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TO : Chief, SR
ATTN: []
FROM : Chief of Base, Munich []
SUBJECT: GENERAL—Operational/REDWOOD/AERODYNAMIC

DATE: 20 June 1957

INFO: COS, Germany
EE

SPECIFIC—AECASSOWARY-3's Comments re Proposed Budget Cut in Project
AERODYNAMIC for Fiscal Year 1958

REFERENCES: A. EGCW-33150
B. MUNI-2373 AK

1. Transmitted herewith as an attachment is AECASSOWARY-3's comments and suggestions with respect to the proposed budget cut in Project AERODYNAMIC for fiscal year 1958 as outlined in Reference A, above. A summary of this report by AECASSOWARY-3 was forwarded in Reference B.

2. Considering the urgency connected with bringing AECASSOWARY-3's comments to the attention of Headquarters case officer as soon as possible (there are less than two weeks left in fiscal year 1957 when, it is expected, the new budget for fiscal year 1958 will be adopted) this report by AECASSOWARY-3 is being transmitted untranslated as an expeditious measure.

Approved: []

Attachment
As Indicated - Herewith

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OBSERVATIONS ON THE PROPOSED BUDGET CUT 1858

We attempted to analyze the proposed budget cut with a complete understanding of the situation and a desire to make, wherever possible, the necessary savings. The following observations are made with the following points in mind:

1. To take into consideration the new situation and draw up the limits of a possible cut in the publishing activity,
2. To make the proposed cut in such a manner that it would not lead to a complete liquidation of the publishing activity.

I. The Importance of the Publishing Activity:

When taking into consideration the change in the situation and the present impossibility of extensive activities in those forms which were possible in 1950 (the time when the publishing work began) and we recognize the importance of the so-called "various secret types" of activities, nevertheless, we consider the publishing activity in its open and legal forms as immensely important in the following aspects:

1. To popularize the idea of liberation, freedom and democracy among the Ukrainian emigration in the Free World, to keep up the moral and ideological ties between the emigration and the homeland, to give moral support to the emigration amidst the unfortunate conditions in which it often exists, to strengthen its immunity to the activities of Bolshevik agents, and to protect the immigration from moral disintegration due to the increased activity of the radio, press, and rumor-mongering carried on by the leaders of USSR and their agents in the West.
2. The publishing activity, the newspapers and other publications, prove to the Ukrainian people in the homeland, that the Free World in the West has an understanding of its situation. The very fact of the publishing work, which is known in the countries behind the Iron Curtain, in USSR, the Ukraine and the satellite countries where Ukrainians live, strengthens the resistance of the broad masses of Ukrainians, increases the hopes of liberation and guards against lack of objectivity and moral disintegration.

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Even for the officials of the Bolshevik system, our publishing activity serves as a prod and encouragement to put up new claims in the direction of wider freedoms for the national mass in the economic, cultural, political and religious areas. Or in other words, --- a strong and high level publishing activity of the Free World favors a constant evolution in the direction of a slow democratization behind the Iron Curtain and strengthens the process --- both overt and covert, in this direction. It is evident that the independent Ukrainian press is a very important weapon in these times of psychological cold war. The proof of this, even though not in a massive form, nevertheless exists. The fact is that our newspapers and other publications reach the place of destination, that they are read and reacted to by the Soviet press and radio.

3. The publishing activity also serves as a support and base for various other activities and gives them moral support. Such aspects of our activity as radio broadcast, distribution of publications which are banned behind the Iron Curtain, and other types of activities can only be successful continued if there exists over them an evidently substantial publishing activity. It serves as a cover for them and even from the standpoint of intelligence, it is useful or even absolutely necessary.

The complete liquidation of the publishing activity or the curtailment of this activity in such a manner (as far as contents and circulation are concerned) that it would approximate complete liquidation as compared to its present state, would have a very negative effect even on the "secret" work. Cutting 50% of the former subsidy would decrease the publishing activity to the point of collapse, which the careful observer could not help but see in this a slow death.

4. IN both publications "Suchasna Ukraina" and "Ukrainskyy Samostiynik" there are a total of 30 people at the present time for whom the publishing activity serves as the only source of income, and another group of 30 people who are steady correspondents for whom the publishing activity is an important part of their total support. This means that over 60 people, not counting various authors who contribute occasionally to the Literary Gazette, are tied to the very core of the publishing activity. This is a large intellectual cadre of people for the emigration. With a 50% cut in the subsidy, it would be necessary to dispose of a great number of these people and this would mean almost the same as complete employment for many of them because in Germany (from where most of our contributors are recruited) the outlook for employment for foreign intellectuals is very bleak.

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The disposal of these contributors would consequently lead ~~to~~ to a collapse of the high level of the contents of the newspapers. We can also consider other eventualities in reference to the drastic cut of the subsidy. Living in Germany for the last years has increased aprx 100%, though the wages of workers in German establishments has similarly been increased. The chief expenditures of most people are for food products and rent. In practice, a person receiving around \$100 monthly can not save any money, he can only exist. For example, a German non-professional worker, such as a printer, receives from \$100-150 per month, while the pay of workers in our establishments ranges from \$60-140 a month. For this reason, it is not possible to make a drastic cut in wages.

We also do not wish to ~~cut~~ out completely the work of publishing the "Ukrainskyy Samostiynik" because this would have too prejudicial an effect on the ranks of adherents to this group. This group, however, could be put to work in the eventuality of the need for some ~~secret~~ activity. For example, they also could be used for such activities as work on the Information Bulletin. There is need for about ten men from various areas. If the work of the paper is completely curtailed, where would we find people to do ~~such~~ such completely mechanical work?

5. The radical cuts and changes in the publishing activity would give rise to wide misinterpretations and would cause a loss in the moral position which we have built up. For this reason, the change must come in such a manner that it will appear justified as a necessary reorganization of publishing activity.
6. It is untimely to carry out these radical changes from the moral, psychological and political viewpoint, since Moscow at this very time is increasing its attacks at exactly the same core of ZP/UHVR and the OUNz. First there was the Besaha affair, then following it attacks on the radio and the press and furthermore attacks in the press of the Mikhailov Committee, "For the Return to the Homeland", "Dnipro", and "Trembita", and finally the attacks in "Radyanska Ukraina", in the organs of the Komsomol's "Dnipro", and the recent slanders in connection with the surfacing of the Lysenko matter. The Lysenko matter was a "secret activity", but even so Moscow brings it up, hitting not only the "secret activity" but also living people who are known in social and public life.

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Today they strike at one group, tomorrow at another. We have to admit that this is just the beginning of a wider, well-planned action against the many workers of ZP/UHVR and OUNz. With a budget cut of 50% of the publishing activity, we will be forced to a great reduction of wages, and we would appear very cruel even to our present workers. From a moral viewpoint, in order to be fair to everyone, it would be best to stop all publishing activity.

The liquidation of our publishing activity or even a drastic cut, which is proposed in the budget, on the other hand, would literally mean that we have retreated from the Bolshevik attack and the Bolsheviks have succeeded again in their mounting attack against us and against the free world. For in fact, the situation has not changed, the fight of ideas goes on and there is no end to the psychological warfare.

II. Concrete Proposals:

After consideration of the above-mentioned items and study of the possibility of reorganization of the publishing activity, the maximum cut possible in the previous publishing budget will be approx 15-20%. This cut could be achieved by means of bringing together the two papers to one location, and further by a minor reduction of the circulation of the printed copies of "Ukrainsky Samostiynik", "Literary Gazette", and the "Economic Supplement" and also the curtailment of various additional works-- a total of \$6000 per year.

Other cuts can be made by a curtailment of expenditures of an organizational character, such as trips, arrangement of conferences, meetings with other people, carrying on of informational and propaganda activities...to a total of \$5000 per year.

III. Other Requests:

In consideration of the proposed cut of the budget, we ask that in the future 70% of the approved subsidy be sent immediately for the publications, the remainder can suitably be sent in the previous manner. We justify this by the fact that the Ukrainian leaders and all the workers do not know where the subsidy comes from, and we consider it inexpedient to let the whole sum be revealed both from the standpoint of the emigration situation, as well as from the standpoint of foreign intelligence organizations.

We would also be thankful if some money could be assigned for the disposition of the Fund of the Presidium of the ZP/UHVR to cover such expenses as the Information Bulletin, necessary travels and other items, which are not directly connected with the publications.

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AERODYNAMIC BUDGET FY 1958
(Tentative Breakdown)

1. Salaries

a. AE CASSOWARY 2	\$8000
b. Political Analyst	4800
c. Editor	4800
d. Editor	4800
e. Bookkeeper and Admin. Off.	4800
f. Typist and Translator	<u>4800</u>

Total \$ 32,000.00

2. Travel []

3. Operational Entertainment []

4. Operating Expenses

a. Taxes (FICA, Unemployment, etc.)	
b. Rent	
c. Light and Heat	
d. Telephone	
e. Postage	
f. Stationery & Office Supplies	
g. Newspapers and Books	
h. Repairs and Maintenance	
i. Bank Services	

Total []

5. Special Projects

a. Radio PYREX	
b. Radio MADRID	
c. Dudincev Book	
d. Information Bulletin	

Total []

6. Developmental Funds []

7. One Newspaper in Germany []

Total []

8. Disposal Funds

3 men (stateside) @ \$400 per month
for 3 months

[]

[]

Запроєктований проект бужету старалась ми ц рознамалзували а повним роумін-
нам для ситуатїї та для бажань поробити, де не можливо, відповідні заомажженні
наступні заввати мають на увазі:

- 1. Відповідати під новї ситуатїї і вказати на границі можливості скс
рочень на виданнїчу роботу,
- 2. провести скорочення в такїм мїрї, щоб не допровадили до повної
ліквідації виданнїчої роботи.

1. Важливість виданнїчої роботи.

Не зваяючи на амїну ситуатїї і на тенденції можливості широко закресленї
активності в таких формах, як це могло мати місце в 1950р., оже в часї, коли
почалась виданнїча робота, та в другодї сторони приваляч валу п. ав. закрїпих
рїзномо рола акції, всеж таки вважамо виданнїчу роботу в наскрїтї звних
задегалізованих формах незвичайно важливою в таких аспектах:

- 1. Поплуврясатїї ідей визволеного підїлля і ідей свободї та демократїї
закононом серед української емітрації, втримування цього морального-ідей
ного звязку між емітрацією і батьківщиною, моральна підїтрїмка емітрації
в її часло незванїчому п. ол. оженнї, скрїпїшованнїя ії відпорностї на ії-
ннїя большївнїської агїтаторї, охорона ії перед моральним розкладом завдя
ки посиленнї акції - ратївї, пресовї і шептаннї, веденнї лінійново чиннї
ками СССР та їхнїми прислужнїками на заходї.

2. Виданнїча акція, преса і окремі виданнїя, є для українського народу на
батьківщинї і показом, що західний світ виявляє зрозумїлнїя для
кого положеннїя. Сам факт виданнїчої роботи, який відомий в країнах за
зализном заслоном, в СССР, ВРСР і сателїтних державах, де живуть українці
скрїпїше відпорностї українських широких мас, ростить надїї на визволен
ннїя і хоронїть перед безперспективнїстю та моральним заломаннїем виданнї
ча робота закононом сприяє посиленнї еволюції в настрїї повільної
демократизації за зализном заслоном і скрїпїше цї пропеси - янї і скрї
пї - в прому напрямї. Яна, на нї сокому рїзнї поставлена самостїїннїя
українська преса, не налява живїше збор в частї коломїної психологїї
вїннї. Докази премо, хоч і не в масовїї формї, всежтаки існують. Фактом є
що преса і такїх виданнїя нашї доходять на місце призначеннїя, що їх чї-

3. Виданнїча преса дає опертя і дає для всякої ішої, неопертої активнос
ти, вона дає її моральне опертя. Такї відванки прасї, як ратїо, окремі пуб
кації, призначені виключно за зализну заслоном, иї ішою рола активнїст
можуть бути успішнї о проведеннї, коли на їх поверхнї існує явна виданнї
солїда робота. Вона дає прикрїтїя для нїї навїтї в отамїїї безпеки
е подїбною, иї навїтьж конечном. Повна ліквідація виданнїчої роботи
аво звезде-ннї ії до таких форм, якї так шомо амїту, рїзнїя і розмїру
були о оумозваннї а ліквідація котенерїшного ії стану, нїмаї о кетаннї
ннїя вшнї і на цю амїту активнїстїя. Скресленнїя 50% котенерїшної допс
моли зводїтї о практично виданнїчу роботу до такою амїку, що сторони
спостерїтїя муть бї не окреслїти, як повїлїть замїраннїя.

4. В обох виданнїцтвах - Сучасна і Самостїїннїя - загроуненїї ії сучасну по-
ру для ії прох доєтїї сїлїннїя ії, для яких виданнїча преса є
половнїм жерелом їхнього прожитку, друтих три дєсятїи людей, не постїїї
уопїсїуватїї в енїтрабїтнїки, утїрїя прїацї творїть значку підїтрїмку
в їхнїї екзїстенції. Значїть, оїма 60 осто, не враховуючи рїзних принїа-
рїзних авторїв, головнї в літературнїї Лавелї, через виданнїчу прасу, є
повязанї а самим нашим середовнїшем. Це дєсятїи літературальнїх кадр то-
дїї на емітрації. Цїї скресленнї 50% коп-омоїї треба о звїлїнїти. Бєлїї
частїну зомїжних людей, що для балаток було о рївнозначнїя а переходом
на безробїтїя, о в нїмеччїннї, звїдїтїя декрїтулятор в ії чїшостї нашї
опївраннїки, вїдїдїтїя на прїацї для чужїннїя - літературальнїа не має.

