

that USBER and LCCASSOCK will be linked up through the person of LCCASSOCK-4 in some future hostile provocation or attack on LCCASSOCK cannot be disregarded. However, in view of the rather uncertain future of the LCCASSOCK project and LCCASSOCK-4's role therein (particularly in the light of the very tight (FY 1960) salary picture) we would prefer and, indeed, we would seem to have no alternative but to suspend for the time being the otherwise logical step of transferring him to the LCCASSOCK payroll. It is quite possible that, because of the sharp cutback in LCCASSOCK personnel which will be required under the FY 1960 budget, we will be unable to accommodate his salary payment under the project. If it comes to a dissolution of the LCCASSOCK project per se, we might still want to retain his services, possibly under independent or other project cover (we are thinking here of his possible use as a "P/A" over salvageable LCCASSOCK distribution assets, including liaison with the Bundespost). This is purely speculative at the moment, but it is a possibility which appears tangible enough to justify our hesitation as to a suitable alternative to the USBER cover employment.

4. Pending a satisfactory resolution of the question of LCCASSOCK-4's future KUBARK employment, but in anticipation of a termination of the present USBER cover arrangement within the coming months, we would appreciate your forwarding to us any information available in Headquarters files on the origin of the USBER employment. We would also like to know whether KUBARK is still reimbursing LCCASSOCK-4's salary to the Department.

E I

BEST AVAILABLE COPY