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5 November 1969

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with AECASSOWARY/2 and 29 in Washington  
on 31 October 1969

1. This was the first meeting with the AECASSOWARIES since A/29's return from his European trip in September. The discussion concerned latest developments on the Soviet Ukrainian scene, AECASSOWARY contact activities, as well as administrative problems at AETENURE.

2. A/2 was informed by me that although we were in agreement with his request to have the salaries of AETENURE employees increased, because of a stringent budget for FY-1970, and other reasons currently affecting all projects, it was impossible at this time to obtain any additional funds for the project, and that although it was agreed that the salaries of AETENURE employees could be increased, in accordance with a schedule set forth by the Agency office concerned with wages and salaries, it would have to be done within the present AERODYNAMIC budget for FY-1970, which means that the additional \$12,000 needed to cover the salary increases would have to be sacrificed in some other area of the project. Naturally, A/29 was unhappy with such a solution, but he accepted the decision more amenable than expected. Obviously, he has been reading recent press reports on budgetary squeezes in the various government agencies. He said he would let me know about the decision reached concerning the salary scales proposed, after consultation with A/26 about the current AETENURE budget and financial situation.

3. A/2 brought up other problems facing AETENURE operations; i.e., the rising cost of printing, increases in the cost of services, devaluation of the mark in Germany, and the imminent rental increase in the New York office. The age old topic of new quarters for the AETENURE offices was brought up again by A/2, who then inquired whether it would be feasible for an employee of AETENURE to purchase a house, a part of which would be used as his residence, and the remainder of the building rented to AETENURE for office space. A/2 wanted to know whether the \$25,000 revolving or emergency fund money could be borrowed by the individual to be used as a down payment and paid back to the fund over a given period. I expressed my doubts that such a plan would be given approval, but said I would inquire as to regulations affecting the purchase

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of property by an Agency supported mechanism. According to A/2, the building in which AETENURE offices are located is still under rent control but a rent increase is expected this month, and if the rent goes up more than \$4.00 a month above the current rate, the apartment will no longer qualify under the rent control regulations, and he feared the rental cost might then begin to sky-rocket. The present offices have not been adequate spacewise and otherwise for over ten years now. However, every time the subject came up and other quarters were investigated, the subject was soon dropped for financial reasons. (After discussing the problem with [redacted], CSB/BF, on 3 November, he suggested that nothing be done until the rental increase goes into effect, if in fact it does, and that we would then have actual cost figures to present with whatever proposal we would want to make at the time. He also said that he was not aware of any Agency regulations which would preclude the Agency from purchasing a building for use by a proprietary instrumentality provided there was a sound reason for the move and provided that a stipulation permitting such action was incorporated into the Admin Plan of the project. As for borrowing contingency fund money, this would not be approved. [redacted] also questioned the desirability, from a cover point of view, of maintaining the emergency fund. He said it would appear suspicious to anyone looking at the corporation's books that a corporation, which was just barely making it financially, kept showing a contingency of \$25,000. On 4 November I informed A/2 about the decision to wait for the actual rental increase before pursuing the question of relocation any further at the present time, and he agreed to go along with the decision.)

4. As anticipated, A/2 inquired as to what adjustments could be expected in the FY 70 project budget, in view of the devaluation of the German mark. He was told that I was informed prior to my meeting with him that no adjustments should be expected, in view of an overall tight budget situation.

5. A/29 said that during the past year, via travellers and the AERODYNAMIC mailing program, there were 700 books (including copies of Dzyuba's Internationalism or Russification) delivered to the Ukrainian community in Yugoslavia, members of which have contact with Soviet Ukrainian intellectuals. As a result of obtaining the 700 books, in addition to delivering what they are able to Soviet

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Ukrainians, the local "Nationalities Committee" in Banya Luka, set up three "libraries", one in Banya Luka, the others in Vakovar and Prjavor.

6. See separate report in Vera Wowk's 201 file on a report about her experiences in the Ukraine in the summer of this year.

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