

AIR

MOB-A-5668

JUN 17 1953

Chief, EK

Chief, Berlin Operations Base

INFO:COM, BONN, CADRAIN

CALL/Operational

CANLET (CADORMA) - CANLET -2 Progress Report

Ref: MOB-A-5669

1. This project has taken a renewed lease on life, reflected not only in the number of reports CANLET has passed to us, but also in a completely changed attitude regarding the issue of disclosing operational details and eventually turning sources over to us. I have been unable to fathom the causes of this change, too pronounced to be put down to fortuity. Coinciding with my return from MOB, CANLET expressed a desire that the material collected by his Ostbureau as a by-product of the normal pursuit of journalistic enterprise, be made available to an agency which can evaluate it. He rather pointedly stressed that the CARP organization does not in his opinion meet that qualification. I then proceeded to resume my regular pick-ups at the editorial office of CANLET's paper.

2. In contradistinction to our previous method of handling the CANLET reports which, at least in bulk, accounted for a significant portion of BOB's total intelligence take, I began to subject the material to a thorough operational analysis which has proven to be remunerative along the lines of identifying several of CANLET's sources. In many instances where it was found impossible to identify the source by name, areas of coverage could be spotted. Armed with whatever operational detail I was able to cull from the reports (which, for the most part, bore a source cryptonym), I conveyed to CANLET our interest in certain types of information, usually matched against the knowledgeability of one of his sources, and by this means got him to the point of suggesting that I deal with his Ostbureau chief, CANLET-2, direct.

3. As you may recollect, we had all along been viewing CANLET-2, both personally and professionally with strong reservations. I would have preferred to stay away from him and the only reason why I decided upon a departure was the realization that on all matters pertaining to OBR operations CANLET could be considered a second-hand source at best. His statements, never lacking in the flourish of a vivid imagination, turned out to be

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invariably inaccurate. In most instances CANLEY would refer my queries back to CANLET-2, entailing considerable delays and the customary drawbacks of dual transmission. CANLET-2 used to be and for all I know-still may be a REGION VIII source. His case officer was at one time a member of one of the sections of Region VIII. About two years ago I learned that this relationship existed and - based on our important KUCON equity in CANLET's enterprise - reconstituted with REGION VIII. At that time it was decided to preserve the status quo on both sides. However, I never committed myself to abstain from exploiting CANLEY assets in the KUFIRE field to the best of our abilities. More specifically, it was my understanding that REGION VIII would continue its working relationship with CANLET-2 on our sufferance. I am not contemplating to raise this issue with either CANLET-2 or REGION VIII.

4. I am meeting CANLET-2 at his place of business about once a week. Thus far I have avoided using the frontal assault technique, having found that the oblique and resilient approach is more to his liking. I seldom press him for identities of his sources beyond ascertaining his position in a given target institution. In at least one instance I was able to identify the source from the information given and, at a subsequent meeting, drop his true name without causing CANLET-2 much of a shock. Both he and CANLET-1 know that I would never attempt to recruit one of their sources and I have taken special pains to convince them of my firm attention to play this game according to the rules.

5. I have reached an informal understanding with the CANLETS that those of their sources who do not as a rule produce noteworthy information (which only they can determine) will be turned over to us if this is operationally feasible. By way of implementing this understanding CUBABELLA-12 was transferred by CANLET to our operational control.

6. Expenditures involved in this operation can be borne by CABREA. I recently purchased a Helioflex camera as a present for CANLET, a transaction for which special headquarters approval had been requested. I propose to give CANLET-2 (with CANLEY's approval) an occasional present, such as cigars and cognac. Any outlay in conjunction with the transfer of CANLET sources will be considered developmental and charged to CABREA.

7. In the very near future I shall report to you on some of CANLET's sources identified by us and on the operational use we propose to make of them.

Approved by: