

PROJECT ACTION				ACT CRYPTONYM CATOMIC			
	TYPE OF ACTION	<input checked="" type="checkbox"/>	FI/CI		CA		OTHER
	NEW PROJECT APPROVAL	DIVISION European					
<input checked="" type="checkbox"/>	AMENDMENT NO. 1	FIELD STATION []					
	RENEWAL	BRANCH German			DESK DAO		
	EXTENSION	CASE OFFICER []				DATE 4 Dec 1973	
	TERMINATION	ROOM NO. 4C 44	BUILDING Hqs	TEL. EXT.	RED 1568	BLACK 7858	

CONCURRENCES OF DIVISIONS

ORGANIZATIONAL ELEMENT	TYPED NAME (and signature)	DATES		MEMO ATTACHED		
		IN	OUT	YES	NO	
AC/E/G/DAO	[]	4 Dec 73	4 Dec 73		✓	
DC/E/G		4 Dec 73	4 Dec 73		✓	
C/E/G		4 Dec	4 Dec 73		✓	
C/E/B&F			5 Dec 73		✓	
E/OPS/SB			6 Dec 73		✓	
E/EXO			12 Dec 73		✓	
E/COPS		✓				
DC/EUR						
C/EUR						

CONCURRENCES OF OTHER COMPONENTS

	DATES	MEMO ATTACHED			
		IN	OUT	YES	NO
C/SB	12 Dec	12 Dec			
DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCES METHODSEXEMPTION 3B2B NAZI WAR CRIMES DISCLOSURE ACT DATE 2007					

APPROVAL

	PERIOD	AMT THIS ACTION	FY	TOTAL AMOUNT	
	FROM 1 July 72 TO 30 June 74	\$ []	1973 1974	[]	
APPROVING AUTHORITY	SIGNATURE		DATE		
C/EUR	[]		6 Dec 1974		

SECRET

AMENDMENT FOR PROJECT CATOMIC - FY 1973 and FY 1974

1. It is requested that the Chief, European Division approve an Amendment for Project CATOMIC in the amount of [] for FY 1973. The Project was approved for [] in FY 1973 and [] was spent. It is also requested that the amount approved for FY 1974, [] be increased to []. Funds are available from within the European Division allocation to cover the FY 1973 increase and the amount necessary to cover the FY 1974 increase will be transferred from CASCOPE.

2. Project CATOMIC is the Soviet access agent project for []. Normally activities carried out under this project are targetted against selected personnel at the Soviet Embassy, Bonn/Rolandseck and the Soviet Trade Mission, Cologne. However, the increase in the Bonn area of People's Republic of China officials from four to 62 in the space of a few months required significantly intensified [] operational activity. Certain CATOMIC agents with multi-purpose functions such as rental agents and operational support "trackers" were utilized in operations against the Chinese target. The salaries and operational expenses of these support agents, as well as the salaries of two CATOMIC agents, a German female, who has become the German language instructor for the Chinese Embassy and New China News Agency personnel, and her boyfriend, who regularly visits these establishments, were covered by Project CATOMIC until the end of FY 1973. Several of these agents have since been transferred to Project CASOCIETY, the Chinese access agent project, and to Project CACHIN, the [] operational support project.

In addition to the stepped-up pace and scope of operational activity undertaken by CATOMIC agents, it must be remembered that approximately five-sixths of all CATOMIC funds are expended in agent salaries which are paid in marks. In January 1972, when the project was written for submission to Headquarters, the mark was worth DM 3.20 (official government rate). It remained at DM 3.20 until March 1973 and in March, April, and May 1973 the dollar value dropped to DM 2.86. In June it dropped still further to less than DM 2.40. This devaluation of the dollar resulted in an increased of 11% in the amount of project funds expended during March, April, and May and an additional increase in June of 17%. Also to be considered is the fact that inflation in West Germany averaged about 7.5% during FY 1973.

SECRET

