

EXECUTIVE SECRETARIAT

ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR				
4	D/ICS				
5	DDI		X		
6	DDA				
7	DDO		X		
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/OLL				
14	D/PAO				
15	D/PERS				
16	VC/NIC		X		
17	NIO/LA		X		
18	C/LA/DO		X		
19	D/ALA/DI		X		
20	D/OCR/DI		X		
21	<i>EX</i>				
22					

SUSPENSE _____
Date

Remarks

Executive Secretary

25 NOV 85

Date

3637 (10-81)

STAT

8534902 thru 8534935
United States Department of State

Washington, D.C. 20520

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November 23, 1985

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Tm-B (With SECRET Attachments)
Tm-C

Executive Registry
85- 4635

RF:njs MEMORANDUM FOR:

D	- Mr. Whitehead
P	- Mr. Armacost
E	- Mr. Wallis
T	- Mr. Schneider
M	- Mr. Spiers
C	- Mr. Derwinski
A	- Mr. Lamb
AF	- Mr. Crocker
ARA	- Mr. Abrams
CA	- Ms. Clark
EAP	- Mr. Wolfowitz
EB	- Mr. McMinn
EUR	- Ms. Ridgway
HA	- Mr. Schifter
INM	- Mr. Thomas
INR	- Mr. Abramowitz
IO	- Mr. Keyes
L	- Judge Sofaer
NEA	- Mr. Murphy
OES	- Mr. Negroponte
PA	- Mr. Kalb
PM	- Mr. Holmes
RP	- Mr. Purcell
S/CPR	- Ms. Roosevelt
S/CT	- Mr. Oakley
S/P	- Mr. Rodman
AID	- Mr. Meyer
CIA	- [Redacted]
INR/B	- Mr. Hirsch
NSC	- Mr. Martin
USIA	- Mr. LaSalle
USTR	- Mr. Frierson
Commerce	- Ms. Robbins
Treasury	- Mrs. Cooksey

STAT

SUBJECT: Requirements for the Trip of President Reagan and Secretary Shultz to Mexico, January 3, 1986

ARA COORDINATOR: Perry Shankle, Director, ARA/MEX, 632-9894, Room 4258

ARA DEPUTY COORDINATOR: James Landberg, Deputy Director, ARA/MEX, 632-9292, Room 4258

S/S-S ACTION OFFICER: Keith A. Eddins, 632-8338, Room 7241
Glyn Davies (Alternate), 632-8338, Room 7241

S/S-S BACKUP: Angus Simmons, 632-1522, Room 7241

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This memorandum assigns responsibilities for preparing briefing materials for use by President Reagan and Secretary Shultz during their trip to Mexico. Requirements have been discussed with the NSC. Bureaus wishing to suggest additions or changes to this tasker should contact the S/S-S Action Officer as soon as possible.

I. BRIEFING MATERIALS FOR THE PRESIDENT

1. ANNOTATED AGENDA. ARA should prepare an annotated agenda (sample attached) for the President on plain bond paper. The agenda is due in S/S-S by COB December 4.

2. MEMORANDUM TO THE PRESIDENT FROM THE SECRETARY. ARA should prepare a briefing memorandum from the Secretary to the President, which should serve as a scope paper. The memo should follow the "four questions" tick and bullet format (sample attached), should not exceed three pages, and should be submitted under cover of an Action Memorandum, fully cleared (including S/P and P), by COB December 16.

3. TALKING POINTS FOR THE PRESIDENT'S MEETINGS. ARA should prepare talking points for the President's meetings. They should not exceed two pages in length, and should be prepared on plain bond paper (sample attached). All talking points are due in S/S-S by COB December 4. Final revisions, as necessary, should be received in S/S-S by COB December 16.

4. "SCENE SETTER" FOR EACH EVENT. For each meeting, the comments from the annotated agenda should be presented in tick format on a single sheet of plain bond paper for use in the President's day book (sample attached). Center and underline the title of the event or name of the person the President is meeting with, and classify the page appropriately. These extracts are due in S/S-S by COB December 4, with final revisions, as necessary, submitted by COB December 16.

5. INDEX CARDS FOR THE PRESIDENT'S MEETINGS. ARA should prepare 3x5 index cards for the President's use in his meetings. The index cards should very briefly cover the key issues to raise, and should be limited to as few cards as possible. An extra set of cards should be made for the Secretary. These cards are due in S/S-S no later than COB December 4, with final revisions, as necessary, submitted by COB December 16.

6. PUBLIC DIPLOMACY THEMES. ARA should prepare concise public diplomacy themes (sample attached) on US-Mexican

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Relations, US Policy in Central America, and other appropriate issues. These one-page papers are due in S/S-S (cleared by S/P, PA and P at a minimum) by COB December 4, with final revisions, if necessary submitted by COB December 16.

7. FACT SHEETS. The following fact sheets (sample attached) should be prepared on plain bond paper, and should not exceed one page. All of the papers should be submitted to the ARA Trip Coordinator. They are due in ARA/MEX with all clearances by COB December 13, and in S/S-S by COB December 16.

<u>PAPER</u>	<u>DRAFT</u>	<u>CLEAR</u>
1. US-Mexican Relations	ARA	EB, E, P
2. Central America	ARA	S/SE, P
3. Narcotics	INM	ARA, DEA, P
4. Trade and Investment	ARA	EB, USTR, Commerce E, P
5. Border Cooperation	ARA	OES, EPA, EB, P
6. Fishing Issues	OES	ARA, EB, L, P
7. Safety of US Citizens	CA	ARA, P
8. Maritime Boundary Treaty	ARA	OES, L, EB, P
9. Immigration Reform	CA	ARA, H, P
10. Financial Issues	EB	ARA, Treasury, E, P
11. Energy Issues	EB	ARA, OES, DOE, E, P
12. Earthquake Reconstruction	ARA	EB, AID, P
13. Mexican UN Voting Behavior	IO	ARA, UNA, P

8. PUBLIC STATEMENTS. ARA should prepare drafts of any public statements (including contingency toasts) to be made by the President. All drafts should be cleared by S/P, PA and P. Statements should be double-spaced on plain bond paper, and submitted under cover of a Platt-McFarlane memorandum by COB December 4.

9. BIOGRAPHIC MATERIAL. ARA should provide S/S-S with a list of all significant Mexican officials the President and the Secretary are likely to meet during their trip. S/S-S will then request appropriate biographic material. The list is due in S/S-S as soon as possible, but no later than COB November 22.

II. MATERIALS FOR THE SECRETARY

1. MEMORANDUM TO THE SECRETARY FOR USE IN BRIEFING THE PRESIDENT. ARA should provide a memorandum to the Secretary for use in briefing the President before the visit begins. The memorandum should be prepared as a standard briefing outline, and is due in S/S-S by COB December 17.

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2. ACTION MEMORANDUM TO THE SECRETARY REGARDING HIS PARTICIPATION IN THE TRIP. ARA should provide an Action Memorandum to the Secretary by COB December 2 with recommendations on his participation in the trip.

3. BRIEFING THE SECRETARY FOR ANY ADDITIONAL MEETINGS. ARA should prepare briefing outlines for the Secretary from Assistant Secretary Abrams for any side meetings the Secretary may have during the visit. The outlines should not exceed three pages in length, or, alternatively, may be prepared on 5X8 cards only. The papers are due in S/S-S, cleared by P and other appropriate bureaus, by COB December 17.

4. SCENARIOS FOR THE SECRETARY. ARA, in consultation with Embassy Mexico, should prepare individual scenarios for use by the Secretary for each event in which he will participate. The scenarios should be prepared on plain bond paper, and are due in S/S-S in final form by COB December 17.

5. PRESS POINTS. ARA should prepare contingency press points for use by the Secretary on US-Mexican relations, US Policy in Central America, and other appropriate issues. Press points should be on plain bond paper (sample attached), and should be cleared by S/P, PA, and P at a minimum. They are due in S/S-S no later than COB December 17.

Q's and A's. In addition to Press Points, ARA should prepare Q's and A's specifically geared to local issues which are likely to be raised by the Mexican press. Q's and A's should be done on plain bond, with answers double spaced, and should be cleared by PA and S/P. They are due in S/SJ-S no later than COB December 16.

6. SCHEDULE. ARA should prepare a schedule for the Secretary showing all events in which he will participate, including those which diverge from the President's schedule. This schedule should be on plain bond paper and is due in S/S-S by COB December 17.

7. PUBLIC STATEMENTS. ARA should prepare drafts of any public statements (including toasts) to be made by the Secretary. These drafts, cleared by S/P, PA and P, are due in S/S-S by COB December 4.

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8. ECONOMIC DATA SHEETS. ARA should prepare an economic data sheet and an "At a Glance" sheet for Mexico (samples attached). These items are due in S/S-S by COB December 17.

NOTE: All material sent to the White House must be letter perfect. S/S-S requires the original plus one copy of all papers. Drafting and clearing information should appear on a separate page. Except for Action Memoranda, papers for the visit should be delivered directly to the S/S-S Action Officer. They should not be logged in with S/S-I.

Nicholas Platt
Nicholas Platt
Executive Secretary

Attachments:

List of Due Dates
Sample Annotated Agenda
Sample Sec-Pres Memorandum
Sample Talking Points for the President
Sample "Scene Setter"
Sample Public Diplomacy Themes
Sample Fact Sheet
Sample Press Points
Sample Economic Data Sheet

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Due Dates for the President's Trip to Mexico

November 22

List of Mexican officials the President and Secretary are likely to meet

December 2

Action Memorandum to the Secretary Regarding His Participation in the Trip

December 4

Annotated Agenda

"Scene Setters"

Talking Points for the President

Index Cards for the President's Meetings

Public Diplomacy Themes

Draft Public Statements for the President

Draft Public Statements for the Secretary

December 16

Memorandum to the President from the Secretary

Fact Sheets

December 17

Memorandum to the Secretary for use in briefing the President

Briefing Memoranda for the Secretary's side meetings

Scenarios for the Secretary

Press Points and Q's and A's for the Secretary

Secretary's Schedule

Economic Data Sheets

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THE PRESIDENT'S TRIP TO EUROPE

Annotated Agenda

SAMPLE

THURSDAY, MAY 2

THE PRESIDENT'S VISIT TO THE FRG

(Part I)

10:05 a.m.

Arrival Ceremony at Villa Hammerschmidt, official residence of President Richard von Weizsaecker. President and von Weizsaecker inspect troops. No remarks.

10:20 a.m.

Meeting with President von Weizsaecker (35 minutes; no interpretation necessary). The position of Federal President is largely ceremonial, but, due to von Weizsaecker's experience and distinguished and eloquent manner, he exerts considerable influence as moral leader of Germany. While of the same party, Kohl and von Weizsaecker are not close, partly a function of their differing personalities: Kohl -- the man of the people; von Weizsaecker -- polished and urbane. He is sophisticated in foreign policy and has travelled recently to the Middle East and Finland. Von Weizsaecker will be interested in our overview of the state of the Alliance (he is a great believer in NATO), German-American relations (a fan of America; he has no serious reservations about our relations), and US-Soviet relations (he is realistic about Soviet behavior, but is hopeful for a renewed era of detente and meaningful arms control).

11:00 a.m.

Meeting with Chancellor Kohl (45 minutes one-on-one, followed by 45 minutes in plenary; interpretation required) Chancellor Kohl faces reelection in 1987; the outcome is not certain but looks good for Kohl. He remains the butt of jokes in the media, but is popular with the average German. The German economy is doing reasonably well, though unemployment (10.5%) is high. Anti-nuclear feelings have subsided, and the peace movement is less active. Discussion topics will cover: developments in East-West relations, including impressions of Gorbachev, arms control, SDI (Kohl is supportive of the research program and is interested in joint

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SAMPLE

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cooperation but questions SDI's long-term impact on European security); economics (Germans are impressed with the US recovery, which has stimulated their own economy). In light of the President's upcoming address before the European Parliament, he may want to encourage a discussion on the state of intra-European relations (prospects for greater harmonization of policies, implications of EC enlargement, Franco-German relationship).

2:15-2:45 p.m.

Meeting with Prime Minister Nakasone. The President can use this meeting to press for further progress on bilateral trade issues and to coordinate US-Japanese strategy for the Summit.

3:00-4:00 p.m.

Meeting with President Mitterrand. Mitterrand pressed for this meeting, in part to substitute for the cancelled lunch in Strasbourg, and adjusted his arrival in Bonn to fit the President's schedule. Mitterrand is likely to be the biggest obstacle to a successful summit, particularly on a new trade round, and this meeting will be the best opportunity to bring him around.

6:00 p.m.

Meeting with Prime Minister Thatcher (30 minutes at Schloss Gymnich). Mrs. Thatcher wanted this one-on-one meeting to reinforce public perception of her close relationship with the President. She may use it for last-minute Summit coordination, discussion of U.S. domestic political issues (budget, etc.) and sharing of views on international issues (East-West, Arms Control).

1985 ECONOMIC SUMMIT

May 2-4

The Summit will start at 6:30 p.m. on Thursday with an informal "mix-and-mingle" reception at Schloss Augustusburg, a baroque palace near Cologne. Substantive discussions will begin at a working dinner for Heads of State/Government that evening.

The formal program on Friday and Saturday will follow the general format of London and

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SAMPLE

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Williamsburg. In addition to addressing political issues (and possibly adopting a declaration commemorating the 40th anniversary of the end of World War II), we expect the Summit to recognize the broad convergence that now exists in the economic policies of Summit countries. We want to focus attention on the need for structural change, especially in labor markets, to promote stable growth of output and employment in Europe, and on more rapid liberalization of the Japanese markets. Commitment to a new round of trade negotiations will be an important objective (controversial with France, Italy and the EC Commission). France may insist on monetary reform negotiations and try to link them to a new trade round. Other themes will include international debt, energy, and the manned space station. For domestic political reasons, Kohl will want to highlight environmental issues, particularly acid rain.

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SAMPLE

SAMPLE

SECRET

SAMPLE SEC-PRES

MEMORANDUM FOR: The President

FROM : George P. Shultz

SUBJECT : Visit of Egyptian President Mubarak

I. WHERE DOES OUR RELATIONSHIP STAND?

- o Relations have remained warm and strong since Mubarak's last visit in March.
- o Successful large U.S.-Egyptian military exercise (Bright Star 85) held in Egypt this summer.
- o Congress appropriated \$500 million in supplementary economic assistance.
- o New Egyptian government, led by Prime Minister Ali Lotfy, will not affect bilateral relations.

II. WHAT DO WE WANT?

- o Egyptian support for our efforts with Jordan on behalf of direct negotiations with Israel
- o Continued improvement in Egyptian-Israeli relations, including return of the Egyptian Ambassador to Israel and resolution of the Taba dispute.
- o Sharing of candid assessments of situations in Sudan and Libya.
- o Bold Egyptian government measures to confront Egypt's serious economic problems and continuation of the current economic dialogue with the U.S.
- o Better security cooperation: specifically, Egyptian approval of nuclear-powered warship transits through the Suez Canal.
- o Selection of Westinghouse-led consortium to build Egypt's first nuclear power plant.

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DECL: OADR

SAMPLE

SECRET
- 2 -

III. WHAT DO THEY WANT?

- o Reinforce Mubarak's image as a world leader with a special relationship with you.
- o A more active U.S. role in the peace process: specifically, an early U.S. meeting with a Jordanian/Palestinian group.
- o Set stage for continued high levels of economic assistance: specifically to press long-standing request for FMS debt relief.

IV. WHAT CAN BE ACHIEVED FROM THIS VISIT?

- o Reaffirmation of shared commitment to promote direct negotiations between Israel and a Jordanian-Palestinian delegation and to improve-ment in Egyptian-Israeli relations.
- o Better Egyptian understanding of a) limits to our ability to provide economic assistance and b) their responsibility to develop long-term solutions to their economic problems.
- o Improved prospects for Westinghouse-led consortium.
- o Perhaps present some ideas on resolving Taba dispute, depending on status of Egyptian-Israeli efforts.

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SUGGESTED TALKING POINTS FOR THE PRESIDENT'S MEETING
WITH CHANCELLOR KOHL

SAMPLE

U.S.-GERMAN
RELATIONS

-- Visit to FRG so close to this important anniversary underlines reconciliation and close cooperation as we look to the future.

-- Appreciate very much your personal involvement in trip preparations.

-- Very pleased with personal relationship we have established, intend to continue close consultation.

-- My friend Charlie Wick has told me about impressive work which he and Ambassador von Staden have done on contacts. I support fully.

-- Goal in Geneva is to increase strategic stability through deep reductions in number and power of strategic and intermediate-range offensive nuclear arms.

-- We continue to seek reductions to around 5000 strategic ballistic missile warheads for both sides and reductions to the lowest possible equal global limits on LRINF missiles. Our negotiators have great flexibility to strike deal with USSR.

-- Need to retain Western unity as we pursue multilateral arms control issues: at CD in Geneva, at CDE in Stockholm, at MBFR in Vienna. While recent Eastern MBFR proposal offers little that is new, we are considering it carefully in determining next steps. Want CDE to deal in specifics, not unverifiable statements of intention.

-- In INF, Soviet revival of familiar moratorium and reduction proposals is a disappointment; our position remains sound, and we are prepared to be flexible if Soviets show seriousness.

SDI

-- We will continue to pursue SDI research in a manner consistent with ABM Treaty. We see it as a prudent hedge in light of Soviet efforts.

-- Any deployment would, because of ABM treaty, be a matter for negotiation with Soviets.

-- While we hope that effective defenses could eventually help achieve a world free of nuclear weapons, this is long-term prospect. For foreseeable future, we must continue to rely on effective, modernized nuclear deterrent forces. Pleased that you have also emphasized this point.

SAMPLE
TALKING
POINTS
ARMS
CONTROL

SAMPLE

-- What are your thoughts concerning Allied participation in SDI research?

EAST-
WEST
RELATIONS

-- Deeply disturbed by shooting of Maj. Nicholson by Soviet sentry. Working with Soviets to see that such incidents do not recur.

-- New possibilities open in all areas of U.S.-Soviet relations: arms control, human rights, regional problems, and bilateral issues.

-- Pleased that Gen. Secy. Gorbachev willing to meet me. Have agreed that we will defer setting date and venue for time being. Don't expect any rapid breakthroughs, but summit provides personal high-level impetus to our relations.

-- Support your own efforts to expand contacts with GDR, Soviet Union, and Eastern Europe. It is important that the Western Allies pursue a coherent policy in regard to GDR so that their common interest in Berlin and Alliance security is served.

ECONOMIC
SUMMIT

-- Congratulations on preparations. Meetings will fit in well with our themes of post-war reconciliation and looking together to the future.

-- Important that we demonstrate the sincerity of our commitment to fight protectionism by explicitly setting an early 1986 date for beginning a new trade round.

CENTRAL
AMERICA

-- There will be no enduring peace in Central America unless there is national reconciliation in Nicaragua.

-- The Nicaraguan opposition's March 2 peace offer and my April 4 proposal address this need. The Church has reiterated its call for dialogue and agreed to mediate.

-- Duarte crossed the psychological threshold to dialogue with the armed opposition. European democrats have a responsibility to help convince the Sandinistas that they must do the same.

-- Important for European publics to understand actual state of affairs in Nicaragua and for Sandinistas to understand that they will not gain the international legitimacy they seek if they continue on present course.

-- Preparations for second EC-Central American conference useful opportunity for getting this message across.

SAMPLE

Meeting with Chancellor Kohl

-- 45 minutes one-on-one, followed by 45 minutes in plenary; interpretation required).

-- Chancellor Kohl faces reelection in 1987; the outcome is not certain but looks good for Kohl. He remains the butt of jokes in the media, but is popular with the average German.

-- The German economy is doing reasonably well, though unemployment (10.5 %) is high.

-- Anti-nuclear feelings have subsided, and the peace movement is less active.

-- Discussion topics will cover:

-- developments in East-West relations, including impressions of Gorbachev;

-- arms control, SDI (Kohl is supportive of the research program and is interested in joint cooperation but questions SDI's long-term impact on European security);

-- economics (Germans are impressed with the US recovery, which has stimulated their own economy).

-- In light of the President's upcoming address before the European Parliament, he may want to encourage a discussion on the state of intra-European relations (prospects for greater harmonization of policies, implications of EC enlargement, Franco-German relationship).

SAMPLE
SCENE SETTER

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Your Meeting with Prime Minister Mulroney
Plenary Session, March 18, 10-12 a.m.

Bonn Summit

- Atmosphere for Summit is positive: growth is strong and inflation low.
- Summit should explicitly endorse new round of trade negotiations early next year; welcome Canada's support for this objective.
- Political agenda not yet fixed, but terrorism and arms talks likely major topics.

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Plenary Session, March 18, 10-12 a.m. Cont.
Global Economic Issues

- Strength of dollar reflects market confidence in US economic performance.
- Freeing private sector from regulation and reducing burden of government are important steps.
- Open trade/investment climate important; we're working hard to resist protectionist pressures.
- Debt strategy is working; we should encourage market-oriented policies for LDCs.

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Plenary Session, March 18, 10-12 a.m. Cont.

Bilateral Economic Issues

- I welcome our progress in resolving long-standing trade/economic disputes.
- I look forward to results of your trade policy review; US ready to respond positively to trade liberalizing initiatives.
- Your investment regime reforms represent important first step towards liberalization and are encouraging. We look forward to further progress.

SAMPLE

FORMAT for [unclear] TICS/ [unclear]

(Public Diplomacy Theme)

HUMAN RIGHTS, SOUTH AFRICA, TERRORISM:

SAMPLE

- o Human Rights will be very high on the Geneva agenda. The Soviets committed themselves to respect basic human rights by signing Universal Declaration of Human Rights and Helsinki Final Act. Failure of Soviets to meet commitments is matter of great concern.

- o We don't seek to impose our system on others. Not asking Soviets to violate own laws. Do insist that they meet international commitments.

- o We demand this because our sense of the worth of the individual would not let us do otherwise. A state that does not respect the basic rights of its own citizens cannot be trusted to respect the basic rights of other countries.

- o Improvement in Soviet fulfillment of international standards of human rights is central to any long-term improvement in East-West relations.

- o The crisis in South Africa must be settled by South Africa. We want a peaceful solution. We deplore apartheid and want it to end. The United States urges dialogue between the government and representative black leaders in South Africa that would lead to an end to apartheid.

- o Stamping out terrorism should not jeopardize relationships with friendly governments. All states have an obligation to cooperate in eliminating terrorism.

- o Hundreds of Americans lost their lives to terrorist actions before we intercepted the airliner, and there are dangers yet to come.

- o We are not going to be cowed by terrorists. If we have a chance to bring murderers to justice, we will do so.

SAMPLE

FACT SHEET

- purpose:** to provide factual background information in a concise format.
- format:** one page, using headings in logical progression, with bullets for main points and ticks for subsidiary points under each heading. Should provide principal a concise overview of the issue discussed, including where it stands and what we should do about it. Incomplete, telegraphic sentences preferred.
- uses:** mostly briefing books. Fact sheets are a condensed version of the background papers earlier provided for trips, visits, testimony and to the White House. Topics covered range from the general, e.g. "US-British Relations" to the very specific, e.g. "Israeli Cabinet Formation".

S/A/MP/LB

FACT SHEET: HUSSEIN-ARAFAT AGREEMENTI. HUSSEIN-ARAFAT DIALOGUE

- o At Nov. PNC in Amman, Hussein openly challenged the PLO to accept UNSC Res. 242 & abandon call for independent Palestinian state.
- o Hussein needs Palestinian support for direct negotiations with Israel on West Bank & Gaza.
- o The Jordan-PLO dialogue produced a document, agreed to in mid-Feb.; different texts & interpretations exist, but basic points are:
 - "land for peace formula," but no explicit acceptance of UNSC 242
 - Palestinian self-determination w/i confederation with Jordan, including two states of Jordan & Palestine
 - Solving Palestinian refugee problem per UN resolutions
 - Solving all aspects of Palestine question
 - International conference with a joint Jordanian-Palestinian delegation

II. REGIONAL REACTION

- o Mubarak has termed Hussein/Arafat agree't a step forward and suggested a U.S.-hosted preparatory talks betwn Israel & Jordan-Palestinian delegation.
- o Peres has reacted skeptically, but welcomed Mubarak call for direct talks between Israel & Jordanian-Palestinian delegation (no PLO).

III. U.S. POSITION

- o U.S. ready to support direct talks; remains opposed to international conference.
- o U.S. termed Hussein/Arafat agree't positive if it facilitates Jordanian entry into negotiations.
- o U.S. supports Palestinian participation at every stage of peace process; remains committed to Sept. 1 initiative.
- o U.S. will not recognize or negotiate with PLO until PLO:
 - recognizes Israel's right to exist, and
 - recognizes UNSC Res. 242 & 338

IV. KEY QUESTION

- o Are Jordan and Palestinians ready to enter into direct negotiations with Israel on basis of UNSC Res. 242?

Press Points: Central America

SAMPLE

Basic Message

Our Central America policy of support for democracy and dialogue is working. First Reagan term progress needs to be consolidated in second. El Salvador, Honduras and Guatemala are joining Costa Rica as democratic societies. The Sandinistas are preventing Nicaragua from joining the trend.

Our Objectives

- Successful diplomacy in Central America requires that we sustain the entire economic and military assistance program proposed by the President.

Democracy

- Trend is strongly toward democratic reformist regimes.
- El Salvador situation improved markedly -- decline in political violence, economy growing, strict rules on serial bombardment.
- Honduras consolidating democratic rule.
- Democracy making a beginning in Guatemala.

Nicaragua

- Only in Nicaragua has clock been set back -- Sandinistas intent on establishing one-party state, with same apparatus of repression found in other totalitarian states.
- Events since sham elections -- censorship increased, forced relocation of peasants, detention of leading opposition figure -- show real Nicaraguan intentions.
- Rejection of March 3 San Jose opposition manifesto is setback to peace.
- Repression and control of labor and press, militarization of society on Cuban model continue.
- U.S. has moral obligation to help Nicaraguan opposition. Experience shows pressure on Sandinistas contributes to negotiations and regional stability.

Contadora

- Contadora has come through a rough period caused by Nicaraguan intransigence in asylum dispute, now ready to resume.
- Key question -- is Nicaragua willing to negotiate?

SAMPLE

SAMPLE

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USSR ECONOMIC DATA CHART

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985 E</u>
1. ECONOMIC INDICATORS:					
1a. Population (mid-year, million)	267.7	270.0	272.5	275.0	277.6
1b. Gross National Product [\$(1984) billion]	1,820	1,861	1,902	1,958	
1c. GNP Per Capita (\$)	6,800	6,890	6,980	7,120	
1d. Real GNP (% change based on ruble value)	1.9	2.6	3.7	2.5	
1e. Investment/GNP ratio (%)	33.0	34.0	34.0	34.0	
1f. Defense/GNP ratio (%)	13-14	13-14	13-14	13-14	
2. AGRICULTURE (July - June Marketing Year)					
2a. Grain Harvest (million metric tons)	160	180	195	170	190
2b. Grain Imports (mmt)	46	32	33	50	35
2c. Grain Imports from US (mmt)	15	6	10	20	9
3. ENERGY					
3a. Oil Production (million bbls/day)	12.18	12.26	12.32	12.23	11.80
3b. Oil Exports (mbd)	3.22	3.39	3.59	3.77	
3c. Oil Exports to Non-Communist C. (mbd)	1.22	1.56	1.75	1.80	1.20
3d. Natural Gas Production (mil. cu.met./d)	1,274	1,374	1,467	1,603	1,729
3e. Natural Gas Exports (mcm/d)	170	167	173	183	
3f. Natural Gas Exports to W. Eur. (mcm/d)	85	76	78	74	
4. FOREIGN TRADE AND BALANCE OF PAYMENTS					
4a. Total Exports (\$ million)	79,337	87,168	91,652	91,491	39,900*
4b. Exports to US (\$ million)	255	214	446	376	170*
4c. Total Imports (\$ million)	73,158	77,847	80,445	80,353	42,000*
4d. Imports from US (\$ million)	2,310	2,882	2,119	3,480	2,460*
4e. Hard Currency Exports (\$mil, ex. arms)	23,672	26,447	26,418	26,014	9,600*
4f. Hard Currency Imports (\$mil, ex. arms)	27,778	27,501	27,707	27,439	14,000*
4g. Trade Balance (\$ mil., excluding arms)	-4,106	-1,054	-1,289	-1,425	-4,400*
4h. Arms Exports (\$ million)	4,300	5,500	6,000	5,520	1,800*
4i. Current Account Balance	-175	4,333	4,663	4,700	N.A.
5. EXTERNAL HARD CURRENCY DEBT					
5a. Gross Debt (\$ billion)	20.9	20.0	20.5	20.7	
5b. Net Debt (\$ billion)	12.5	10.0	9.5	10.4	
5c. Debt-service ratio (%)	17	16	17	N.A.	

MEXICO AT A GLANCE**SAMPLE**

Now at the end of the second year of a three-year IMF program, Mexico has made enormous improvements in its external accounts and will experience real growth (though not per capita growth) for the first time since 1981.

Mexico was the first debtor country to reschedule its privately-held debt on a multiyear basis, achieving longer repayments and lower spreads. Nevertheless, Mexico is likely to face a new payments squeeze in 1988-1989, when high levels of amortization resume.

The U.S. role in the Mexican recovery is vital. Mexican exports to the U.S. are three-fourths of total Mexican exports and equal eight percent of GDP. Mexico's exports to the rest of the world have actually fallen over 1982-1984.

	<u>1982</u>	<u>1983</u>	<u>1984</u>
GDP (\$ Billions)	171	145	171
GDP per capita	\$2,340	\$1,930	\$2,220
Investment/GDP	21.2%	16.5%	N/A
Public Sector Fiscal Balance/GDP	-17.6%	-8.3%	-6.5%
Inflation (CPI)	98.8%	80.8%	60.0%
	<u>World/US</u>	<u>World/US</u>	<u>World/US</u>
Exports (\$ Billions)	22 16	22 17	25 19
Imports (\$ Billions)	14 9	8 5	11 7
Debt Service/Exports (before rescheduling)	42.4%	49.8%	47.4%
Interest Payments/Exports	26.0%	24.7%	27.4%
Current Account Balance (\$ Billions)	-5.5	+5.5	+3.5

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