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TO ADAMS/RODMAN FOR THE SECRETARY

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TOHAK15

SEPTEMBER 24, 1975

MEMORANDIM FOR: FROM: SUBJECT: THE PRESIDENT HENRY A. KISSINGER INFORMATION ITEMS

MEXICAN PRESTOENTIAL CANDIDATE NAMED: MEXICO'S GOVERNING INSTITUTIONAL REVOLUTIONARY PARTY (PRI) HAS SELECTED TREASURY SECRETARY JOSE LOPEZ PORTILLO AS ITS PRESIDENTIAL CANDIDATE FOR THE 1976-82 TERM. HIS SELECTION IS TANTAMOUNT TO ELEC-TION UNDER MEXICO'S POLITICAL SYSTEM. THE OFFICIAL ELEC-TION WILL BE IN JULY AND THE NEW PRESIDENT WILL ASSUME OF-FICE ON DECEMBER 1, 1976. LOPEZ PORTILLO IS A LONG-TIME SUPPORTER AND PERSONAL PRIEND OF PRESIDENT ECHEVERRIA AND IS BELIEVED TO SHARE THE PRESTDENT'S INTEREST IN IMPROVING THE LOT OF LOW-INCOME MEXICANS. HE REPORTEDLY FAVORS MEXICO'S BECOMING A MAJOR OIL EXPORTER, BELIEVING THAT LARGE OIL REVENUES HILL BENEFIT MEXICAN ECONOMIC DEVELOPMENT. HE HAS-HEEN CORDIAL AND COOPERATIVE IN HIS DEALING WITH U.S. OFFI-CIALS. HE HAS BEEN DESCRIBED AS INTELLIGENT, DECISIVE, AND HONEST AND AS A GOOD ADMINISTRATOR. HIS SELECTION SURPRISED MANY, SINCE TWO OTHER CABINET MEMBERS HAD APPEARED TO BE THE FRONT-RUNNERS IN THE SFLECTION PROCESS.

DEMONSTRATIONS AT EMBASSY IN PANAMA: BETWEEN 600 AND 800 STUDENTS YESTEPDAY PROTESTED AT THE U.S. EMBASSY IN PANAMA AGAINST RECENT STATEMENTS BY U.S. OFFICIALS REGARDING THE TREATY NEGOTIATIONS. THEY THREW ROCKS, BREAKING WINDOWS AND DAMAGING VEHICLES. THE PANAMANIAN NATIONAL GUARD RE-PELLED ATTEMPTS TO ENTER THE EMBASSY COMPOUND WITH THE USE OF TEAR GAS, BUT THEIR RESPONSE TO THE SITUATION WAS DESCRIBED AS SLOW AND INADEQUATE. THE STUDENTS LATER DISPERSED BUT

ON-FILE NSC RELEASE INSTRUCTIONS APPLY

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WHISR COMMENT

State Dept. review completed

THE GOVERNMENT IS FINDING IT EXTREMELY DIFFICULT TO CONTROL THEM. PRESIDENT LAKAS TELFPHONED THE AMBASSADOR TO APOLOGIZE FOR THIS INCIDENT.

MEANWHILE, PANAMANIAN LEADER TORRIJOS MADE A SUDDEN TRIP TO COLOMBIA TO MEET WITH PRESIDENT LOPEZ. ALTHOUGH TORRIJOS RE-FUSED TO GIVE THE PRESS SPECIFIC INFORMATION ON HIS TALK WITH LOPEZ, HE DID SAY THAT THEY HAD DISCUSSED MATTERS RELATED TO THE U.S. PANAMANIAN NEGOTIATIONS AND REVEALED THAT LOPEZ MOULD BRING YOU A MESSAGE FROM TORRIJOS WHEN HE VISITS LATER THIS WEEK.

IN OUR CONGRESS, REPRESENTATIVE DAN FLOOD IS MOUNTING A PRINCIPLE OF THE SHYDER AMENDMENT INCORPORATED IN THE STATE APPROPRIATIONS BILL THROUGH MANEUVERING TO HAVE IT SENT BACK TO CONFERENCE. THE CONFERENCE PREVIOUSLY AGREED ON COMPROMISE LANGUAGE ON THE PANAMA TREATY ISSUE IN THE FORM OF A SENSE OF CONGRESS PROVISION THAT THE U.S. SHOULD NOT RELINQUISH ITS "VITAL INTERESTS" IN THE CANAL. THE SNYDER AMENDMENT WOULD PROHIBIT THE U.S. FROM USING STATE DEPARTMENT FUNDS FOR THE CONDUCT OF THE PANAMA NEGOTIATIONS.

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