

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Robert E. Rubin to POTUS re: Update on Mexico's Stabilization (3 pages)	05/15/95	P5
002. briefing paper	re: Why Should We Advance the US-Mexico Economic Relationship? (3 pages)	09/19/95	P5
003. talking points	re: Talking Points for Call to Ortiz (2 pages)	10/25/95	P5
004. memo	Lawrence H. Summers to POTUS re: An Update on Mexico's Economic Performance & Challenges in Advance of President-elect Fox's Visit to Washington (2 pages)	08/23/00	P5

COLLECTION:

Clinton Presidential Records
Clinton Administration History Project

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FOLDER TITLE:

[History of the Department of the Treasury - Supplementary Documents] [4]

ip33

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]



DEPARTMENT OF THE TREASURY
WASHINGTON

UNDER SECRETARY

May 1, 1995

MEMORANDUM FOR SECRETARY RUBIN

FROM: Lawrence H. Summers *LHS*
Under Secretary
International Affairs

SUBJECT: Renewal of \$1 billion Short-Term Swap Line with Mexico

ACTION FORCING EVENT:

The Government of Mexico has submitted a request to the United States monetary authorities for renewal of its \$2 billion drawing under a 90-day swap line, scheduled to mature on May 3, 1995. The request includes renewals for both portions of the drawing, \$1 billion from the Treasury Department's Exchange Stabilization Fund and \$1 billion from the Federal Reserve, for a value date of May 3. With your approval of this roll-over, the total amount outstanding under the U.S. Mexico Framework Agreement will remain at \$8 billion.

RECOMMENDATION:

That you authorize the roll-over of Treasury's \$1 billion swap-line for an additional 90-day period, with a new maturity date of August 1, 1995.

_____ Agree _____ Disagree _____ Let's Discuss

BACKGROUND:

Mexico made two drawings of \$250 million each on the Treasury and the Fed short-term swap lines on January 11, 1995, and January 13, 1995, for a total of \$1 billion in January. It drew an additional \$2 billion on these short-term swap lines on February 2, 1995. It made a \$3 billion medium-term swap drawing on March 14, 1995, and repaid on that date the \$1 billion of the January drawings. Most recently, Mexico drew \$3 billion from the medium term swap facility for value date April 19. Mexico has not missed an interest or repayment date under either the short-term swaps under the ESA/NAFA or the medium term drawing under the MTA.

With your approval of this renewal, the total amount outstanding under the U.S.-Mexico Framework Agreement will remain at \$8 billion. The General Counsel's Office reviewed the

issue of whether, for this renewal, Presidential certification is required under the Mexican Debt Disclosure Act. The Office has determined that no such certification is required, and the Department of Justice has concurred.

Enclosed at Tab C are two authorizations, one for the renewal of the Treasury Drawing, and the other authorizing the Federal Reserve to renew its portion.

ATTACHMENTS: Tab A: Mexico's Request for Renewal
Tab B: Implementing Annex No. 5
Tab C: Proposed Authorizations

FINAL DRAFT TELEX FROM BANCO DE MEXICO
REQUESTING RENEWAL OF \$2 BILLION DRAWING MATURING MAY 3, 1995

{TEST}
APRIL __, 1995

TO: FEDERAL RESERVE BANK OF NEW YORK
ATTN: PAULINE CHEN

NO. _____

1. WE REFER TO OUR MESSAGE NO. 23 TO YOU DATED JANUARY 31, 1995, REQUESTING A DRAWING IN THE AMOUNT OF USD \$2,000 MILLION ("DRAWING") TO BE ALLOCATED EQUALLY BETWEEN THE U.S. MONETARY AUTHORITIES PURSUANT TO (A) THE U.S. DOLLAR/MEXICAN PESO RECIPROCAL SWAP ARRANGEMENT BETWEEN THE FEDERAL RESERVE BANK OF NEW YORK ("FRBNY"), ACTING AT THE DIRECTION OF THE FEDERAL OPEN MARKET COMMITTEE, AND THE BANCO DE MEXICO DATED APRIL 26, 1994, AND AS AMENDED JULY 26, 1994, AND APRIL 3, 1995 ("REGULAR SWAP ARRANGEMENT, AS AMENDED") AND (B) THE EXCHANGE STABILIZATION AGREEMENT AMONG THE UNITED STATES DEPARTMENT OF THE TREASURY ("TREASURY"), WITH THE FRBNY ACTING AS THE TREASURY'S FISCAL AGENT, THE GOVERNMENT OF MEXICO, AND THE BANCO DE MEXICO DATED APRIL 26, 1994 ("SEPARATE AGREEMENT"). THE DRAWING IS CURRENTLY SCHEDULED TO MATURE ON MAY 3, 1995.
2. IN ACCORDANCE WITH PARAGRAPH III OF THE REGULAR SWAP ARRANGEMENT, AS AMENDED, WE HEREBY REQUEST A RENEWAL OF THE FRBNY PORTION OF THE DRAWING FOR AN ADDITIONAL 90 DAY PERIOD, WITH A PROPOSED NEW MATURITY DATE OF AUGUST 1, 1995 ("FRBNY RENEWAL").
3. WE HEREBY REQUEST A RENEWAL OF THE TREASURY PORTION OF THE DRAWING FOR AN ADDITIONAL 90 DAY PERIOD, WITH A PROPOSED NEW MATURITY DATE OF AUGUST 1, 1995 ("TREASURY RENEWAL"). WE UNDERSTAND THAT THE TERMS AND CONDITIONS FOR THE PROPOSED TREASURY RENEWAL WILL BE SET FORTH IN THE NEW IMPLEMENTING ANNEX TO BE AGREED BETWEEN THE TREASURY AND THE BANCO DE MEXICO ("NEW IMPLEMENTING ANNEX").
4. WE CONFIRM THAT THE PROPOSED FRBNY RENEWAL WILL BE SUBJECT TO THE TERMS AND CONDITIONS OF THE REGULAR SWAP ARRANGEMENT, AS AMENDED, AND THAT THE PROPOSED TREASURY RENEWAL WILL BE SUBJECT TO THE SEPARATE AGREEMENT AND THE NEW IMPLEMENTING ANNEX. WE ALSO CONFIRM THAT A REQUEST FOR RENEWAL HAS BEEN MADE TO THE BANK OF CANADA PURSUANT TO PARAGRAPH 5(A) OF THE NORTH AMERICAN FRAMEWORK AGREEMENT DATED APRIL 26, 1994, AS AMENDED.

REGARDS,
ALONSO GARCIA
MARIO BEAUREGARD
BANCO DE MEXICO

FINAL

IMPLEMENTING ANNEX NO. 5 -- APRIL 28, 1995

Pursuant to

(a) the North American Framework Agreement among the Government of the United Mexican States, the Banco de Mexico, the United States Department of the Treasury, the Federal Reserve Bank of New York acting at the direction of the Federal Open Market Committee, and the Bank of Canada, signed on April 26, 1994, as amended,

(b) the Exchange Stabilization Agreement among the United States Department of the Treasury, with the Federal Reserve Bank of New York acting as its fiscal agent, the Banco de Mexico, and the Government of the United Mexican States, signed on April 26, 1995 (the "ESA"),

(c) the Implementing Annex No. 1, dated January 5, 1995, among the United States Department of the Treasury, the Banco de Mexico, and the Government of the United Mexican States ("Annex No. 1"), and

(d) the Implementing Annex No. 4, dated February 23, 1995, among the United States Department of the Treasury, the Banco de Mexico, and the Government of the United Mexican States ("Annex No. 4")

the United States Department of the Treasury (the "Treasury"), the Federal Reserve Bank of New York (the "FRBNY"), acting as the Treasury's fiscal agent, the Banco de Mexico (the "Bank"), and the Government of the United Mexican States (the "Government of Mexico") hereby agree in this fifth implementing annex ("Annex No. 5") to the ESA that:

(1) the drawing of U.S. \$1.0 billion, for a value date of February 2, 1995, currently scheduled to mature on May 3, 1995 (the "Treasury Drawing"), may be renewed for an additional 90-day period, with a new maturity date of August 1, 1995 (the "Second Treasury Drawing Period");

(2) for the Second Treasury Drawing Period, the Bank shall utilize the same interest rate and dollar-peso exchange rate for the Treasury Drawing as those calculated by the FRBNY for the FRBNY Renewal, as set forth and defined in the Regular Swap Arrangement, As Amended. Undefined terms in this Implementing Annex have the same meaning as in the Bank's Telex Requesting a Renewal of the \$2 Billion Drawing Maturing May 3, 1995;

(3) on May 3, 1995, the Bank shall pay, in U.S. dollars, to Treasury Special Account No. 2 at the FRBNY, the amount of interest accrued on the Treasury Drawing, which amount shall be

the same as that paid to the FRBNY under the Regular Swap Arrangement, As Amended;

(4) by transmitting a copy of this Annex No. 5 and an authenticated telecommunication to the FRBNY containing the word "Silver" and its name, Treasury indicates its consent to the terms of this Annex No. 5; and

(5) by transmitting a copy of this Annex No. 5 and an authenticated telecommunication to the FRBNY containing the word "Gold" and its name, the Bank indicates its consent and the consent of the Government of Mexico to the terms of this Annex No. 5.

UNCLASSIFIED

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DEPT OF THE TREASURY WASH DC
FEDERAL RESERVE BANK OF NEW YORK
ATTENTION: MESSRS. FISHER, BENTLEY, AND
REISACH

UNCLAS

QQQQ

SUBJECT: AUTHORIZATION FOR RENEWAL OF \$1 BILLION MEXICAN
DRAWING UNDER THE EXCHANGE STABILIZATION AGREEMENT

1. WE REFER TO THE REQUEST MADE BY THE BANCO DE MEXICO ("THE BANK") IN ITS MESSAGE NO. 53 TO YOU DATED APRIL 28, 1995, FOR RENEWAL OF ITS DRAWING, MADE ON FEBRUARY 2, 1995, DUE MAY 3, 1995, AND IN THE AMOUNT OF \$1,000,000,000.00. THIS DRAWING WAS MADE BY THE BANK PURSUANT TO ITS MESSAGE NO. 23.
2. PURSUANT TO SUBPARAGRAPH 4 OF IMPLEMENTING ANNEX NO. 5 DATED APRIL 28, 1995, TREASURY SENDS "SILVER" AND AGREES TO AND AUTHORIZES THE REQUESTED RENEWAL AS DEFINED HEREIN.
3. PLEASE NOTIFY US OF NEW EXCHANGE RATE AND INTEREST RATE.
4. PLEASE CONFIRM YOUR RECEIPT OF THIS MESSAGE.

TIM GEITHNER
DEPUTY ASSISTANT SECRETARY
INTERNATIONAL MONETARY POLICY
MAY 1, 1995

DRAFTED BY MTF/DHOLMES, 622-7262

CONCURRENCE BY MTF/MBUDINGTON/DZELIKOW

IMO/JLANGE JDL 5/1/95 (per phone)
GI/RMUNK/DJOY DOJ/RM

DMH 5/1/95
MB 5/1/95
DMZ

UNCLASSIFIED

1 1 011430 MAY 95 PP PP UUUU

DEPT OF THE TREASURY WASH DC
FEDERAL RESERVE BANK OF NEW YORK
ATTENTION: MS. PAULINE CHEN

UNCLAS

QQQQ

SUBJECT: CONSENTING TO RENEWAL OF FRBNY SHORT-TERM
SWAP MATURING MAY 3, 1995

1. WE REFER TO:

- (A) MESSAGE NO. 23 TO YOU FROM THE BANCO DE MEXICO ("THE BANK") DATED JANUARY 31, 1995, REQUESTING A DRAWING IN THE AMOUNT OF USD \$2,000 MILLION TO BE ALLOCATED EQUALLY BETWEEN THE UNITED STATES DEPARTMENT OF THE TREASURY ("TREASURY") AND THE FEDERAL RESERVE BANK OF NEW YORK ("FRBNY") AND THAT WAS ORIGINALLY SCHEDULED TO MATURE ON MAY 3, 1995 ("DRAWING");
- (B) THE U.S. DOLLAR/MEXICAN PESO RECIPROCAL SWAP ARRANGEMENT BETWEEN THE FRBNY, ACTING AT THE DIRECTION OF THE FEDERAL OPEN MARKET COMMITTEE, AND THE BANK DATED APRIL 26, 1994, AS AMENDED JULY 26, 1994, AND APRIL 3, 1995 ("REGULAR SWAP ARRANGEMENT, AS AMENDED");
- (C) MESSAGE NO. 53 TO YOU FROM THE BANK DATED APRIL 28, 1995, REQUESTING A RENEWAL OF THE FRBNY PORTION OF THE DRAWING FOR AN ADDITIONAL 90 DAY PERIOD, WITH A NEW MATURITY DATE OF AUGUST 1, 1995 ("FRBNY RENEWAL");
- (D) THE LETTER DATED FEBRUARY 21, 1995, FROM ROBERT E. RUBIN, SECRETARY OF THE TREASURY, TO ALAN GREENSPAN, CHAIRMAN, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, AND WILLIAM J. MCDONOUGH, PRESIDENT, FRBNY ("TREASURY LETTER"); AND
- (E) THE LETTER DATED FEBRUARY 17, 1995, FROM ALAN GREENSPAN, CHAIRMAN, BOARD OF GOVERNORS OF THE FEDERAL RESERVE

SYSTEM, TO ROBERT E. RUBIN, SECRETARY OF THE TREASURY.

2. THE TREASURY HEREBY PROVIDES WRITTEN CONSENT TO THE FRBNY RENEWAL AND CONFIRMS THAT THE TREASURY'S COMMITMENT CONTAINED IN THE TREASURY LETTER APPLIES TO SUCH RENEWAL.

TIM GEITHNER
DEPUTY ASSISTANT SECRETARY
INTERNATIONAL MONETARY POLICY
MAY 1, 1995.

DRAFTED BY MTF/DHOLMES, 622-7262

Dmit 5/1/95

CONCURRENCE BY MTF/MBUDINGTON/DZELIKOW

Dmit for

MB 5/1/95



IMO/JLANGE

Dmit for

JDL 5/1/95

GI/RMUNK/DJOY

DDJ/RM

TREASURY CLEARANCE SHEET

NO. _____
Date _____

MEMORANDUM FOR: X SECRETARY DEPUTY SECRETARY EXECUTIVE SECRETARY

- ACTION BRIEFING INFORMATION LEGISLATION
 PRESS RELEASE PUBLICATION REGULATION SPEECH
 TESTIMONY OTHER

FROM: Under Secretary Summers
SUBJECT: Renewal of \$1 billion short-term swap line with Mexico

REVIEW OFFICES (Check when office clears)

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| <input type="checkbox"/> Under Secretary for Finance | <input type="checkbox"/> Enforcement | <input type="checkbox"/> Policy Management |
| <input type="checkbox"/> Domestic Finance | <input type="checkbox"/> ATF | <input type="checkbox"/> Scheduling |
| <input type="checkbox"/> Economic Policy | <input type="checkbox"/> Customs | <input type="checkbox"/> Public Affairs/Liaison |
| <input type="checkbox"/> Fiscal | <input type="checkbox"/> FLETC | <input type="checkbox"/> Tax Policy |
| <input type="checkbox"/> FMS | <input type="checkbox"/> Secret Service | <input type="checkbox"/> Treasurer |
| <input type="checkbox"/> Public Debt | <input type="checkbox"/> General Counsel | <input type="checkbox"/> E & P |
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| <input type="checkbox"/> International Affairs | <input type="checkbox"/> IRS | <input type="checkbox"/> Savings Bonds |
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| | <input type="checkbox"/> Management | |
| | <input type="checkbox"/> OCC | |

NAME (Please Type)	INITIAL	DATE	OFFICE	TEL. NO.
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REVIEWERS				
M. Budington	MB	5/1/95	MTF	622-7615
D. Zelikow	DZ	5/1/95	MTF	622-7222
D. Joy/R. Munk	DSJ/RM	5/1/95	GI	622-1899
T. Geithner	TG	5/1/95	IM	622-0656
E. Knight			G	622-0287

SPECIAL INSTRUCTIONS

Review Officer

Date

Executive Secretary

Date



DEPARTMENT OF THE TREASURY
WASHINGTON

UNDER SECRETARY

May 1, 1995

ACTION

MEMORANDUM FOR SECRETARY RUBIN

FROM: Lawrence H. Summers *LS*
Under Secretary
International Affairs

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ACTION FORCING EVENT:

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RECOMMENDATION:

That you authorize the roll-over of Treasury's \$1 billion swap-line for an additional 90-day period, with a new maturity date of August 1, 1995.

Agree Disagree Let's Discuss

BACKGROUND:

Mexico made two drawings of \$250 million each on the Treasury and the Fed short-term swap lines on January 11, 1995, and January 13, 1995, for a total of \$1 billion in January. It drew an additional \$2 billion on these short-term swap lines on February 2, 1995. It made a \$3 billion medium-term swap drawing on March 14, 1995, and repaid on that date the \$1 billion of the January drawings. Most recently, Mexico drew \$3 billion from the medium term swap facility for value date April 19. Mexico has not missed an interest or repayment date under either the short-term swaps under the ESA/NAFA or the medium term drawing under the MTA.

With your approval of this renewal, the total amount outstanding under the U.S.-Mexico Framework Agreement will remain at \$8 billion. The General Counsel's Office reviewed the

EXECUTIVE SECRETARIAT

issue of whether, for this renewal, Presidential certification is required under the Mexican Debt Disclosure Act. The Office has determined that no such certification is required, and the Department of Justice has concurred.

Enclosed at Tab C are two authorizations, one for the renewal of the Treasury Drawing, and the other authorizing the Federal Reserve to renew its portion.

ATTACHMENTS: Tab A: Mexico's Request for Renewal
Tab B: Implementing Annex No. 5
Tab C: Proposed Authorizations



95 146246

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

May 16, 1995

SECRETARY OF THE TREASURY

President William J. Clinton
The White House
Washington, D.C. 20500

Dear Mr. President:

Under Section 406 of the Mexican Debt Disclosure Act of 1995, which is Title IV of the Emergency Supplemental Appropriations and Rescissions for the Department of Defense to Preserve and Enhance Military Readiness Act of 1995, you are required to submit to Congress a certification that five conditions have been fulfilled before funds can be made available from the Exchange Stabilization Fund to Mexico. On April 14, you provided such a certification to Congress with respect to the April 19 swap drawing under the Medium-Term Exchange Stabilization Agreement (MTA) between the United States and Mexico. On May 9, Mexico requested a \$2 billion swap drawing, under the MTA, for value date Friday, May 19.

This letter is to provide the basis for certification that the first four conditions of Section 406 of the Mexican Debt Disclosure Act of 1995 have been met. After careful consideration, I have found that the first four conditions, which follow, have been met, and I recommend that you certify that:

- (1) there is no projected cost (as defined in the Federal Credit Reform Act of 1990) to the United States from the proposed swap transaction;
- (2) all loans, credits, guarantees, and currency swaps to Mexico from the Exchange Stabilization Fund or the Federal Reserve System are adequately backed to ensure that all U.S. funds are repaid;
- (3) the Government of Mexico is making progress in ensuring an independent central bank; and
- (4) Mexico has in effect a significant economic reform effort.

The bases for my findings are as follows:

Condition (1). There is no projected cost (as defined in the Federal Credit Reform Act of 1990) to the United States from the proposed currency swap with Mexico. We have provided in the Medium-Term Exchange Stabilization Agreement, concluded with

Mexico on February 21, 1995, for the United States to be paid interest on a quarterly basis equal to the rate assessed on a 91-day Treasury Bill plus a premium determined by the United States. The interest and premium on the proposed swap will be sufficient, according to the Office of Management and Budget, to offset the cost of the swap as calculated under the Federal Credit Reform Act of 1990 for countries having a credit rating like that of Mexico.

In addition, the United States has secured three tiers of backing for the repayment of currency swaps extended to Mexico: the full faith and credit of the Government of Mexico, an assured source of repayment including an oil proceeds facility, and the currency (pesos) that will be swapped for dollars.

The proposed medium-term transaction is a swap of dollar assets for peso assets, accrues interest, and is subject to a maintenance of value provision for full repayment (in dollar terms) at the maturity of the swap. Treasury has provided dollars to Mexico through swap transactions numerous times in the past, and Mexico has always fully repaid all obligations under them.

Condition (2). Mexico is meeting the requirement that "all loans, credits, guarantees, and currency swaps are adequately backed to ensure that all United States funds are repaid...." As noted above, the "backing" for the U.S. package is primarily in three forms: first, the "full faith and credit" of the Mexican Government; second, an assured source of repayment, including an oil proceeds mechanism that would allow the United States a "set-off" against the proceeds of Mexican crude oil, refined product, and petrochemical exports flowing through a bank account in New York in the event that Mexico fails to meet its obligations to the United States; and, third, the currency (pesos) swapped for dollars.

Mexico remains current on its medium and short-term drawings from the United States, recently making its first payment of interest on the \$3 billion medium-term swap that was extended on March 14, 1995. The United States has no reason to question Mexico's "full faith and credit" commitment to repay all of its obligations in a timely manner, as Mexico has promptly and fully repaid Treasury for all of its past swap drawings.

As for the second form of "backing", the oil proceeds facility is in place. Through early May, approximately \$1.28 billion in oil proceeds has flowed through the Mexican Government account at the Federal Reserve Bank of New York. (Last year, Mexico earned about \$6.5 billion from the export of crude oil, and over \$700 million from the export of refined products and petrochemicals.) If, for any reason, the proceeds of crude oil, refined product, and petrochemical exports fall below the floor established in the

February 21, 1995 agreements in order to ensure adequate backing, Mexico must find an alternative source of repayment which is satisfactory to the Treasury Department to avoid prepayment and possible denial of additional funds under the agreements.

Mexico's government-owned oil company, Petroleos Mexicanos (Pemex), has not informed Treasury of any problem so far in instructing its export customers to pay their proceeds into the mechanism. Also, Pemex has announced that it plans to increase its export sales this year by 100,000 barrels per day.

Furthermore, Treasury has drawn on analyses from various sources (including other U.S. government agencies) regarding future Mexican oil export revenues, to compare them against Mexico's principal and interest payment obligations arising from Treasury's financial assistance. The Department of Energy's analysis, for example, supports the conclusion that there is adequate backing for a \$20 billion facility.

Condition (3)

The Bank of Mexico (the Bank) is already legally independent. Mexico's constitution asserts that the Bank "shall be autonomous in the exercise of its function and its administration," and that "[i]ts primary objective shall be to ensure the stability of the purchasing power of the national currency."

The Bank has emphasized its independence by establishing a limit on net domestic credit creation for which it, and it alone, will be held accountable. This nominal limit is far less than the projected rate of inflation, implying a decline in real credit over this year.

In order to increase the market's ability to judge the Bank's effectiveness, the Bank has begun to issue each week key information from its balance sheet regarding international reserves, domestic credit and the money supply.

The Bank has demonstrated its independence by keeping monetary policy tight. The monetary base has decreased substantially by several measures. Between December 31, 1994 and May 9, 1995, the nominal monetary base dropped 20 percent, a decline of close to 40 percent in real terms through April 28. Some of this decline is due to seasonal variations, but comparing the year-over-year change in order to eliminate these effects, restraint on money growth is still evident. The nominal monetary base increased 13 percent between April 1994 and April 1995, a 17 percent real decline; this contrasts with a nominal increase of 21 percent between December 1993 and December 1994, a 13 percent real increase. Meanwhile, the peso has appreciated from above NP7 per U.S. dollar to below NP6 per U.S. dollar.

The Bank has also made progress through institutional reforms that enhance its independence:

- The Bank is implementing measures designed to improve its control over domestic credit and the money supply. One component of these reforms tightens Bank control over the amount of overdraft credits extended to commercial banks. As a result, the Bank has strengthened its ability to restrict credit and money supply growth to targeted rates, even in the face of strong credit demand from the banking system.
- Moreover, the Bank is implementing a new system of interbank transaction clearing. This new mechanism should limit the exposure of the Bank to risk from potential liquidity problems in the commercial banks.
- Finally, commercial bank supervision and regulatory responsibilities have been removed from the Bank and placed in an agency under the Ministry of Finance, to concentrate the Bank's focus on monetary policy.

Consistent with its independence, the Bank of Mexico is a separate signatory to the Framework Agreement governing U.S. support for Mexico, and its accompanying conditions.

Condition (4). Mexico has in effect a significant economic reform effort designed to reduce government spending and involvement in the economy, redeem and reschedule short-term government debt, and keep monetary and credit conditions tight so as to maintain a strong peso. These steps will help to restore economic confidence, increase private savings and investment, raise productivity, and spur private initiative and growth.

Specific measures which the Mexican Government has announced since the signing of the agreements include:

- *Fiscal measures that will improve the federal budget balance from a deficit of 0.3 percent of GDP in 1994 to a projected surplus of 0.5 percent of GDP in 1995, even allowing for a rise in interest costs to 3.9 percent of GDP. These steps are helping to lower domestic consumption and increase national savings. Available information confirms Mexico's ongoing commitment to maintaining tight fiscal policy. The GOM's overall economic budget surplus was NP5.1 billion for the first quarter of 1995 compared to a surplus of NP4.3 billion for the first quarter of 1994. The GOM ran a primary surplus, excluding interest payments, of NP19.1 billion, well above the NP11.4 billion surplus for the first quarter of 1994.*

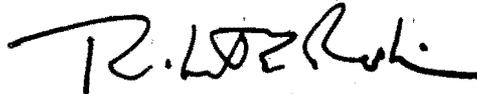
- *A strengthened monetary policy, as described above.*
- *Elimination of the PACTO, an agreement through which the government, industry leaders, and labor groups placed limits on wage and price increases. Removal of such artificial restrictions will allow markets to function more efficiently, free up private initiative, and eliminate barriers to employment and innovation.*
- *Sharp reduction in the stock of short-term, dollar-linked tesobonos. The government has redeemed short-term, dollar-indexed tesobonos to bring down the outstanding stock of such obligations from \$29.2 billion on January 5, 1995, to roughly \$12.5 billion (as of May 11).*
- *Steps to implement Mexico's commitment "to undertake privatization and concession operations," expressed in the economic policy memorandum underlying Mexico's February 21 agreement with the United States. During late April, the GOM took several steps to meet its commitment to accelerate structural reforms. The GOM submitted, and the Mexican Senate passed, a bill to open long-distance telecommunications services to private and foreign firms. The GOM also submitted a bill, which the Chamber of Deputies passed, to amend its constitution to allow private companies to build and operate natural gas pipelines and distribution networks. This will help facilitate the privatization of electricity and petrochemical plants, which use natural gas. In addition, the Mexican Congress passed constitutional changes allowing private and foreign investment in railroads and satellite transmissions.*
- *Re-establishment of a peso futures market in Chicago, in which trading was activated on April 25, 1995. Steps were also taken toward the establishment of such a market in Mexico City.*
- *Implementation of a the PROCAPTE program, a mechanism which helps banks meet minimum capital requirements while providing incentives for bank owners to take corrective actions. In addition to these efforts to support the banking sector, the Government of Mexico is working with the World Bank and the Inter-American Development Bank to secure a total of \$2.25 billion in loans to help finance troubled banks and to strengthen banking regulation. The World Bank Board is scheduled to meet on June 15, and the IDB will meet on June 7. It is projected that \$1.3 billion would be made available in July, with the rest becoming available in early 1996.*

- Creation and implementation of a program that allows banks to restructure approximately 14-22 percent of the loans outstanding throughout the banking system by creating inflation-indexed loans (UDI's).
- Removal of certain limitations under the NAFTA on foreign acquisitions of Mexican banks to facilitate foreign investment in the banking system.
- More frequent and timely publication of economic data by the Bank of Mexico and the Ministry of Finance and Public Credit to increase transparency and allow better monitoring of the economy.

These measures, embodying a tight monetary policy, disciplined fiscal policy and important structural reforms, will restore financial stability, allowing Mexico's economy to resume its progress toward growth.

Please do not hesitate to let me know if you require further information concerning this matter.

Sincerely,



Robert E. Rubin

TREASURY CLEARANCE SHEET

NO. _____
Date _____

MEMORANDUM FOR: X SECRETARY DEPUTY SECRETARY EXECUTIVE SECRETARY

- ACTION BRIEFING INFORMATION LEGISLATION
 PRESS RELEASE PUBLICATION REGULATION SPEECH
 TESTIMONY OTHER

FROM: Under Secretary Summers
 SUBJECT: Letter to the President Concerning Certification for Mexican Drawing

REVIEW OFFICES (Check when office clears)

- | | | |
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| <input type="checkbox"/> Under Secretary for Finance
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<input type="checkbox"/> Economic Policy
<input type="checkbox"/> Fiscal
<input type="checkbox"/> FMS
<input type="checkbox"/> Public Debt

<input type="checkbox"/> Under Secretary (International)
<input type="checkbox"/> International Affairs | <input type="checkbox"/> Enforcement
<input type="checkbox"/> ATF

<input type="checkbox"/> Customs
<input type="checkbox"/> FLETC
<input type="checkbox"/> Secret Service
<input type="checkbox"/> General Counsel
<input type="checkbox"/> Inspector General
<input type="checkbox"/> IRS
<input type="checkbox"/> Legislative Affairs
<input type="checkbox"/> Management
<input type="checkbox"/> OCC | <input type="checkbox"/> Policy Management
<input type="checkbox"/> Scheduling
<input type="checkbox"/> Public Affairs/Liaison
<input type="checkbox"/> Tax Policy
<input type="checkbox"/> Treasurer
<input type="checkbox"/> E & P

<input type="checkbox"/> Mint
<input type="checkbox"/> Savings Bonds
<input type="checkbox"/> Other |
|--|--|--|

NAME (Please Type)	INITIAL	DATE	OFFICE	TEL. NO.
INITIATOR(S)				
D. Zelikow	<i>DZ</i>	5/12	MTF	622-7222
REVIEWERS				
D. Joy/R. Munk	<i>DJ/RM</i>	5/12	GI	622-1899
V. Rojas/L. Robertson	<i>VR/LR</i>		LF	622-1980
T. Geithner	<i>TG</i>	5/12	IM	622-0656
J. Shafer	<i>JS</i>		OASIA/I	622-0060
N. Wolin	<i>NW</i>	5/15/95	G	622-0283
E. Knight	<i>EN</i>	5/15/95	G	622-0287

SPECIAL INSTRUCTIONS

Review Officer _____ Date _____ Executive Secretary _____ Date _____

15-146246



DEPARTMENT OF THE TREASURY
WASHINGTON

GENERAL COUNSEL

May 15, 1995

MEMORANDUM FOR SECRETARY RUBIN

FROM: LAWRENCE H. SUMMERS *LHS*
UNDER SECRETARY (INTERNATIONAL AFFAIRS)

EDWARD S. KNIGHT *ESK*
GENERAL COUNSEL

SUBJECT: Letter to the President Concerning Fulfillment of
Certain Legislative Conditions Related to Mexican
Drawing

ACTION FORCING EVENT:

Before \$2 billion can be made available to Mexico next week under the Medium-Term Exchange Stabilization Agreement, the President must certify again to Congress that five conditions set forth in the Department of Defense Emergency Supplemental Appropriations act (signed into law by the President on April 10) have been met. As required for the April 19 Presidential certification, the White House Counsel's office has requested a letter from you to the President stating whether you have found that the first four conditions have been met, and whether you recommend that the President certify that they have been met.

RECOMMENDATION:

That you sign the attached letter to the President stating that you have found that the first four conditions have been met and recommending that the President certify that they have been met.

Agree Disagree Let's Discuss

BACKGROUND:

The Mexican Government has submitted a request to the Treasury Department for a third drawing under the Medium-Term Exchange Stabilization Agreement which was signed on February 21, 1995. If you approve the request, it is anticipated that the drawing will take place on Friday, May 19, 1995. Pursuant to Section 406 of Title IV of the Department of Defence Emergency Supplemental Appropriations Act, the President must submit to a number of Congressional committees a certification as to at least the following four matters before such funding may be extended:

(1) there is no projected cost (as defined in the Credit Reform Act of 1990) to the United States from the proposed swap;

(2) all loans, credits, guarantees, and currency swaps to Mexico from the Exchange Stabilization Fund or the Federal Reserve System are adequately backed to ensure that all United States funds are repaid;

(3) the Government of Mexico is making progress in ensuring an independent central bank or an independent currency control mechanism; and

(4) Mexico has in effect a significant economic reform effort.

With regard to the final statutory certification concerning the provision of documents to Congress, the White House and Justice are exploring whether the previous certification is sufficient.

As mentioned above, and as required for the last drawing, the White House Counsel's office has requested a letter from you as to whether you have found that conditions (1)-(4) have been met with respect to this proposed drawing, and whether you recommend that the President certify that they have been met. (Since the last medium-term drawing on April 19, there has been no significant development or change affecting any of the conditions (1) through (4).)

We have concluded that you can make such a finding with respect to those four conditions. The basis for this finding is set out in the attached letter.

Attachment: Tab A: Letter to the President

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo.	Robert E. Rubin to POTUS re: Update on Mexico's Stabilization (3 pages)	05/15/95	P5

**This marker identifies the original location of the withdrawn item listed above.
For a complete list of items withdrawn from this folder, see the
Withdrawal/Redaction Sheet at the front of the folder.**

COLLECTION:

Clinton Administration History Project

OA/Box Number: 24124

FOLDER TITLE:

[History of the Department of the Treasury - Supplementary Documents] [4]

jp33

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]



DEPARTMENT OF THE TREASURY
WASHINGTON

UNDER SECRETARY

May 15, 1995

MEMORANDUM FOR SECRETARY RUBIN:

FROM: Lawrence Summers *LS*
Under Secretary
International Affairs

SUBJECT: Your Memo to the President on Mexico's Stabilization

ACTION FORCING EVENT:

Attached is a draft of the memo we discussed, updating the President on Mexico's stabilization.

RECOMMENDATION:

That you sign the attached memo.

Agree Disagree Let's Discuss

BACKGROUND:

In the memo, you highlight some recent indications that our financial support program and Mexico's policy adjustments are working to bring about the country's financial stabilization. You explain that the total amount of U.S. funds outstanding will rise to \$10 billion with this week's disbursement. Finally, you suggest that, while Mexico's finances are stabilizing, its economy continues to deteriorate, highlighting the stressed banking sector and the large and growing job losses in other sectors of the economy.

ATTACHMENT: Tab A: Memo for signature

TREASURY CLEARANCE SHEET

NO. 95-146106
Date 5/15/95

MEMORANDUM FOR: X SECRETARY DEPUTY SECRETARY EXECUTIVE SECRETARY

- ACTION BRIEFING INFORMATION LEGISLATION
- PRESS RELEASE PUBLICATION REGULATION SPEECH
- TESTIMONY OTHER

FROM: Under Secretary Summers
SUBJECT: Memo Updating the President on Mexico's Stabilization

REVIEW OFFICES (Check when office clears)

- Under Secretary for Finance
 - Domestic Finance
 - Economic Policy
 - Fiscal
 - FMS
 - Public Debt
- Under Secretary (International)
 - International Affairs
- Enforcement
 - ATF
 - Customs
 - FLETC
 - Secret Service
 - General Counsel
 - Inspector General
 - IRS
 - Legislative Affairs
 - Management
 - OCC
- Policy Management
 - Scheduling
 - Public Affairs/Liaison
- Tax Policy
 - Treasurer
 - E & P
- Mint
 - Savings Bonds
 - Other

NAME (Please Type)	INITIAL	DATE	OFFICE	TEL. NO.
INITIATOR(S)				
D. Zelikow	<i>DmH for DMZ</i>	<i>5/15/95</i>	MTF	622-7222
REVIEWERS				
J. Shafer	<i>JMS</i>	<i>5/15</i>	OASIA/I	622-0060
B. Nye			DO/SE	622-0690
S. Matthews			DO/SC	622-1906
E. Knight			G	622-0287

SPECIAL INSTRUCTIONS

Review Officer _____ Date _____ Executive Secretary _____ Date _____



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

July 27, 1995

UNDER SECRETARY

ACTION

MEMORANDUM FOR SECRETARY RUBIN

ACTION

FROM: Lawrence Summers *LS*
Under Secretary
International Affairs

SUBJECT: Roll-over of \$2 billion in Short-Term Swaps with Mexico

ACTION FORCING EVENT:

On July 26, 1995, the Government of Mexico submitted a request to the United States monetary authorities to roll-over its \$1 billion short-term swap with the Treasury Department's Exchange Stabilization Fund (ESF) and its \$1 billion short-term swap with the Federal Reserve. These swaps were rolled-over once before, on May 3, 1995, their original maturity date. The new maturity date following these roll-overs would be October 30, 1995 for both short-term swaps.

With these roll-overs, the total amount outstanding under the U.S.-Mexico Framework Agreement would remain at \$12.5 billion.

RECOMMENDATION:

That you authorize the roll-over of Treasury's \$1 billion short-term swap with Mexico and consent to the roll-over of the Federal Reserve's \$1 billion short-term swap with Mexico for an additional 90-day period, both with a new maturity date of October 30, 1995.

Approve Disapprove Other

BACKGROUND:

Mexico drew \$250 million from the Treasury and \$250 million from the Fed in the form of short-term swaps on January 11, 1995 and January 13, 1995, for a total of \$1 billion in January. It drew an additional \$2 billion on these short-term swap lines on February 2, 1995. It made a \$3 billion medium-term swap drawing from the ESF on March 14, 1995, and repaid on that date the \$1 billion of the January drawings, \$500 million to the ESF and \$500 million to the Fed. Mexico drew another \$3 billion from the medium-term swap facility on April 19, \$2 billion on May 19, and \$2.5 billion on July 5. Mexico has not missed an interest or repayment date under either the short-term swaps or the medium-term drawings.

EXECUTIVE SECRETARIAT

With these roll-overs, the total amount outstanding under the U.S.-Mexico Framework Agreement will remain at \$12.5 billion, \$11.5 billion from the ESF and \$1 billion from the Fed. The General Counsel's Office reviewed, prior to the first roll-over on May 3, the issue of whether Presidential certification is required under the Mexican Debt Disclosure Act. The Office determined that no such certification is required, and the Department of Justice concurred.

The terms and conditions of the roll-over of the Treasury portion of the drawing are set forth in Implementing Annex No. 6, attached at Tab B. Attached at Tab C are two authorizations, one for the roll-over of the Treasury Drawing, and the other consenting to the Federal Reserve roll-over.

ATTACHMENTS: Tab A: Mexico's Request for Renewal
 Tab B: Implementing Annex No. 6
 Tab C: Authorizations

A

PAGE 3 SERIAL NO.

491749

ARRANGEMENTS AS AMENDED, AND THAT THE PROPOSED
TREASURY RENEWAL WILL BE SUBJECT TO THE SEPARATE
AGREEMENT AND THE NEW IMPLEMENTING ANNEX. WE ALSO
CONFIRM THAT A REQUEST FOR RENEWAL HAS BEEN MADE TO THE
BANK OF CANADA PURSUANT TO PARAGRAPH 5(A) OF THE NORTH
AMERICAN FRAMEWORK AGREEMENT DATED APRIL 26, 1994, AS
AMENDED.

S. GUADALAJARA

REGARDS,

ALONSO GARCIA

MARIO BEAUREGARD

DIRECTOR GENERAL OF

MANAGER OF FOREIGN EXCHANGE,

CENTRAL BANKING OPERATIONS

METALS, COINS AND INTERNATIONAL

AGREEMENTS

26/07/95 10:39:13

420198 FRNY UI

NOTE: ABOVE MESSAGE RECEIVED PARTIALLY GARBLED.
ARE CABLING.

fw

1760249 BMCWME

NOTE: TEST CORRECT

Time: 12:43 07/26/95 ???

John Conchey

Connect Time : 487 seconds

REF. C63-092/95.716541

NO. 72 TEST: 3059 ON USD 2,000,000,000.00

1. WE REFER TO OUR MESSAGE NO. 53 TO YOU DATED APRIL 23, 1995, REQUESTING THE RENEWAL OF THE DRAWING IN THE AMOUNT OF USD 2 BILLION ("DRAWING") TO BE ALLOCATED EQUALLY BETWEEN THE U.S. MONETARY AUTHORITIES PURSUANT TO (A) THE U.S. DOLLAR/MEXICAN PESO RECIPROCAL SWAP ARRANGEMENT BETWEEN THE FEDERAL RESERVE BANK OF NEW YORK ("FRBNY"), ACTING AT THE DIRECTION OF THE FEDERAL OPEN MARKET COMMITTEE, AND THE BANCO DE MEXICO DATED APRIL 26, 1994, AND AS AMENDED JULY 26, 1994, AND APRIL 3, 1995, ("REGULAR SWAP ARRANGEMENT, AS AMENDED") AND (B) THE EXCHANGE STABILIZATION AGREEMENT AMONG THE UNITED STATES DEPARTMENT OF THE TREASURY ("TREASURY"), WITH THE FRBNY ACTING AS THE TREASURY'S FISCAL AGENT, THE GOVERNMENT OF MEXICO, AND THE BANCO DE MEXICO DATED APRIL 26, 1994 ("SEPARATE AGREEMENT"). THE DRAWING IS CURRENTLY SCHEDULED TO MATURE ON AUGUST 1ST, 1995.

2. IN ACCORDANCE WITH PARAGRAPH III OF THE REGULAR SWAP ARRANGEMENT, AS AMENDED, WE HEREBY REQUEST A RENEWAL OF THE FRBNY PORTION OF THE DRAWING FOR AN ADDITIONAL 90 DAYS PERIOD, WITH A PROPOSED NEW MATURITY DATE OF OCTOBER 30, 1995 ("FRBNY RENEWAL").

3. WE HEREBY REQUEST A RENEWAL OF THE TREASURY PORTION OF THE DRAWING FOR AN ADDITIONAL 90 DAYS PERIOD, WITH A PROPOSED NEW MATURITY DATE OF OCTOBER 30, 1995 ("TREASURY

RENEWAL), WE UNDERSTAND THAT THE TERMS AND CONDITIONS FOR THE PROPOSED TREASURY RENEWAL WILL BE SET FORTH IN THE NEW IMPLEMENTING ANNEX TO BE AGREED BETWEEN THE TREASURY AND THE BANCO DE MEXICO (NEW IMPLEMENTING ANNEX).

4. WE CONFIRM THAT THE PROPOSED FRBNY RENEWAL WILL BE SUBJECT TO THE TERMS AND CONDITIONS OF THE REGULAR SWAP ARRANGEMENT, AS AMENDED, AND THAT THE PROPOSED

TREASURY RENEWAL WILL BE SUBJECT TO THE SEPARATE AGREEMENT AND THE NEW IMPLEMENTING ANNEX. WE ALSO CONFIRM THAT A REQUEST FOR RENEWAL HAS BEEN MADE TO THE BANK OF CANADA PURSUANT TO PARAGRAPH 5(A) OF THE NORTH AMERICAN FRAMEWORK AGREEMENT DATED APRIL 26, 1994, AS AMENDED.

5. GUADALAJARA

REGARDS,

ALONSO GARCIA

MARIO BEAUREGARD

DIRECTOR GENERAL OF

MANAGER OF FOREIGN EXCHANGE,

CENTRAL BANKING OPERATIONS

METALS, COINS AND INTERNATIONAL

AGREEMENTS

NOTE: TEST CORRECT

John Carberry

Rcv: @IIM/42.07623 Line: 2



491799

420188 FRNY UI

LINE NUMBER 4207623

DISPATCH DATE 19950726

Y JULY 26, 1995. CRR

72

CITY MEXICO CITY

BANCO DE MEXICO S.A.

REVIEWED: *J* CHECKED:

TO: FEDERAL RESERVE BANK OF NEW YORK
NEW YORK, N.Y.
U.S.A.

ATTN: MS. PAULINE CHEN

FROM: BANCO DE MEXICO
MEXICO, D.F.

REF. C63-092/95./16541

NO. 72 TEST: 3059 ON USD 2,000,000,000.00

1. WE REFER TO OUR MESSAGE NO. 53 TO YOU DATED APRIL 28, 1995,
REQUESTING THE RENEWAL OF THE DRAWING IN THE AMOUNT OF
USD 2 BILLION ("DRAWING") TO BE ALLOCATED EQUALLY BETWEEN
THE U.S. MONETARY AUTHORITIES PURSUANT TO (A) THE U.S.
DOLLAR/MEXICAN PESO RECIPROCAL SWAP ARRANGEMENT
BETWEEN THE FEDERAL RESERVE BANK OF NEW YORK ("FRNY"),
ACTING AT THE DIRECTION OF THE FEDERAL OPEN MARKET

1108 2 SERIAL NO. 491799

COMMITTEE, AND THE BANCO DE MEXICO DATED APRIL 26, 1994, AND AS AMENDED JULY 26, 1994, AND APRIL 3, 1995, ("REGULAR SWAP ARRANGEMENT, AS AMENDED") AND (B) THE EXCHANGE STABILIZATION AGREEMENT AMONG THE UNITED STATES DEPARTMENT OF THE TREASURY ("TREASURY"), WITH THE FRBNY ACTING AS THE TREASURY'S FISCAL AGENT, THE GOVERNMENT OF MEXICO, AND THE BANCO DE MEXICO DATED APRIL 26, 1994 ("SEPARATE AGREEMENT"). THE DRAWING IS CURRENTLY SCHEDULED TO MATURE ON AUGUST 1ST, 1995.

2. IN ACCORDANCE WITH PARAGRAPH III OF THE REGULAR SWAP ARRANGEMENT, AS AMENDED, WE HEREBY REQUEST A RENEWAL OF THE FRBNY PORTION OF THE DRAWING FOR AN ADDITIONAL 90. 76YRS PER 90 DAY PERIOD (TO BE RESENT) WITH A PROPOSED NEW MATURITY DATE OF OCTOBER 30, 1995 ("FRBNY RENEWAL").

3. WE HEREBY REQUEST A RENEWAL OF THE TREASURY PORTION OF THE DRAWING FOR AN ADDITIONAL 90 DAYS PERIOD, WITH A PROPOSED NEW MATURITY DATE OF OCTOBER 30, 1995 ("TREASURY RENEWAL"). WE UNDERSTAND THAT THE TERMS AND CONDITIONS FOR THE PROPOSED TREASURY RENEWAL WILL BE SET FORTH IN THE NEW IMPLEMENTING ANNEX TO BE AGREED BETWEEN THE TREASURY AND THE BANCO DE MEXICO ("NEW IMPLEMENTING ANNEX").

4. WE CONFIRM THAT THE PROPOSED FRBNY RENEWAL WILL BE SUBJECT TO THE TERMS AND CONDITIONS OF THE REGULAR SWAP

B

FINAL

IMPLEMENTING ANNEX NO. 6 -- JULY 26, 1995

Pursuant to

(a) the North American Framework Agreement among the Government of the United Mexican States, the Banco de Mexico, the United States Department of the Treasury, the Federal Reserve Bank of New York acting at the direction of the Federal Open Market Committee, and the Bank of Canada, signed on April 26, 1994, as amended,

(b) the Exchange Stabilization Agreement among the United States Department of the Treasury, with the Federal Reserve Bank of New York acting as its fiscal agent, the Banco de Mexico, and the Government of the United Mexican States, signed on April 26, 1994 (the "ESA"),

(c) the Implementing Annex No. 1, dated January 5, 1995, among the United States Department of the Treasury, the Banco de Mexico, and the Government of the United Mexican States ("Annex No. 1"),

(d) the Implementing Annex No. 4, dated February 23, 1995, among the United States Department of the Treasury, the Banco de Mexico, and the Government of the United Mexican States ("Annex No. 4"), and

(e) the Implementing Annex No. 5, dated April 28, 1995, among the United States Department of the Treasury, the Banco de Mexico, and the Government of the United Mexican States ("Annex No. 5")

the United States Department of the Treasury (the "Treasury"), the Federal Reserve Bank of New York (the "FRBNY"), acting as the Treasury's fiscal agent, the Banco de Mexico (the "Bank"), and the Government of the United Mexican States (the "Government of Mexico") hereby agree in this sixth implementing annex ("Annex No. 6") to the ESA that:

(1) the drawing of U.S. \$1.0 billion, for a value date of February 2, 1995, currently scheduled to mature on August 1, 1995 (the "Treasury Drawing"), may be renewed for an additional 90-day period, with a new maturity date of October 30, 1995 (the "Third Treasury Drawing Period");

(2) for the Third Treasury Drawing Period, the Bank shall utilize the same interest rate and dollar-peso exchange rate for the Treasury Drawing as those calculated by the FRBNY for the FRBNY Renewal under the Regular Swap Arrangement, As Amended;

(3) on August 1, 1995, the Bank shall pay, in U.S. dollars, to Treasury Special Account No. 2 at the FRBNY, the amount of interest accrued on the Treasury Drawing, which amount shall be the same as that paid to the FRBNY under the Regular Swap Arrangement, As Amended;

(4) by transmitting a copy of this Annex No. 6 and an authenticated telecommunication to the FRBNY containing the word "Turquoise" and its name, Treasury indicates its consent to the terms of this Annex No. 6;

(5) by transmitting a copy of this Annex No. 6 and an authenticated telecommunication to the FRBNY containing the word "Lapis" and its name, the Bank indicates its consent and the consent of the Government of Mexico to the terms of this Annex No. 6; and

(6) undefined terms in this Implementing Annex have the same meaning as in the Bank's Telex Requesting a Renewal of the \$2 Billion Drawing Maturing August 1, 1995.

C

UNCLASSIFIED

1 1 280930 JULY 95 PP PP UUUU

DEPT OF THE TREASURY WASH DC
FEDERAL RESERVE BANK OF NEW YORK
ATTENTION: MESSRS. FISHER, BENTLEY,
REISCHACH, AND DUNGCA; MS. CHEN

UNCLAS

QQQQ

SUBJECT: AUTHORIZATION FOR RENEWAL OF \$1 BILLION MEXICAN DRAWING
UNDER THE EXCHANGE STABILIZATION AGREEMENT

1. WE REFER TO THE REQUEST MADE BY THE BANCO DE MEXICO ("THE BANK") IN ITS MESSAGE NO. 72 TO YOU DATED JULY 26, 1995, FOR RENEWAL OF ITS \$1 BILLION DRAWING WHICH WAS MADE ON FEBRUARY 2, 1995 AND RENEWED PREVIOUSLY ON MAY 3, 1995 FOR A CURRENT MATURITY DATE OF AUGUST 1, 1995. THIS DRAWING WAS MADE BY THE BANK PURSUANT TO ITS MESSAGE NO. 23 AND RENEWED PURSUANT TO ITS MESSAGE NO. 53.
2. PURSUANT TO SUBPARAGRAPH 4 OF IMPLEMENTING ANNEX NO. 6 DATED JULY 26, 1995, TREASURY SENDS "TURQUOISE" AND AGREES TO AND AUTHORIZES THE REQUESTED RENEWAL AS DEFINED HEREIN.
3. PLEASE NOTIFY US OF THE NEW EXCHANGE RATE AND INTEREST RATE.
4. PLEASE CONFIRM YOUR RECEIPT OF THIS MESSAGE.

JSHAFFER/I
ASSISTANT SECRETARY
INTERNATIONAL AFFAIRS

DRAFTED BY MBUDINGTON/MTF, 622-7546 MB

CONCURRENCE BY DZELIKOW/MTF *DUMZ*
JLANGE/IMO *[Signature]*
RMUNK/GI *[Signature]*
JLISTER/IM *MB for per phone*

APPROVED BY JSHAFFER/I

UNCLASSIFIED

1 2 280930 JULY 95 PP PP UUUU

DEPT OF THE TREASURY WASH DC
FEDERAL RESERVE BANK OF NEW YORK
ATTENTION: MESSRS. FISHER, BENTLEY,
REISCHACH, AND DUNGCA; MS. CHEN

UNCLAS

QQQQ

SUBJECT: CONSENTING TO RENEWAL OF FRBNY SHORT-TERM SWAP MATURING
AUGUST 1, 1995

1. WE REFER TO:

- (A) MESSAGE NO. 23 TO YOU FROM THE BANCO DE MEXICO ("THE BANK") DATED JANUARY 31, 1995, REQUESTING A DRAWING IN THE AMOUNT OF USD \$2 BILLION TO BE ALLOCATED EQUALLY BETWEEN THE UNITED STATES DEPARTMENT OF THE TREASURY ("TREASURY") AND THE FEDERAL RESERVE BANK OF NEW YORK ("FRBNY") AND THAT WAS ORIGINALLY SCHEDULED TO MATURE ON MAY 3, 1995 ("DRAWING");
- (B) MESSAGE NO. 53 TO YOU FROM THE BANK DATED XXX, REQUESTING RENEWAL OF THIS DRAWING FOR AN ADDITIONAL 90-DAY PERIOD SCHEDULED TO MATURE ON AUGUST 1, 1995;
- (C) THE U.S. DOLLAR/MEXICAN PESO RECIPROCAL SWAP ARRANGEMENT BETWEEN THE FRBNY, ACTING AT THE DIRECTION OF THE FEDERAL OPEN MARKET COMMITTEE, AND THE BANK DATED APRIL 26, 1994, AS AMENDING JULY 26, 1994, AND APRIL 3, 1995 ("REGULAR SWAP ARRANGEMENT, AS AMENDED");
- (D) MESSAGE NO. 72 TO YOU FROM THE BANK DATED JULY 26, 1995, REQUESTING A RENEWAL OF THE FRBNY PORTION OF THE DRAWING FOR AN ADDITIONAL 90-DAY PERIOD, WITH A NEW MATURITY DATE OF OCTOBER 30, 1995 ("FRBNY RENEWAL");
- (E) THE LETTER DATED FEBRUARY 21, 1995, FROM ROBERT E. RUBIN, SECRETARY OF THE TREASURY, TO ALAN GREENSPAN, CHAIRMAN, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, AND WILLIAM J. MCDONOUGH, PRESIDENT, FRBNY ("TREASURY LETTER"); AND
- (F) THE LETTER DATED FEBRUARY 17, 1995, FROM ALAN GREENSPAN, CHAIRMAN, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, TO ROBERT E. RUBIN, SECRETARY OF THE TREASURY.

UNCLASSIFIED

2 2 280930 JULY 95 PP PP UUUU

DEPT OF THE TREASURY WASH DC
FEDERAL RESERVE BANK OF NEW YORK
ATTENTION: MESSRS. FISHER, BENTLEY,
REISCHACH, AND DUNGCA; MS. CHEN

UNCLAS

QQQQ

2. THE TREASURY HEREBY PROVIDES WRITTEN CONSENT TO THE FRBNY RENEWAL AND CONFIRMS THAT THE TREASURY'S COMMITMENT CONTAINED IN THE TREASURY LETTER APPLIES TO SUCH RENEWAL.
3. PLEASE CONFIRM YOUR RECEIPT OF THIS MESSAGE.

JSHAFFER/I
ASSISTANT SECRETARY
INTERNATIONAL AFFAIRS

DRAFTED BY MBUDINGTON/MTF, 622-7546 *MB*

CONCURRENCE BY DZELIKOW/MTF *DZ*
JLANGE/IMO *JL*
RMUNK/GI *RM*
JLISTER/IM *MB per phone*

APPROVED BY JSHAFFER/I

CONCURRENCE TAB

This sheet will precede the concurrence page in assembled correspondence.

TREASURY CLEARANCE SHEET

NO. 05-148499
Date 07/27/95

- MEMORANDUM FOR: SECRETARY DEPUTY SECRETARY EXECUTIVE SECRETARY
 ACTION BRIEFING INFORMATION LEGISLATION
 PRESS RELEASE PUBLICATION REGULATION SPEECH
 TESTIMONY OTHER:

FROM: Under Secretary Summers
 THROUGH:
 SUBJECT: Renewal of \$2 billion short-term swap with Mexico

REVIEW OFFICES (Check when office clears)

- | | | |
|--|--|---|
| <input type="checkbox"/> Under Secretary for Finance | <input type="checkbox"/> Enforcement | <input type="checkbox"/> Policy Management |
| <input type="checkbox"/> Domestic Finance | <input type="checkbox"/> ATF | <input type="checkbox"/> Scheduling |
| <input type="checkbox"/> Economic Policy | <input type="checkbox"/> Customs | <input type="checkbox"/> Public Affairs/Liaison |
| <input type="checkbox"/> Fiscal | <input type="checkbox"/> FLETC | <input type="checkbox"/> Tax Policy |
| <input type="checkbox"/> FMS | <input type="checkbox"/> Secret Service | <input type="checkbox"/> Treasurer |
| <input type="checkbox"/> Public Debt | <input type="checkbox"/> General Counsel | <input type="checkbox"/> E & P |
| | <input type="checkbox"/> Inspector General | <input type="checkbox"/> Mint |
| <input type="checkbox"/> Under Secretary for Int'l Affairs | <input type="checkbox"/> IRS | <input type="checkbox"/> Savings Bonds |
| <input type="checkbox"/> International Affairs | <input type="checkbox"/> Legislative Affairs | |
| | <input type="checkbox"/> Management | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> OCC | |

NAME (Please Type)	INITIAL	DATE	OFFICE/ROOM NO.	TEL. NO.
INITIATOR(S)				
M Budington	MB	7/26	MTF/4126	2-7546
REVIEWERS				
D Zelikow	DZ	7/26	MTF	2-7222
J Lange	JL	7/26	IMO	2-2054
R Munk	RM	7/26	GC	2-1899
J Lister	JL	7/26	IM	2-0112
J Shafer	JS	7/26	I	2-0060
E Knight	EK		G	2-0287

SPECIAL INSTRUCTIONS

Review Officer _____ Date: _____ Executive Secretary _____ Date: _____

*signed
see
next
page*

TREASURY CLEARANCE SHEET

NO 95-148499

Date 07/27/95

MEMORANDUM FOR: SECRETARY DEPUTY SECRETARY EXECUTIVE SECRETARY
 ACTION BRIEFING INFORMATION LEGISLATION
 PRESS RELEASE PUBLICATION REGULATION SPEECH
 TESTIMONY OTHER:

FROM: Under Secretary Summers
 THROUGH:
 SUBJECT: Renewal of \$2 billion short-term swap with Mexico

REVIEW OFFICES (Check when office clears)

- Under Secretary for Finance Enforcement Policy Management
- Domestic Finance ATF Scheduling
- Economic Policy Customs Public Affairs/Liaison
- Fiscal FLETC Tax Policy
- FMS Secret Service Treasurer
- Public Debt General Counsel E & P
- Under Secretary for Int'l Affairs IRS Mint
- International Affairs Legislative Affairs Savings Bonds
- Management Other _____
- OCC

NAME (Please Type)	INITIAL	DATE	OFFICE/ROOM NO.	TEL. NO.
INITIATOR(S)				
M Budington	MB	7/26	MTF/4126	2-7546
REVIEWERS				
D Zelikow	DZ	7/26	MTF	2-7222
J Lange	JL	7/26	IMO	2-2054
R Munk	RM	7/26	GC	2-1899
J Lister	JL	7/26	IM	2-0112
J Shafer			I	2-0060
E Knight	nk	7/27	G	2-0287

SPECIAL INSTRUCTIONS

Review Officer

Date:

Executive Secretary

Date

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. briefing paper	re: Why Should We Advance the US-Mexico Economic Relationship? (3 pages)	09/19/95	P5

**This marker identifies the original location of the withdrawn item listed above.
For a complete list of items withdrawn from this folder, see the
Withdrawal/Redaction Sheet at the front of the folder.**

COLLECTION:

Clinton Administration History Project

OA/Box Number: 24124

FOLDER TITLE:

[History of the Department of the Treasury - Supplementary Documents] [4]

jp33

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

95- ~~13776~~
151756

ASSISTANT SECRETARY

MEMORANDUM FOR SECRETARY RUBIN

Information

THROUGH: Deputy Secretary Summers *JS*
FROM: Assistant Secretary Shafer *JS*
SUBJECT: Rollover of Outstanding Short-Term Swaps with Mexico - Press and Congressional Strategy

The Mexican government will request a rollover of the \$1.3 billion balance of short-term swaps outstanding, and we will be making a recommendation to roll this over. As you know, we anticipate that this rollover will receive more attention and criticism from detractors of the Mexican support program due to Mexico's decision to repay \$700 million earlier than expected. We have developed the following strategy for press and legislative briefings to explain the consistency of this rollover with our ongoing policy:

PRESS:

- A press release announcing the publication of the October report to Congress on Mexico would be issued on Friday, October 27. The release would highlight key points in the report noting that both Treasury and the Federal Reserve are rolling over the \$1.3 billion outstanding in short-term swaps. (As has been the case each month, this rollover and those that preceded it in May and August would be indicated in the text of the monthly report.)
- Public Affairs would direct key reporters to the mention of the rollover in the press release.
- We anticipate that this strategy would prompt low key coverage of the rollover over the weekend in advance of the end of the month.

CONGRESS:

- We will contact staff of Congressional supporters of the Mexican support program on Thursday night and Friday morning of this week. To the extent that we deem it warranted on the basis of feedback from staff, we will recommend calls to key Congressional supporters of the package. We will use these telephone calls to (1) inform staff and/or Members of the rollover, (2) answer any questions, and (3) provide background material explaining why the rollover is consistent with both Treasury policy and Mexico's performance.

The rollover itself would take place on October 30, for a new maturity date of January 29, 1996. You will receive a decision memorandum on the rollover by this Wednesday.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

95-151750

INFORMATION

ASSISTANT SECRETARY

MEMORANDUM FOR SECRETARY RUBIN

Information To: Jeff Shafer
From: Bob [unclear]

THROUGH: Deputy Secretary Summers *AS*

FROM: Assistant Secretary Shafer *JRS*

Should on key talking point be the rollover of this

SUBJECT: Rollover of Outstanding Short-Term Swaps with Mexico - Press and Congressional Strategy

The Mexican government will request a rollover of the \$1.3 billion balance of short-term swaps outstanding, and we will be making a recommendation to roll this over. As you know, we anticipate that this rollover will receive more attention and criticism from detractors of the Mexican support program due to Mexico's decision to repay \$700 million earlier than expected. We have developed the following strategy for press and legislative briefings to explain the consistency of this rollover with our ongoing policy:

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TREASURY CLEARANCE SHEET

NO. _____

Date _____

MEMORANDUM FOR: SECRETARY DEPUTY SECRETARY EXECUTIVE SECRETARY
 ACTION BRIEFING INFORMATION LEGISLATION
 PRESS RELEASE PUBLICATION REGULATION SPEECH
 TESTIMONY OTHER

THROUGH: Deputy Secretary Summers
FROM: Assistant Secretary Shafer
SUBJECT: Roll-over of Outstanding Short-Term Swaps with Mexico - Press and
 Congressional Process

REVIEW OFFICES (Check when office clears)

- | | | |
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| <input type="checkbox"/> Under Secretary for Finance
<input type="checkbox"/> Domestic Finance
<input type="checkbox"/> Economic Policy
<input type="checkbox"/> Fiscal
<input type="checkbox"/> FMS
<input type="checkbox"/> Public Debt

<input type="checkbox"/> Under Secretary (International)
<input type="checkbox"/> International Affairs | <input type="checkbox"/> Enforcement
<input type="checkbox"/> ATF
<input type="checkbox"/> Customs
<input type="checkbox"/> FLETC
<input type="checkbox"/> Secret Service
<input type="checkbox"/> General Counsel
<input type="checkbox"/> Inspector General
<input type="checkbox"/> IRS
<input type="checkbox"/> Legislative Affairs
<input type="checkbox"/> Management
<input type="checkbox"/> OCC | <input type="checkbox"/> Policy Management
<input type="checkbox"/> Scheduling
<input type="checkbox"/> Public Affairs/Liaison
<input type="checkbox"/> Tax Policy
<input type="checkbox"/> Treasurer
<input type="checkbox"/> E & P
<input type="checkbox"/> Mint
<input type="checkbox"/> Savings Bonds

<input type="checkbox"/> Other _____ |
|--|--|--|

NAME (Please Type)	INITIAL	DATE	OFFICE	TEL. NO.
INITIATOR(S)				
M Budington	MB	10/23	MTF	622-7546
REVIEWERS				
M Smith	<i>Mofv per phone</i>	10/23	PA	622-2013
L Robertson/V Rojas	VR	10/23/95	LP	622-1920

SPECIAL INSTRUCTIONS

Review Officer

Date _____

Executive Secretary

Date _____

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
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003. talking points	re: Talking Points for Call to Ortiz (2 pages)	10/25/95	#Error
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**This marker identifies the original location of the withdrawn item listed above.
For a complete list of items withdrawn from this folder, see the
Withdrawal/Redaction Sheet at the front of the folder.**

COLLECTION:

Clinton Administration History Project

OA/Box Number: 24124

FOLDER TITLE:

[History of the Department of the Treasury - Supplementary Documents] [4]

jp33

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

June 18, 1996

SECRETARY OF THE TREASURY

MEMORANDUM FOR THE PRESIDENT

FROM: Robert E. Rubin *RE*

SUBJECT: Potential Prepayment by Mexico

Mexico is working to arrange prepayment of a substantial portion of the \$10.5 billion still owed to the United States. The prepayment would not be received until August. However, a transaction supporting the prepayment is now going to the market. Rumors and press reports are beginning to surface.

The prepayment would entail a "carve-out" (release) of some of the Mexican oil export revenues associated with our financial support program. The balance of the U.S. swaps will remain fully protected.

- A majority of the prepayment would come from proceeds of a bank loan, backed by released oil export revenues in a structure akin to the U.S. facility. Mexico and its bankers are targeting a deal of \$2.5 billion, or possibly more.
- Mexico has also committed to make an additional prepayment to the U.S. from other recent or prospective market financings.
- Because of the benefits to the U.S., we are prepared to release our claims to some oil export proceeds to facilitate these prepayments. The share of oil proceeds carved-out would be less than the share of U.S. swaps prepaid, preserving adequate coverage of Mexico's remaining obligations.

Now that prospects of completing a deal are encouraging, we will inform key players in advance of a public announcement.

- We could receive criticism of the transaction from some in Congress. However, most Members - and the public - will likely view Mexico's large prepayment - the results of a transaction structured to protect U.S. interests - as a major sign of the program's success.
- Other G-7 members and the IMF may question why a large prepayment should be made to the U.S. without a corresponding reduction of the IMF's exposure. The answer is that the prepayment is justified by the release of oil flows that we now control and the extraordinary nature of the U.S. program.

CC: Leon Panetta
Tony Lake
Laura Tyson



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

UNDER SECRETARY

MEMORANDUM FOR SECRETARY RUBIN

THROUGH: Lawrence Summers *LS*
Deputy Secretary

FROM: *JRS* Jeffrey R. Shafer
Under Secretary
International Affairs

SUBJECT: Memorandum to the President on
Potential Mexico Prepayment

ACTION FORCING EVENT:

Mexico is working to arrange prepayment of a substantial portion of the \$10.5 billion still owed to the United States. While the deal would not be completed, and prepayment received, until August, a transaction is now going to the market. Rumors and press reports are beginning to surface.

RECOMMENDATION:

That you sign the attached memorandum to the President.

Agree Disagree Let's Discuss

BACKGROUND:

The prepayment would entail a "carve-out" (release) of some of the Mexican oil export revenues associated with our financial support program. A majority of the prepayment would come from proceeds of a bank loan, backed by released oil export revenues in a structure akin to the U.S. facility. Mexico and its bankers are targeting a deal of \$2.5 billion, or possibly more. Mexico has also committed to make an additional prepayment to the U.S.

Because of the benefits to the U.S., we are prepared to release our claim to some oil export proceeds to facilitate these prepayments. The share of oil proceeds carved-out would be less than the share of U.S. swaps prepaid, preserving adequate coverage of Mexico's remaining obligations. Prospects of completing a deal are encouraging.

We will inform key players in advance of a public announcement. We could receive criticism of the transaction from some in Congress, but most Members - and the public - will likely view Mexico's large prepayment as a major sign of the program's success. Other G-7 members and the IMF may question why a large prepayment should be made to the U.S. without a corresponding reduction of the IMF's exposure; prepayment is justified by the release of oil flows that now protect our loan and the extraordinary nature of the U.S. program.

TREASURY CLEARANCE SHEET

NO. _____
Date _____

MEMORANDUM FOR: X SECRETARY DEPUTY SECRETARY EXECUTIVE SECRETARY

- ACTION BRIEFING INFORMATION LEGISLATION
 PRESS RELEASE PUBLICATION REGULATION SPEECH
 TESTIMONY OTHER

FROM: Under Secretary Shafer
SUBJECT: Memorandum to the President on Potential Mexico Prepayment

*March
1/11/89
11369*

REVIEW OFFICES (Check when office clears)

- | | | |
|--|--|---|
| <input type="checkbox"/> Under Secretary for Finance | <input type="checkbox"/> Enforcement | <input type="checkbox"/> Policy Management |
| <input type="checkbox"/> Domestic Finance | <input type="checkbox"/> ATF | <input type="checkbox"/> Scheduling |
| <input type="checkbox"/> Economic Policy | <input type="checkbox"/> Customs | <input type="checkbox"/> Public Affairs/Liaison |
| <input type="checkbox"/> Fiscal | <input type="checkbox"/> FLETC | <input type="checkbox"/> Tax Policy |
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| <input type="checkbox"/> Public Debt | <input type="checkbox"/> General Counsel | <input type="checkbox"/> E & P |
| <input type="checkbox"/> Under Secretary (International) | <input type="checkbox"/> Inspector General | <input type="checkbox"/> Mint |
| <input type="checkbox"/> International Affairs | <input type="checkbox"/> IRS | <input type="checkbox"/> Savings Bonds |
| | <input type="checkbox"/> Legislative Affairs | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Management | |
| | <input type="checkbox"/> OCC | |

NAME (Please Type)	INITIAL	DATE	OFFICE	TEL. NO.
INITIATOR(S)				
S. Boone C. Lowery	<i>SLB</i>	<i>6/13/96</i>	MTF	622-7224
REVIEWERS				
M. Budington			MTF	622-7546
A. Berg	<i>AB</i>	<i>6/14/96</i>	MTF	622-7392
D. Zelikow	<i>DZ</i>		IN	622-7222
D. Joy/R. Munk			GI	622-1899
V. Rojas/L. Robertson	<i>VR</i>	<i>6/18/96</i>	LA	622-1980
E. Knight	<i>EK</i>	<i>4/18/96</i>	GC	622-0287
D. Lipton			I	622-1270

SPECIAL INSTRUCTIONS

Review Officer _____ Date _____ Executive Secretary _____ Date _____

THE WHITE HOUSE
WASHINGTON

DATE: 6-19-96

NOTE FOR: The Honorable Robert E. Rubin

The President has reviewed the attached, and it is forwarded to you
for your:

Information

Action

Thank you.

Staff Secretary
(x6-2702)

cc:



THE PRESIDENT HAS SEEN
6-17-96

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

96 JUN 18 P 6 : 25

SECRETARY OF THE TREASURY

June 18, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Robert E. Rubin *REB*

SUBJECT: Potential Prepayment by Mexico *Good*

Mexico is working to arrange prepayment of a substantial portion of the \$10.5 billion still owed to the United States. The prepayment would not be received until August. However, a transaction supporting the prepayment is now going to the market. Rumors and press reports are beginning to surface.

The prepayment would entail a "carve-out" (release) of some of the Mexican oil export revenues associated with our financial support program. The balance of the U.S. swaps will remain fully protected.

- A majority of the prepayment would come from proceeds of a bank loan, backed by released oil export revenues in a structure akin to the U.S. facility. Mexico and its bankers are targeting a deal of \$2.5 billion, or possibly more.
- Mexico has also committed to make an additional prepayment to the U.S. from other recent or prospective market financings.
- Because of the benefits to the U.S., we are prepared to release our claim to some oil export proceeds to facilitate these prepayments. The share of oil proceeds carved-out would be less than the share of U.S. swaps prepaid, preserving adequate coverage of Mexico's remaining obligations.

Now that prospects of completing a deal are encouraging, we will inform key players in advance of a public announcement.

- We could receive criticism of the transaction from some in Congress. However, most Members - and the public - will likely view Mexico's large prepayment - the results of a transaction structured to protect U.S. interests - as a major sign of the program's success.
- Other G-7 members and the IMF may question why a large prepayment should be made to the U.S. without a corresponding reduction of the IMF's exposure. The answer is that the prepayment is justified by the release of oil flows that we now control and the extraordinary nature of the U.S. program.

CC: Leon Panetta
Tony Lake
Laura Tyson



THE PRESIDENT HAS SEEN
6-17-96

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

96 JUN 18 P 6 : 25

SECRETARY OF THE TREASURY

June 18, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Robert E. Rubin *RE*

SUBJECT: Potential Prepayment by Mexico *Good*

Mexico is working to arrange prepayment of a substantial portion of the \$10.5 billion still owed to the United States. The prepayment would not be received until August. However, a transaction supporting the prepayment is now going to the market. Rumors and press reports are beginning to surface.

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- Mexico has also committed to make an additional prepayment to the U.S. from other recent or prospective market financings.
- Because of the benefits to the U.S., we are prepared to release our claim to some oil export proceeds to facilitate these prepayments. The share of oil proceeds carved-out would be less than the share of U.S. swaps prepaid, preserving adequate coverage of Mexico's remaining obligations.

Now that prospects of completing a deal are encouraging, we will inform key players in advance of a public announcement.

- We could receive criticism of the transaction from some in Congress. However, most Members - and the public - will likely view Mexico's large prepayment - the results of a transaction structured to protect U.S. interests - as a major sign of the program's success.
- Other G-7 members and the IMF may question why a large prepayment should be made to the U.S. without a corresponding reduction of the IMF's exposure. The answer is that the prepayment is justified by the release of oil flows that we now control and the extraordinary nature of the U.S. program.

CC: Leon Panetta
Tony Lake
Laura Tyson

THE WHITE HOUSE
WASHINGTON

6-19-96 - SE - 00510p

DATE: 6-19-96

NOTE FOR: The Honorable Robert E. Rubin

The President has reviewed the attached, and it is forwarded to you for your:

Information

Action

Thank you.

Staff Secretary
(x6-2702)

cc:



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

UNDER SECRETARY

MEMORANDUM FOR SECRETARY RUBIN

THROUGH: Lawrence Summers
Deputy Secretary

FROM: Jeffrey R. Shafer
Under Secretary
International Affairs

SUBJECT: Memorandum to the President on Mexico Prepayment

ACTION FORCING EVENT:

On Thursday, Mexico will announce a prepayment of at least \$6 billion of the \$10.5 billion still owed to the United States. The precise amount will be determined Thursday afternoon. Payment will be received on or about August 6.

RECOMMENDATION:

That you sign the attached memorandum informing the President of the expected prepayment.

Agree _____ Disagree _____ Let's Discuss _____

BACKGROUND:

The prepayment would entail a "carve-out" (release) of some of the Mexican oil export revenues backing our financial support program. All but \$1 billion of the prepayment would come from proceeds of a bank note deal backed by the carved out revenues in a structure akin to the U.S. facility. An additional \$1 billion payment to the U.S., as well as a \$1 billion payment to the IMF, are largely to be funded from other recent private financings. Mexico had previously announced that it would prepay \$4.7 billion to the U.S. The share of oil proceeds carved out would be less than the share of U.S. swaps prepaid, preserving adequate coverage of Mexico's remaining obligations.

We will inform other key players in advance of a public announcement Thursday. We could receive some criticism of the transaction from some in Congress, but most Members - and the public - will likely view Mexico's early (and larger than previously announced) prepayment as a clear sign of the program's success.

Other G-7 members and the IMF have questioned why a large prepayment should be made to the U.S. without a corresponding reduction of the IMF's exposure. We have explained that prepayment is justified both by Treasury's release of oil flows that now protect our loan and the extraordinary nature of the U.S. program.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

July 24, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Robert E. Rubin *R. E. R.*

SUBJECT: Prepayment by Mexico

Summary

On July 25, we and the Mexicans will announce that their new loan will enable the Government of Mexico to make at least a \$6 billion repayment, two years ahead of schedule. With this prepayment, we will have gotten most of our money back, as well as \$1.2 billion in interest.

Background

A month ago I informed you that Mexico would be issuing a large new syndicated loan and would repay the Treasury with the proceeds. The market's reaction to this loan has been very strong. Originally set at \$3 billion, the offering has been rated "investment-grade," which has pushed it to at least \$5 billion. This amount may still be increased somewhat further, making it possible for Mexico to prepay at least \$6 billion of the \$10.5 billion still owed to the United States. We will know the precise amount on Thursday, and understand that President Zedillo would like to telephone you that morning to tell you this news. We expect to receive the prepayment in early August.

To finance this prepayment, Mexico will use the proceeds of the bank loan and another \$1 billion from other recent market financings. The combined payment will entail a "carve-out" (release) of some of the Mexican oil export revenues backing our financial support program; the balance of the U.S. swaps will remain fully protected. The share of oil proceeds carved-out would be less than the share of U.S. swaps prepaid, preserving adequate coverage of Mexico's remaining obligations.

Mexico will also announce that it will prepay \$1 billion to the IMF. We have consulted with IMF management and with our G7 allies regarding these developments. Some have expressed concern that the IMF's exposure is not being reduced proportionately along with ours. We have explained that the U.S. program was an extraordinary one crafted in an emergency, that the crisis has now passed, and that continuing IMF involvement is consistent with its role in the international financial system.

These early repayments come as more good news for both the U.S. and Mexico. While the effects of last year's recession are still being felt, Mexico's economy is once again growing. Mexico's international reserves have increased, and it can now refinance the emergency support package on more attractive terms. The U.S. is being repaid ahead of schedule and with interest earnings that so far have totaled \$1.2 billion. Our exports to Mexico, meanwhile, have been running at record levels this year. We will ensure that the public and interested Members of Congress are kept informed of these developments.

cc: Anthony Lake
Laura Tyson

TREASURY CLEARANCE SHEET

NO. _____

Date _____

MEMORANDUM FOR: SECRETARY DEPUTY SECRETARY EXECUTIVE SECRETARY
 ACTION BRIEFING INFORMATION LEGISLATION
 PRESS RELEASE PUBLICATION REGULATION SPEECH
 TESTIMONY OTHER _____

FROM: Secretary Rubin

THROUGH: _____

SUBJECT: Economic Sanctions

REVIEW OFFICES (Check when office clears)

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| <input type="checkbox"/> Under Secretary for Finance | <input type="checkbox"/> Enforcement | <input type="checkbox"/> Policy Management |
| <input type="checkbox"/> Domestic Finance | <input type="checkbox"/> ATF | <input type="checkbox"/> Scheduling |
| <input type="checkbox"/> Economic Policy | <input type="checkbox"/> Customs | <input type="checkbox"/> Public Affairs/Liaison |
| <input type="checkbox"/> Fiscal | <input type="checkbox"/> FLETC | <input type="checkbox"/> Tax Policy |
| <input type="checkbox"/> FMS | <input type="checkbox"/> Secret Service | <input type="checkbox"/> Treasurer |
| <input type="checkbox"/> Public Debt | <input type="checkbox"/> General Counsel | <input type="checkbox"/> E & P |
| <input type="checkbox"/> Under Secretary for International Affairs | <input type="checkbox"/> Inspector General | <input type="checkbox"/> Mint |
| <input type="checkbox"/> International Affairs | <input type="checkbox"/> IRS | <input type="checkbox"/> Savings Bonds |
| | <input type="checkbox"/> Legislative Affairs | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Management | |
| | <input type="checkbox"/> OCC | |

NAME (Please Type)	INITIAL	DATE	OFFICE	TEL. NO.
INITIATOR(S)				
WEBarreda	WBS	7/24	OASIA/IT	622-0168
REVIEWERS				
DLipton	DL	7/24	IA	622-1270

SPECIAL INSTRUCTIONS

Review Officer _____ Date _____ Executive Secretary _____ Date _____

TREASURY CLEARANCE SHEET NO. _____

Date July 25, 1996

- MEMORANDUM FOR: SECRETARY DEPUTY SECRETARY EXECUTIVE SECRETARY
 ACTION BRIEFING INFORMATION LEGISLATION
 PRESS RELEASE PUBLICATION REGULATION SPEECH
 TESTIMONY OTHER _____

FROM: Deputy Secretary Summers

THROUGH: _____

SUBJECT: Mexican Carve-Out and Prepayment Plans

REVIEW OFFICES (Check when office clears)

- Under Secretary for Finance
 - Domestic Finance
 - Economic Policy
 - Fiscal
 - FMS
 - Public Debt

- Under Secretary for International Affairs
 - International Affairs

- Enforcement
 - ATF
 - Customs
 - FLETC
 - Secret Service
- General Counsel
- Inspector General
- IRS
- Legislative Affairs
- Management
- OCC

- Policy Management
 - Scheduling
- Public Affairs/Liaison
- Tax Policy
- Treasurer
 - E & P
 - Mint
 - Savings Bonds
- Other _____

NAME (Please Type)	INITIAL	DATE	OFFICE	TEL. NO.
INITIATOR(S)				
Sherman Boone	<i>SB</i>	7/25/96	DO: INM	2-7224
REVIEWERS				
Andy Berg	<i>AB</i>	7/25	DO: INM	2-7392
Daniel Zelikow	<i>DZ</i>	"	DO: IN	2-7222
David Joy	<i>DDJ</i>	"	DO: GCI	2-1945
Russ Munk	<i>DDJ for RM</i>	"	DO: GCI	2-1899
Ed Knight	<i>EK</i>		DO: GC	2-0287
David Lipton	<i>R</i>		DO: I	2-1270

SPECIAL INSTRUCTIONS

Review Officer

Date

Executive Secretary

Date



THE DEPUTY SECRETARY OF THE TREASURY
WASHINGTON

July 25, 1996

ACTION

MEMORANDUM FOR SECRETARY RUBIN

FROM: Deputy Secretary Summers *[Signature]*

SUBJECT: Mexican Carve-Out and Prepayment Plans

This memorandum provides further detail on the oral briefing you received Wednesday afternoon regarding the Mexican oil carve-out and plans to prepay the United States. Previous memoranda to you on the Mexican carve-out and prepayment are attached at Tab A. Although there will be other memoranda and documents to be signed should we go forward, we would like to receive your agreement that the plans outlined below meet with your approval.

RECOMMENDATION:

That we proceed with the Mexican carve-out prepayment and public announcement along the lines outlined below.

Agree Disagree Let's Discuss *22/9/96*

BACKGROUND:

1. Prepayments to be Made by Mexico

Today, Mexico would like to announce the prepayment of \$7 billion of the \$10.5 billion still owed to the United States. The marketing of the floating rate note issue has gone extremely well, particularly after both Moody's and Standard & Poor's gave the issue investment-grade ratings (subject to documentation). The issuance size will likely be \$6 billion. With the issuance and the additional \$1 billion payment, from previous market financings, total prepayment to Treasury will be \$7 billion.

2. Timing

Mexico would like to make a public announcement regarding the prepayment at 2 pm (Washington time) today. We understand that President Zedillo would like to place a telephone call to President Clinton this morning informing him of the prepayment. (A copy of your memorandum to the President as well as an earlier one to him on the subject is attached at Tab B.) President Zedillo will likely make subsequent public reference to the prepayments.

The Note Purchase Agreement between Mexico and the banks is scheduled to be signed at the close of business on Monday, July 29, in New York. Secretary Ortiz will sign for Mexico. Trading of the

EXECUTIVE SECRETARIAT

new Mexican floating rate notes (FRNs) will commence the next day. The FRN transaction documentation is tentatively scheduled to be executed August 2 or 6, also in New York, with funding on August 6 or 7. The U.S. would receive its prepayment at the time of the FRN funding.

3. Legal/Documentation Issues

All bilateral issues have been resolved; in particular, we have reached agreement with Hacienda and their lawyers on Treasury's consent to the FRN and the requisite amendments to the February 21 Agreements.

Before the Purchase Agreement is signed, we may need to get your agreement to signal, by a letter, the banks involved in the FRN transaction of Treasury's "intent" to approve the FRN carve-out and make the requisite amendments to the February 21 Agreements that will permit the carve-out. A separate decision memo regarding this letter will be forthcoming as necessary.

Several documents require the signature of a Treasury representative on or before the closing. These documents will be presented to you next week for formal approval. You may delegate signing to another appropriate Treasury Department representative. At present, these documents present no legal problems.

- 1) February 21, 1995 Oil Proceeds Facility Modification & Carve-out Consent Letter
 - approves the private note offering
 - conditions release of oil proceeds upon prior prepayment by Mexico
 - approves modifications to the Oil Proceeds Facility Agreement necessary to accommodate the support arrangements for the note offering
- 2) February 21, 1995 U.S.-Mexico Framework Agreement Modification Letter
 - requires Treasury approval of any new financings backed by oil proceeds released as a result of this deal
 - requires Mexico to prepay Treasury if Mexico prepays other creditors holding debt backed by oil proceeds released in this deal
 - provides Treasury cross-acceleration rights with such creditors

Prior to the closing, Treasury will have to agree with the FRBNY on a procedural telecommunication detailing the procedures for Mexican prepayment to the Treasury.

Other documents provide for Mexico's issuance of FRNs backed by the oil proceeds released by the Treasury Department in this deal. These documents will be signed at the closing. The Office of the General Counsel has reviewed drafts of these documents and they pose no legal problems, but are not yet close enough to final form to recommend formal consent:

- 1) Transaction Facility Agreement - FRBNY, Mexico, Bank of Mexico, PEMEX, Trustee
 - provides for oil proceeds backing for FRNs
- 2) Purchase Agreement - Mexico, Bank Managers, Bank Purchasers
 - provides for underwriting of the FRNs

- 3) Indenture Agreement - Mexico and Trustee (Deutsche Bank, New York Branch)
- describes rights and duties of the Trustee for FRN holders

4. IMF/G7 Consultations

Mexico has informed the IMF that the prepayment to the Treasury could be higher than the \$5 billion the Fund had anticipated. The Mexicans argued that the \$1 billion IMF prepayment represents a 50:50 split of non-transaction resources between the U.S. and the IMF.

I spoke with the G7 Deputies on Monday about the anticipated size of the Mexican payment to the United States. I also spoke to IMF Managing Director Camdessus to apprise him of Mexico's intent, and the U.S. Executive Director's Office is fully briefed to handle questions from the Fund management, staff and Board.

5. Public Announcement

Guillermo Ortiz is going to make this announcement at 2 pm (EDT) today. You are scheduled to brief the press "round table" this afternoon. We have prepared a statement for your use, along with a press release and a prepayment "fact sheet." (These are attached at Tabs C-E.)

The prepayment fact sheet will be circulated to Members of Congress as well as business leaders and individuals in the other public/non-governmental organizations with an interest in Mexico. We will also be making telephone calls to Congressional leaders in advance of the press announcement. (A listing of people to be called is attached at Tab F.)

cc: Under Secretary Shafer

Attachments:

- Tab A: Previous Carve-Out Memos
- Tab B: Memos to the President
- Tab C: Draft Press Statement
- Tab D: Draft Press Release
- Tab E: Prepayment "Fact Sheet"
- Tab F: Congressional/Public Liaison "Assignments"



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ASSISTANT SECRETARY

Action

MEMORANDUM FOR SECRETARY SUMMERS

FROM: Ted Truman *Truman*
SUBJECT: Memorandum to the President on Mexico

Mexican President-elect Vicente Fox will be in Washington on August 24 for an informal meeting with President Clinton and Vice President Gore. Attached is a memo to the President on Mexico's economic situation.

RECOMMENDATION:

That you sign the attached memo to the President.

Agree _____ Disagree _____ Let's discuss _____

LHS OK TO AUTO PEN PER MM 8.23.00

TR AUTOPENNED

TR ORIGINAL TO WHITE HOUSE

COPIES TO DAVID BEIER
CHARLES BURSON

> VICE PRESIDENTS OFFICE

MM
JAG/D
SS
TS

NC/PAT/12/TR

8.23.00

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. memo	Lawrence H. Summers to POTUS re: An Update on Mexico's Economic Performance & Challenges in Advance of President-elect Fox's Visit to Washington (2 pages)	08/23/00	P5

**This marker identifies the original location of the withdrawn item listed above.
For a complete list of items withdrawn from this folder, see the
Withdrawal/Redaction Sheet at the front of the folder.**

COLLECTION:

Clinton Presidential Records
Clinton Administration History Project

OA/Box Number: 24124

FOLDER TITLE:

[History of the Department of the Treasury - Supplementary Documents] [4]

jp33

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

TREASURY CLEARANCE SHEET

NO.
Date

MEMORANDUM FOR: SECRETARY DEPUTY SECRETARY EXECUTIVE SECRETARY
 ACTION BRIEFING INFORMATION LEGISLATION
 PRESS RELEASE PUBLICATION REGULATION SPEECH
 TESTIMONY OTHER: _____

FROM: Assistant Secretary Truman
 SUBJECT: Memo from you to President Clinton on the Mexican economy
 in advance of President-elect Fox's trip to Washington on 8/24

REVIEW OFFICES (Check when office clears)

- | | | |
|--|--|---|
| <input type="checkbox"/> Under Secretary for Finance | <input type="checkbox"/> Enforcement | <input type="checkbox"/> Policy Management |
| <input type="checkbox"/> Domestic Finance | <input type="checkbox"/> ATF | <input type="checkbox"/> Scheduling |
| <input type="checkbox"/> Economic Policy | <input type="checkbox"/> Customs | <input type="checkbox"/> Public Affairs/Liaison |
| <input type="checkbox"/> Fiscal | <input type="checkbox"/> FLETC | <input type="checkbox"/> Tax Policy |
| <input type="checkbox"/> FMS | <input type="checkbox"/> Secret Service | <input type="checkbox"/> Treasurer |
| <input type="checkbox"/> Public Debt | <input type="checkbox"/> General Counsel | <input type="checkbox"/> E & P |
| <input type="checkbox"/> Under Secretary for Int'l Affairs | <input type="checkbox"/> Inspector General | <input type="checkbox"/> Mint |
| <input type="checkbox"/> International Affairs | <input type="checkbox"/> IRS | <input type="checkbox"/> Savings Bonds |
| | <input type="checkbox"/> Legislative Affairs | |
| | <input type="checkbox"/> Management | <input type="checkbox"/> Other |
| | <input type="checkbox"/> OCC | |

NAME (Please Type)	INITIAL	DATE	OFFICE/ROOM NO.	TEL. NO.
INITIATOR:				
John Raiyea	JR	8/16/00	INL	2-0251
REVIEWERS:				
Andy Berg	AB		INL	2-2876
David Joy	DDJ	8/16/00	GI	2-1945
Russ Munk	RM	8/16/00	GI	2-1899
Neal Wolfen	NW	8/17/00	G	2-0283

SPECIAL INSTRUCTIONS

Review Officer

Date:

Executive Secretary

Date

*See
typo p. 2*