

SECRET

PROJECT APPROVAL NOTIFICATION

PROJECT **AERODYNAMIC** CA PROPRIETARY
 FI/CI SUBSIDY
 DIRECT

ACTION		AREA	
	NEW PROJECT	DIVISION	
XX	AMENDMENT No. 4	SB	
XX	RENEWAL (FY 1967)	BRANCH	
	TERMINATION	CA	
	EXTENSION	DESK	
	OTHER	CASE OFFICER	EXTENSION
			7168

AUTHORIZATION

APPROVING AUTHORITY	TOTAL AMOUNT APPROVED	FY	AMOUNT
ADD/P 26 October 1966	\$ []	196 7	
PERIOD OF APPROVAL		196	
FROM 1 July 1966 TO 30 June 1967	FINANCIAL CODE SYMBOL	7134-0612	

CONDITIONS OF APPROVAL

Amendment No. 4 and Renewal of Project
AERODYNAMIC approved in the amount of
\$ [] for FY 1967.

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

APPROVED
SUBJECT TO
ANY COST
REDUCTION
INDICATED ON
FORM 2500

SIGNATURE: ((Signed), [] DATE: **27 October 1966**

MPS/BG

AUG 555 DISTRIBUTION

1	FINANCE DIVISION	1	LEAVE BOX	1	BUDGET DIVISION	1	OPERATING DIVISION CHIEF OF SUPPORT	1	CASE OFFICER	2	MPS/BG
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15 September 1966

MEMORANDUM FOR THE RECORD

SUBJECT: Project AERODYNAMIC
Renewal for FY 1967
Budget Data

1. The budget data in subject request represents the first attempt to conform with guidance provided by this office. The governing principle has been to view the activity in the same context as a proprietary enterprise, to reveal:

- a. Total Cash Resources Available
- b. Total Expenditures Deducted
- c. Remaining Cash Balance brought forward into the next Fiscal Year.

2. It is to be noted that, as of 1 July of any fiscal year, all resources brought forward into the new year must be considered as an accumulation of equity resulting from "prior year funds", regardless of the fiscal years of origin.

3. The total of the expenditures for the two operational front groups (New York and Munich) during FY 1966 amounts to \$ [] , whereas the Agency subsidy for the same period was \$ [] (not including \$ [] held back for headquarters support). The deficit subsidy of \$ [] was augmented by \$ [] of funds already available from within the project to make up the total expenditure of \$ [] . The 1 July 1966 carry-over of \$ [] also represents funds already available from within the project.

4. The proposed operating budget of \$ [] for FY 1967 is comparable with actual expenditures of \$ []

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during FY 1966, an increase of \$ [] . It may be generally observed that the scope and level of activity remains essentially the same and that most of this increase is occasioned by slight increases in payroll and the cost of operation.

5. It is the opinion of this office that the beginning and closing cash balances are entirely too meager in relation to the total amount of annual expenditures. This balance should be considered as a "revolving fund" sufficient for 60 days of operation. There should therefore be a one-time infusion of \$ [] as operating capital in order to reduce the security and administrative hazards inherent in operating with insufficient funds. Replenishment of the revolving fund would then be through regular increments, predicated upon the approved operating budget. The entire amount of the revolving fund would then carry forward into the oncoming fiscal year, each successive year.

6. In summary, the requirement for FY 1967 funds needs to be recast and a new total established, based upon the items noted above:

a. Source of Funds:

(1) Beginning Cash Balance	\$ []	[] *
(2) Estimated Accounts Receivable and Outstanding Advances	[]	[] *
(3) Deficit Requirement for current Fiscal Year (1967)	[]	[] **
(4) Anticipated Legitimate Income from Sales	[]	[] *
(5) Sub-Total Available to Project	\$ []	[]
(6) Addenda **		
(a) Headquarters c/o expense	[]	[] **
(b) One-time infusion for Revolving Fund	[]	[] **
(7) Total Requirement for Cash Funding	[]	[]

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* These items, totaling \$ [] , do not require funding from FY 1967 appropriated funds.

** These items, totaling \$ [] , require FY 1967 funds. It is to be noted that \$ [] of this amount will not be spent but will carry forward as the starting balance for FY 1968 and subsequent fiscal years, leaving a net operational requirement of \$ [] FY 1967 funds to support an operating budget of \$ []

7. Recommendation

It is recommended that the FY 1967 renewal of Project AERODYNAMIC be approved in the revised amount of \$ [] as outlined above.

MPS/BG/CA

Concur

SB/CA []

SB/C-CA []

SB/BF []

CA/PEG []

MPS/C-BG []

APPROVED

[] Assistant Deputy Director for Plans

26 OCT 1966

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3 October 1966

MEMORANDUM FOR: C/CA/PEG

SUBJECT: Renewal of Project AERODYNAMIC (SB Division)

- REFERENCES:
- a. My memorandum for C/SB/CA (copy to you), dated 13 May 1966, subject "Evaluation of Project AERODYNAMIC Output"
 - b. My memorandum for C/SR/CA (copy to you), dated 28 March 1966, subject "Evaluation of Project AERODYNAMIC Propaganda Output"
 - c. My memorandum for you, dated 18 August 1965, subject "Renewal of Project AERODYNAMIC"

1. The continuing validity of Ukrainian nationalism as a propaganda target is effectively demonstrated in this renewal request (especially pp. 7 and 8). Furthermore, the project's publications have been directed to the USSR to a much greater degree than in past years. I therefore endorse the project's renewal.

2. The request recognizes the problem of publishing emigre literature which is intended for internal Soviet audiences, and also states its aim of achieving a desire for national-cultural identity among Soviet Ukrainians and intellectual liberalization in the USSR. (p. 7 of the request). I support any such effort which will weaken the internal position of the Soviet Union and thus reduce the USSR's capability for aggressive acts.

3. Our past reviews of the samples of the project's output have expressed some doubt as to the effectiveness of some of the publications in carrying out the stated goals. (See refs. a and b). Hopefully, steps may have been taken meanwhile to strengthen the link between the objectives of the project and the editorial content of the publications.

/s/
C/CA/PROP

cc: SB Division

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21 October 1966

MEMORANDUM FOR: MPS/BG/CA

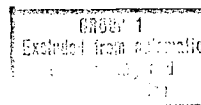
SUBJECT : Project AERODYNAMIC
Renewal for FY 1967

1. We concur in this project renewal subject to a change in the funding instrument per discussions between CCS and SB/CA. As soon as CCS clarifies N.Y. State Welfare Department filing requirements, an exclusive-use funding instrument with nominal attribution will be selected and assigned to this project, replacing the multipurpose instrument previously used.

2. The agreed change in funding instruments is based on SB's view that U.S. Government support for the project is widely surmised among the Ukrainian communities in the U.S. and Western Europe.

E J
Chief, CCS/Funding Branch

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CA/PEG Project Record Sheet

	Initials	Date		
1. DC/CA/PEG			Project Name:	AERODYNAMIC
2. C/CA/PEG (signature)			Country	SB/CA
3.				
4.			Type of Action	FY 67 Renewal
5. MPS/BG/CA		26 OCT 1966	PEG Evaluation Officer	[]
6. ADDP		26 OCT 1966	Date Received:	29 September 1966
7.			Date Due in MPS/BG/CA	14 October 1966

Interagency Coordination:

COMMENTS:

1. **AERODYNAMIC**, SB Division's primary link to the Ukrainian nationalist movement in the USSR, asks FY 67 renewal at \$[] including a one-time infusion of \$[] recommended by MPS/BG as a revolving fund. Obligations for FY 66 amounted to \$[]

2. This project offers organized contact with a nationality group in the USSR comprising some 42,000,000 persons--second largest in the USSR and, historically, highly individualistic and vocal in the interests of Ukrainian nationalism. Mechanism employed is the ZP/UHVR (Foreign Representation of the Ukrainian Supreme Liberation Council) with headquarters in New York and offices in Munich. Intent of the activity is to foster and exploit deviationist tendencies and linguistic, ethnic, economic and cultural conflicts within the Soviet Union.

3. This project is unique in the fact that Soviet officials at the United Nations have shown "not only a willingness but an eagerness to participate in dialogue with ZP/UHVR collaborators". These Soviets have asked and received copies of nationalist emigre publications. During FY 66, ZP/UHVR collaborators had contact with 227 Soviet citizens, many on a repeated basis. In addition, 20,783 pieces of literature were distributed to Soviet targets--largely of a nationalistic, anti-Soviet nature--including 1,600 books mailed into the Soviet Union.

4. CA/PEG recommends approval.

PROJECT ACTION

JECT CRYPTONYM

AERODYNAMIC

	TYPE OF ACTION	FI/CI	<input checked="" type="checkbox"/>	CA	OTHER
	NEW PROJECT APPROVAL	DIVISION SB			
	AMENDMENT NO.	FIELD STATION Headquarters Project			
	RENEWAL XX FY 1967	BRANCH SB/CA	DESK		
	EXTENSION	CASE OFFICER E	1	DATE	
	TERMINATION	ROOM NO. 5B4804	BUILDING Hqs.	TEL. EXT.	RED 1567

CONCURRENCIES OF DIVISION

ORGANIZATIONAL ELEMENT	TYPED NAME (and signature)	DATE	DO NOT USE THIS SPACE
AC/SB/CA	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
C/SB/BF	<input type="checkbox"/>	<input checked="" type="checkbox"/> 8/25/66	
C/SB/SS	<input type="checkbox"/>	<input checked="" type="checkbox"/> 8/21/66	
DC/SB/SOV	<input type="checkbox"/>	<input checked="" type="checkbox"/> 26 Aug 66	
DC/SB	<input type="checkbox"/>	<input checked="" type="checkbox"/> 29 Aug 66	
C/SB	<input type="checkbox"/>	<input checked="" type="checkbox"/> 29 Aug 66	

CONCURRENCIES OF OTHER COMPONENTS

		DATE	COPY NO.	MEMO ATTACHED		
				YES	NO	DATE
CA/PEG	<input type="checkbox"/>	<input checked="" type="checkbox"/> 10 Oct 66				
MPS/BG/CA	<input type="checkbox"/>	<input checked="" type="checkbox"/> 28 SEP 1966				
MPS/C-BG	<input type="checkbox"/>	<input checked="" type="checkbox"/> 26 Oct 66				
CCS Funding Group (Signed)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> 21 Oct 66		X		21 Oct

APPROVAL

	PERIOD		AMOUNT OF ACTION	FY	TOTAL AMOUNT
	FROM 1 July 1966	TO 30 June 1967	\$ <input checked="" type="checkbox"/>	196	\$
APPROVING AUTHORITY ADDP		SIGNATURE <input checked="" type="checkbox"/>	DATE 26 Oct 66		

PROJECT AERODYNAMIC RENEWAL - FY-1967

A. Program Data and Financial History

1. Total funds requested: \$ []

2. Amount programmed for FY 1967: \$ []

3. Funds approved and obligated by fiscal year since Project was initiated:

<u>Fiscal Year</u>	<u>Amount Approved</u>	<u>Amount Obligated</u>
1954	\$ []	\$ []
1955		
1956		
1957		
	Amendment	
1958		
1959		
	Amendment	
1960		
1961		
1962		
1963		
1964		
1965		
1966		

B. Current Objectives

1. Recent nationalist flare-ups in widely scattered areas of the Soviet Union, and particularly those in the Ukraine, give evidence that the complete cohesion of the Soviet peoples toward which the Soviets have striven is far from accomplished. It is considered opportune and important to continue to encourage divisive manifestations among Ukrainians to exert maximum pressure on the Soviet regime. Project AERODYNAMIC continues to represent SB Division's only organized contact with a non-Russian people per se, a nationality group second in strength to the Russians through the ZP/UHVR (Foreign Representation of the Ukrainian Supreme Liberation Council), a group of anti-Soviet Ukrainian emigres.

(2)

2. ZP/UHVR contacts with Soviet Ukrainians will be exploited to further the SR objective of recruiting Soviet citizens.

3. ZP/UHVR will continue, as an auxiliary objective, to gather intelligence on the USSR to satisfy United States needs.

C. Changes

A flat subsidy divided into four quarterly allotments was paid to the ZP/UHVR during FY-66. The funds were not earmarked for specific categories of costs as in FY-65. Instead, the major responsibility for flexible operational decisions and for the allocation of funds for the various categories of expenses was placed on the ZP/UHVR principal agent and the operations officer. Comprehensive reports were submitted by the operations officer to demonstrate the effectiveness of the organization's activities.

The Project Administrative Plan was revised to permit inclusion in the quarterly accountings without supporting documentation of small payments made to ZP/UHVR collaborators in the organization's contact operations and in its mailing activities as "special projects and activities." It was felt that in the interest of security the payees, who are unwitting of U. S. Government involvement, could not be required to submit documented accountings. The revised plan also deleted the provision for utilization of the project to fund or provide services for other Agency projects.

D. Intelligence Production

ZP/UHVR contact operations against Soviet citizens, particularly against those Soviets travelling in the West, produced information of a political and sociological nature used for playback in ZP/UHVR literature directed against Soviet citizens and in developing dialogue with Soviet contacts. Biographical and personality type information was obtained on Soviets of interest to CIA, including the identification of individuals connected with the KGB. Three formal disseminations were made of PI supplied via ZP/UHVR contact operations. Two legal documents not obtainable in the West were supplied, and information was collected on dissident and nationalist groups in the Ukrainian SSR.

E. Effectiveness

1. During FY-1966 the ZP/UHVR continued its efforts to contribute to Ukrainian nationalist ferment and to intellectual resistance to Soviet repression by exploiting existing and encouraging new deviationist tendencies among Soviet Ukrainians. CIA support to ZP/UHVR is based on our knowledge that the 42 million Ukrainians in the Soviet Union represent a significant percentage of the non-Russian nationality groups in the Soviet Union (which comprise 45% of the total population of the USSR). During the entire history of the Soviet Union the nationalities have created and continue to create linguistic, ethnic, economic and cultural conflicts. Present Soviet leaders have displayed an awareness that these conflicts present a real problem. In spite of the fact that the significance of the nationality problem was played down at the 23rd Party Congress, evidences reveal that nationalist unrest, particularly in the Ukrainian SSR, is of continuing and even perhaps of growing concern to Soviet authorities. A recent Radio Liberty Analysis Report (9 May 1966, No. 10-66) stated that listeners to the Ukrainian-language programs stressed attachment to their nationality and religion. The report also stated that there was an unusually high number of Ukrainian responses to the radio broadcasts, 31 percent of the total, and that a number of the letters elaborated on the topic of Russian domination of the Ukraine, of colonialism, and exalted the writers' attachment to their language and folklore. A young Soviet Ukrainian poet released from a prison camp in the Mordovian SSR in December 1965 forced his way into the Canadian Embassy in Moscow in January 1966. He did not ask for asylum but wanted an opportunity to register with Western representatives a protest against the subjugation of the Ukrainian people and to transmit an appeal from Soviet political prisoners. He said most inmates of the prison camp were political dissenters and submitted names of Ukrainian nationalists newly arrived in December 1965 at the prison camp from which he came.

2. As a result of contacts established with Soviet Ukrainian literary circles, the nationalist works and diary of a Soviet Ukrainian poet (Vasyl SYMONENKO), which had not been published in the Soviet Union, were smuggled to the West, where they were given wide publicity. The publication of this material by the ZP/UHVR evoked the wrath of the Soviet authorities, who

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attacked the organization. Forty Soviet Ukrainian intellectuals were arrested in the fall of 1965 and charged with reading, copying and disseminating anti-Soviet literature. Among the documents found during the arrests were books and pamphlets published and mailed to Soviet citizens by the ZP/UHVR. Two Soviet Ukrainian writers (Ivan SVITLYCHNIY and Ivan DZYUBA) arrested were charged with smuggling out the SYMONENKO material mentioned above and various abortive attempts were made by Soviet authorities to determine specifically the ZP/UHVR source of the SYMONENKO material. ZP/UHVR, through its many collaborators, published numerous protests against the imprisonment of the writers and instigated protest marches in Washington, New York and Canada. Recent information has been received that SVITLYCHNIY has been released. Names of those who remain in prison have been obtained by the ZP/UHVR and plans are being made to send material aid to them. The aid was requested by their colleagues, who sent their names out via a ZP/UHVR collaborator who visited the Ukraine in June of this year. On the eve of the protest march in Canada, the Soviet Embassy in Ottawa distributed a press release to the effect that Ivan SVITLYCHNIY and Ivan DZYUBA "have never been committed to trial and are at liberty." It was known that the writers were not given a trial but Ivan SVITLYCHNIY was sent to a corrective labor camp in Mordva. DZYUBA was released after questioning because of his very bad health.

3. A steady flow of accusations by the Soviet regime continues against Soviet Ukrainian nationalist writers and Ukrainian emigres. These accusations have been debated among Ukrainian emigres who collaborate with the ZP/UHVR and Soviet Ukrainian citizens at the United Nations and prominent Soviets who visited in the West at a series of private gatherings which a ZP/UHVR contact was instrumental in arranging.

4. ZP/UHVR has carried on a strong campaign in its written propaganda, and particularly in its contacts with Soviet Ukrainian scholars and writers travelling in the West, against the various forms of Russification, including discrimination (in favor of Russians) in the allocation of school funds, in the allocation of funds for publication activities and for cultural exchange travel, and have criticized repressive measures against Soviet intellectuals. Dialogue was developed in this and other subjects with Soviet Ukrainian officials in the Ukrainian Mission at the United Nations in which ZP/UHVR assets have forced the Soviet Ukrainians into the embarrassing position of either supporting the official line, thus appearing as unpatriotic

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Ukrainians, or exposing themselves as anti-Soviet Russian by citing substantiating evidences of discrimination against Ukrainians and making promises to discuss such aspects of discrimination with responsible Soviet authorities. Soviet Ukrainians have pleaded with ZP/UHVR contacts to cease their pressures on Ukrainian officials to seek "unrealistic" liberalization from Moscow. This plea was answered by a written list of measures (handed by a ZP/UHVR contact to the former Ukrainian Minister of Foreign Affairs, Luka PALAMARCHUK) the Ukrainian emigres want taken in the UkSSR before they will cease their attacks against the Soviet regime. The Second Secretary of the Ukrainian Mission at the United Nations, who was recently suddenly recalled home, admitted to a ZP/UHVR contact that he was reprimanded by his superiors for becoming too involved with Ukrainian emigres, and particularly for permitting himself to be implicated in the question of the reestablishment of the Uniate Church in the Ukraine, which the Soviets officially liquidated in 1945. He also confided the information that Luka PALAMARCHUK had been "demoted" for similar reasons, and that the Deputy Chairman of the Ukrainian Council of Ministers secretly supported the emigre position on the church. Dialogue on the question of the church in the Ukraine continues between Soviet Ukrainian United Nations officials and ZP/UHVR contacts, and the former have asked ZP/UHVR collaborators to refrain from putting Soviet Ukrainian officials in a difficult position by pressuring them to take a stand on the church and other issues. The First Secretary of the Ukrainian Delegation to the United Nations, in a conversation with a Western delegate to the United Nations in the spring of this year, stated that it was clear his country lived better and enjoyed a greater degree of independence when it was under the old Austro-Hungarian empire than today under Moscow.

5. Soviet officials at the United Nations have shown not only a willingness but an eagerness to participate in dialogue with ZP/UHVR collaborators. They have requested and received copies of nationalist emigre publications. This literature may serve as either a defensive purpose, permitting Soviet authorities to be sufficiently well informed to counter the Ukrainian nationalist line, or the Soviets may, under this cover, wish to obtain literature in their native Ukrainian which is unobtainable in the UkSSR. They also may be trying to use the emigration in a most sophisticated game, as a pressure device on Moscow. Soviet Ukrainians have confided to ZP/UHVR sources that such pressure tactics have in the past obtained for them concessions in the publication field and permission to commemorate holidays in honor of national heroes.

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6. ZP/UHVR collaborators had contact with 227 Soviet citizens during FY-1966. Many of these were frequently repeated contacts, particularly where Soviet United Nations officials were concerned. CIA was able to obtain, as a result of one of these contacts, a copy of a Soviet film which, as a result of the controversy it evoked in the Soviet Union over its religious and nationalist flavor, was recalled from all Soviet theaters and put into moth balls after a period of two months' showing. ZP/UHVR collaborators displayed the film to Ukrainian emigre art groups, which resulted in emigre press reviews, and it became a frequent topic of conversation with Soviet Ukrainians. The film now is being shown in French and Italian cinemas and the Soviets were forced to release the film again in the Soviet Union.

7. It was possible, through ZP/UHVR contact operations, to identify to Canadian liaison a Canadian citizen who was trained and politically indoctrinated in the Soviet Union in the past two years for clandestine activities among Ukrainian emigre circles in Canada.

8. Correspondence with a Soviet Ukrainian writer has been maintained by a ZP/UHVR contact since their meeting at the Helsinki Youth Festival. The Soviet, who has in the past two years made trips to Soviet bloc countries, has contacted ZP/UHVR collaborators in those areas and has passed to them information later relayed to the ZP/UHVR.

9. A list of requirements for support, and instructions on how best to transmit such support, was brought out from an alleged underground group in the UkSSR by a ZP/UHVR collaborator. The Soviet who passed the requirements to the source is known to the ZP/UHVR. He was among those Soviet Ukrainians arrested in the fall of 1965 for nationalist activities.

10. During FY-1966, 20,783 pieces of literature were distributed to Soviet citizens. Most of this literature was of a nationalist, anti-Soviet nature. Of the total, 1,651 books were mailed to the Soviet Union and 187 books mailed to satellite areas, 66 were handed to Soviet citizens in the Soviet Union and 280 handed to Soviet citizens visiting in the West; 138 pieces of literature were handed to Soviet citizens travelling in the West, 4 pieces to Soviet citizens in the Soviet Union; 16,408 pieces mailed to the Soviet Union and 2,049 pieces mailed to Ukrainians living in satellite areas. Shown in the attached is a detailed breakdown giving the titles of books and literature and categories of individuals to whom mailed.

F. Evaluation of Publications

1. ZP/UHVR's propaganda seeks to achieve a desire for national-cultural identity among Soviet Ukrainians and intellectual liberalization with the USSR. Members of the ZP/UHVR engaged in directing its propaganda and literary activities are thoroughly familiar with current Soviet Ukrainian publications and literary activities. They read a wide selection of Soviet literature, and their extensive contacts with Soviet citizens, which afford opportunities for considerable exchange of dialogue not only with literary types but with scholars and diplomatic personnel, keeps them very much in touch with current realities and with the Soviet Ukrainian mind. This fact, plus their Ukrainian background, uniquely qualifies them to produce literature which appeals to and provokes the Soviet Ukrainian reader. Soviet Ukrainian citizens contacted who are at all acquainted with the literary world have revealed more than just a passing acquaintanceship with ZP/UHVR literature. It is believed that the Soviet readers either find the contents of the publications of interest to them personally or that Soviet authorities feel the literature is sufficiently damaging to find it necessary to prepare its readers to resist whatever impact it may have.

2. ZP/UHVR does not target its literature against the emigration, but feels it would be unrealistic for its literature to be too obviously directed at the Soviet reader. The publication Suchasnist, ZP/UHVR's chief publication, which is a target of frequent Soviet attacks, is not a political organ. The journal is designed to appeal to Ukrainian scholars, writers and artists, and its material is solicited from individuals qualified in these fields. When Mihajlo Mihajlov recently wrote to compliment the ZP/UHVR on its publications, which he had received from a Western source, copies of the journal were mailed to him, along with a letter informing him that material from him would be considered for publication in the journal. It is stated on the inside cover of the journal that unsigned articles are not accepted for publication and that the articles printed express the personal views of the author and not the views of the editors. This policy of free expression by authors has proved to be an asset in debates with Soviet citizens concerning the contents of various articles which appeared in the journal. The journal is subscribed to by the Soviet embassies in Ottawa and Vienna, and the Ukrainian Mission to the United Nations purchases copies on a regular basis from a Ukrainian book store in New York. Requests for the journal have been received from the Soviet Ukrainian Committee for Cultural Exchanges and from Soviet visitors in the West. 3,334 copies of Suchasnist were mailed to Soviet citizens from about 10 countries in the West during FY-1966.

3. An appeal to Ukrainian nationalist tendencies was pursued in the Information Bulletin, which is the only ZP/UHVR publication specifically directed to Soviet Ukrainian citizens. The Bulletin was mailed to 11,375 individuals in the UkSSR and to 429 in Poland during FY-1966 from 10 countries in the West. Recent revelations about arrests of dissident Soviet Ukrainian writers and the ever-growing attacks and warnings in the Soviet press against nationalism and regionalism in the Ukraine indicate that Soviet Officials are concerned about the strength of Ukrainian nationalism. No absolute claims can be made about the extent to which ZP/UHVR's support of Ukrainian nationalism weakens the internal cohesion of the Soviet population, but if indications in the press and in public statements made by Soviet officials are any measure, it can be claimed that Ukrainian nationalist manifestations in the UkSSR appear to be contributing to internal unrest and that an appeal to this nationalism is a realistic pursuit.

4. The publicity given by ZP/UHVR to the nationalist works of Vasyl' SYMONENKO was particularly irritating to the Soviets and resulted in the arrest of Soviet writers who were accused of smuggling the SYMONENKO material to the West. Bereh Chekan, the book published in December 1965, contains the poetry and diary of SYMONENKO, which reveal his patriotic motives and the motives of a national movement directed against Moscow. In conversations with Soviet Ukrainian citizens they have revealed the regime's concern about Ukrainian nationalist aspirations and intellectual disaffection with the regime.

5. The English-language monthly, Digest of the Soviet Ukrainian Press, which serves as a partial cover for ZP/UHVR activities, is distributed to subscribers on a subscription basis of \$15.00 yearly, or \$30.00 for three years, and to ten CIA consumers. The publication is the only digest of the Soviet Ukrainian press available. It is a by-product of ZP/UHVR's daily research on the UkSSR and, therefore, of negligible expense to the project.

6. Ukrainskyy Samostiynyk, the monthly organ of a splinter Ukrainian emigre organization, partially supported from Project funds, publishes articles and commentaries of a political nature which are influenced to a large extent by ZP/UHVR. There were 2,496 copies of the journal mailed to the Soviet Union during FY-1966 and 646 copies to Ukrainians living in satellite countries. Authors of the publication's articles have been criticized in the Soviet press.

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7. The French-language Echos d'Ukraine published in Paris at a cost of \$2,075.60 (this includes cost of printing and distribution) is printed in approximately 800 copies monthly and distributed to scholars and diplomatic personnel in French-speaking areas. The bulletin carries commentary on the Soviet press and current events in the Soviet Union. A special edition was published in April tying the Svitlychniy/Dzyuba arrest in to the Suite De L'Affaire Siniavski et Daniel. Seven-hundred copies of this issue were mailed to addressees in France, Belgium and French-speaking African countries, and 500 copies hand distributed to students in Parisian schools (150 at the Sorbonne, 100 at the School of Political Science, 100 at the School of Engineering and 150 at the School of Oriental Languages). A group of African students at the Sorbonne approached ZP/UHVR collaborators who were distributing the bulletin and requested a supply of extra copies.

8. There are attached to this report sample copies of special bulletins and booklets published by the ZP/UHVR during FY-1966 and a description of the publications, including details on distribution and costs. The distribution information covers the period through the first of July 1966. Therefore, the number of copies distributed may in some cases appear small in comparison to the number printed.

9. Pertinent CIA propaganda guidances and U. S. Government policies and ideas for propaganda plays developed in the Division are discussed with the Principal Agent by the Project Case Officer.

G. Problems

No funding or cover problems/^{or problems} of control were encountered in FY-1966. The funding mechanism for this project will be described below for record purposes. Project AERODYNAMIC is funded through the [

] in the following manner. A request for advance of funds is made quarterly by the project case officer. On the basis of the request, CCS/NC notifies the [

] to make the quarterly "contribution" to Prolog Research and Publishing Association, Inc., the cover company for ZP/UHVR's covert activity. [

7. The bank clerk explained to Prolog that this is customary where large deposits are involved). CCS/NC prepares appropriate exchange of correspondence between C

7. No potential security problems can be foreseen in this funding mechanism at the present time.

H. Liaison

Not applicable

I. Interagency Coordination

ZP/UHVR collaborators who contact Soviet diplomatic and United Nations personnel are either advised to report their contacts to the Federal Bureau of Investigation or the contact is coordinated through the Project Case Officer.

J. Plans

It is planned to continue existing ZP/UHVR publications and the publication of special books and pamphlets for distribution to Soviet citizens. Contact operations against Soviet citizens also will be continued.

K. Costs

1. The cost breakdown shown below reflects as nearly as is feasible expenditures as reported in the quarterly accountings of the cover company forwarded to the CIA Finance Division, which were set up to serve the requirements of not only the CIA auditors but also the compulsory New York State audits.

2. An increase of \$E is being requested in the budget for 1967 to allow for a 5% overall increase in the payroll. This will allow for an average increase of 5% in the salaries of the cover company employees. The last salary raise given them was in July 1965. It was at that time felt necessary to bring the salaries of the cover company employees up to a more realistic figure than had been paid them in previous years as compared to salaries of individuals similarly employed by other organizations.

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A 5% overall increase in the salaries is planned for this year to maintain the new, more realistic standard. As shown in the attached budget figures, the rental cost of the cover company offices is being increased by 10%, effective 1 September 1966. The increase of \$671.72 in the fixed expenses for FY-1967 allows for a 7% overall increase in this category, which will absorb the 10% increase in the rental cost. There is an increase of \$9,200 requested in the operational expenses for FY-1967, which is accounted for by the increased activity in publication and distribution activities and in the field of contact operations.

PROJECT AERODYNAMIC

BUDGET SUMMARY

Cash Resources

	<u>FY 1966</u>	<u>FY 1967</u>
Beginning Cash Balance, 30 June 65	\$ 0	\$ 0
Accounts receivable & outstanding advances	0	0
Project authorization \$0,000	0	0
less \$0 Hqs c/o expenses	0	0
Income from sales of books and subscriptions	0	0

Total cash resources available	\$ 0	0

Expenditures

Payroll and fringe benefits	79,309.79**	
Fixed expenses (office admin)	0	0
Operational Travel	0	0***
Purchase of books & publications	0	0
Grants in Aid, entertainment, public info & education	0	0
*Publishing and distribution activities	0	0 (Att C,D,E)
*Contact Operations Affiliated Groups	0	0 (Att F)
*Special schwabing account	0	0

Total Expenditures	\$ 0	0

Summary

1. Total Cash Resources	\$ 0	0
2. Less Total Expenses	0	0
3. Ending cash balance	\$ 0	0

*Reported in special Projects and activities under operational expenses in the Project Budget Breakdown to reflect quarterly accounting figures submitted by the cover organization.

**Payroll breakdown, Attachment A.

***Attachment B shows foreign travel details.

PROJECT AERODYNAMIC

BUDGET SUMMARY

	<u>FY 1965</u>	<u>FY 1966</u>	<u>FY 1967</u>	<u>FY 1968</u>
<u>1. Payroll</u>				
Salaries	\$ 65,399.00	\$ 73,679.38		
Contribution to employees	3,205.80	3,601.44		
Pension plan				
Insurance	1,648.10	1,966.97		
Dues and registration	31.00	62.00		
	<hr/>	<hr/>	5%	3%
Total	\$ 70,283.90	\$ 79,309.79	\$ 83,275.28	\$ 85,773.54

2. Fixed Expenses

Rent
 Light & heat
 Telephone
 Postage, stationery,
 office supplies and
 services
 Taxes and licenses
 Maintenance & repairs
 Bank services
 Depreciation
 Losses on foreign
 exchange
 Misc small expenses

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Total

* Rent will be increased 10% in September 1966. The figure allows for a 7% overall increase in "fixed expenses".

PROJECT AERODYNAMIC

BUDGET SUMMARY

	<u>FY 1965</u>	<u>FY 1966</u>	<u>FY 1967</u>	<u>FY 1968</u>
3. <u>Operating Expenses.</u>				
Travel	\$ 2 3 **	\$ 2	\$ 2	\$ 2
Entertainment	2	2	2	2
Purchase of books and publications	2	2	2	2
Grants in aid	2	2	2	2
Public info & education	2	2	2	2
Affiliated group (this figure includes Branch office payroll of \$17,413.88)	2	2	2	2
Special projects and activities	2	2	2	2
Total	\$ 2	\$ 2	\$ 2	\$ 2
TOTAL BUDGET	\$ 2	\$ 2	\$ 2	\$ 2

**The reason for the big difference between the amounts shown in FY 1965 and FY 1966 is because all travel connected with contract operations in FY-1965 was included in the special project and activities category. It is considered that all travel for whatever reason be shown as actual travel expenses.

PAYROLL BREAKDOWN

<u>NEW YORK OFFICE</u>	<u>FY-1966</u>	<u>FY-1967</u>	<u>FY-1968</u>
AECASSOWARY/2	11,970.00		
/17	10,080.00		
/26	9,072.00		
/29	9,072.00		
/4	8,190.00		
/11	5,040.00		
/56	6,600.00		
 <u>Part Time</u>			
AECASSOWARY/22	2,700.00		
Writer	2,500.00		
Clerical and Operational	961.50		
AECASSOWARY/58	3,925.00		
AECASSOWARY/57	2,662.50		
Clerical and Operational	656.38	5% across-the-	Allows for addi:
Clerical and Operational	250.00	board increase	al employee now :
			army.
Total New York Office Payroll	\$73,679.38	\$77,363.35	\$79,684.25

MUNICH

AECASSOWARY/6	1,870.92
Clerical (L.F.)	1,870.92
Clerical (M.H.)	1,064.64
AECASSOWARY/30	3,505.92
AECASSOWARY/10	2,608.20
AECASSOWARY/8	2,818.28
Bookkeeper	2,835.00

Part Time

Assoc. Editor (B.K.)	360.00
Assoc. Editor (B.B.)	360.00
Assoc. Editor (A/59)	120.00

* Total Munich Office Payroll \$17,413.88

Munich salaries are included in the figure shown as advance to affiliated group. The estimates for FY-67 and FY-68 are included in the overall figure for affiliated group.

COST OF FOREIGN TRAVEL
(For Period 1 July 1965 - 30 June 1966)

<u>Name of Traveller</u>	<u>Dates of Travel</u>	<u>Areas Visited</u>	<u>Total Cost</u>
AECASSOWARY/29 and A/58	28 July 65 - 5 Aug. 65	Caracas, Venezuela	1,003.52
AECASSOWARY/58	19 July 65 - 5 Aug. 66	Panama, Mexico City, Caracas	1,095.54
AECASSOWARY/29	16 Apr. 66 - 11 June 66	Paris-Frankfurt- Stockholm-Copenhagen- Munich-Geneva-Rome- Paris-Madrid-Brussels- London	3,202.70
AECASSOWARY/57	8 Feb 66 - 11 Feb 66	Toronto, Canada	132.05
	18 Feb 66 - 20 Feb 66	Toronto, Canada	124.75
	10 May - 14 May 66	Toronto and Montreal	224.87
AECASSOWARY/4	4 Mar 66 - 7 Mar 66	Toronto, Canada	93.90
	22 May - 26 May 66	Toronto, Canada	111.55
AECASSOWARY covert col- laborator (Name on file in SB/S/CA) for contact- ing internal contacts	24 May - 29 June 66	Ukrainian SSR	<u>213.35</u>
		Total Foreign Travel	\$6,202.23

BOOK PUBLICATION PROGRAM FY-1966

Books Published - 3

1 - BEREH CHEKAN' (Shore of Expectations)			
2 - BEREH CHEKAN' - Second printing			
3 - PRO SOTSIALIZM I MARKSYZM (On Socialism and Marxism)			
Total Cost of publication of three books	\$		

Books in Process - 4

1 - ANTOLOHIYA ZARUBIZHNYKH POETIV (Anthology of Foreign Poets)			
2 - 44 UKRAINSKI RADYANSKIY POETY (44 Soviet Ukrainian Poets)			
3 - MERTVYM NE BOLYT' (The Dead Feel No Pain)			
4 - PRINTS AND ESSAYS			
Total Paid Out for 4 books in process			650.00

Pamphlets and Booklets

- 1 - SHLYAKHY I METODY PEREMISHCHANNYA NASELENNYA V SRSR
(Ways and Means of Population Redistribution in the USSR)
- 2 - SLOVATS'KO-UKRAINSKI VIDNOSYNY 1938-1939 (Slovak-Ukrainian Relations)
- 3 - SHUKAYUCHY SPRAVZHNYOHO KULTOBMINU SPRAVZHNYOHO ZEROVA
(Seeking True Cultural Exchanges and the Real Zero)
- 4 - SUCHASNA UKRAINA I UKRAINS'KA VYZVOL'NA POLITIKA
(The Present Ukraine and Ukrainian Liberation Policy)
- 5 - Z KNYHY "RIK DUSHI" (From the Book "Year of the Soul")
- 6 - DUMA PRO NAYMOLODISHOHO BRATA (Duma About the Youngest Brother)
- 7 - SKRENTONSKI DZHERELA ISTORYKA Z RYMU
(Scranton Sources of the Historian from....Rome)
- 8 - VASYL' BARVINSKIYY V MOYIKH SPOHADAKH
(Vasyl' Barvinskyy As I Remember Him)
- 9 - MODERNA NATSIYA I KHUTORYANSTVO (A Modern Nation and Homesteading)
- 10 - PODOROZH POZA VIDOME (A Trip Beyond the Known)
- 11 - BUDIVNYCHYY PERSHOYI UKRAINS'KOYI NARODNOYI RESPUBLIKY
(Builder of the First Ukrainian National Republic)
- 12 - SVOBODA V OBRUBUVANNI KRYL (Freedom in the Clipping of Wings)

Total Cost of \$346.00 Paid out of Munich

Total Cost of Book Publication Program	\$		
Cost of Mailing Books to the Soviet Union and to Satellite Areas			
Total Cost of Book Publication and Book Distribution	\$		

LITERATURE DISTRIBUTION FY-1966

Books Mailed

To the USSR	1,651	
Poland	106	
Bulgaria	17	
Yugoslavia	23	
Czechoslovakia	40	
Rumania	<u>1</u>	
Total Books Mailed		1,838

Books hand-carried to the USSR and handed to Soviet citizens		66
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Books handed to Soviet citizens visiting in the West		<u>280</u>
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<u>Total books distributed to Soviets</u>		2,184
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Pamphlets and Magazines

Handed to Soviet citizens in the West	138	
Handed to Soviet citizens in the USSR	4	
Mailed to the UkSSR	117	
Mailed to Ukrainians living in satellites	<u>60</u>	
Total Distributed		319

Project Publications

SUCHASNIST Mailed to		
UkSSR	2,264	
USSR	156	
Poland	795	
Other satellites	<u>119</u>	

UKRAINS'KYY SAMOSTIYNYK		
UkSSR	2,448	
USSR	48	
Poland	538	
Other satellites	<u>108</u>	

Information Bulletin		
UkSSR	11,375	
Poland	<u>429</u>	

Total Publications Mailed		<u>18,280</u>
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TOTAL NUMBER PIECES LITERATURE DISTRIBUTED TO SOVIET CITIZENS 20,783

SPECIAL PROJECTS & ACTIVITIES

- | | | |
|--|---|---|
| 1. INFORMATION BULLETIN - Cost of Printing | □ | □ |
| - Cost of Mailing through various collaborators
in the United States and other Western areas | □ | □ |
| 2. DIGEST OF THE SOVIET UKRAINIAN PRESS - Printing Cost | □ | □ |
| 3. ECHO DE L'UKRAINE - Cost of printing in Paris and mailing from
Paris | □ | □ |
| 4. Other special projects expenses (cost of supplies for the
INFORMATION BULLETIN and DIGEST OF THE SOVIET UKRAINIAN PRESS,
mailing costs for the Digest and the BULLETIN from the New York
office) | □ | □ |
| 5. Photo-copying and duplicating costs | □ | □ |

COST OF CONTACT OPERATIONS

(Travel and operational expenses incurred by various collaborators in areas as listed)

United States	£	3
Italy	£	3
France	£	3
Ukrainian SSR (Western Traveller)	£	3
Germany	£	3
Belgium	£	3
Austria	£	3
CSR, Poland, Rumania (Western Traveller)	£	3
Bulgaria	£	3
Canada	£	3

Total cost incurred by collaborators \$ £ 3

Stamp Program (nationalist commemorative stamps used on letters and in letters sent to USSR), and small miscellaneous contact expenses £ 3

*Package Mailing Program £ 3

* These are parcels containing yard goods and clothing mailed to contacts in the UkSSR. The items are either used by the recipient, forwarded to contacts who have been imprisoned for anti-Soviet activities, or the contents of the parcels may be sold by the recipient and the money used to help those dissident intellectuals who have been deprived of their employment for reasons of anti-regime activity. All parcels have been acknowledged by the addressees.

Total cost of contact operations \$ £ 3