ACTION: SECSTATE WASHDC 4460
INFO: AMEMBASSY BRASILIA 6312
AMCONSUL RECIFE 3832
" SAO PAULO 5447
USCINCOS FOR POLAD

RIO DE JANEIRO 4460

SUBJECT: AFTERMATH OF GERMAN AMBASSADOR'S KIDNAPPING

1. THERE IS STILL LITTLE INFO AVAILABLE CONCERNING GOB
   INTENTIONS IN WAKE OF KIDNAPPING OF GERMAN AMBASSADOR.

   SO FAR, ARRESTS HAVE BEEN AT FAIRLY NORMAL
   LEVEL (SITUATION IS THUS REMINISCENT OF PERIOD FOLLOWING
   RANSOM OF JAPANESE CONSUL GENERAL IN SAO PAULO LAST MARCH,
   WHEN LISTS OF SUSPECTS WERE READIED FOR LARGE-SCALE ARREST
   OPERATION WHICH FAILED TO COME OFF). HOWEVER, PROSPECT NOW
   IS FOR MORE VIOLENT TACTICS ON BOTH SIDES, AS SECURITY FORCES
   SEEK ENSURE THAT FUTURE TERRORIST CAPTIVES DO NOT SURVIVE TO
   BE RELEASED IN KIDNAPPINGS.
ACTION:

2. ONLY PUBLICIZED REACTION HAS BEEN DISCUSSION IN FEDERAL CONGRESS OF SUGGESTION BY DEPUTY FILINTO MULLER, ARENA LEADER, THAT ALL TERRORIST PRISONERS BE EXILED NOW TO FORESTALL FUTURE KIDNAPPINGS. PROPOSAL HAS DRAWN REALISTIC CRITICISM FROM HIS ASSOCIATES, ON GROUNDS THAT (1) MANY EXILES WOULD PROBABLY RETURN TO BRAZIL ILLEGALLY TO CONTINUE THEIR SUBVERSION, AND (2) WITH JAILS EMPTIED, TERRORISTS WOULD LIKELY STILL FIND KIDNAPPING INTERESTING AS DEVICE TO ACHIEVE POLITICAL ENDS. MINJUSTICE BUZAIID SAID MULLER'S PROPOSAL DESERVED CONSIDERATION, BUT THIS MAY HAVE BEEN MERE COURTESY TO A PRESTIGIOUS DEPUTY.

3. VON HOLLEBEN KIDNAPPING COST TERRORIST MOVEMENT MUCH OF WHATEVER TACIT SUPPORT IT MAY HAVE ENJOYED AMONG POPULATION AT LARGE. ORDINARY POLICEMAN WAS SHOT POINT BLANK IN HEAD BY KIDNAPPER. THIS ACTION STRIPPED TERRORISTS OF MUCH OF THE ROBIN HOOD AURA WHICH THEY PREVIOUSLY HAD IN THE EYES OF A FEW, AND WE UNDERSTAND "FESTIVE LEFT" YOUTH NO LONGER CHUCKLES OVER TERRORISTS' AUDACITY.
4. Like other LA kidnappings, von Holleben affair has brought some strain in host country relations with Ambassador's government. Because of delicate issues involved host country unable furnish immediate promise that kidnappers' demands, whatever they may be, will be met. Spokesmen for victim's government are thus led to express concern, which in turn can cause resentment within host government circles sensitive to foreign "pressure".

5. In absence more concrete info difficult assess full impact of kidnapping on gob. Decision release prisoners seems to have been made with support of top leadership, civilian and military, and emb has no reports of organized opposition within military such as arose in connection ransom of ambassador Elbrick (Col. Dickson's pocket revolt). Arma impression is that military leadership expects handling of incident will improve Brazil's image abroad. They argue that it served to demonstrate (1) gob's steadfast determination honor its
OBLIGATION PROTECT DIPLOMATS, AND (2) EXAGGERATED NATURE OF REPORTS OF ATROCITIES IN JAILS, WITH ALL 40 PRISONERS DEMANDED BY KIDNAPPERS TURNED OVER ALIVE WITHOUT VISIBLE EVIDENCE OF TORTURE (INCLUDING NOBREGA WHO HAD BEEN ADVERTISED BY ANTI-GOB PROPAGANDISTS AS DEAD).

6. NONETHELESS THIS DECISION WAS NOT AN EASY ONE FOR GOB TO MAKE (SEE RIO 4035), AND SOME IN GOB AND MILITARY HAVE THEIR RESERVATIONS. WE PRESUME THAT THERE ARE SIZEABLE ELEMENTS WITHIN LEADERSHIP OF MILITARY AND SECURITY FORCES AS WELL AS RANK AND FILE WHO ARE DEEPLY CHAGRNED OVER EVIDENCE OF EXTENT OF TERRORISTS' SUCCESS AND CONCERNED THAT THEY WILL BE ENCOURAGED TO KIDNAP AGAIN AND ESCALATE RANSOM. SO FAR MEDICI HAS SUCCEEDED IN CONTAINING SUCH DISCONTENT AS EXISTS, HELPED IN SOME MEASURE BY PUBLIC SUPPORT FROM PRESS AND CIVILIAN POLITICIANS (AS WELL AS BY EUPHORIA RESULTING FROM BRAZIL'S VICTORY IN WORLD FOOTBALL TOURNAMENT). HOWEVER, EFFORT TO MAINTAIN GOB RANSOM POLICY AFTER MORE KIDNAPPINGS COULD
TOUCH OFF SERIOUS DISSENSION WITHIN GOB'S MAJOR BASE OF SUPPORT, I.E., MILITARY.

7. NO EVIDENCE THAT STABILITY OF GOB IS THREATENED BY EFFECTS OF VON HOLLEBEN KIDNAPPING. HOWEVER, TERRORISTS ARE PROBABLY INCREASINGLY AWARE OF POTENTIAL WHICH KIDNAPPING HAS FOR CREATING (1) TROUBLE IN BRAZIL'S RELATIONS WITH FRIENDLY COUNTRIES AND (2) PROBLEMS FOR GOB AT HOME. WE ESTIMATE THAT, EVEN WITHOUT ESCALATING DEMANDS, TWO OR THREE MORE KIDNAPPINGS COULD CLEAN JAILS OF HARDCORE TERRORIST PRISONERS. AT THAT POINT TERRORISTS MIGHT SHIFT GOAL AND SEEK TO THREATEN GOVERNMENT'S STABILITY BY SERIES OF KIDNAPPINGS ORCHESTRATED FOR MAXIMUM DOMESTIC POLITICAL IMPACT; I.E., FOR EFFECT IN UNDERMINING MEDICI'S POWER BASE. KIDNAPPING OF SOME POPULAR AND RELATIVELY INDEPENDENT MILITARY LEADER COULD HAVE SUCH EFFECTS, ESPECIALLY IF GOVERNMENT DECLINED TO PAY RANSOM. SINCE ONE OF TRADITIONAL AIMS OF NON-DEMOCRATIC LEFT WING MOVEMENTS IS TO POLARIZE POLITICAL SITUATIONS,
PROBABILITY THAT ANY SUCCESSOR GOVERNMENT WOULD BE MORE AUTHORITARIAN WOULD NOT BE LIKELY TO DETER TERRORISTS.