

VIA TELETYPE

# DISPATCH

CLASSIFICATION

**SECRET**

PROCESSING

TO	CHIEF OF STATION, GERMANY	PROPOSED	ACTION	ACCOMPLISHED
			MARKED FOR INDEXING	
INFO.			NO INDEXING REQUIRED	
			ONLY QUALIFIED HEADQUARTERS DESK CAN JUDGE INDEXING	
FROM	CHIEF, EE		ABSTRACT	
			MICROFILM	

SUBJECT **ADMINISTRATIVE CABEZONE AND HARVARD APPROVALS - FY 1962**

ACTION REQUIRED - REFERENCES  
 A. EGOS 7625, 12 APRIL 1961  
 B. EGOT 11072, 14 APRIL 1961

1. WE ARE SUBMITTING FOR HEADQUARTERS APPROVAL THE CABEZONE PROJECT RENEWAL FOR FISCAL YEAR 1962. WE HAVE CAREFULLY EXAMINED THE FIELD ESTIMATES SUBMITTED IN REFERENCE B AGAINST THE RECOMMENDATIONS MADE BY US IN REFERENCE A, AND BELIEVE THAT, BY JUDICIOUS HANDLING OF ECONOMIES, CABEZONE SHOULD BE ABLE TO OPERATE SUCCESSFULLY WITHIN THE AMOUNT ALLOTTED IN THE EE BUDGET FOR FY 1962 [ ] DOLLARS/. CATEGORIES IN WHICH WE FEEL REASONABLE REDUCTIONS CAN AND SHOULD BE MADE ARE SALARIES AND TRAVEL, BASED ON THE FOLLOWING EXPLANATION.

2. THE HEADQUARTERS OBLIGATION /SALARIES/ HAS BEEN FIXED AT 62,000 DOLLARS. CURRENT CONTRACTUAL ARRANGEMENTS WITH THE SIX CONTRACT EMPLOYEES [ ] AND ONE CAREER AGENT INCLUDED IN THE CABEZONE PROJECT CALL FOR A LITTLE LESS THAN 57,000 DOLLARS A YEAR /SEE ATTACHMENT/. TO THIS FIGURE, WE HAVE ADDED 5,000 DOLLARS TO COVER OVERTIME, SOCIAL SECURITY, AND [ ] RETIREMENT. THE TOTAL SPENT ON THESE THREE ITEMS LAST YEAR AMOUNTED TO 1,500 DOLLARS, ACCORDING TO FIGURES TAKEN DIRECTLY FROM THE SCHEDULE E SUBMITTED BY THE FIELD THROUGH 30 JUNE 1961.

3. THE FY 1961 RENEWAL INCLUDED 7,500 DOLLARS FOR TRAVEL. THE AMOUNT REQUESTED THIS YEAR IS MORE THAN FIVE TIMES AS MUCH /40,000 DOLLARS/. ALLOWING FOR HOME LEAVE EXPENSES /16,000 DOLLARS/ AND THE ADDITION OF TWO NEW CONTRACT EMPLOYEES, WE BELIEVE THAT A TOTAL OF 30,000 DOLLARS FOR TRAVEL IS A FAIR AND REASONABLE FIGURE.

ATTACHMENT - HERewith  
 SALARIES FOR CONTRACT PERSONNEL

DISTRIBUTION  
 BY TELETYPE  
 2 - COS W/ATT H/W  
 BY POUCH  
 1 - COS W/ATT H/W

CONTINUED

DATE TYPED	DATE DISPATCHED
	18 JUL 1961
DISPATCH SYMBOL AND NUMBER	
14 JUL 1961 FOR	
HEADQUARTERS NUMBER	
EGOS 8239	

DECLASSIFIED AND RELEASED BY  
 CENTRAL INTELLIGENCE AGENCY  
 SOURCES METHOD EXEMPTION 3828  
 NAZI WAR CRIMES DISCLOSURE ACT  
 DATE 2007

CLASSIFICATION

**SECRET**

HQS DISTRIBUTION  
 1 - CDC  
 1 - EE/BUDGET  
 1 - RI  
 1 - EE/G/PI  
 1 - EE/G/IS

ORIGINATING		
OFFICE	OFFICER	TYPIST
EE/G/PI	CONSTANCE WALSH	NEA
COORDINATING		EXT.
		3915
OFFICE SYMBOL	DATE	OFFICER'S NAME
C/EE/G/PI		
D/EE/G/OPS		
C/EE/G		
C/EE/BUD		
RELEASING		
OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
DC/EE		

# DISPATCH

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4. SINCE HARVARD WILL BE ABSORBING 23,500 DOLLARS IN RENTS, INDIGENOUS SALARIES, AND SUPPLIES WHICH WERE PREVIOUSLY INCLUDED UNDER CABEZONE, THE TOTAL AMOUNT ESTIMATED FOR CABEZONE IN FISCAL YEAR 1962 WILL BE ALMOST 33,000 DOLLARS HIGHER THAN THE APPROVAL FOR LAST YEAR. WE DO NOT BELIEVE A LARGER INCREASE IS JUSTIFIED.

5. THE AMENDED BREAKDOWN FOR CABEZONE READS AS FOLLOWS.

A. CONTRACT PERSONNEL /HQS OBLIGATION/	62,000
B. TRAVEL	30,000
C. TRANSPORTATION	3,000
D. COMMUNICATIONS	2,000
E. RENTS AND UTILITIES	30,000
F. OTHER CONTRACTUAL SERVICES	10,000
G. COMPENSATION OF DEFECTIONERS	[ ]
H. INDIGENOUS HOUSEKEEPING PERSONNEL	20,000
I. OPERATIONAL ENTERTAINMENT	3,000
J. SUPPLIES	10,000
K. EQUIPMENT	5,000

TOTAL [ ]

6. WE ARE PROCESSING THE HARVARD RENEWAL FOR THE AMOUNT REQUESTED IN REFERENCE B. WHILE WE HOPE THAT YOU WILL BE ABLE TO HOLD EXPENDITURES WITHIN THE APPROVED LEVEL, THE POSSIBILITY OF AMENDING THE PROJECT LATER DOES EXIST IF IT BECOMES ABSOLUTELY NECESSARY.

[ ]

APPROVED

[ ]  
[ ]  
[ ]

*RPG*

FORM 5-60 (40) <b>53a</b> USE PREVIOUS EDITION,	CLASSIFICATION <b>S E C R E T</b>	<input type="checkbox"/> CONTINUED	PAGE NO. <b>2.</b>
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VIA TELETYPE

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CONTINUATION OF DISPATCH	CLASSIFICATION <b>S E C R E T</b>	DISPATCH SYMBOL AND NUMBER <b>HEREWITH ATTACHMENT TO EGOS 8239</b>
<p><b>SALARIES FOR CONTRACT PERSONNEL INCLUDED UNDER CABEZONE. ANNUAL FIGURES TAKEN FROM CONTRACTS CURRENTLY IN FORCE.</b></p>		
<p>[ ]            ]</p>	<p>6,450</p> <p>8,340</p> <p>7,635</p> <p>8,280</p> <p>7,630</p> <p>9,420</p> <p>9,215</p>	
<p><b>TOTAL</b></p>	<p><b>56,970 DOLLARS</b></p>	
<p>FORM 5-60 (40) <b>53a</b> USE PREVIOUS EDITION.</p>	<p>CLASSIFICATION <b>S E C R E T</b></p>	<p>PAGE NO. <input type="checkbox"/> CONTINUED</p>

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