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20 October 1954

MEMORANDUM FOR: Chief, SI/3

FROM : SI/3 -2

SUBJECT : AECASSOWARY 2 Request for KUBARK Support of the New ZCHOUN

1. Since the ZCHOUN was reorganized by the Collegium of the Authorized (Rebet and Matla) in February 1954, AECASSOWARY 2, acting in behalf of this organization, has made numerous verbal requests of the undersigned for KUBARK support of the new ZCHOUN, stating that this support was necessary in order that the new ZCHOUN could successfully continue publishing the newspaper "Samostylnik", succeed in eliminating Stefan Bandera from the scene in Ukrainian politics, carry out its part in the anti-Soviet struggle and help achieve an independent Ukraine. It was pointed out by AECASSOWARY 2 that the heretofore support given the Old ZCHOUN under the leadership of Stefan Bandera by SMYOPIA was either to be reduced or cut off entirely and therefore American support was required until such time as the new ZCHOUN could increase its own cadres to a point where contributions from them could support the organization without outside help. As it developed, SMYOPIA agreed to continue supporting the new ZCHOUN but only in the amount one-half as large as before (roughly 3000 DM per month) and on an indefinite basis. To supplement this amount, the ZCHOUN arranged to borrow approximately 7000 DM a month for the months of March through June 1954 from the ZPUNVE and the "Uchhasna Ukraina". Because of this sizable loan to the ZCHOUN, the ZP has depleted its own surplus and can no longer continue supporting the ZCHOUN on a loan basis. Without this additional support, the ZCHOUN will be unable to continue operating as planned as it finds SMYOPIA funds insufficient. According to AECASSOWARY 2, who was advised by leading members of the ZCHOUN, even the newspaper -- its most important instrument -- is about to fold unless additional funds are forthcoming soon.

2. The undersigned advised AECASSOWARY 2 that his request for support of the ZCHOUN would be handled for consideration upon receipt of a written statement from him outlining the aims and objectives for which the support was requested, along with a financial breakdown on a yearly basis. This AECASSOWARY 2 has finally managed to produce and it is submitted herewith

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for consideration and comment. In the event this receives favorable comment and is considered advisable, the undersigned will submit a project plan for approval of the support requested. In any event, however, the undersigned desires to bring the matter of this support to a head as far as AECASOWAY 2 is concerned and to inform him definitely that this support will, or will not, be given by us.

SE:eh

Attachment

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