

SECRET

DRAFT:ASA:FEW

16 May 1957

for dispatch to
field

Draft of Dispatch to the Field

Subject: Aerodynamic Project for 1957 - 1958

1. The future of the AERODYNAMIC Project was the subject of serious concern to Headquarters because of the general tendency to place a lesser emphasis on the utilization of the emigre group in our operational activities. In addition to that, the existing pressure for the overall reduction of our budgetary appropriations necessitates reducing our expenditures whenever the advantages of the operational activities are not immediately apparent.

2. With regard to the AERODYNAMIC Project, extensive discussions were held by all parties concerned, that is SE/PP, SR/7, and SR/3, Because it is fully realized at Headquarters that the UHVR and ZCHOUN represents a political potential of the Ukrainian Emigres, that have proved themselves politically and operationally qualified to conduct for us several important activities in the past. The international situation, however, has changed considerably during the past years, and it is felt that at the present time, the overall activities of the group are directed in a lesser degree toward the USSR target than it has been originally expected.

3. In view of the above, the decision of headquarters concerning the project results in the following practical measures; the overall budget has been reduced by [] [] The approximate breakdown is as follows:

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

SECRET

SECRET

- 2 -

DRAFT:ASA:FEW
16 May 1957

| | |
|---|-------------|
| I. Salary of AECASSOWARY 2 | \$ 8,000.00 |
| Salary for five Covert Associates | 21,000.00 |
| a. One political analyst | |
| b. Two editors | |
| c. One bookkeeper, administrative officer | |
| d. One clerk-typist and translator | |
| Travel | [] |
| Operational entertainment | [] |
| Supplies and equipment | [] |
| II. Publication of the newspaper | \$ [] |
| III. Special Projects | |
| a. Radio Scripts for PYREX broadcasts (payments for extra material, voicing and technical re- cording) \$100.00 per tape or on a yearly basis of \$ | [] |
| b. "Information Bulletin," publica- tion and distribution (\$1,000.00 per issue) per year | [] |
| c. Distribution of <u>Dudintzev Book</u> | [] |
| d. Support of Ukrainian Broadcast from Radio Nacional, Madrid | [] |
| IV. Developmental Funds for Redskin Type operations. | \$ [] |
| TOTAL AMOUNT | \$ [] |

4. The above figures; however, should be considered as the ~~maximum~~ ^{maximum} appropriations for the next fiscal year and it is expected and desired that even within these figures, further reduction would be attempted on two special items; namely, the publication of the newspapers which should be reduced by another [] and the expenses for the distribution of the "Information Bulletin" should be reduced by [] also.

5. As a counter-balancing measure to off-set the reduced appropriations and to off-set the demoralizing effect that it might ~~be~~ and probably will produce on the group and the emigres in general, its proposed to undertake a ~~source~~ ^{direct} and concerted effort by headquarters to provide the AEBEEHIVE (code name for Prolog Associates in New York)

SECRET

SECRET

-3-

with the possibility of seeking and obtaining financial support for their activities from private sources.

6. Because of the above consideration, the ~~AEREEHIVE~~ has been incorporated under the New York state laws as a non-profit organization which allows it to ~~accept~~ ^{accept} contributions from private sources that would be deductible from the income tax returns of the contributors.

7. Due to these reasons and also because it is deemed advisable and important to hold together the above-mentioned emigre groups in order not to ruin their political potential, the new administrative plan (See Attachment No. 1) has been introduced for the operation of the AERODYNAMIC Project beginning the new fiscal year. This plan provides for guidance and direction of the project from headquarters in New York within the budgetary limitations allowed.

8. It is felt that by doing so the disadvantage of the reduced budget appropriations could be minimized and perhaps even further budgetary reductions could be made by relying on private financial support which will tend to preserve the morale of the group while at the same time perhaps enhancing their operational scope.

9. Because of the reduction of the budget, it is evident that the group will have to adjust itself to the new plan of operation and they might have ~~a~~ certain problems concerning personnel disposal in one form or another and because of this, we wish to advise you to inform the group as soon as possible regarding the forthcoming budget reduction.

SECRET

SECRET

- 4 -

10. We would appreciate your comments concerning the entire matter as soon as possible, and we wish to add that the related FI and CE projects have ~~been~~ or will be adjusted in accordance to the above mentioned new plan of operation.

SECRET