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| DISPATCH | | CLASSIFICATION SECRET | PROCESSING ACTION |
| TO Chief, WH Division | | | MARKED FOR INDEXING |
| INFO | | XX | NO INDEXING REQUIRED |
| FROM Chief of Station, Mexico City | | | ONLY QUALIFIED DESK CAN JUDGE INDEXING |
| SUBJECT Operational/KUWOLF/LIHUFF | | | MICROFILM |
| ACTION REQUIRED - REFERENCES | | | |
| <p>Reference: HMM-11780, 18 July 1963</p> <p>Action : Headquarters approval of Project LIHUFF as outlined in this dispatch and separate cover attachments.</p> <p>1. Reference advised the Mexico Station that Chief, WH and KUWOLF Staff decided not to request approval of the LIHUFF Project as outlined in HMM-20931 dated 22 March 1963. The reasons for this decision were:</p> <ul style="list-style-type: none"> (a) that the Project would support a rightist conservative group in Mexico without adequate operational control and without adequate control of the expenditure of KU-ARK funds; (b) shortage of funds for CA operations; (c) that the LIHUFF magazine is too conservative and too narrow in interest to merit KUBARK support; (d) that Headquarters has not been sufficiently informed about the student activities to recommend a subsidy of US\$8,000 per year. <p>Reference asked for Mexico Station reaction to Headquarters' position and for details on how the group could be financed and guided under standards more acceptable to Headquarters.</p> <p>2. Headquarters is correct regarding the right-wing conservative attitude of the group; and it is true that the Mexico Station would probably never have complete operational control of the group. It is also true that funds once given to the group can no longer be controlled by KUBARK except through the influence of LIHUFF/1. Nevertheless, the LIHUFF group does some good and is very useful to the station in the CA field.</p> <p>3. The Mexico Station agrees that the LIHUFF magazine is conservative and "pro-capitalist". From the financial point of view, it is requested that HMM-2530, dated 15 August 1962, and HMM-3023, dated 30 August 1962, and MEXI-2246, dated 18 October 1962 be reviewed for background on the manner in which the Station became involved in a subsidy for this magazine. In view of Headquarters' opinion that the magazine is "too conservative and too</p> | | | |
| CROSS REFERENCE TO | DISPATCH SYMBOL AND NUMBER | DATE | |
| | HMM-22550 | 2 December 1963 | |
| | CLASSIFICATION | HQS FILE NUMBER | |
| <i>Encl</i> | SECRET | 50-124-28/1 | |

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narrow in interest to merit KUBARK support", Chief of Station, Mexico has asked IDEN B and his company to pay this subsidy in the future. This arrangement will begin on 1 January 1964. The circulation of this magazine is approximately 2000 copies. It is definitely conservative, strongly pro-private enterprise and anti-Socialist. In a meeting on 30 July 1963 with the Chief of Station and Michael C. Choaden, the Chief, HBFINCH said, "we do far too little propaganda of IDEN A type; that is, that which is pro-capitalist and strongly anti-Communist". He said this 15,000 pesos monthly is less than it costs monthly for us to put one officer abroad and this is far wider - far beyond what one more man could do". He asked that the Chief of Station appeal to GALBOND to keep financing IDEN A.

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4. As previously pointed out to Headquarters, IDEN C provides the Station with a research facility not otherwise available. They are able to place articles in newspapers and magazines, sponsor lectures, and sponsor research projects.

5. Manuel CALVILLO Alonso is an intellectual asset connected with the LIHUFF organization. He is a source of positive intelligence on right-wing political groups. He is the brother-in-law of Dr. Salvador NAVA Martinez of San Luis Potosi, prominent eye surgeon and politician. CALVILLO also knows the educational field better than any source of the Mexico Station. He, additionally, provides the Station with background information on well-known leftists. He has just completed a book on "Penetration of Mexican Educational System by Communists". This manuscript has been read by Chief, HBFINCH Mexico, IDEN D, IDEN B, [redacted] and Michael C. Choaden and the Chief of Station, all of whom believe to be an excellent historical account of penetrations by Communism into the Mexican educational system. [redacted] who has lived through the years cited (1930-1963) believes the impact of the book (which he says is factual and excellently documented) "will be terrific". HMA-21976 transmitted a copy of this to Buenos Aires with a request for publication. The timing of this publication is important because of the impact it is expected to have on impending national elections in Mexico.

6. The student activities of this group (IDEN E) have been far more effective than it would appear from Station reporting. LIHUFF/1 and the Station are at fault for failing to keep Headquarters fully informed on these activities. Headquarters (in reference) recommended that instead of a flat subsidy for basic expenses for the student group, the Station provide funds for specific activities, trips, demonstrations, etc. This arrangement is perfectly acceptable to the Mexico Station. Those activities which are financed by KUBARK will be coordinated by the Station CA staff. IDEN E consists of 200 shock troops who are vigorously anti-Communist and campaign actively against Communist and pro-Castro groups at the URAM; the University in Guadalajara, and the University in Puebla. This is an excellent channel for action, for anti-Communist propaganda and for pro-Free World propaganda. They are willing to take direction from LIHUFF/2 who will take direction from LIHUFF/1 (who is in contact with Chief of Station, Mexico). The group publishes a weekly news organ (IDEN F) forwarded under separate cover. Also by separate attachment is a list of some of the activities of this group during the past few months.

7. In summary, the Mexico Station requests that the LIHUFF Project be approved for an expenditure of US\$30,000 to be used for spot covert action activities via the LIHUFF organization. Of this amount, US\$6,000 will be used to pay a monthly salary of US\$500 to LIHUFF/1. The remaining sum will be used for specific activities in coordination with other CA activities of the Station.

Distribution:
3 - WED, w/atts. u/s/c
2 - Files

SCA attached by XID/AN

Willard C. Curtis
Willard C. Curtis

GROUP 1
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DOWNGRADING AND
DECLASSIFICATION

SECRET

Chief, WH Division

Separate Cover Attachment - HMM-22550, 2 December 1963

IDENTITIES

: A.

B.

C.

D.

E.

F.

SECRET

GROUP 1
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downgrading and
declassification

SECRET

IDENTITY E [REDACTED]

Recent activities of this group were:

Militant political action in campaigns against Communist rectors in Monterrey, Puebla, Guadalajara and Morelia, working with other anti-Communist groups. (In all cases these Rectors were eventually removed from their posts).

Continuous placement in capitol and national media of anti-Communist articles of interest to students and government leaders.

A significantly effective character assassination campaign against [REDACTED] Marxist director of the [REDACTED] broadcasting station, has been launched and sustained by the group.

Carried out successful demonstrations before the Mexico City Soviet Embassy, and during the visit to Mexico of Tito (several members of the group were jailed as a result).

The group has participated continuously in political action activities at the National University - and throughout Mexico - in support of anti-Communist student candidates.

SECRET

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