

**EXECUTIVE SECRETARIAT**  
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Remarks

  
 Executive Secretary  
 2 July 86  
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 Date

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United States Department of State

Washington, D.C. 20520 8620203

July 1, 1986

Executive Registry  
86- 2254X/1

~~UNCLASSIFIED~~  
(WITH ~~CONFIDENTIAL~~ ENCLOSURES)

Senior Interagency Group No. 58

TO:	OVP	-Mr. Donald Gregg
	NSC	-Mr. Rodney B. McDaniel
	<del>CIA</del>	[Redacted]
	DOD	-Col. James Lemon
	JSC	-Cdr. Manfred Karlisch
	Justice	-Mr. John Richardson
	Treasury	-Mrs. Sherrie Cooksey
	USTR	-Amb. Michael Smith

25X1

SUBJECT: Senior Interagency Group (SIG) Meeting on Mexico

The Summary of Conclusions for the SIG Meeting on Mexico held on May 23, 1986, is attached.

*Nicholas Platt*  
Nicholas Platt  
Executive Secretary

Attachments:

1. Summary of Conclusions
2. List of Participants

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Under Secretary Armacost opened the meeting by stating that the group needs to consider the difficult, long-term issues of our relationship with Mexico. He said we should work toward developing a message for President de la Madrid on economic reform in Mexico, making it clear that we understand that we cannot ask for reforms that are politically unmanageable.

The Under Secretary asked Assistant Secretary Abrams for comment on the current atmosphere in Mexico. Secretary Abrams noted that the atmosphere is better this week than last, referring to the outcry in Mexico following Senator Helms' recent hearings. Secretary Abrams noted that our relationship with Mexico is always prickly, although it is usually smoother immediately preceding and following presidential visits. He noted the strength of Mexican nationalism which is based on anti-Americanism. He said US interests in Mexico are huge and varied. He suggested that the long-term social and political trends are negative, possibly leading to crisis in the 90's. The question, he noted, is what pressure points can we find to use in pursuit of our interests in Mexico without jeopardizing Mexican stability?

Deputy Secretary Darman discussed the process of incremental economic reforms in Mexico, noting that our problems need a more fundamental, political approach to head off crisis. He said IMF and GOM are not in agreement and that Mexico is facing a 13.5% deficit and possible 150% inflation.

There followed a general discussion of the economic situation in Mexico, Mexico's political will to implement reforms, what the USG might do to induce the GOM to take additional reforms, and the pros and cons of the political impact of a Mexican decision to declare a debt moratorium.

Under Secretary Armacost closed the meeting with the request that additional analytical work be done in the preparation for a followup meeting. He asked for specific analysis on three questions:

1. The political consequences for Mexico of a major financial/economic breakdown.
2. The political/social/economic constraints which impede Mexican leaders from adopting bolder reform measures, and possible methods of overcoming them.
3. Leverage available to the USG to encourage more aggressive strategy for reform.

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DECL: OADR

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SIG MEETING - MEXICO

Friday, May 23, 1986, 10:00 a.m.

Room 7516, Department of State

Attendance

State: Under Secretary Michael Armacost, Chairman  
Under Secretary W. Allen Wallis, E  
Assistant Secretary Elliott Abrams, ARA  
Deputy Assistant Secretary Jim Michel, ARA  
Assistant Secretary Elinor Constable, EB  
ARA/MEX Director, Perry Shankle (Notetaker)

OVP: Deputy Assistant to the Vice President,  
Sam Watson

NSC: Deputy Assistant to President for National  
Security Affairs, Peter Rodman  
Director of Latin American Affairs, Bill  
Perry

CIA: Director of Current Intelligence - Dick Kerr  
Economist, Mexico Officer -

25X1

DOD: Assistant Secretary Fred Ikle  
Brigadier General Fred Gordon

JCS: Major Richard French

Justice: Assistant Attorney General Stephen Trott

Treasury: Deputy Secretary Richard Darman  
Assistant Secretary David Mulford

USTR: Ambassador Peter Murphy  
Deputy Assistant Tim Bennett

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20 May 1986

MEMORANDUM FOR: Distribution

SUBJECT: Inter-Agency Meeting

TYPE OF MEETING	SIG
DATE	23 May 1986
TIME	1000
PLACE	Rm. 7516 State Dept.
CHAired BY	Armacost
ATTENDEE(S) (probable)	TBD
SUBJECT/AGENDA	Mexico
PAPERS EXPECTED	Agenda by 22May
INFO RECEIVED	1530, 20May, per Sheila, State Dept.

DISTRIBUTION:



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*Dick Kerr is attending.*

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Remarks  
TO #5: Please represent DDCI at this SIG.

*Joyce Dick here to attend.*

□

Executive Secretary  
21 May 86  
Date

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United States Department of State

Washington, D.C. 20520

May 20, 1986

Executive Registry	
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Senior Interagency Group No. 58

TO:                   OVP               - Mr. Donald Gregg  
                       NSC               - Mr. Rodney B. McDaniel  
                       CIA               -   
                       DOD               - COL David Brown  
                       JCS               - MAJ Michael Emerson  
                       Justice          - Mr. John Richardson  
                       Treasury       - Mrs. Sherrie Cooksey  
                       USTR            - Amb. Michael Smith

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SUBJECT:           Senior Interagency Group (SIG) Meeting on Mexico

Under Secretary of State Armacost will chair a SIG meeting on Mexico on Friday, May 23, 10:00 a.m., in Room 7516 of the Department of State. The SIG will review long term problems in the US-Mexico relationship and what can be done to address them. An agenda will be circulated prior to the meeting.

Attendance will be Principal plus one. Please telephone the names of agency representatives to Sheila Lopez, 647-5804.

*Nicholas Platt*  
 Nicholas Platt  
 Executive Secretary

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Remarks  
**TO #5: Please represent DDCI at this SIG.**

[Signature Box]

Executive Secretary  
21 May 86  
 Date





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United States Department of State

Washington, D.C. 20520

May 20, 1986

Executive Registry
86- 2045X

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Senior Interagency Group No. 58

TO: OVP - Mr. Donald Gregg  
NSC - Mr. Rodney B. McDaniel  
CIA [redacted]  
DOD - COL David Brown  
JCS - MAJ Michael Emerson  
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*Nicholas Platt*  
Nicholas Platt  
Executive Secretary

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Date

Remarks

\_\_\_\_\_  
Executive Secretary

\_\_\_\_\_  
Date



United States Department of State

Washington, D.C. 20520

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May 22, 1986

Executive Registry	
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Senior Interagency Group No. 58

TO:

OVP	- Mr. Donald Gregg
NSC	- Mr. Rodney B. McDaniel
CIA	[Redacted]
DOD	- COL David Brown
JCS	- MAJ Michael Emerson
Justice	- Mr. John Richardson
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SUBJECT: Senior Interagency Group (SIG) Meeting on Mexico

Under Secretary of State Armacost will chair a SIG meeting on Mexico on Friday, May 23, 10:00 a.m., in Room 7516 of the Department of State. An agenda for the meeting is attached, along with a paper on economic issues prepared by the CIA.

Nicholas Platt  
Executive Secretary

Attachments:

1. Agenda
2. CIA Paper on Economic Issues

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Interagency Meeting on Mexico  
May 23, 1988

- I. Status of Relations
  - A. Current atmosphere and relationship (State)
  - B. Economic problems and political background (CIA)
- II. US-Desired Mexican Reforms (General discussion)
  - A. Economic development
  - B. Financial, trade, and investment reforms
  - C. Political development
  - D. Narcotics
  - E. Border issues
- III. Factors Affecting Mexican Ability to Enact Reforms (State)
  - A. Political
    - PRI dominance, nationalism, corruption
  - B. Economic
    - Debt, economic structure, US-Mexican interdependence
  - C. Social
    - Population growth, age structure, immigration
- IV. Possible US Actions to Encourage Reforms (General)
  - A. Influencing structural economic reforms
  - B. International financial policy
  - C. Immigration policy
  - D. Border cooperation and development
  - E. Law Enforcement cooperation

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