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DISPATCH		CLASSIFICATION SECRET	DISPATCH SYMBOL AND NO. EGM-7163																
TO #10 Chief of Base, Munich Attention: COS/G; [] [] []	HEADQUARTERS FILE NO. 74-6-130/3		DATE 15 JAN 1959																
FROM Chief, SR	SUBJECT Operational REDWOOD TO IMPROVE AEBATH Status of AEBATH Project		RE: "A" - (CHECK "E" ONE) <input type="checkbox"/> MARKED FOR INDEXING <input checked="" type="checkbox"/> NO INDEXING REQUIRED																
ATTENTION REQUIRED Munich: None, for your information See Paragraph 4, below	INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY																		
<p>A. EGM - 39155, dated December 1958 B. DIR - 04006 dated December 1958 C. MUNI - 1453 dated December 1958 D. [] 4432 dated December 1958</p>																			
<p>1. Status of Project AEBATH: As you know, Project AEBATH was approved in September 1957 for project year 1958 with the recommendation that AECAPELIN-1 be transferred or terminated by 31 July 1958. Since this could not be accomplished by that date, renewal of Project AEBATH for project year 1959 was delayed until a final decision was made as to the disposition of AECAPELIN-1. When Munich [] [] plans for the transfer of subject were firmed up sufficiently to allow a reasonable estimate of the date of his transfer, we immediately submitted a request for extension of Project AEBATH for eight months (1 August 1958 to 31 March 1959) to provide sufficient time for a secure and orderly transfer of AECAPELIN-1 to Paris. Though the request for project extension has not been approved to date, we are expecting such approval in the very near future. A copy of the request for extension of Project AEBATH will be submitted to the field immediately after approval.</p>																			
<p>2. AEBATH Finances: In Paragraph 5, Reference 4, there appears to be a misunderstanding as to the responsibility for financing any losses which AECAPELIN-1 may suffer when he sells his personal apartment. Paris station does not have to include the sum of \$1000 in the new field project outline because this sum has already been included in our request for extension of Project AEBATH. The breakdown of funds requested for the eight months of the extension (1 August 1958 to 31 March 1959) is as follows:</p> <table border="0"> <tr> <td>a. Salary - Paid in Munich (8 months @ \$200)</td> <td>\$1600.00</td> </tr> <tr> <td>b. Salary - Hq Escrow (8 months @ \$200)</td> <td>1600.00</td> </tr> <tr> <td>c. Purchase of Information and Rental of Operational Office for AECAPELIN-1 (8 months)</td> <td>700.00</td> </tr> <tr> <td>d. Operational Travel</td> <td>358.00</td> </tr> <tr> <td>e. Fund for Transfer of AECAPELIN-1 and effects to Paris, including expenses connected with possible loss in sale of subject's personal apartment in Munich.</td> <td>1400.00</td> </tr> <tr> <td>f. Initial Key Money for Paris Living Quarters</td> <td>200.00</td> </tr> <tr> <td>g. Operational Materials</td> <td>150.00</td> </tr> <tr> <td>TOTAL</td> <td>\$6000.00</td> </tr> </table> <p>In Reference B, we submitted the above breakdown with the exception of item "e" above which was listed as \$400. Reference C occurred all figures in Reference B but also requested an additional sum of \$1000 to cover reimbursement to AECAPELIN-1 for any possible losses connected with the sale of his personal apartment. This \$1000 was added to our estimate of \$400 and appears liberal enough to cover all foreseeable expenses connected with the transfer of AECAPELIN-1 to Paris. It should also be noted that \$200 was allowed for initial key money for Paris living quarters, and that this figure was considered adequate by [] [] per Reference D.</p>				a. Salary - Paid in Munich (8 months @ \$200)	\$1600.00	b. Salary - Hq Escrow (8 months @ \$200)	1600.00	c. Purchase of Information and Rental of Operational Office for AECAPELIN-1 (8 months)	700.00	d. Operational Travel	358.00	e. Fund for Transfer of AECAPELIN-1 and effects to Paris, including expenses connected with possible loss in sale of subject's personal apartment in Munich.	1400.00	f. Initial Key Money for Paris Living Quarters	200.00	g. Operational Materials	150.00	TOTAL	\$6000.00
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<p>3. Status of AECAPELIN-1 Escrow Account: Per Paragraph 6-B, Reference A, AECAPELIN-1's stateide escrow account totaled \$6845.05, as of 31 December 1958. The information on Munich personalities will be submitted to [] [] in a separate dispatch.</p> <p>Approved: <i>[Signature]</i> Special Agent in Charge Date: <i>74-6-163/3</i> <i>163-537/166</i> <i>9-2-57</i> <i>163-537-166</i></p>																			
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CONTINUATION OF DISPATCH	CLASSIFICATION SECRET	DISPATCH SYMBOL AND NO. EXMGL-7163 15 JAN 1959		
<p>4. FOR] In view of the fact that the present Project AEBATH must be terminated by 31 March 1959, it is requested that the Paris field project outline for AECAPELIN-1 be submitted as soon as possible but under no circumstances later than 15 February 1959 in order to allow sufficient time for headquarters processing and approval. At the same time please submit a new memorandum of oral agreement in lieu of contract for AECAPELIN-1. This can be drawn up for an indefinite period to avoid the necessity of yearly or bi-yearly renewals.</p> <p style="text-align: center;"></p> <p>Distributions: 2 - NCE 2 - COS/G 2 - FB</p>				
FORM 10-57 53a (4)	USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE.	CLASSIFICATION SECRET	<input type="checkbox"/> CONTINUED	PAGE NO. 2

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