

DEPARTMENT OF STATE

WASHINGTON

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MEMORANDUM FOR THE PRESIDENT

Subject: Your Meeting with President Lopez Mateos

We do not expect to make any major political decisions but want to give new emphasis to the friendly relations which exist between Mexico and the United States. These relations are now at an all-time high. Mexico felt it had a real friend in President Kennedy. They feel the same relationship exists with you but want to be reassured. A warm Texas handshake and abrazo when you greet Lopez Mateos at Los Angeles would symbolize the continuance of that relationship.

We want to stress the <u>identity of interests of our two</u> <u>countries</u> and our ability to work out in the "spirit of <u>El Chamizal"</u> any problems that may arise between us.

Despite the informal atmosphere of the visit, we should give scrupulous attention to Mexico's extreme sensitivity on sovereign equality and Mexico's strong desire to avoid any appearance of subservience to the United States.

Lopez Mateos speaks for the Mexican Government and no important decision is made without his approval. He has followed an "independent" foreign policy but knows that good relations with us, especially in the economic sphere, are essential to his country. At times his foreign policy has been too independent—for example on Cuba and in commercial and cultural relations with Communist China.

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SANITIZZD Authority <u>RAC-NL3 001-063-1-1</u> By <u>MAC</u> NARA, Date <u>9-26-01</u>

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But when fundamental issues are at stake we have usually found him understanding and willing to be helpful--controlling travel of Castro agents, non-recognition of Red China, offering help on Panama.

Lopez Mateos has chosen his successor, Gustavo DIAZ Ordaz, who will take office in December 1964 after elections in July. Power is therefore drifting toward Diaz Ordaz.

Enclosed is a paper on points which it is suggested you raise at the meeting, and those which it is believed Lopez Mateos will raise.

7s/ Dean Rusk

Dean Rusk

Enclosure:

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Paper on points to be raised at the meeting

MAJOR POINTS OF INTEREST TO THE UNITED STATES

1. General Information and Hemisphere Relations

We desire to continue close working relations with Mexico both within and outside the CAS and the UN.

We hope Mexico will continue to use its key political and geographic position to help control Castro/Communism.

Mexico is very sensitive about publicizing its cooperation and we have carefully avoided any public comment on Mexican control measures.

Mexico has offered its assistance on Panama. Mexico is not aware of the role of President Orlich of Costa Rica in mediation efforts and we do not desire that this come to Mexico's attention. We welcome Mexico's assistance within an OAS context.

2. Red China

The coming visit of De Gaulle to Mexico and Brazil in March has prompted speculation that these two countries are about to recognize Red China.

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to raise this issue, but if Lopez Mateos raises it, we should let him know we are aware of his assurances.

3. Mexico's Role in the Alliance for Progress

Mexico's participation in the Alliance is essential to its success. Mexico has played a leading role in IA-ECOSCC and has named the Director General of the Bank of Mexico as its representative to CIAP. It has cooperated with us in providing extensive training facilities for Latin American technicians. We want to encourage Mexico to make a greater

contribution

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contribution. Mexico is making renewed efforts to promote private enterprise and we also want to encourage Mexico along this line. We should continue to cooperate with Mexico in maintaining financial stability and promoting economic development.

4. Disputed Tracts on Rio Grande

There remain several tracts on the Rio Grande over which sovereignty is in dispute. We desire to have the International Boundary and Water Commission study these problems and recommend a solution.

5. Control of Narcotics

Mexico and the United States are cooperating in controlling the importation of narcotics and dangerous drugs into the United States. We should strengthen this cooperation in the mutual interest of both countries. We hope therefore that Mexico will agree to periodic meetings of the highest law enforcement officers of the two countries.

6. Desalinization Plant at Tijuana

An appraisal report by Interior shows that this is the most economical way to supply water to Tijuana. We are prepared to go ahead with a feasibility study if Mexico desires and will share the cost.

MAJOR POINTS LOPEZ MATEOS IS EXPECTED TO RAISE

1. Salinity Problem on Lower Colorado

The Mexican President wants a reaffirmation of President Kennedy's commitment "to reach a permanent and effective solution at the earliest possible time" of the salinity problem. We can agree but should avoid any commitment on timing. If Lopez Mateos raises the related problem of the

groundwater



groundwater recovery program at Yuma, we agree that the Boundary Commission should study the problem. Farmers in the lower Rio Grande Valley are seriously concerned about saline drainage discharged into the river by Mexico and want the Boundary Commission to achieve an early solution to this problem.

2. Bracero Program

The Mexican Government is privately seriously disturbed about the termination of this program. Congressional opposition to it is strong and we cannot commit ourselves to continue the program. We are looking into the problem to see if anything can be done to help Mexico. One possibility is an expanded community development program in Mexico through private channels (P.L.480 foodstuffs through U. S. voluntary agencies) if Mexico is interested.

3. Mexico's Concern about U. S. Trade Policies

Mexico is concerned about United States restrictions or threatened restrictions on textiles, lead, zinc and meat and other products and United States cotton policies which it claims hurt Mexican cotton exports to the world market. We recognize that we are natural markets for each other. We desire to expand trade, promote competition and develop markets. We want to maintain or expand the present level of access to each other's market but we would not be able to guarantee Mexico its present share of our market in each commodity or a share in increased consumption.

4. Chamizal Settlement

Lopez Mateos wants to be recorded in history as the man who returned the Mexican flag to the Chamizal. He wants a ceremony at the Presidential level at El Paso-Ciudad Juarez before December 1964 to symbolize the Chamizal settlement. We should only agree to consult later in the year on an appropriate ceremony and a possible date.

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