

M S M a i l

DATE-TIME 23 January 95 19:49
FROM Turner, Joe T.
CLASSIFICATION ~~CONFIDENTIAL~~
SUBJECT Zedillo Memcon [~~CONFIDENTIAL~~]
TO Feinberg, Richard E.
Mitchell, Calvin A.
Rocha, Victor M.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY

DECLASSIFIED
E.O. 13526, Sec. 3.5 (b)
White House Guidelines, September 11, 2011
By KRM/NARA, Date 8/29/2025

Gentlemen,

Attached is the Memcon from Monday's Presidential call. Distribution to Rubin, Christopher and Summers is pending Exec Sec approval. [[ZEDO0123.DOC : 4944 in ZEDO0123.DOC]]

ATTACHMENT
FILE DATE 23 January 95 19:34

ATTACHMENT
FILE NAME ZEDO0123.DOC
~~CONFIDENTIAL~~
~~CONFIDENTIAL~~

MEMORANDUM OF CONVERSATION

SUBJECT: Telephone Conversation with Mexican President Zedillo

PARTICIPANTS: The President
President Zedillo
Notetakers: Richard Feinberg
Manuel Rocha
Daniel Flessas

DATE, TIME January 23, 1995, 1706-1718 EST

The President: Hello.

President Zedillo: How are you?

The President: I'm fine.

President Zedillo: I have been trying to reach you to express my appreciation for

y
our support for the loan
guarantees package for Mexico. I have been informed of the negotiations going
on fo
r the approval of the
package. I appreciate your cooperation in the effort to stabilize the financial mar
kets. I'm interested in
getting it done as soon as possible.

I wanted to share some concerns. The delay is becoming a major source of
market un
certainty and
speculation. Recently, the dollar value for the market dropped 20% and our
exchange
rate got very
close to 6. The other thing I wanted to convey to you, very frankly, as I read it,
the wording in the
draft legislation that is being proposed by several quarters is very problematic. O
n one hand a number
of issues are very political. People here are concerned that we're politicizing the
economic and financial
operations. You are aware of the drug enforcement, border concerns, prisoner
exchan
ges, labor and
immigration issues. Some of the issues are very political when in fact the package
was seen as
something that was strictly financial.

On the issues of labor and immigration, there is no language negotiated yet
because
some people in the
Administration and Congress are taking a strong position on this. We also have
the
issue of Cuba. We
have been trying to negotiate convenient wording. You know how Mexican
foreign poli
cy has been
traditionally on this issue.

But even on strictly economic aspects the wording suggests that the U.S.
Government
will be supervising
the application of economic policy in Mexico. That's not only an explosive issue
po
litically but I would
be impeded from doing so by the constitution to subscribe to such a law. I'd be
acc
used of violating
Mexican sovereignty. If the agreement is based on a law that is supervised by the

U

.S. Government it
would be problematic, even impossible. It would be complex. We could be in a
rather
rather sad position of
not being able to accept your kind offer. The markets are getting nervous. We had
a
assumed a 4.50
exchange rate and now it is close to 6.

The President: First of all, let me say I understand your political problems. I have
been attempting to beat
back the non-economic conditions, including Cuba. We'll work hard to keep any
reference
reference to Cuba out of
the legislation. On the economic conditions, I can't possibly go through with this
unless the economic
conditions are satisfied. An agreement with the IMF would help us. If you think it
is helpful, I would be
willing to issue a statement today expressing my confidence that the
Congressional leadership
leadership will fulfill its
commitment to solve this problem and that I will continue to urge Congress to act
expeditiously. I don't

think we can pass it this week but we'll get some movement this week and I think
we
can get it passed
next week. I will do the best I can.

President Zedillo: I know you have your own political problems.

The President: I'm going to try to get one Congressional body to act this week. I've
got to keep pushing
Congress. The draft side letter listing Mexican initiatives on law enforcement is helpful.
I will do what I
can to help you on the Cuba issue. I don't want to get into the business of Mexico's
sovereignty any
more than you do. I will work to minimize the interferences. I'm trying to beat back
everything with
everything I've got. We need economic assurances to pass it. I'm trying to balance
assurances with
timing while beating back the extraneous conditions. I'll keep pushing. I understand
your situation. If I
do well tomorrow night in my speech, I think we'll be all right. I'll do everything
to minimize the burden
consistent with the timing.

President Zedillo: On these economic conditions, we agree we need conditions.

The
problem is how the
wording is in the legislation. When we spoke to Mr. Rubin he suggested that we
shou
ld send a proposal
without affecting sovereignty. The problem is that the conditions ask the U.S.
Gove
rnment to supervise
directly. The same assurances can be obtained with different wording. This is the
point we are trying to
convey to your administration and Congress. I recognize you are putting up a big
fi
ght and everyone in
Mexico is very appreciative.

The President: I'll do everything I can to help. I don't want to add to your burde
ns. Would you like me
to issue a statement today?

President Zedillo: Yes, it would be very helpful. Tomorrow is a key day in the
mar
kets.

The President: Thank you.

President Zedillo: Thank you. I am sorry to bother you before the State of the Uni
on Address. I wish
you good luck.

The President: Thank you.

President Zedillo: Good bye.

The President: Bye bye.