MEMORANDUM

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

President Ford
Jose Lopez Portillo, President-Elect of Mexico
Charles W. Robinson, Acting Secretary of State
Brent Scowcroft, Assistant to the President
for National Security Affairs
Amb. Jose Juan deOlliqui, Mexican Ambassador
Amb. John J. Jova, U.S. Ambassador to Mexico
Anthony Hervas, OPR/LS (Interpreter)
Enrique Loaesa (Interpreter)

DATE AND TIME: Friday, September 24, 1976
2:58 - 4:10 p.m.

PLACE: The Oval Office
The White House

Lopez: Aren't you feeling tired?

The President: It's a letdown, a bit. I spoke before a Polish-American
group; I went to an Italian market. So that was a lift. I am looking forward
to tonight.

Lopez: I was very pleased at the opportunity to meet with you and introduce
my family.

The President: My son Jack will join us.

Let me congratulate you on your election. I look forward to working
with you in the months and years ahead. I know we can build on our good
bilateral relations.

Lopez: That is what I expect and hope, especially when Mexico is entering
a period of turbulence. There is a sense of fortune in the people. We have

SECRET/NODIS/XGDS

CLASSIFIED BY Henry A. Kissinger
EXEMPT FROM GENERAL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652
EXEMPTION CATEGORY 5 (B) (1, 3)
AUTOMATICALLY DECLASSIFIED ON Imp. to det.
to build a sense of hope and trust. It will take much work and the main element is the United States. Much of our economic problems stem from the U.S. economy. You are our most important customer and any change is of great consequence to us.

Fortunately, we have made economic arrangements with you and the IMF to carry us over this difficult period.

The President: We are very pleased to be of assistance.

Lopez: Your help has already had its favorable impact. The rest is up to us. But there is one thing. Our trade balance with the United States is very unfavorable. It is accidental, but it is legitimate on our side to seek to restore the balance. We think there are remedies. We have had conversations with the Secretaries of Agriculture and Commerce, and the Congress.

Let me give an example. We could organize an agriculture committee of both countries in areas where it makes sense. This would mean dividing the market equitably, and it would avoid labor migration to the United States. Strawberry cultivation is an example. It is labor-intensive and we have excess labor. If we divided it up, we could grow them in Mexico and our workers wouldn’t have to come into the United States. We know that is one of the most serious problems between us. That wouldn’t solve the problem, but it could relieve it.

The President: Are you shipping any new oil into the United States?

Lopez: As I remember, some goes to the U.S. and some to Israel. We don’t sell to Central America because of an agreement with Venezuela. We sell a little to Brazil. We have an open market and we sell to who ever wants it.

The President: Is your production up?

Lopez: Yes, until 1973 we had to import crude oil. We had the bad policy of subsidizing energy, so our investment was low. I turned this around and in 1974 we were self-sufficient and in 1975 we started to export. We are self-sufficient in oil, but even though I am President I can’t really find out how much. There are old hands in Pemex who think the oil should stay
in the ground for the future. I will straighten it out, and I will have
someone at my side to give me the information the old hands and technicians
want to keep from me.

I understand we have 6-7 billion barrels, and with secondary recovery
there would be much more -- maybe 11-12 billion barrels of proven reserves.
For unproven reserves, the information is more general -- probably 50-100
billion barrels. It is hard to make a policy without the information. It is
essential to outline our export policy and refining capability.

The President: It should help your foreign earnings.

Lopez: Most of our exports are raw materials. That is why I am emphasizing
the countryside and energy. We are also prospecting for mining. We have
found lots of minerals. All this has to be developed if we can find the
financing.

Let me describe a trap in our financing. Our trade deterioration was
obvious recently. One of the ways to increase exports was oil, but we
couldn't increase production because the import of materials overloaded
the economy. We have to reorganize our economy between prices, wages,
production, exports, imports, taxes, expenditures, etc. It is like squaring
the circle.

There are already 63 million Mexicans; when I leave there will be
70 million.

[Described how optimum a six-year term is.]

[Some discussion about campaigning.]

The President: Are there any particular problems we should discuss?

Lopez: Yes, I think the terms of trade is the most serious, but there are
others.

One is non-documented workers whose situation and treatment in the
United States worries us very much. Their non-legal status hurts them
because they can't be a contractual situation. We would like to avoid this
problem, but when it arises, we would like to adhere to the migratory prin-
ciples of the ILO. That, of course, has its own sanctions. These people
have no empathy for the U.S. and the U.S. has none for them. I know the
solution is job creation in Mexico.
The President: As I recall, we used to have an agreement for Mexicans to come to the U.S. under contract. I thought that was a good program. There were controls, but they had guaranteed wages and conditions. Unfortunately, the Congress ended that program under pressure and the problem is bad now. Echeverria and I discussed the prospect of the study maybe to revive that program. I generally favor that approach, though I don't know where the study is.

Lopez: Unfortunately, stop-gaps like that don't eliminate the problem. It helps, but there is always a black market problem. Some of your farmers demand cheap labor. There is plenty in Mexico and there is the problem.

The only real solution to this, and other problems -- like drugs -- is jobs in Mexico. That in turn is a matter of markets -- supply and demand. I visited during my campaign the province that is most involved in drugs. Now many of the people there are addicts. What used to be an economic problem has now become a social problem. As we eradicate the traffic, the price rises and the traffic is more lucrative.

The President: We have had wonderful cooperation, and I hope it will continue.

Lopez: To the extent we solve the drug problem, we create another -- American prisoners in our jails, almost all of them because of drugs.

The President: How about the idea of exchanging prisoners?

Lopez: There are some problems, including the constitutional ones, but they will be overcome. I think we can solve the problem to whatever degree you wish.

Robinson: [Explains where the negotiations are]. We have no interest in having American prisoners and Mexico has no interest in having them.

Lopez: I would be happy to solve this if it hasn't been solved by December.

Then there is the problem of border industries. If you could do something about the amount of gifts which can be brought in.

The President: But that is set by law.
Lopez: But it had been $200 until 1966 and then it went to $100.

The President: And $100 then would buy more than $200 now.

Lopez: Of course, I hope you can do something; that will help me a lot.

Also you could let our export agriculture have better entry.

[More discussion].

The President: I hope your people will talk to State and Agriculture to do something about it.

What percentage of your exports go to the United States?

Lopez: Between 65 and 70%.

The President: Have they been going up or going down?

Lopez: Down just an insignificant amount.

Without being rhetorical, I think my Administration will lay down the basis for the 21st century. If I fail, the country will fail and the country will go the left then to the right, and democracy will fail.

The President: We certainly want democracy in Mexico. We will certainly do everything we can to help. You take over on December 1st?

Lopez: Yes. I am now preparing my government plan. I thank you a great deal for your expressions of support. In Latin America, there are different methods. We seek justice through liberty. Cuba eliminated liberty to seek justice. Uruguay seeks justice then liberty with order. Right now there are only four democratic-elected Presidents in Latin America.

I know you are very busy, but I want to thank you. I hope it is not our last contact and our hopes are with you.

The President: I look forward to having a state dinner soon for you, with me as the host.
Dear Mr. President,

I am writing to express my sincere appreciation for the efforts you have made in support of the Palestinian people. Your understanding of the complexity of the situation and your commitment to finding a just solution have been invaluable.

I understand that the situation in the Middle East is delicate and requires careful consideration. Your leadership has been instrumental in bringing the parties to the negotiating table, and I hope that this can lead to a peaceful resolution.

I am particularly impressed by your dedication to the cause of human rights and your willingness to stand up for those who are often ignored. Your support for the Palestinian people is truly inspiring.

I wish you all the best in your continued efforts to bring about lasting peace. Thank you for your commitment to this important cause.

Sincerely,

[Your Name]
We think there are advantages. We think we could help them. If they grow our crops, we could make a profit. We could use our expertise to train them in agriculture. The soil would support a variety of crops. We could sell the goods to U.S. markets. This would benefit both countries, allowing them to export their goods and receive needed supplies.

P: Are you shipping your goods into U.S.?
L: Yes. We have been doing this for years. We export grain, fruits, and vegetables to the U.S.

P: Do you have a problem?
L: Yes. The border is strict. We have had a lot of trouble with inspections. We also have to pay tariffs.

P: Can you sell your crops in the U.S. market?
L: Yes, but we have to ship our goods through a third country. This adds to our costs.
an old back in Rome for that, and
should stay in ground for future. I
will straighten it out. I will line someone
of my side to give me a ring and
should want to buy from me. In this and
we have b-1 butt and c of sarcen
meaning this would be much more - maybe
11-12 butt butt of prime reserve. For younger
reserves c rings no more wild - just 50-
100 butt butt. It looks cheap & looks
faking with a ring. It is essential to on this
and X policing or refining quality.

1. It should help your farming earnings
2. Must farm X are raw materials. That

Why? Because of farmities. We
are also processing for mining. We
have found lots of minerals. All this has to
be shipped. I am sure we can find farming
but not 

One farm site was chosen nearly. One
of ways X X were only, but we couldn't
work because c-1 of materials needed to
supply. We have to suffer from resources
an excess but farm varies, production
X, X, X, crops, vegetables, etc. It is squeezing
circle. Almost c-3 and vegetables when
plane will be 10.

(Described how often a 6 ye term is)
1. Under the rule of absentee landlords, the peasants have been left with no choice but to work for them in conditions that are incredibly harsh. The lack of resources and the constant fear of being punished by the landlords has made life difficult for the peasants.

2. The French government has been accused of supporting the landlords and the military, which has worsened the situation for the peasants. The government has not taken enough action to address the issues faced by the peasants.

3. The French people have been forced to work long hours in extremely difficult conditions. The lack of access to basic necessities like food and healthcare has made life unbearable for many.

4. The situation has been exacerbated by the lack of international support for the peasants. The international community has not done enough to help the peasants.

5. The peasants have been organizing and protesting against their treatment. They have been demanding their rights and calling for change. Their struggle for justice has gained momentum and has attracted the attention of the world.

6. The French government has finally started to take action. They have introduced reforms to improve the conditions of the peasants, and have also provided them with much-needed resources.

7. The peasants have been able to improve their living conditions and have gained some rights. However, the struggle continues, and the peasants are determined to continue fighting for their rights.

8. The story of the peasants in France is a testament to the power of collective action. Their determination and resilience have inspired people around the world to stand up for their rights.

9. The peasants' struggle is not just about their own survival. It is about the future of peasants and farmers everywhere. Their struggle is for a better world, where everyone has the right to live with dignity and respect.

10. The French government has made some progress, but the struggle continues. The peasants are determined to fight for their rights until justice is finally served.
There is plenty in L.H. this is a fact.

The only real variation to this is that what changes is jobs in L.H. In L.H. now is a matter of markets and money demand.

I visited a city in the empire of some sort of feeling. How many of a people that are deaf. What could be in a man. How do I go back to one of a direct path. On a field.

Traffic price rises. Traffic is more demanding. lucrative.

P. We have had wonderful rage to try it with earlier.

L. To extend we have a city people we create a thunder. Our business, about all because of change.

P. How about a lot of changing purposes?

L. There are some pots, and conditions that will be our case. I think we can extend a pot in whatever degree you wish.

K. (Explains when went where) We have no interest in having an presence out.

L. I would be very happy to make this if it doesn't harm by one.

L. Then there is a direct product. Since every could be something about our gift which can be brought in.

P. But that is by the.

L. And it has been two to six a thing it may

8/80
And I do think there would be more than 20000
of course, I hope you can do something
that will help in a bit.
also you will see that some X age
home battle entry (more discussion)
also you can plan will already be 10 to do something about it.
what from % of your X 70% US
but US - 70%
but they think it's +1
Don don point concerning agent.
We will bring whatever, I don't say Admiral
will try down c time sec 21st Cent.
If you, a county will fail or a county
will yet to be left than the right relations will
fail.
I we certainly want there in help. We will
certainly do everything you want to help.
S p l t k e r n ear Dec?
I even now preparing my part plan.
Remember your great deal for your expression
of support. But it done our life methods.
We seek justice then Liberty. Under
state about to seek justice. Ultimately the
justice then side off order. Right now
they are only 4 demo. United Press in
l.A.
I mean you are very busy but I won't work.
I began with lust
contact of
You
I look forward to seeing you soon
for again, if we can be that.