The judicial system consists of local and federal courts and a Supreme Court of 21 Justices. The Supreme Court Justices are appointed by the President and approved by the Senate.

Mexico has 31 States and a Federal District. Each State is headed by an elected Governor. Powers not expressly vested in the Federal Government are reserved to the States, but the States' powers are much less extensive than are those of the States of the United States of America or of the Canadian Provinces.

A cornerstone of José Lopez Portillo's presidency is his policy of using Mexico's oil wealth to industrialize the country, creating employment and a sound economic base for the day when the oil runs out. Mexico is very prudently developing the oil resource in a controlled manner so that the influx of new income allows industrial development without overheating the economy.

President Lopez Portillo has also recently announced a major new effort to improve the nutritional level of the Mexican population and reduce Mexico's dependence on imports of foodstuffs. The Mexican Food System (S.A.M.) aims to attain self-sufficiency in certain basic agricultural and fisheries products by 1982. Self sufficiency in some other products is aimed at by 1985.

On the world scene Mexico is becoming more active than in the past. While relations with the United States (as in Canada) do tend to dominate Mexico's foreign relations,

.../3

- 2 -