

TOP SECRET AND

FOREIGN OFFICE, S.W.1.

PERSONAL

October 25, 1957.

Dear Sir Edmund,

Would you please refer to Hoyer Millar's letter of July 18 and mine of August 1, both about current projects involving the secret reserves.

I have now been asked to let you know that Hoyer Millar has approved a further £75,000 for SAWDUST, and a further £50,000 for STRAGGLE (which incidentally has now been rechristened AVALON).

The exact financial position of the two operations is at present as follows:

(a) SAWDUST

1. £375,000 authorised (£200,000 in September 1956, £100,000 in July 1957 and £75,000 now);
2. £275,000 spent (£100,000 up to March 1957, £100,000 up to July 1957 and £75,000 in the last three months);
3. Leaving £100,000 in hand for current operations (£25,000 from the old authorisation, plus the new £75,000)

(b) AVALON

1. £200,000 authorised (£150,000 in October 1956 and £50,000 now);
2. £150,000 spent (£75,000 up to March 1957, £25,000 up to July 1957 and £50,000 in the last three months);
3. £50,000 (i.e. the new authorisation) in hand for current operations.

These authorisations were made at the beginning of this week. Since then, a possibility has emerged that we may be able to obtain at any rate some of the money from an external source. In this case, some appreciable part of the authorisations may not be used. I can explain orally the nature of this external source if you are interested; perhaps your secretary could let me know whether you would like me to call on you, and if so when?

Yours sincerely,

R.L. WADE-GERY

(Private Secretary to the
Permanent Under-Secretary)

Sir Edmund Compton, K.B.E., C.B.