to that of the PDS—the Brazilian Democratic Movement Party sees its best chance in a return to direct elections. The PMDB has

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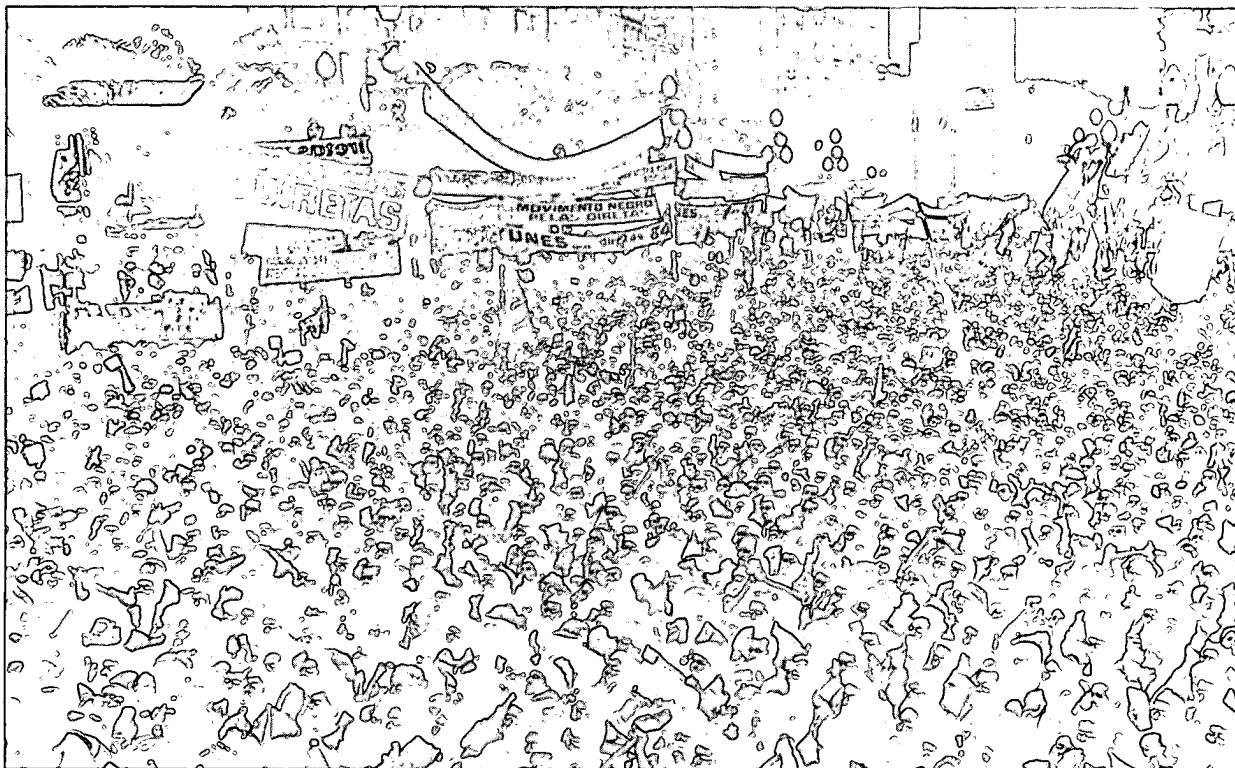
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Rally in support of direct elections, Sao Paulo, 25 January 1984

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been sponsoring mass demonstrations in Sao Paulo, Rio de Janeiro, and other cities calling for direct balloting. The party has introduced in Congress a constitutional amendment substituting direct elections for the current system. [redacted]

Failing this, however, the PMDB's sizable moderate wing appears willing to strike a deal for joint action with government party delegates to the electoral college who might be unenthusiastic about Maluf or Andreazza. [redacted] Governor Tancredo Neves of Minas Gerais, leader of the PMDB moderates, has often been mentioned publicly and privately as a possible consensus candidate acceptable to Figueiredo and much of the PDS leadership. The US Embassy reports that Neves, who is interested in running, intends to seek electoral college votes from the PDS if the movement for direct balloting fails. [redacted]

The Others

Although small in size, several other parties are trying to take advantage of the government's loss of control and position themselves to play a role in the succession. The Democratic Workers' Party (PDT) has particular significance for the succession issue because it is the personal vehicle of populist Governor Leonel Brizola of Rio de Janeiro, who, [redacted]

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[redacted] has strong presidential ambitions. Lacking a grassroots organization outside that state and Rio Grande do Sul, and with only 30 electoral college delegates, Brizola's strategy has been to press for direct elections because some public opinion polls have indicated that he would do well. [redacted]

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October was negotiating a joint strategy with PMDB leaders for pressing the government to allow direct balloting and for his becoming the candidate of a unified opposition bloc. [redacted]

Other parties do not figure prominently, in large part because of their small size and limited influence:

- The Brazilian Labor Party (PTB) has only a handful of votes in the electoral college but could welcome an offer to form an electoral alliance with the PDS in exchange for ministerial portfolios.
- The Workers' Party (PT), a leftist group centered on the industrial areas of Sao Paulo, has even fewer electoral college votes, and we judge it will have only marginal weight unless the race is very close.
- The two Communist parties and other groups on the far left are small—totaling 10,000-15,000 members nationally—and outlawed by the regime. [redacted]

The Military's Stake

We believe that the active-duty military is loyal to Figueiredo—despite some uneasiness over his inept leadership and mishandling of the economy—and is presently committed to a return to the barracks. The President has removed most hardliners from key posts, and all members of the high command owe their positions to him. [redacted]

[redacted] the military leadership wants to concentrate on modernizing the armed forces in the wake of the Argentine-British conflict over the Falklands in 1982. Several recent academic studies also conclude that the armed forces are eager to allow a civilian regime to grapple with the country's tough economic problems. [redacted]

We believe the upper echelons of the officer corps share common views on the limits of *abertura* and the military's proper role in politics. Army Minister Walter Pires appears to be the spokesman for the armed forces and works closely with the other service chiefs. We have no indication of any challenge to the military leadership, and the only penalties meted out to officers over the past year have been for relatively minor breaches of discipline. Thus, in the event of a political crisis, the officer corps probably would be able to act with a high degree of consensus—historically a prerequisite for military pressure or intervention in Brazil. [redacted]

Even though, after 20 years in power, the military is voluntarily relinquishing its status as the dominant political player, it shows no inclination to withdraw from politics entirely. We judge the armed forces, in keeping with long-established practice, would be quick to defend their corporate interests and to put down perceived threats to national security. Ultimately, in our opinion, the military will remain the final arbiter of Brazilian politics, notwithstanding the new emphasis on becoming a more effective fighting force. [redacted]

In this light, the armed forces believe they have a stake in the presidential succession and intend to define the parameters of the process. Despite Army Minister Pires's public statements that the military would not be involved in selecting the next president, it already has asserted its influence. [redacted]

[redacted] Figueiredo ceased promoting direct elections last November after his military advisers told him the armed forces considered such a change unacceptable. [redacted]

[redacted] the service chiefs reiterated this point in February, prompting Figueiredo to summon the contenders for the PDS nomination in an unsuccessful attempt to restore party unity and head off the movement for direct elections. [redacted]

In addition to this behind-the-scenes activity, the armed forces have publicly reminded the country that they are not indifferent to the succession issue. In late February, following personal criticisms of Figueiredo by speakers at direct election rallies, the service chiefs warned they would tolerate neither public disorder nor insults to the President or the armed forces. In the same statement, the military leaders affirmed their intention to defend the Constitution—a veiled assertion, we believe, of their opposition to the proposed amendment establishing direct elections. [redacted]

Many officers, [redacted] are concerned that choosing the next president by popular vote would constitute a plebiscite on military rule and discredit the institution. In addition, according to [redacted] the US defense attache, they fear the election of a "radical" like Governor Brizola, whom they see as a symbol of the leftist policies that provoked their intervention in 1964. [redacted]

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The prosecution of top officers by the new civilian administration of Raul Alfonsin in Argentina also has unsettled many in the Brazilian armed forces. [redacted]

[redacted] high-level officers [redacted] will not abide similar actions against those involved in antisubversive efforts in Brazil during the late 1960s and early 1970s. [redacted]

[redacted]

The armed forces, however, appear willing to accept any candidate chosen by indirect balloting. [redacted]

[redacted] press and US defense attache reporting, indicate that Vice President Chaves is the choice of most officers, although he could be hurt by a recent rumor campaign—probably initiated by another candidate—equating him with Argentine President Alfonsin. [redacted]

[redacted] Maluf is acceptable to many officers despite the President's hostility. [redacted]

[redacted]

Although the active-duty military is restricting its role to that of a somewhat biased referee, a few high-ranking retired officers appear to be seeking a more direct say in the process. Gen. Golbery do Couto e Silva, top presidential adviser both in the Geisel administration and, until his resignation in 1981, in the current administration as well, has publicly criticized Figueiredo's leadership and is working to ensure that the President does not impose his successor. [redacted]

[redacted] Golbery last September was backing Maluf, possibly as a way to block Andreazza and secure for himself a role in choosing a compromise PDS candidate. As the military's premier geopolitical theorist, Golbery probably retains substantial influence within the armed forces.

US defense attache reporting indicates that middle-grade Army officers believe Golbery and former President Geisel, who recently endorsed Chaves, will join forces to try to guarantee an outcome to their liking. [redacted]

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Secondary Actors

While we believe other players, such as business groups, public opinion, the media, labor, and the Catholic Church, have contributed to the acceleration of *abertura*, they probably will have little direct voice in the succession:

- Business leaders, thoroughly alienated by government policies, talked in mid-1983 of pooling their efforts to influence the selection of the next president, [redacted] but no further actions have been taken. 25X1
- The government so far has been able to ignore overwhelming sentiment—indicated by opinion polls and mass demonstrations—in favor of direct elections. 25X1
- The media have fanned public concern by exposing official corruption, criticizing the government, and promoting direct elections, but Brasilia has succeeded to some extent in muting their attacks by cutting state enterprises' advertising expenditures. 25X1
- The union movement is in disarray because workers generally are more concerned with survival than challenging the status quo, according to press and US Embassy reporting. 25X1
- We see no indications that the church, notwithstanding its local activism and its role as social conscience, is trying to influence the presidential succession. [redacted] 25X1

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Changing the Rules?

Persistent public and private speculation about changes in the electoral rules has added to the uncertainty surrounding the succession. Although proposals have arisen from several quarters, the presidential palace has been the principal player, due to Figueiredo's interest in stopping Maluf and regaining some influence over the choice of his successor.

Last year, the President seems to have viewed *direct elections* as a possible way to thwart Maluf, whose popular support is untested. In October and November, Figueiredo publicly raised the possibility of changing to direct balloting, but, as mentioned earlier, at year's end he reversed himself in the face of opposition from the armed forces and the PDS leadership. In the meantime, the opposition parties and the media have fueled public sentiment for direct elections, and our analysis of the press indicates the issue recently has superceded the IMF-mandated austerity program as Brazil's number-one political question. By early February,

the groundswell for a change in the electoral procedures might become uncontrollable, although such a move would still require a constitutional amendment needing the approval of two-thirds of Congress.

the regime also has considered the alternative of a *consensus candidate*—that is, one acceptable both to Figueiredo's loyalists in the PDS and to the opposition PMDB's moderate wing—to run against Maluf in the electoral college.

the gathering momentum for direct elections has sparked renewed interest in such a plan on the part of Figueiredo's circle.

the US Embassy have reported discussions within the administration about switching to a *parliamentary system*. The main advantage of such a change would be to weaken the

power of the next president by limiting his role to ceremonial head of state and thereby making his acceptability less important.

the US Embassy, report that the President's advisers also have considered instituting an *interim presidency*. This would be accomplished either through an extension of Figueiredo's term or, more likely, the selection of a "national unity" stand-in to be followed by direct elections within two or three years. According to the US Embassy, Governor Brizola was promoting a similar plan last year in the hope of making a bid for the presidency by popular vote in 1987. An interim arrangement probably would be possible only with a consensus candidate, because Figueiredo—will not consent to extending his term. Like a switch to direct elections or a parliamentary system, this option also requires changing the Constitution. Its proponents seem to be holding the interim presidential option in reserve, in case the present system gives signs of leading to a distasteful outcome.

Prospects

In our judgment, the next president most likely will be chosen according to the existing formula—indirect elections in January 1985. Opposition from the military, as well as from many within the PDS who do not want to give up the party's advantage, probably will be adequate to block a constitutional amendment allowing direct balloting. Moreover, the President's public withdrawal from the succession process and the government's weakened authority probably all but rule out an attempt to impose a candidate through a flagrant manipulation of the electoral procedures, such as expanding the size of the electoral college and stacking it with administration supporters.

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We believe that Figueiredo, at least in the short term, will continue bolstering Andreazza's candidacy from behind the scenes. The President also is likely to use the intelligence services, despite their lack of success so far, in an effort to discredit Maluf. Figueiredo's obstinacy, the momentum these efforts have already gathered, and the President's lingering desire to play kingmaker like his predecessors argue this course. []

We judge, however, that Maluf retains at least even odds to win the presidency. The Congressman from Sao Paulo has built a strong lead for the PDS nomination through early and tireless campaigning; he is not opposed by the military and appears to have the support of some retired but influential officers. As the PDS candidate, he would enjoy a clear-cut advantage in the electoral college, and his enemies will be hard pressed to put together a bloc powerful enough to frustrate him. Maluf has all the advantages and disadvantages of a front-runner. He probably will have to cement a coalition strong enough for a first ballot victory at the PDS convention or risk desertion by his opportunistic backers. []

Chaves could gain the presidency either as the PDS nominee or as a consensus candidate in the electoral college, but we judge the odds at 2 to 1 against him. He would be the most likely benefactor if Maluf's support evaporates at the convention. The Vice President already has a core of support within the party, and his potential ability to win opposition votes in the electoral college—based on his willingness to reach out to various sectors during his tenure as Acting President—would enhance his appeal within the PDS as a compromise candidate. If Maluf walks away with the party's nomination, Chaves still would have an outside chance in the electoral college under the banner of a "stop Maluf" coalition. []

Andreazza, we believe, faces odds of 3 to 1. He has no route to the presidency other than the PDS nomination, and, despite recent endorsements by several important party leaders, he seems unlikely to overtake Maluf's early lead. Both Maluf and Chaves would probably have to stumble or miscalculate to give Andreazza the PDS nomination. In addition, Andreazza, just as much as Maluf, would be vulnerable to a "stop" campaign in the electoral college. []

We estimate the odds against Neves at 5 to 1, largely because negotiating an agreement on a consensus candidacy would be difficult. The many components of the fragmented parties have different equities to protect. Moreover, a variety of reporting suggests Neves will be wary of a quixotic adventure; he is unlikely to place himself at the front of an anti-Maluf effort unless reasonably confident of victory. [] 25X1

We agree with conventional wisdom holding that the armed forces are unlikely to halt the transition to civilian rule. Rather, we believe they will allow the selection process to unfold unless their interests are directly threatened. [] 25X1
all of the leading candidates are acceptable to the armed forces, which—barring a change to direct elections and the prospect of an unacceptable victor such as Brizola, or a rapid and widespread breakdown in public order—intend to honor their promise to return to the barracks. [] 25X1

We project, however, that no matter which civilian wins the election Brazil's political environment will be decisively altered. Congress, the political parties, and the business community will have larger voices in decisionmaking, and public opinion will assume greater importance. We see the chief executive, lacking the extraordinary powers of the military regimes, as less Olympian and more of a power broker. [] 25X1

By the same token, the new president will be hard pressed to balance competing interests and maintain coherent policies. Popular expectations after the long and gradual opening of the political system will be difficult to satisfy, especially with the limited resources available under Brazil's current economic circumstances. Ad hoc decisionmaking is likely to be the order of the day, with frequent shifts in direction as the administration navigates difficult waters. [] 25X1

The political parties, regardless of the election outcome, probably will undergo restructuring over the medium term. Created to serve limited purposes under the military regime, they are ill suited for a democratic system and have become increasingly [] 25X1

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divided as the old authoritarian order has been dismantled. The factions of the different parties probably will re-form in new combinations based on common principles, loyalty to specific leaders, or short-term political strategies. [redacted]

Alternative Scenarios

Although we rate the odds at only 1 in 5 that the next election will be direct, the Figueiredo administration's diminished authority leaves it vulnerable to growing public demands for, and congressional efforts to effect, such a change. Should the movement for direct elections appear irresistible, Brasilia probably would step up its efforts to negotiate the choice of a consensus candidate. This approach, based on an appeal for national unity, would offer the opportunity both to block Maluf and deflect the rising clamor for direct balloting. In such a scenario, we believe Figueiredo probably would look to the PMDB moderates and his sometime PTB allies for support. At the very least, he probably would ask the Superior Electoral Tribunal to rule that the principle of party loyalty—originally enacted to facilitate the passage of legislation in Congress—does not apply to the electoral college. Such a ruling would allow anti-Maluf forces to continue trying to put together a deal up to the last moment [redacted]

If the administration appears unable to head off direct elections, the armed forces probably would become more directly involved. We believe the military's preferred course of action, in this case, would be to arrange an interim presidency under an acceptable civilian or, less likely, a military officer. The rationale would be to restore some measure of stability before holding presidential elections, perhaps within two years. If the military believed it could not blunt the momentum for direct elections or that difficulties in postponing them for so long were too great, we judge the high command almost certainly would insist on manipulating the rules to disqualify popular civilian candidates like Brizola, whose political views are unacceptable. Most politicians probably would go along with either option, believing, as we do, that otherwise the military would abort the transition process. The desire to keep *abertura* on track thus will constrain the assertiveness of most government party and opposition leaders. [redacted]

A second scenario likely to draw the armed forces more directly into the political process is predicated on a rapid and widespread breakdown in public order. This could stem either from economic complaints, or from the campaign for direct elections turning violent, or from a combination of the two: The military response probably would be measured and sequential. First, local units would be called out to put down riots, strikes, or violent demonstrations. If this action proved inadequate, the high command probably would cite the disturbances as justification for an interim presidency. [redacted]

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In our opinion, the armed forces ultimately would be willing to intervene directly if necessary to protect their institutional interests. For example, the election of Brizola or another individual too closely identified with the left, the threat by any government to prosecute officers for corruption or human rights abuses, or a more serious breakdown in public order probably would be enough to overcome the military's reluctance to reassume direct rule. [redacted]

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Implications for the United States

Until the election early next year, heightened political activity and the uncertainty surrounding its outcome may make it difficult for Brasilia to resolve certain bilateral and international issues. The electoral campaign is likely to highlight Brazil's financial plight and probably will increase the pressures for moderating the government's austerity program and for demanding more lenient terms from the IMF and foreign creditors. In addition, disputes within the bureaucracy over sensitive issues—arms sales to Iran, for example—probably will not be settled definitively as Figueiredo's term draws to a close, hindering US efforts to find a responsive and influential audience for some policy initiatives. Moreover, any perceptions that US officials or media favor a particular candidate will be interpreted harshly by the Brazilians as meddling in their internal affairs and might undermine that candidate's prospects. [redacted]

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Over the longer term, an orderly transition to civilian rule would further US interests in the region. It would be a significant step, even if accomplished through indirect elections, toward creating a more broadly based government responsive to a range of interest groups in Brazilian society. [redacted]

In addition, the return of the Brazilian military to power might adversely affect the regional trend toward civilian rule. It would dishearten opposition groups in Chile and Paraguay and probably would embolden elements in the Uruguayan armed forces to delay their return to the barracks. Such a Brazilian example might also foster greater resistance in Argentina to President Alfonsin's efforts to establish civilian control over the discredited military there. [redacted]

In our opinion, US commercial interests probably would be most comfortable initially with Maluf, who has a strong probusiness background. [redacted]

[redacted] he has offered the Foreign Ministry in his administration to former Planning Minister Roberto Campos. This choice reinforces Maluf's pro-free-enterprise attitudes and also suggests that Brazil might edge toward closer economic relations with Japan and the industrial West. [redacted]

[redacted]

The unpredictability of the new political environment will, of course, entail risks for the United States. Although all of the leading presidential candidates are moderates who probably intend to maintain correct bilateral relations, according to US Embassy reporting, the winner will need to demonstrate his independence from Washington in certain areas and may adopt policies at variance with US interests. Moreover, in the new political environment the next president, unlike the isolated Figueiredo, will not be able to ignore the demands of interest groups and the public in general. Such pressures are likely to push Figueiredo's successor toward, for example, a harder line in negotiations with the IMF and foreign creditors. [redacted]

A resumption of military rule, which would become more likely if the new administration were chronically ineffective or ventured into populist politics, would complicate bilateral relations and set back US policy aimed at encouraging democratization in South America. [redacted]

A reversal of *abertura* would frustrate public aspirations for civilian government and almost certainly would entail some measure of repression. Very few elements outside the armed forces would support a coup, and the extreme left might again use urban terrorism to pressure the government. [redacted]

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Appendix

Leading Candidates

Front-runners



Paulo Maluf, 52

Congressman

An effective campaign based on largesse and personal contacts over the past two years has made Maluf the favorite for the PDS presidential nomination, despite President Figueiredo's strong opposition. Criticized for corruption and blatant opportunism, the Congressman nonetheless is acceptable to the military. [redacted] Stopping his bid for the presidency may require changes in the electoral procedures or an agreement between opposition leaders and anti-Maluf elements in the PDS to back a consensus candidate. [redacted]

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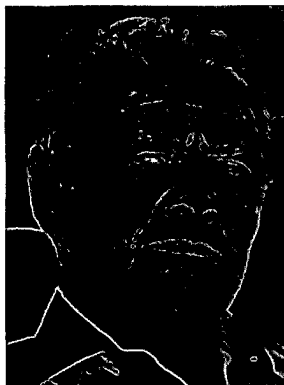


Aureliano Chaves, 55

Vice President

Widespread favorable reaction to Chaves's performance as Acting President last year brightened his prospects considerably. He is acceptable to most groups and, according to press reports, is the favorite of the armed forces. Although he could emerge as a PDS compromise candidate if Maluf fails to sweep the party convention next September, his best chance appears to be as the standard bearer of a "national unity" ticket of PDS loyalists and opposition party elements. [redacted]

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Mario Andreazza, 65

Interior Minister

Andreazza's principal assets are the financial resources of his ministry, which aid his courting of state and local party leaders, and Figueiredo's support. These, however, probably will not be enough to win him the PDS nomination. [redacted] his reputation for corruption has generated substantial opposition to him within the armed forces. Even if Chaves bows out, Andreazza, a retired Army colonel, will not easily overtake Maluf. [redacted]

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Darkhorses

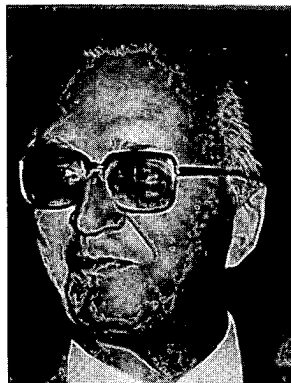


Tancredo Neves, 73

Governor of Minas Gerais

Leader of the ascendant PMDB moderates, Neves probably would be acceptable to the military. His only shot at the presidency, in view of the PDS majority in the electoral college, would be as a consensus candidate. He probably will be reluctant to resign the governorship with two and a half years left in his term, however, unless he believes victory is certain. Moreover, his age will increase the odds against him.

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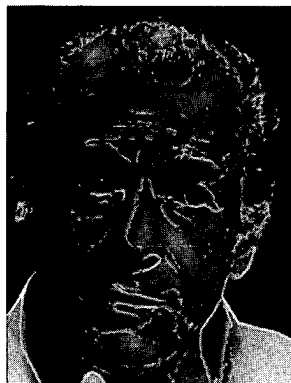
Jose Costa Cavalcanti, 66

President of Eletrobras and Itaipu Binational Commission

A successful veteran administrator and retired Army general, Costa Cavalcanti is close to Figueiredo and, we believe, acceptable to the military. He lacks strong support among civilian politicians, however, and has no bloc of committed PDS delegates. Virtually his only hope is that a stalemated party convention will turn to him as a compromise candidate.

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Long Shot



Leonel Brizola, 62

Governor of Rio de Janeiro

A charismatic populist and founder of the PDT, Brizola overcame the administration's determined opposition to win the Rio governorship in November 1982. Public opinion polls show him to be the most popular politician nationwide, even though his ineffective state administration has cost him much of the middle class support that carried him to victory in Rio. With no chance under current electoral rules, Brizola is pressing for direct elections, but the military distrusts him and probably would not tolerate his assuming the presidency.

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