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MEMORANDUM OF CONVERSATION

Date: February 10, 1969

SUBJECT: Cassations and Recess of São Paulo State Assembly

PLACE: Consulate General, São Paulo

PARTICIPANTS: Ex-Federal Deputy Mario Covas
Mr. William L. Wight, Jr., Deputy Principal Officer,
Amconsul São Paulo

Copies to: Amembassy Brasilia
Amembassy Rio de Janeiro
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Ex-Federal Deputy Mario Covas, young, active, dedicated MDB leader from Santos, and considered as the possible MDB gubernatorial candidate, was recently cassated for ten years under IA-5, and must now withdraw from politics. He said he had learned from the Embassy in Brasilia that Mr. Daniel Sharp of the Adlai Stevenson Institute wished to see him. However, his principal purpose in coming to the Consulate General was to seek information on U.S. pharmaceutical firms exporting to Brazil. He intended to go in the import-export business and was seeking connections with American companies. I introduced him to Mr. Clay Black of the Commercial Section who agreed to give him the names and addresses of American companies in the fields which Mr. Covas indicated. He had the following to say on political matters:

1. Cassations. "Nobody knows why anybody has been cassated." "Maybe just because they are MDB or just because they are deputies." He was referring particularly to cassated MDB and ARENA deputies who are generally considered non-communist, non-subversive, and non-corrupt. He said no formal charges had been made, and the individual concerned did not even know of his cassation until he read about it in the Diario Oficial. He said in his own case he had expected it--for having played too obvious and effective a role in the opposition.

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Drafted by: EXEC:WLWight, Jr./dks
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2. Recess of São Paulo State Assembly. He considered the recess of the São Paulo Assembly an unfortunate and all-inclusive condemnation of state deputies. This was unjust since many, or at least a good part of the deputies, were presumably honest. Such sweeping action on the part of the GOB seemed designed to discredit all politicians. He thought the government's action was a slap in the face to the Assembly officers headed by the President, Nelson Pereira. Since these officers were mainly responsible for the financial administration, they must bear the major burden for any irregularities. He also interpreted the GOB's action as a slap at Governor Sodre since Sodre had worked to authorize the construction of the new building when he, Sodre, was President of the Assembly; later as Governor he had authorized the funds. If there was corruption in the purchase of overly-lavish materials and furnishings, Sodre had to bear a good part of the blame.

No one could say how long the Assembly recess would last. Should the punishment for graft and corruption be a two-month recess, a six-month recess, or should this Assembly be removed entirely? On the other hand, why not punish the specific individuals who were guilty?

3. Future Government of São Paulo. Mr. Covas is convinced that the military will not permit another civilian to replace Governor Sodre, if Sodre is removed or if he completes his term in 1970. He joked about Laudo Natel and Minister Gama e Silva, both of whom he said had gubernatorial pretensions, but had no chance. He thought that a military man such as General Meira Mattos would be appointed. The political future was completely hazy; no one could say whether there would be elections, or of what kind, for the next governor.

Comment: Covas, who is understandably bitter about the political situation, seems to be entering the business world with his customary drive and vigor. On February 10 he spent an hour with Mr. Daniel Sharp, Director of Latin American programs of the Adlai Stevenson Institute, discussing the possibility of obtaining an economic development Fellowship from that organization.

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