Your 333

Department notes information on possible appointment Cauathemoc Cardenas Tijuana's A-2 based on only one reliable local source. Does Embassy have confirmation from other reliable sources? If so Department perceives no objection if you desire get word Lopez Mateos indirectly and informally that possibility appointment Cardenas concerns us view his leadership in Communist front NIN. Agree such appointment would be serious obstacle not only solution salinity problem but would have serious implications political situation in Baja California.

However suggest approach be put on basis that such appointment would complicate our strong efforts resolve salinity problem, which already sensitive issue with US public and Congressional opinion. Approach suggested last paragraph your 333 seems to carry implied threat that we would cease efforts if Cardenas appointed. Further we do not consider that possible US loan provides basis for approach. Mexico has not indicated it wants US financing. On contrary Mexican Ambassador has stated several times Mexico would not want US financial aid and that Mexico plans finance through IBERG and with own funds. We are inclined believe Mexico may not stick this position.
position when it comes time obtain financing, but for present IBRD financing seems to be Mexican choice.