

# Brazilian daily reports multinationals aided Latin American death squads

## GM, Chrysler, VW implicated

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Major US and European corporations collaborated intimately with Latin American military dictatorships in the 1960s and 1970s, fingering militant workers for arrest, torture and often death, according to an article that appeared this week in the Brazilian daily *O Globo*.

Based on newly released secret police documents as well as the work of Brazilian historians, the article, written by Brazilian journalist Jose Casado, establishes that auto companies, including General Motors, Chrysler and Volkswagen, the Firestone tire company and other corporations routinely handed over lists of suspected union activists to the secret police and clandestine death squads.

This state-corporate repression was so effective in Brazil that none of the major companies registered a single strike in nine years—1969 to 1978. The resulting suppression of wages and benefits constituted the political foundation for the so-called “Brazilian miracle” of high profits and growth rates that came to an end with the onset of the debt crisis at the end of the 1970s.

The military came to power in Brazil through a 1964 coup orchestrated with the support of Washington and the CIA. By 1969, the regime had turned to intense repression, suspending habeas corpus and dragging thousands of people from their homes, workplaces and schools to be thrown into prison, tortured and summarily executed.

The foreign corporations welcomed this repression and sought to support it in every way possible. This was the period in which corporate donations funded “Operation Bandeirantes,” a paramilitary secret police operation formed within the army. The money was used to recruit operatives from within the different branches

of the military and police in Sao Paulo, the country’s industrial center, who were then used in hunting down, abducting and torturing suspected militants and leftists.

But the collaboration went well beyond mere financial support. In November 1969, the *O Globo* article recounts, representatives of Volkswagen, GM, Chrysler, Firestone, Philips and other companies met in Sao Paulo with the local chief of the secret police organization DOPS (Department of Political and Social Order) and a representative of the army. Their aim was to establish a permanent body to coordinate repression of Brazilian workers.

According to the meeting’s minutes, the company representatives and the state security officials discussed “problems” in the factories and decided to establish a permanent office in the DOPS headquarters, which became known as the “Community Center.”

This center became a clearinghouse for the victimization of workers in the factory, who in a number of cases subsequently “disappeared.”

“The big companies recruited personnel from the armed forces and the police, and maintained spying operations against their employees in the factories and the unions,” the article states. “At Volkswagen and Chrysler, for example, they handed over lists of employees to the security agencies, sometimes together with their personnel files.”

Spokesmen for the multinational corporations contacted by *O Globo* claimed ignorance of these arrangements. Volkswagen said it was “apolitical” and had always maintained “advanced” employee relations. Chrysler said it had no knowledge of the repression and “therefore we have no comment.”

One participant in this state-corporate setup, however,

was more open about it. “We were defending our businesses from the terrorists, from subversion,” recalled Synesio de Oliveira, a representative of the Constanta group (a company that merged with Philips in 1998). “The plan was: if there was a suspicious case, we would communicate it to the community.”

The dictatorship was itself keenly interested in spying on the working class, which it recognized as its most dangerous enemy. Under military rule, the government dictated salary increases, and its spies were told to carefully monitor reactions within the factories and the unions when these decrees were issued.

At the same time, by establishing corporatist control over the unions, the dictatorship was able to employ the dues check-off system as a sinister means of financing the repression. Compulsory union dues at the time amounted to 20 percent of wages and were funneled into the Ministry of Labor. From there the funds went to buy equipment for the police, including patrol cars purchased from GM.

“It was said that the companies financed the death squads with the money taken out as union contributions,” Almir Pazzianotto, who was a lawyer for the metalworkers union in Sao Paulo’s ABC industrial belt in the 1970s, told *O Globo*. Pazzianotto became minister of labor after the fall of the dictatorship.

The article notes that the collaboration between the corporations and state repression was not limited to Brazil. In Argentina, where the military regime was even more murderous, thousands of workers were rounded up in the months following the 1976 coup. It cites a 1978 cable from the US embassy in Buenos Aires reporting to Washington on the “great cooperation between management and the security agencies” and citing the general expectation among foreign companies that the repression would intensify “minimizing the risk of strikes in their industries.”

In Argentina, companies like Mercedes Benz and Ford allowed their facilities to be used as clandestine detention centers, where workers singled out by management were imprisoned, tortured and killed, according to the article.

Apparently similar arrangements existed in Brazil. The article cites the testimony of a worker, Antonio Guerra, who wrote at the time, “There are elements from DOPS and SNI (National Intelligence Service) in

different sections.... They have already set up prisons inside the factory itself. Other times they grab the worker and take him out of the factory, where DOPS or Oban (Operation Bandeirantes) is waiting for him.”

From the mid-1960s on, the foreign companies, concerned with militancy in their workforces and emboldened by the support of the military regime, began beefing up their internal security arrangements. Those set up by Volkswagen, which then employed some 30,000 workers in Brazil, were considered a model by the other multinationals.

They were organized by a real specialist, Franz Paul Stangl. A Nazi fugitive, Stangl had served the Third Reich by running the death camps at Sobibor and Treblinka. After escaping to Brazil in the early 1950s, he spent 15 years working for VW there, before his past was exposed and he was extradited to Germany, where he died in prison.

He was later replaced by Adhemar Rudge, a Brazilian army colonel who was fluent in German. “We never had terrorists in the factories,” Rudge told *O Globo*. “We prevented it, eventually with some sharing of information with the DOPS.”

Despite its omnipresent and ferocious character, this system of anti-working class repression proved insufficient to hold back the militant strike wave that swept Brazil beginning in 1978, fatally undermining the dictatorship.



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