

HISTORICAL REVIEW PROGRAM

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1. As the work progresses and grows more complex, we have to be extremely careful to adhere to the divisions of responsibility and agreements previously laid down, both in matters of political practice and finances.

2. I have no wish to cry over spilled milk and I get the impression that the Group does not either. However, there are factors from the past which are seriously disturbing. One of the principal ones is a discrepancy between the amount of money that Pablo says he passed you in January and the amount you acknowledged receiving in January. (Note to Ford: Details of the discrepancy should be available this evening from Pablo's side.)

3. During February there have been other problems of a serious nature. I feel completely bound by the Gentlemen's Agreement which we signed with the Group and I have every indication from the Group that it is abiding and will abide scrupulously by the Agreement. There are several points of the Agreement that I feel I must call to your attention again:

a. It was agreed that you and I would use only the Group's secure channels of communication. This has not been scrupulously observed.

b. It was agreed that the overall responsibility for propaganda was mine. The dispatch of your Secretary of Propaganda to Mexico does not reflect the spirit of this Agreement. It was further agreed that the propaganda budgets would be submitted, after full consultation with you, from the advisors in the field to me. This has not been done.

c. It was agreed that the overall intelligence function would be mine. On at least one very important occasion the qualified advisor was specifically excluded from a sensitive operation. In the preparation of the intelligence budget, the advisor was not consulted so that I do not have the benefit of his expert and professional advice.

d. The political field, as you know it was agreed, was also my responsibility. However, budgeting for that field has not been left to me.

e. It was further understood that I was to represent the Junta before the Group yet communications have been sent directly to the Group. This is impractical since it puts us in a bad light before the Group and since the Group refers such communications to me anyway.

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3. Apart from these specifics, the whole magnitude of the March budget forecast has somewhat appalled me, since I can see no justification for the tremendous increase from \$64,000 to \$111,000, without a corresponding expansion in actual operations.

4. Under the circumstances we must now proceed as follows:

a. The propaganda responsibility being mine, I am asking Juan Jose to consult with the propaganda advisors in the field and to secure from them their estimate of the funds needed for propaganda in March. Juan Jose has been asked by me to solicit your views on propaganda and on the propaganda budget in greater detail. Out of the information that Juan Jose brings back I will prepare the proposed budget and negotiate it with the Group.

b. Similarly, the budget estimates for political work, especially inside our target area, will also be provided by my sources and by the advisors. On this point, too, please give your full advice to Juan Jose. I will inform you of the final sum allotted.

c. On intelligence, I have asked Juan Jose to secure Andres' estimate and to bring back to me a proposal which I shall review and present to the Group.

d. On the military matters which are your sphere of responsibility and competence, I have solicited the views of Don Ricardo. He has given me his recommendations, which I have reviewed, in some cases changed, and in some cases accepted as they stood. I have negotiated for you the military budget with the Group and I have secured the approval of certain sums. These sums are being explained to you in a separate letter.

5. As soon as the political, intelligence, and propaganda budgets are completed and I have negotiated the necessary funds for them from the Group I shall let you know. Meanwhile, I have secured the Group's approval to maintain these activities on an interim basis until I can clarify the budgetary procedure.

6. If we both ~~can~~ keep the foregoing in mind and remain on the terms of the Gentleman's Agreement, I am sure that these difficulties will not again arise. In the future, the military budget will of course be your responsibility. Your advice on intelligence, propaganda, and political matters will be extremely valuable and I will make up the final budget based on the information I receive from you and the advisors, plus my own considered review of the situation.