

DECLASSIFIED UNDER AUTHORITY OF THE
INTERAGENCY SECURITY CLASSIFICATION APPEALS PANEL,
E.O. 13526, SECTION 5.3(b)(3)

ISCAP APPEAL NO. 2011-064, document no. 45
DECLASSIFICATION DATE: December 19, 2013

SECRETARY MUSKIE'S VISIT
TO MEXICO

November 29-December 1
1980

Mrs. Muskie

JMB

JME-6

~~CONFIDENTIAL~~
Department of State

INCOMING
TELEGRAM

PAGE 01 MEXICO 18063 262155Z
ACTION SS-15

5523

MEXICO 18063 262155Z

INFO OCT-01 ARA-12 ADS-00 SSO-00 CCO-00 A-02 OC-06
SY-05 NSCE-00 /041 W

(SCHEDULE OPEN FOR REMAINDER OF NOVEMBER 30)

-----889792 262211Z /20
O 262144Z NOV 80
FM AMEMBASSY MEXICO
TO SECSTATE WASHDC IMMEDIATE 9512

MONDAY, DECEMBER 1

0730 BREAKFAST WITH AMBASSADOR AND MRS. NAVA

(SCHEDULE OPEN FOR REMAINDER OF MORNING)

1330 DEPART AMBASSADOR'S RESIDENCE

1450 ARRIVE AT AIRPORT

1500 WHEELS UP FOR WASHINGTON

NAVA

~~CONFIDENTIAL~~ MEXICO 18063

E.O. 12065: GDS 11/26/86 (FERCH, JOHN A.) OR-M
TAGS: OVIP, MX
SUBJECT: SECVISIT MEXICO; MRS. MUSKIE'S FINAL SCHEDULE

1. ~~CONFIDENTIAL~~ - ENTIRE TEXT.

2. MRS. MUSKIE'S FINAL SCHEDULE FOLLOWS. SCHEDULE HAS
BEEN COORDINATED WITH FOREIGN SECRETARIAT.

SATURDAY, NOVEMBER 29

1000 ARRIVAL MEXICO CITY

1015 PROCEED TO AMBASSADOR'S RESIDENCE

1055 ARRIVE AT AMBASSADOR'S RESIDENCE

1055- FREE TIME AT AMBASSADOR'S RESIDENCE
1400

1400 DEPART AMBASSADOR'S RESIDENCE WITH MRS. NAVA
AND MRS. FERCH FOR FOREIGN SECRETARIAT

1430 LUNCH AT FOREIGN SECRETARIAT WITH TWO
DELEGATIONS, MRS. CASTANEDA, MRS. NAVA, AND
MRS. FERCH

1630 DEPART FOREIGN SECRETARIAT WITH MRS. NAVA,
MRS. FERCH, AND FSO JUNE HEIL FOR SHOPPING ON
AVENIDA JUAREZ. (NOTE: EMBASSY HAS BEEN
INFORMED THAT BAZAR SABADO SHOPPING AREA WILL
CLOSE AT 1730. SHOULD MRS. MUSKIE WISH TO
GO SHOPPING, AVENIDA JUAREZ ARTISAN STORES WILL
BE OPEN.)

1645 ARRIVE AVENIDA JUAREZ SHOPPING AREA.
1645- SHOPPING ON AVENIDA JUAREZ
1745

1745 DEPART AVENIDA JUAREZ

1815 ARRIVE AMBASSADOR'S RESIDENCE

2000 IN-HOUSE DINNER WITH AMBASSADOR AND MRS. NAVA

SUNDAY, NOVEMBER 30

0830 BREAKFAST WITH AMBASSADOR AND MRS. NAVA

1045 DEPART AMBASSADOR'S RESIDENCE

1025 ARRIVE ST. PATRICK'S CHURCH

1030- ENGLISH LANGUAGE ROMAN CATHOLIC SERVICES AT
1130 ST. PATRICK'S CHURCH

1130 DEPART ST. PATRICK'S CHURCH

1140 ARRIVE AMBASSADOR'S RESIDENCE

1:30

down 8:40

2 PM
2:30
4:30
4:45
5:45
6:15
8 PM
8:30
10:15
↓

6:15

~~CONFIDENTIAL~~

MEXICO CITY



DEPARTMENT OF STATE
BRIEFING MEMORANDUM

S/S

TO : The Secretary

FROM : S/MEX - Robert Krueger *RK*
ARA - William G. Bowdler *wg*

SUBJECT: Scope Paper: Your Visit to Mexico City,
November 29

I. OBJECTIVES:

The primary purposes of your visit to Mexico are to:

- Reaffirm our traditional close ties to Mexico.
- Review bilateral relations and the work of the U.S.-Mexico Consultative Mechanism, and approve the annual Report to the Presidents.
- Consult on issues of mutual concern, such as Central America.

II. SETTING

We have achieved considerable progress in our relationship with Mexico this past year. The Consultative Mechanism has worked well. Particular issues such as tuna, migration and trade remain thorny but the report of the Consultative Mechanism documents significant progress in areas like border cooperation, legal affairs and energy.

Lopez Portillo, during the first four years of his six year term, has improved government efficiency, and begun to reform the political system. In addition, he has done much to restore Mexico's economic stability and he has rebuilt confidence of Mexican and international businessmen in the Mexican economy.

The discovery of vast oil and natural gas reserves has given Mexico a new sense of confidence that it will be able to resolve its serious social and economic problems, and make its voice heard in world councils. Chief among Mexico's problems are underemployment (40%) and poor distribution of wealth.

Lopez Portillo has pursued Mexico's courtship of the Third World. In the UN last year he called for a "Global Energy Plan" (opposed by OPEC). Mexico and Venezuela this year agreed to special development assistance arrangements with Central America and some Caribbean (except Cuba) purchasers of petroleum to ease the burden of increased petroleum prices. Mexico is now seeking to host an economic mini-summit on North-South issues early next year.

We share with Mexico an interest in regional stability, but sometimes differ on how to achieve it.

III. DISCUSSION OF OBJECTIVES

- Show the importance we attach to Mexico. Your visit and your interest in Mexican views will convey the importance we attach to ongoing good relations not only because Mexico is our closest southern neighbor, with all that implies, but also because of its growing role and influence in regional and global affairs.
- Review the work of the U.S.-Mexico Consultative Mechanism. The Consultative Mechanism works well. It provides a way of dealing with problems in a non-political framework, and lessens the risk that contentious issues will become major irritants. Its working groups comprise border cooperation, trade, migration, tourism, energy, law enforcement, finance, industry, and agriculture.
- Address the tuna question. This problem has been stalemated since Mexico seized six tuna boats last summer and we imposed a mandatory embargo on Mexican tuna. If further seizures should occur we would be under strong pressure to extend our embargo to all Mexican fish products, valued at more than \$250 million a year.
- Manage U.S.-Mexican trade relations. Trade is now growing so fast that it will increase by 60% in 1980, to almost \$30 billion. Mexico has jumped from fifth to third among our trading partners (after Canada and Japan).

At present we have no serious bilateral trade problems but Mexican export subsidies could provoke countervailing duties. (Mexico is not a member of GATT). We are in close contact with Mexico on these questions, through the Trade Working Group.

- Look to the development of joint policies on migration. This issue is potentially the most serious long range threat to our relationship. Discussions on developing joint policies should be possible later in 1981 after comprehensive studies currently underway are completed.
- Enhance border cooperation. Close cooperation is already a fact, in such areas as narcotics, pollution, smuggling, water management, border crossing facilities, stolen vehicles, health and sanitation. Negotiations on some of these questions are underway and should be pushed to early completion.
- Consult on Regional Issues. We generally welcome Mexico's increasing role in regional and global affairs, although we are not always in agreement on specific issues. Mexico has provided economic assistance to Nicaragua and is contributing to regional stability through the Mexican-Venezuelan oil facility for Central America and some Caribbean nations.
- Express interest in Lopez Portillo's "Global Energy Plan": We have expressed support for this scheme, and President Carter complimented Lopez Portillo on it last year. We are ready to assist in any way Mexico may wish to encourage serious consideration of the plan in world councils.

Background
Notes

background NOTES

Mexico

department of state * april 1979

OFFICIAL NAME: The United Mexican States

PEOPLE

Mexico is the most populous Spanish-speaking country in the world and the second most populous country in Latin America (after Brazil). More than half of the people live in central Mexico. Many Mexicans migrate from areas lacking in job opportunities—such as in the underdeveloped southern States and the crowded central plateau—to the industrializing urban centers and the developing

border areas of the northern States.

Between 1960 and 1976 the population of the Federal District, which includes Mexico City, increased by 75 percent—from almost 5 million to 8.6 million. According to 1978 estimates, the urban agglomeration of Mexico City may have grown to as much as 14 million, which would make greater Mexico City the largest urban concentration in the world. The northwestern region also had a sharp rise. Guadalajara, Monterrey, and other urban



areas also showed large increases.

Education in Mexico is decentraliz-

PROFILE

People

POPULATION: 66.9 million (1978 est.). **ANNUAL GROWTH RATE:** 2.9% (Dec. 1978 est.). **ETHNIC GROUPS:** Indian-Spanish (*mesitzo*) 60%, American Indian 30%, Caucasian 9%, other 1%. **RELIGION:** nominally Roman Catholic 97%. **LANGUAGE:** Spanish. **EDUCATION:** *Years compulsory*—9. *Percentage attendance*—65%. *Literacy*—75%. **HEALTH:** *Infant mortality rate*—73 per 1,000 (US=17/1,000). *Life expectancy*—62 yrs.

Geography

AREA: 1,978,750 sq. km. (764,000 sq. mi.). **CITIES:** *Capital*—Mexico City (Mexico, DF— pop. 8.6 million, 1978 est.), Guadalajara (1.9 million), Monterrey (1.7 million), Puebla (500,000), Ciudad Juarez (500,000). **TERRAIN:** Varied—coastal lowlands to high mountains. **CLIMATE:** Varied—tropical to desert.

Government

TYPE: Federal republic. **INDEPENDENCE:** First proclaimed September 16,

1810; Republic established 1822. **DATE OF CONSTITUTION:** February 5, 1917.

BRANCHES: *Executive*—President (Chief of State and Head of Government). *Legislative*—bicameral. *Judicial*—Supreme Court, local and federal systems.

POLITICAL PARTIES: Institutional Revolutionary Party (PRI), National Action Party (PAN), Popular Socialist Party (PPS), Authentic Party of the Revolution (PARM); three other parties—the Socialist Workers Party (PST), the Mexican Democratic Party (PDM), and the Mexican Communist Party (CPM), and four political associations conditionally registered. **SUFFRAGE:** Universal over age 18. **ADMINISTRATIVE SUBDIVISIONS:** 31 States and the Federal District.

FLAG: Green, white, and red vertical bands. An eagle holding a snake in its beak and perching on a cactus is centered.

Economy

GDP: \$74.3 billion (1977). **PER CAPITA GDP:** \$1,149 (1977). **ANNUAL GROWTH RATE:** 6% (1978 est.). **INFLATION:** 15-20% (1978).

NATURAL RESOURCES: Petroleum,

silver, copper, gold, lead, zinc, natural gas, timber.

AGRICULTURE: *Products*—corn, cotton, coffee, sugarcane, vegetables. *Percentage of GDP*—12.

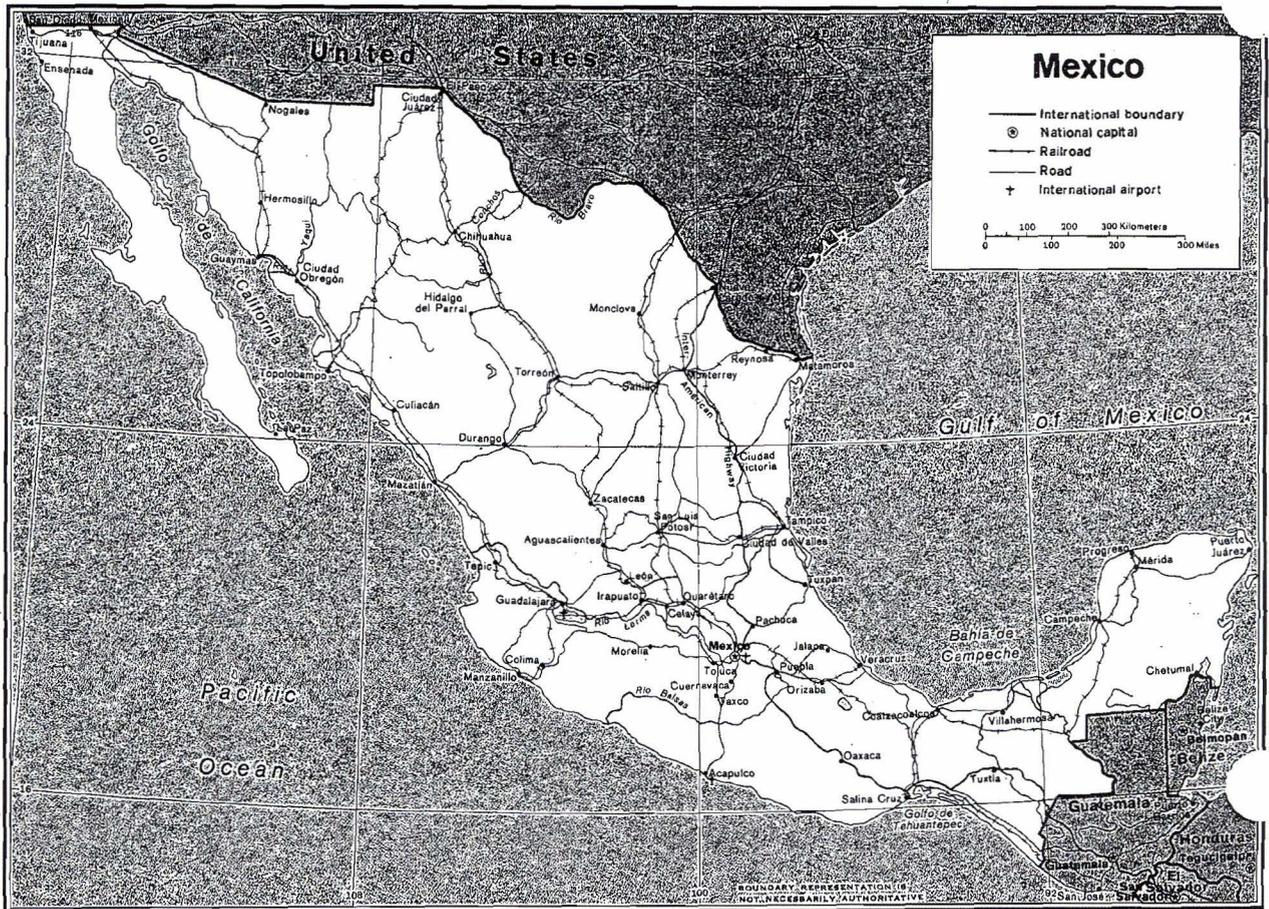
INDUSTRY: *Types*—food processing, chemical, basic metal and metal product, petroleum. *Percentage of GDP*—37.

TRADE: (1977): *Exports*—\$4.6 billion (f.o.b.): coffee, cotton, fruits and vegetables, petroleum, sulfur. *Partners*—US 58%, EC, Japan. *Imports*—\$5.5 billion (c.i.f.): machinery, equipment, industrial vehicles, intermediate goods. *Partners*—US 63%, EC, Japan.

AVERAGE EXCHANGE RATE: 22.5 pesos=US\$1 (1978).

ECONOMIC AID RECEIVED: *Total*—(FY 1946-76) \$3.7 billion. *US aid*—(FY 1946-76) \$300 million; no direct bilateral economic aid program.

MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS: UN, International Atomic Energy Agency (IAEA), International Civil Aviation (ICAO), Seabeds Committee, Inter-American Defense Board (IADB), Organization of American States (OAS), Latin American Free Trade Association (LAFTA), INTELSAT, and several others.



ing and expanding. A major attempt is underway to increase educational activity away from cities, and the increase in school enrollments over the past two decades has been dramatic. Education is mandatory from ages 6 through 14 or until the primary education is completed. Primary enrollment from 1960 through 1972 increased from less than 5 million to 9.5 million. In 1970, nearly 70 percent of the population between 6 and 14 attended school. This proportion declines sharply to 25 percent of the 15 to 19 age group. However, according to some sources, enrollments at the middle education level have quintupled since 1955. Estimates of such increases suggest that enrollments will increase from 1.4 million in 1972 to as many as 2.5 million by 1980. The proportion of the 20 to 24 age group attending school drops to 4.3 percent. Between 1959 and 1973, enrollments in institutions of higher learning increased from 62,000 to 307,000.

At the heart of Mexican cultural

expression is its history and its quest for national identity. Contemporary artists, architects, writers, musicians, and dancers continue to draw for their inspiration upon a rich history of Indian civilization, colonial influence, revolution, and the development of the modern Mexican state. Artists and intellectuals alike emphasize the problems of social relations in a context of national and revolutionary traditions.

HISTORY

An advanced Indian civilization existed in Mexico prior to the Spanish conquest of the area. Major Indian cultures included the Olmec, the Maya, the Toltec, and the Aztec. Hernan Cortes conquered Mexico in 1519-21 and founded a Spanish colony which lasted nearly 300 years. Independence from Spain was proclaimed by Father Miguel Hidalgo on September 16, 1810, and the Republic was established on December 6, 1822. Prominent in the War for Independence were

Father José María Morelos; General Agustín de Iturbide, who vanquished the Spaniards and ruled as Emperor for a short period; and Gen. Antonio López de Santa Ana, who controlled Mexican politics from 1833 to 1855.

Santa Ana was Mexico's leader during the conflict with Texas, which declared itself independent from Mexico in 1836, and during the war with the United States, declared in 1846. The Presidential terms of Benito Juárez (1858-71) were interrupted by the period of the Empire. Archduke Maximilian of Austria, who was established as Emperor of Mexico in 1865 by Napoleon III of France, was deposed by Juárez and executed in 1867. Gen. Porfirio Díaz was President during most of the period between 1877 and 1910.

Mexico's drastic social and economic problems finally erupted in Revolution of 1910. Prominent leaders in this revolution—some were rivals for power—were Francisco I. Madero, Venustiano Carranza, Pancho Villa,

Emiliano Zapata. The Revolutionary Party, under various names and after a number of reorganizations (now known as the *Partido Revolucionario Institucional*—PRI), continues to be the most important political force in the nation.

GEOGRAPHY

The topography of Mexico ranges from low desert plains and jungle-like coastal strips to high plateaus and rugged mountains.

Beginning at the Isthmus of Tehuantepec in southern Mexico, an extension of a South American mountain range runs north almost to Mexico City, where it divided to form the coastal Occidental (west) and Oriental (east) ranges of the Sierra Madre. Between these ranges lies the great central plateau, a rugged tableland 2,400 kilometers (1,500 mi.) long and as much as 800 kilometers (500 mi.) wide. From a low desert plain in the north, it rises to 2,400 meters (8,000 feet) above sea level near Mexico City.

Mexico's climate is generally more closely related to altitude and rainfall than to latitude. Most of Mexico is

dry; only about 12 percent of the total area receives adequate rainfall in all seasons, while about half is deficient in moisture throughout the year. Temperatures range from tropical in the coastal lowlands to cool in the higher elevations.

GOVERNMENT

The Constitution of 1917 provides for a federal republic with a separation of powers into independent executive, legislative, and judicial branches of government.

The executive branch is dominant. Executive power is vested in the President, who promulgates and executes the laws of the Congress. The Executive also legislates by executive decree in certain economic and financial fields, using powers delegated from the Congress. He is elected by universal adult suffrage for a 6-year term and may not hold office a second time. There is no Vice President; in case of the removal or death of the President, a provisional President is elected by the Senate.

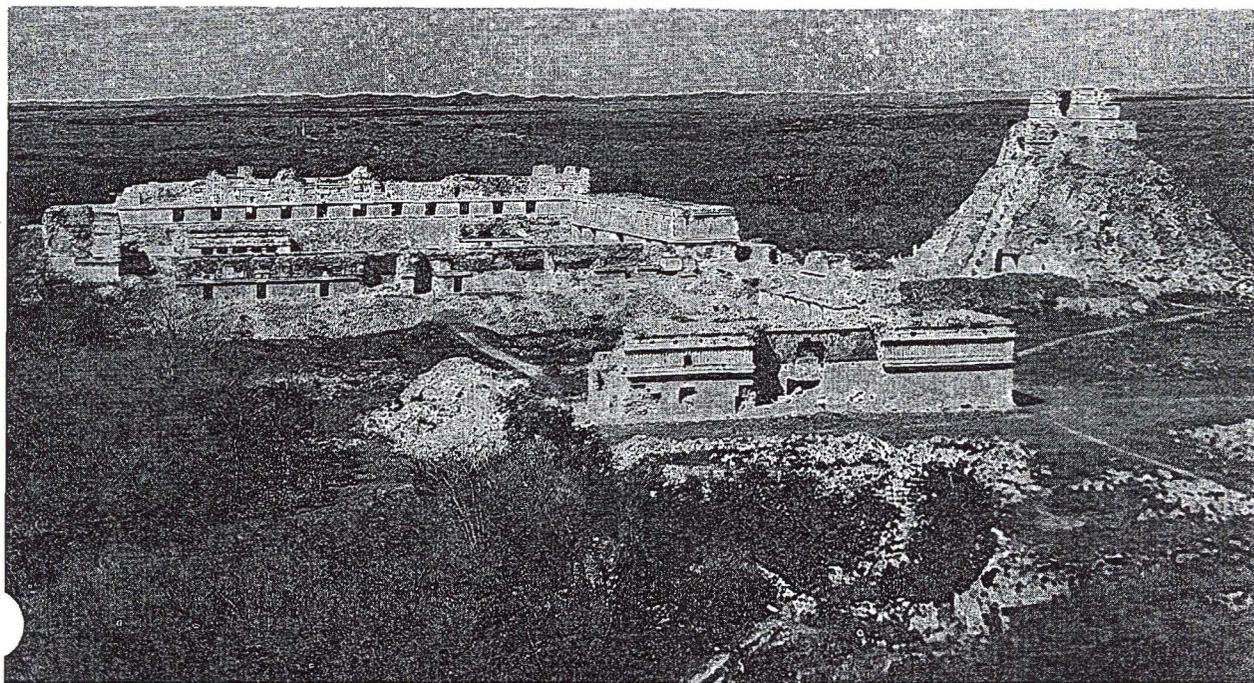
Congress is composed of a Senate and a Chamber of Deputies. Consecu-

tive reelection to the Congress is prohibited. Sixty-four Senators (two from each State and the Federal District) are elected to 6-year terms.

Under constitutional and legislative reforms adopted in 1977 the Chamber of Deputies is to be enlarged with the 1979 elections (from the former 237 Members) to allow 300 Deputies to be elected in single-Member districts by a plurality system favoring the majority party and up to 100 Deputies to be elected according to proportional representation from newly created multi-Member districts. This reform is intended to provide minority parties with greater representation in the Chamber of Deputies. Deputies serve 3-year terms. The Mexican Congress is empowered to legislate on all matters pertaining to the national government.

The judicial system consists of local and federal courts and a Supreme Court. Supreme Court Justices are appointed by the President and approved by the Senate.

Mexico has 31 States and a Federal District. Each State is headed by an elected Governor. Powers not expressly vested in the Federal Government are reserved to the States.



View of Las Monjas, Uxmal, Yucatan

Principal Government Officials

President—José LÓPEZ PORTILLO

Ministers

Government (Interior)—Jesus REYES Heróles

Foreign Relations—Santiago ROEL García

National Defense—Gen. Félix GALVÁN López

Navy—Adm. Ricardo CHAZARO Lara

Finance—David IBARRA Muñoz

Programming and Budget—Ricardo GARCÍA SAINZ Lavista

Patrimony and Industrial Development—José Andrés DE OTEYZA Fernández

Commerce—Jorge DE LA VEGA Domínguez

Agriculture and Water Resources—Francisco MERINO Rábago

Communications and Transportation—Emilio MÚJICA Montoya

Human Settlements and Public Works—Pedro RAMÍREZ Vazquez

Public Education—Fernando SOLANA Morales

Health and Welfare—Dr. Emilio MARTÍNEZ Manautou

Labor and Social Welfare—Pedro OJEDA Paullada

Agrarian Reform—Antonio TOLEDO Corro

Tourism—Guillermo ROSSELL de la Lama

Ambassador to the OAS—Rafael DE LA COLINA

Ambassador to the UN—Francisco CUEVAS Cancino

Ambassador to the U.S.—Hugo B. MARGAÍN

Mexico maintains an Embassy in the United States at 2829-16th St. NW., Washington, D.C. 20009 (tel. 202-234-6000). There are also Consulates General at Los Angeles, San Francisco, Chicago, New Orleans, El Paso, New York, and San Antonio, and Consulates (partial listing) at Denver, Miami, Boston, Detroit, St. Louis, Philadelphia, and Dallas.

POLITICAL CONDITIONS

Mexico's current President, José López Portillo, was elected in July

1976 and assumed office on December 1. López Portillo is a lawyer, university professor, and former Secretary of Finance.

The *Partido Revolucionario Institucional* (PRI)—Institutional Revolutionary Party—has been the dominant political force in Mexico since 1929; not only all of its Presidential candidates but almost all of its candidates for congressional and State offices have been elected. Its members currently hold all but one Senate seat and 189 seats in the Chamber of Deputies. The PRI's success at the polls generally is attributed to an effective grassroots political organization and an ability to identify itself with the aspirations of the Mexican people for economic and social progress. PRI membership is taken from labor, agrarian, and popular groups, from which candidates for elective office are selected.

The PRI faces several opposition parties, but they are small and generally ineffective. The principal party to the right of the PRI is the *Partido de Accion Nacional* (PAN). It was the only minority party to run a Presidential candidate in the 1970 election, but it did not field a candidate in 1976.

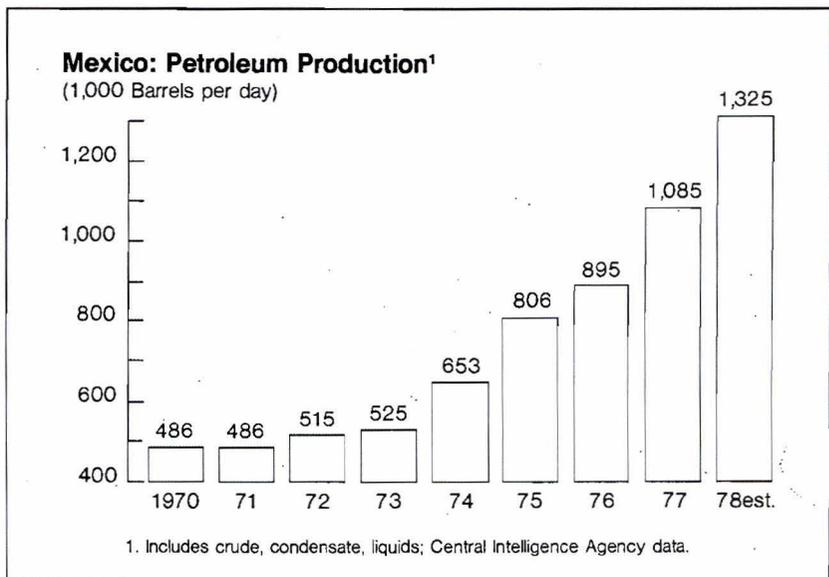
Significant political themes of the Lopez Portillo administration have included reforms to broaden participation by opposition parties in the political system, guarantees to access and

dissemination of information, a drive against high-level corruption in government, and the granting of amnesty to persons charged with or convicted of politically motivated crimes.

ECONOMY

The economy of Mexico grew at an impressive rate—average 6 percent per year—during the fifties and sixties. However, during the early seventies the economy experienced difficulties largely as a result of an overly ambitious public expenditure program which could not be financed by domestic savings, causing the government to resort to untenable borrowing from abroad. The result was an overvalued peso inflation, serious balance-of-payments problems, loss of confidence by the business community, and, ultimately, capital flight.

At the end of the Echeverría administration in late 1976 the government was forced to let the peso float downward from the rate of 12.5 to the dollar (a rate which had been the rock of confidence since 1954) to the current rate of around 22.5 to the dollar. In order to obtain assistance from the International Monetary Fund, the government had to adopt an austerity program which included limits on the growth of the budget and external financing.



Since the López Portillo administration began on December 1, 1976, confidence has been restored in the private business community. The growth rate is returning from its low level of 2 percent per year in 1976 and 1977 to the previous level of approximately 6 percent. The inflation rate, although still relatively high (15-20% in 1978) is decreasing. A major element in the restoration of confidence has been the discovery of major petroleum deposits with a potential that could rival those in the Middle East.

The major problem continuing to face the government is whether it can utilize effectively the new oil revenues to provide sufficient jobs to alleviate an unemployment and underemployment rate which is almost 50 percent. The government recognizes the difficulty it faces in stimulating the economy enough to reduce unemployment while not creating instability at the same time by trying to utilize more revenue that the economy can absorb.

Agriculture

Mexico has nearly completed the first phase of the agrarian reform begun more than 50 years ago, and almost all available land has been distributed. However, raising the productivity and living standards of subsistence farmers has proved difficult. About three-fourths of all crop sales are made by 15 percent of the farmers, with the remaining farmers living on a subsistence level. The Government is trying to encourage these subsistence farmers to form cooperatives in order to make better use of credit and extension services. The Government is also moving to settle the problems arising from land expropriations in the closing months of the previous administration. Self-sufficiency in basic crops such as corn and beans is being stressed, but emphasis is also given to export crops such as coffee, tomatoes, and winter vegetables.

Mexico's agriculture is susceptible to adverse weather, and in poor years, significant amounts of corn and wheat must be imported. High export prices and favorable weather conditions in 1976 made coffee Mexico's most valuable export.



The plaza at Tlaxcala

Mineral Resources

Mexico is rich in mineral resources, and mineral exports are an important element in foreign trade. A leading producer of silver, sulfur, lead, and zinc, Mexico also produces gold, copper, manganese, coal, and iron ore. The discovery of extensive new oil fields in the coastal regions along the Gulf of Mexico and in Baja California enabled Mexico to become self-sufficient in crude oil in 1974 and to export increasing amounts of petroleum. Recent estimates put Mexico's potential petroleum reserves near those of Saudi Arabia.

Manufacturing and Foreign Investment

Mexican industrial development has been led by advances in manufacturing, increases in output, and diversification and integration of processes. Manufactures now account for more than one-fourth of the GDP. Important gains have been made in the production of cement, aluminum, artificial fibers, chemicals, fertilizers, petrochemicals, and paper. The chemical, fertilizer, petrochemical, and pharmaceutical industries currently show the most rapid growth. Mexico is now the world's largest supplier of hormones, producing enough to fill one-half of world demand.

A new law governing direct foreign

READING LIST

These titles are provided as a general indication of the material available on this country. The Department of State does not endorse unofficial publications.

- Fodor's Mexico*. New York: David McKay Company, Revised Annually.
- Fuentes, Carlos. *The Death of Artemio Cruz*. New York: Farrar, Straus and Giroux, 1964.
- Hansen, Roger. *The Politics of Mexican Development*. Baltimore: Johns Hopkins University Press, 1971.
- Lewis, Oscar. *The Children of Sanchez*. New York: Random House, 1961.
- Needler, Martin. *Politics and Society in Mexico*. Albuquerque: University of New Mexico Press, 1971.
- Padgett, L. Vincent. *The Mexican Political System*, 2d ed. Boston: Houghton Mifflin, 1976.
- Paz, Octavio. *The Labyrinth of Solitude: Life and Thought in Mexico*. New York: Grove Press, 1962.
- Quirk, Robert. *Mexico*. Englewood Cliffs, New Jersey: Prentice-Hall, 1971.
- Simpson, Lesley Byrd. *Many Mexicos*. Berkeley: University of California Press, 1966.



The American Embassy, Mexico City

investment in Mexico entered into force on May 9, 1973. This law requires majority Mexican ownership in all new investments except those deemed to be in the national interest by a commission established by the law. In general, the law codifies the existing laws, decrees, and regulations which previously governed the role of foreign direct investment in Mexico. The Government continues to welcome foreign private investment which complements domestic investment, especially when it brings needed new technology, helps increase exports or substitutes for imports, uses a high percentage of Mexican components, aids in the economic development of a depressed region of the country, or is labor intensive.

Trade and Development Aid

Another factor in Mexico's development has been its success in increasing and diversifying its exports. Thirty-five years ago minerals were the leading export, accounting for 65 percent of the export value. Other resources have been developed to expand Mexico's export capacity. Manufactures, including hormones and iron and steel products, make up more than one-fourth of Mexico's exports. Other leading exports are agricultural. Imports are largely of capital goods.

Although internal savings are the principal source of gross investment, foreign financing has played a crucial supplemental role. The Mexican Government has received large credits from international lending agencies.

A significant part of investment also achieved by foreign borrowing.

FOREIGN BUSINESS INFORMATION

For information on foreign economic trends, commercial development, production, trade regulations, and tariff rates, contact the Bureau of Export Development, U.S. Department of Commerce, Washington, D.C. 20230. This information is also available from any of the Department of Commerce district offices located throughout the United States.

Transportation and Communications

Mexico's land transportation network is one of the most advanced in Latin America. The 32,000 kilometers (20,000 mi.) of railroads are government owned. Tampico and Veracruz on the Gulf of Mexico are Mexico's two major ports. A number of international airlines service Mexico.

Mexico has a well-developed communications system with about 1 million telephones, about 600 radio stations, and 150 television stations. It is a member of the International Telecommunications Satellite Consortium (INTELSAT).

FOREIGN RELATIONS

Mexico bases its foreign policy on the principles of nonintervention, self-determination, the peaceful settlement of disputes, and the juridical equality of nations; it maintains relations with Cuba, the U.S.S.R., Vietnam, the East European countries, the People's Republic of China, and many other countries.

In the international economic field, President Echeverría proposed in May 1972 the idea of a Charter of Economic Rights and Duties of States which would define the relationships between developed and developing countries in the field of trade, investment, and financial and development assistance policy. The 1974 U.N. General Assembly approved this charter. The United States and five other industrialized countries voted against it. Although there were many provi-

sions in it that the United States endorsed, some of them—nationalization of industries, indexation of prices, and reparations for colonialism—were not consistent with U.S. interests.

Mexico has played a leading role in the Latin American Free Trade Association (LAFTA)—an agreement between nine Latin American countries to lower tariff barriers among themselves. It also is interested in expanding its trade and investment with the Central American Common Market (CACM) members and with the Andean Group.

U.S.-MEXICO RELATIONS

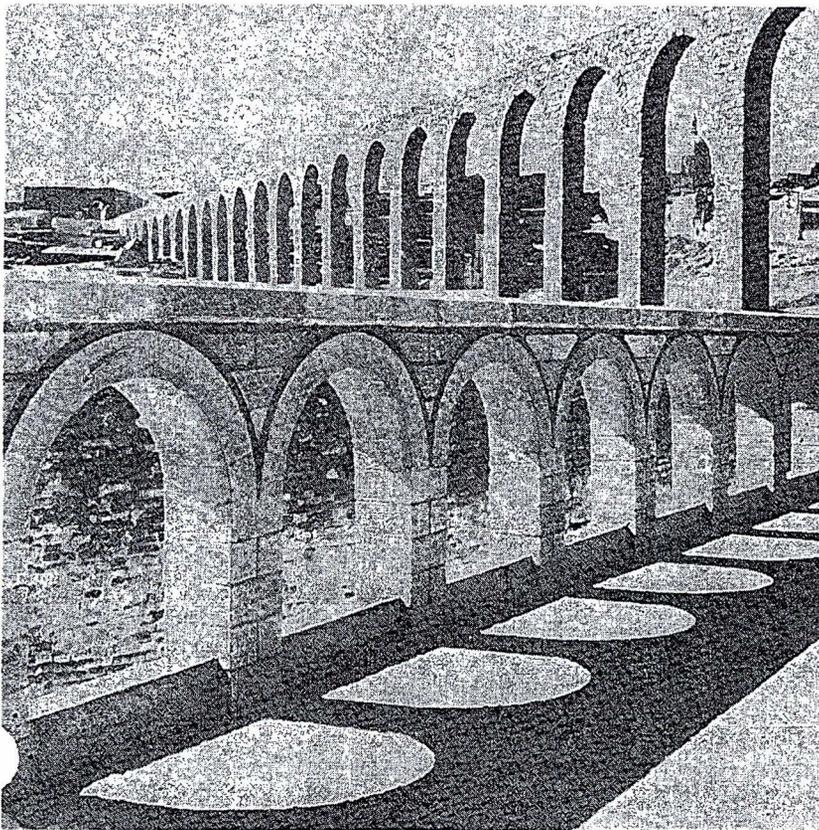
Mexico and the United States have maintained close and friendly relations since 1938, when a major confrontation over the expropriation of oil holdings, was resolved.

The February 1977 visit of President López Portillo, the first foreign Head of State to meet with President Carter, illustrates the importance both countries attach to these relations.

The United States and Mexico are cooperating in efforts to solve various problems, the most important of which are the illegal migration of Mexican workers into the United States, narcotics and dangerous drug traffic into the United States, and trade issues. Economic issues sometimes arise, but they are generally dealt with in an atmosphere of friendship and mutual respect.

In 1973 the two countries signed an agreement resolving the longstanding problem concerning the salinity of the Colorado River, and the U.S. Congress passed the implementing legislation in 1974.

Since 1944 the two governments,



This aqueduct, built more than a century ago, still carries water to Zacatecas.

TRAVEL NOTES

Climate and Clothing—The high plateau area around Guadalajara and Mexico City is springlike throughout the year, a bit cooler in winter, and a little warmer in summer. The Gulf Coast is tropical. The Yucatan Peninsula, the area around Monterrey, and the US border areas are very hot in summer and pleasant in winter. Business suits for men and street dresses or pantsuits for women are appropriate in the cities.

Customs—A tourist card is required. A smallpox vaccination certificate is not required provided travel is not beyond Mexico.

Health—Cooked food is safe for consumption; raw vegetables and tap water often are not. Medical facilities in the larger cities are good. A leisurely pace is recommended for the first few days in the higher altitudes.

Telecommunications—Long-distance telephone and telegraph service to major cities is good.

Transportation—Direct international air service from many US airports is available to Mexico City, Mérida, Guadalajara, Monterrey, and other points. Bus service within Mexico is good, and the highway system is extensive. Auto rental also is available.

Tourism—Tourism is Mexico's "industry without chimneys." Approximately 3 million tourists visit Mexico annually and about 90 percent of them are US citizens. Among the richest archeological sites are Teotihuacan (with its famous pyramids) and Tula near Mexico City, Monte Alban and Palenque in the South, and Chichen Itza and Uxmal in the Yucatan. The National Museum of Anthropology in Mexico City is one of the finest in the world. Other important museums include the Colonial Museum in Tepozotlan, Chapultepec Castle, and the Museum of La Venta at Villahermosa, Tabasco. The major coastal resorts are Acapulco, Puerto Vallarta, Cozumel, and Cancun.

working through the International Boundary and Water Commission (IBWC), have undertaken numerous joint programs for the settlement of their problems. The Commission is engaged in positive programs for conservation of water, flood control,

water quality control, settlement of boundary disputes and uncertainties, and stabilization of the river boundaries.

The United States includes the following objectives in its foreign policy with regard to Mexico:

-To maintain friendly relations and assure maximum cooperation between Mexico and the United States;

-To cooperate in the development of a modern economy, linked with those of other hemisphere countries, including the United States, through a mutually beneficial system of trade and investment;

-To encourage active participation of U.S. private investment in the form

needed for Mexico's economic growth; and

-To settle all differences in the spirit of mutual respect and neighborly understanding.

Principal U.S. Officials

Ambassador—Patrick J. Lucey

Minister Counselor—John A. Ferch

Counselor for Political Affairs—William T. Pryce

Counselor for Economic/Commercial Affairs—Stephen H. Rogers

Counselor for Public Affairs (USICA)—Stanley Zuckerman

Counselor of Embassy for Consular Affairs and Consul General—Vernon D. McAninch

Executive Counselor—Robert M. N.

Consuls General

Guadalajara—J. Donald Blevins

Hermosillo—Frederick H. Sacksteder, Jr.

Monterrey—Ruth McLendon

Tijuana—Robert W. Kent, Jr.

Consuls

Ciudad Juárez—Franklyn E. Stevens

Matamoros—Francis A. Arenz

Mazatlán—Ruth S. Matthews

Mérida—Robert Fichte

Nuevo Laredo—Charles F. Brown

The U.S. Embassy in Mexico is located at Paseo de la Reforma 305, Mexico 5, D.F. (tel. 905-553-333).

DEPARTMENT OF STATE PUBLICATION 7865, Revised April 1979

Office of Public Communication, Bureau of Public Affairs

☆ U.S. Government Printing Office: 1979 O-281-540 ()

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

Biographies

Julian Nava

United States Ambassador
to Mexico

Julian Nava of Northridge, California, was sworn in April 21, 1980 as United States Ambassador to Mexico.

Born June 19, 1927, in Los Angeles, California, Mr. Nava received an A.B. from Pomona College in 1951 and an A.M. and PH.D. from Harvard University in 1955. He served in the U.S. Naval Air Force from 1945 to 1946.

From 1953 to 1954 he was a teacher at the United States Cultural Center in Caracas, and from 1955 to 1957 he taught at the University of Puerto Rico. He was Professor of History at California State University from 1957 to 1979.

Mr. Nava taught at the Universidad de Valladolid in Spain in 1962-63 and at the Centro de Estudios Universitarios Colombo-Americano in Bogota in 1964-65. He was elected to the Los Angeles Board of Education in 1967 and served until 1979. Since earlier this year he has been Special Assistant to the President of California State University.

Prior to his appointment as Ambassador to Mexico, Mr. Nava was chairman of the McGraw-Hill National Broadcasting Advisory Council for Public Service Programs and has served as president of the Pacific Coast Council on Latin American Studies. He has served on the boards of Plaza de la Raza and the Hispanic Urban Center and on the advisory committees of the Mexican American Legal Defense and Education Fund and Bilingual Children's Television. He is the author of numerous books and articles on the history of Mexican Americans.

October 24, 1980

Jose LOPEZ PORTILLO y Pacheco
(Phonetic: LOpehs porTEEyo)

MEXICO

President (since
December 1976)

Addressed as:
Mr. President



A lawyer by education, José López Portillo served as Secretary of Finance and Public Credit during 1973-75. When he began his six-year presidential term, he inherited an economy beset by inflationary pressures, a high rate of unemployment, and a lack of investor confidence. According to the press, his program of fiscal austerity has brought inflation down to manageable levels and has improved investor confidence. López Portillo plays an active role in his country's relations with the Third World and in the expansion of Mexican interests in international forums. Calling energy resources a responsibility of mankind, he has publicly suggested the establishment of a new international order for the exploitation and use of petroleum.

A government employee since 1960, López Portillo served as Under Secretary of the Presidency during 1968-70, as Under Secretary of National Patrimony during 1970-72, and as director general of the Federal Electricity Commission during 1972-73. He has traveled to Washington for visits with Presidents Gerald R. Ford (September 1976) and Jimmy Carter (February 1977 and September 1979).

López Portillo, 60, has written textbooks and fictional works. Athletically inclined, he exercises daily and likes to box, jog, lift weights and practice karate. He also enjoys attending bullfights, soccer matches and basketball games. He does not speak English but can understand it. Married to the former Carmen Romano, López Portillo has three children.

CR M 80-15237
24 October 1980

Jorge CASTAÑEDA de la Rosa
(Phonetic: kahstahnYAYda)

MEXICO

Secretary of Foreign
Relations (since May
1979)

Addressed as:
Mr. Secretary



Jorge Castañeda is a career diplomat who is generally acknowledged as Mexico's foremost authority on the Law of the Sea (LOS). He had served as ambassador at large from December 1976 to May 1979, heading his country's delegations to various LOS meetings. According to press accounts, Castañeda is largely responsible for a new level of activism in Mexican foreign policy. In an early 1980 address to the UN Security Council, Castañeda said that Mexico supports causes rather than countries, and he appealed to the Soviet Union to withdraw its troops from Afghanistan. In a March 1980 speech he affirmed that relations with the United States are the cornerstone of Mexican foreign policy. He added, however, that his government discourages excessive US dependence on Mexican oil. Since assuming office, Castañeda has traveled to Europe, Latin America and the United States.

A lawyer by training, Castañeda joined the foreign service in 1950. In the 1960s he served concurrently as Ambassador to the United Arab Republic (1962-65), Saudi Arabia (1964-65) and Algeria (1964-65). During 1965-70 he was director in chief of international organization affairs in the Foreign Secretariat, and during 1970-75 he was Permanent Representative to the UN European Office in Geneva.

Castañeda speaks English fluently. He is 59 years old. He is married to the former Neoma Rozental, whose son from a previous marriage, Andrés Rozental, is director general of North American affairs in the Foreign Secretariat.

CR M 80-15246
28 October 1980

Enrique OLIVARES Santana
(Phonetic: ohleeVAHrace)

MEXICO

Secretary of Government
(since May 1979)

Addressed as:
Mr. Secretary



A longtime member of the ruling Institutional Revolutionary Party (PRI), Enrique Olivares is an administrator whose duties include overseeing elections in Mexico. He is occupying the position from which four of the last six presidents have been selected, and according to press reports, he is one of the contenders to succeed President José López Portillo in 1982.

Born into a peasant family, Olivares was trained to be a schoolteacher. He served as a federal deputy from the State of Aguascalientes during 1958-61 and as Governor of the state during 1962-68. In that position he was known for supporting peasants' rights and implementing agrarian reforms. During 1968-70 Olivares served as secretary general of the PRI. Elected to the Senate in 1972, he was president of the Senate Grand Commission--a position analogous to that of a party majority leader in the US Congress--until he left the Senate in 1976. He served as director general of the National Bank of Labor and Public Services from 1976 to 1979.

Olivares is 60 years old. He does not speak English. He is married to the former Belén Ventura, a teacher. The couple has four children.

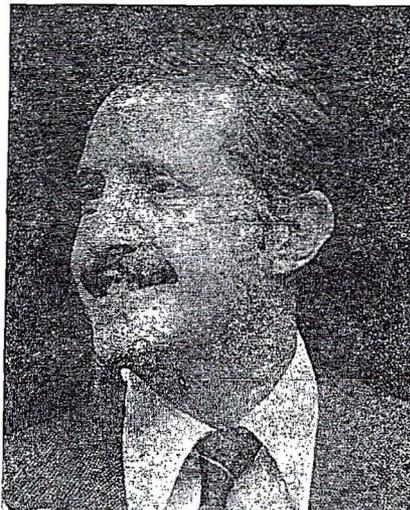
CR M 80-15307
29 October 1980

José Andrés OTEYZA Fernández
(Phonetic: oTAYsa)

MEXICO

Secretary of Patrimony
and Industrial Develop-
ment (since December 1976)

Addressed as:
Mr. Secretary



José Andrés Oteyza is the youngest member of the Cabinet of President José López Portillo. As Secretary, he has authority over the administration and development of Mexico's natural resources, all of which are federally owned. Oteyza has publicly called petroleum "the most powerful arm that Mexico has today," adding that it can best be used in exchange for comprehensive economic packages from individual countries. Oteyza also serves as chairman of the National Atomic Energy Commission.

In 1965 Oteyza began his government career with the Secretariat of National Patrimony, working as an economist in the Department of Economic Studies and later in the Directorate for Supervision of State-Owned Companies. During 1968-70 he was an analyst in the Department of Economic Studies at the Bank of Mexico. Oteyza then served in the Secretariat of National Patrimony as subdirector for the analysis of state-owned companies (1970-71) and as director general of studies and projects (1972-74). He was director general of Financiera Nacional Azucarera S.A. (the national lending institution for the sugar industry) during 1974-75. From October 1975 until December 1976 Oteyza served as director of the advisory council to the Institute of Political, Economic and Social Studies, a think tank of the ruling Institutional Revolutionary Party.

Oteyza, 37, is a graduate of the National Autonomous University of Mexico and of Cambridge University. He has written several articles on economic subjects. He speaks fluent English. Married to the former María de la Paz Pani, he has two young daughters.

CR M 80-15304
30 October 1980

**Withheld under statutory authority of the
Central Intelligence Agency Act of 1949 (50
U.S.C., section 403g)**

**Withheld under statutory authority of the
Central Intelligence Agency Act of 1949 (50
U.S.C., section 403g)**

**Withheld under statutory authority of the
Central Intelligence Agency Act of 1949 (50
U.S.C., section 403g)**