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INFO

T 830341

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IN 146150

TOR1231924Z JAN 74

29047

SECRET 231704Z JAN 74 STAFF

CITE [] 29047

TO: DIRECTOR INFO []

REDLEG CATOMIC

REF EGNW=11285, 4 DEC 73

IP/CDI	SEARCHED
IP/IS	INDEXED
IP/IN	FILED
IP/OC	RECORDED
IP/PC	CLASSIFIED
IP/PL	EXEMPTED
IP/PS	DECLASSIFIED
IP/PD	DATE
IP/PE	BY
IP/PF	REASON
IP/PG	REMARKS

1. REF PARA 2 ADVISES OF [] CUT IN FY 74 CATOMIC PROJECT. BASED ON FOLLOWING, WISH REQUEST RESTORATION CUT FUNDS,

2. BASE CONTINUES PRUNING CATOMIC ASSETS. BELIEVE PRESENT ROSTER CATOMIC AGENTS APPROACHES MINIMUM REQUIRED TO MAINTAIN EFFECTIVENESS SOVIET ACCESS AGENT PROGRAM. FOLLOWING IS LIST ACTIVE ASSETS WITH FIXED MONTHLY SALARIES AND/OR ESTIMATED MONTHLY OPS EXPENSES. FIGURES ARE IN DEUTSCH MARKS.

CATOMIC	MONTHLY SALARY	MONTHLY EXPENSES
5	[]	50.00
6	[]	350.00
8	[]	100.00
14	[]	200.00
15	[]	100.00
19	[]	1,000.00

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23 Jan '74 32W-6-198/1

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20	[]	00.00
22	[]	100.00
23	00.00	350.00
32	[]	10.00
33	[]	200.00
35	[]	150.00
36	00.00	50.00
37	[]	60.00
40	00.00	100.00
47	00.00	500.00
50	00.00	400.00
56	[]	200.00
70	[]	60.00
74	00.00	100.00
75	[]	50.00
76	00.00	150.00
CAEPIDOTE	00.00	700.00

3. MONTHLY TOTAL OF ABOVE FIXED MONTHLY SALARIES IS [] AND OF OTHER ESTIMATED MONTHLY EXPENSES IS [] BASED ON ESTIMATED AVERAGE MONTHLY CONVERSION RATE OF ONE DOLLAR TO

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TOR1231924Z JAN 74

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DM 2.55. WE PROJECT SIX MONTH EXPENSES UP TO 31 DEC 73 AS [] AND LAST SIX MONTHS UP TO 31 JUN 74 AS [] (LATTER FIGURE INCLUDES [] IN FIXED COSTS PLUS APPROXIMATELY \$3,000 FOR POSSIBLE NEW ASSETS AND UNEXPECTED EXPENSES.) TOTAL FY 74 COSTS PROJECTED AS []

4. HQS HAS DIRECTED THAT CATOMIC FUNDS FOLLOW FORMER CATOMIC AGENTS TRANSFERRED OTHER PROJECTS. WISH POINT OUR THAT SOME OF THE AGENTS THUS TRANSFERRED WERE RECRUITED SINCE FY 74 CATOMIC PROJECT RENEWAL APPROVED EGXW-591, 24 MAY 72. THIS INCLUDES CACHIN/116 WHO RECEIVED DM 400 MONTHLY WHEN TRANSFERRED OUT OF CATOMIC, CACHIN/117 WHO RECEIVED DM 600, CACHIN/119 WHO RECEIVED DM 1,000, CACHIN/120 WHO NEVER ENCRYPTED AS CATOMIC NOR PAID AS CATOMIC THOUGH APPEARS HQS HAS ALSO DEDUCTED HIS DM 1,000 MONTHLY SALARY FROM CATOMIC PROJECT FUNDS, AND CACHIN-103 WHO RECEIVED DM 499. THIS TOTAL OF DM 3,499 MONTHLY IN SALARIES ALONE. AT AVERAGE DM CONVERSION RATE OF 2.55 SALARIES THESE FORMER CATOMIC AGENTS REPRESENT ABOUT [] FOR YEAR. ADDED TO WOES IN HOLDING FINANCIAL LINE IS FACT THAT CONVERSAION RATE FOR DOLLAR SINCE CATOMIC PROJECT RENEWAL REQUEST IN MARCH 1972 HAS GONE FROM DM 3.18 TO LOW LAST SUMMER OF DM 2.27 TO PRESENT

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DM 2.60 FINANCE OFFICE RATE. REALIZE HEADQUARTERS AS
 AWARE THESE FIGURES AS WE BUT FEEL THAT DEPRECIATION IS BIG
 FACTOR IN OUR PREVIOUS STRUGGLE HOLD EXPENSES WITHIN BUDGET AND
 NOW FIND NOT ONLY DEPRECIATION PROBLEM BUT DEFICIT FACTOR CAUSED
 IN NECESSITY TRANSFER FUNDS TO CACHIN.

5. PER QUERY IN PARA 2 REF. TRANSFER OF CATOMIC ASSETS
 INTO CACHIN AND CATOMIC/22 AND /66 TO CASOCIETY HAS BEEN TAKEN INTO
 CONSIDERATION;

6. FILE: 32W-6-198/1. E2 IMPDET

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