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SOURCE METHOD EXEMPTION 3B2B  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2007

11 January 1968

MEMORANDUM FOR THE RECORD

SUBJECT: 10 January meeting in the Office of the General  
Counsel concerning Project AERODYNAMIC

Meeting attended by [ ] , OGC; [ ]  
and [ ] , SB/CA

1. The meeting was held at the request of [ ]  
to discuss the current status of the dissolution and reorganization  
of Prolog. Establishment of a commercial entity ("New York  
Business Corporation") as the new cover for the New York  
personnel was determined to be the best and most practical  
of the alternatives considered. As a result of President  
Johnson's latest executive order against foreign investments,  
various new problems would arise if a foreign entity were  
used to serve as the employer of the New York personnel.  
The group also would be subject to more inquiries and closer  
scrutiny by New York authorities if involved with a foreign  
establishment. The idea of merging the New York office  
with that of Suchasnist in Munich would create problems  
for the Munich organization. The interest of German  
authorities would be aroused if Suchasnist suddenly expanded  
financially to the extent necessary in order to handle the  
Prolog payroll and other activities. Furthermore a New York  
Commercial Corporation of <sup>scope</sup> and nature envisaged would  
appear most normal and call for less probing interest  
on the part of Federal and State internal revenue authorities  
than the alternatives considered. A legally established  
commercial organization in New York would not have its  
records or tax submissions subject to public scrutiny.

2. [ ] felt it might be possible to have  
the new commercial enterprise established within the next  
two weeks, so that it would be ready to accept funds  
needed for operational and administrative purposes, and to  
permit the transfer of the insurance and retirement plans  
for the New York personnel simultaneously with the  
liquidation of the presently existing corporation. He  
expected the liquidation proceedings would involve more  
time than would the establishment of a new commercial  
organization.

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3. [ ] will go to New York next week (probably Tuesday) to brief Mr. Czajkowsky, Prolog's bookkeeper, concerning the records and forms which will need to be executed to effect the liquidation of the present corporation and transfer to the new entity and to familiarize himself firsthand with any problems existing or which may come up during the transfer. [ ] also will talk with [ ], the cleared lawyer in New York, who was consulted previously on possible alternatives for reincorporation of Prolog in New York and who will be involved in the legal aspects of the dissolution and transfer. Ann Stunder will accompany Mr. Morrison to make the necessary introductions.

4. The New York business corporation is theoretically a profit-making entity and in order to avoid unnecessary curiosity and scrutiny should show a slight profit. Ostensible source of fund would be research contracts from overseas clients as reflected in a dummy file in New York which under foreseeable circumstances would not be subject to outside inspection.

5. The problem of the next issue of the Digest of the Soviet Ukrainian Press, due around 1 February, was discussed. It was felt that the best way to handle it would be to have the Digest published in Munich with Suchasnist (or the Ukrainian Association for Foreign Studies, which publishes Suchasnist) shown as the publisher. This issue would be accompanied by a letter from Prolog informing the subscriber that, for reasons of economy and perhaps other reasons, the Digest will hereafter be published in Munich by Suchasnist.

6. Prolog Research and Publishing Association's correspondence will continue on existing letterhead until the actual liquidation of the Association.

7. Although it is planned that the word "Prolog" will appear in some form in the title of the new corporation the actual name depends on its suitability with reference to names already registered as business corporations.

8. [ ] said he would brief [ ] of CCS concerning the foregoing matters discussed at today's meeting.

[ SB/CA ]

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