Department of Staffermanent

47 Control: 22631 Action Rec'd: JULY130, 196 ARA 8:45 PM FROM: MEXICO CITY Info TO: Secretary of State SS RMIR FILES SR NO: 333, JULY 30, 6 PM G SP L CAP COMMUNIST-DOMINATED NATIONAL LIBERATION MOVEMENT (MLN), E LOYAL TO LAZARO CARDENAS, IS ACTIVE IN BAJA CALIFORNIA POLITICS AIDS. AND APPARENTLY ATTEMPTING LAUNCH CUAUTHEMOC CARDENAS INTO P POLITICAL OFFICE THERE, AS REPORTED TIJUANA'S A-2, JULY 19. IOP IF MLN SUCCEEDS IN MAKING DEAL WITH PRI TO HAVE CUAUTHEMOC INR APPOINTED AS DIRECTOR OF MEXICALI VALLEY IRRIGATION DISTRICT THIS COULD AFFECT SOLUTION SALINITY PROBLEM AND ENCOURAGE INCREASED RMR ANTI-U.S. PROPAGANDA ON PART OF MLN, COMMUNISTS, AND ALFONSO GARZON AND HIS CAMPESINO FOLLOWERS.

> IF CUAUTHEMOC CARDENAS WERE TO BECOME OFFICIAL CHARGED WITH PROGRAMS AND EXPENDITURES UNDER PROJECTED U.S. LOAN FOR MEXICALI IRRIGATION IMPROVEMENTS, HANDLING OF PROGRAM WOULD BE QUESTIONABLE AND MLN-COMMUNISTS WOULD PROBABLY BE ABLE MANIPULATE PROGRAM TO THEIR ENDS. MOREOVER, U.S. FUNDS IN IMPORTANT MEXICALI PROGRAM WOULD CONTRIBUTE TO LAUNCHING CUAUTHEMOC AND HIS COMMUNIST SYMPATHIZERS IN POLITICS ON NATIONAL SCENE.

IF DEPT AGREES WE CANNOT ALLOW CUAUTHEMOC'S APPOINTMENT THIS KEY POST, REQUEST I BE AUTHORIZED SEND WORD TO LOPEZ MATEOS THAT SUCH APPOINTMENT WOULD BE SERIOUS OBSTACLE IN CONTINUING FRIENDLY EFFORTS RESOLVE SALINITY ISSUE AND OUR DESIRE TO HELF FINANCE MEXICAL! PROGRAMS.

MANN JT/23

must be returned to HM/R-central files with no