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OUTLINE OF THE  
UNDERSTANDING BETWEEN  
OFFICE OF POLICY COORDINATION  
AND  
NATIONAL COMMITTEE FOR FREE EUROPE

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UNDERSTANDING BETWEEN THE NATIONAL COMMITTEE FOR FREE EUROPE  
AND THE OFFICE OF POLICY COORDINATION

Section A: Introduction

1. This outline of the understanding between the National Committee for Free Europe and Office of Policy Coordination presents:

- a. The purposes for which NCFE was established and the programs that it expects to undertake and execute.
- b. The basic principles governing the relationships between NCFE and OPC.
- c. The basic facilities, support and services that will be provided by OPC for NCFE.
- d. The authority, responsibility and control that shall be exercised in the operational and administrative relationships between NCFE and OPC.

Section B: Purposes and Programs of NCFE.

1. Its purposes, as concisely set forth in the Declaration of Policy, are the following:

"The Committee's support will be offered \*\*\* to the intellectual and political leaders who have come temporarily to this country, seeking the freedom denied them in their own lands. It will aid them in their peaceful efforts to prepare the way toward the restoration in Eastern Europe of the social, political and religious liberties in which they and we believe.

Specifically, the Committee will help these non-Fascist and non-Communist leaders:

To maintain themselves in useful occupations during their enforced stay in the United States;

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To come to know the people of the United States and to understand their spirit and aims;

To engage in efforts by radio, press and other means to keep alive among their fellow citizens in Europe the ideals of individual and national freedom; ||

to establish effective means of cooperation with like-minded European leaders in the United States and to coordinate their plans with those of similar leaders abroad. ||

The Committee will rally popular support in the United States for the cause of Free Europe and, in this way, will aid the cause of freedom everywhere. It will raise and dispense funds in behalf of this cause."

#### Section C: Basic Principles

1. The following basic principles shall govern the relationships between OFC, an agency of the U. S. Government, and NCFE, a corporation organized under the laws of the State of New York:

a. In view of the purposes and programs set forth in Section B of this outline, it is essential for NCFE to receive direct policy guidance, financial support and other assistance from the United States Government. OFC has been designated as the governmental activity to provide such guidance, support and assistance. ||

b. In view of the stature and ability of the officers of NCFE and the public controls to which they will be subjected under applicable laws, NCFE may be rightfully regarded as autonomous; but in the exercise of its autonomy it will naturally have due regard for the source of its funds.

c. To substantiate its autonomy and effectively carry out its programs it is essential:

(1) That NCFE shall be responsible for the execution of its approved programs in a proper and efficient manner.

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(2) That OPC be adequately informed of administrative, organizational and operation activities in order to provide effective policy guidance, support and assistance.

(3) That procedures be developed which will enable NCFE and OPC to work together with the required degree of efficiency and security.

#### Section D: Support to be provided by OPC

##### 1. The Office of Policy Coordination:

a. Has underwritten the organizational expense of NCFE and shall continue to provide substantial funds for approved projects that are not adequately financed from private sources.

b. Shall provide the channel for official U. S. Government policy guidance, support and assistance to NCFE.

c. Shall provide or assist in establishing effective liaison with government agencies such as the Executive Office of the President, Department of State, Defense, Treasury (Bureau of Internal Revenue), Justice (FBI and I & N S), and the Federal Communications Commission.

d. Shall provide assistance to NCFE in establishing appropriate standards to govern budgetary, accounting, project, operational, reporting, security, and administrative procedures.

#### Section E: Authority, Responsibility and Control

1. Legally NCFE receives its authority from its charter, which was granted by the State of New York, and this authority is delegated in part to the NCFE staff through its Directors, its Executive Committee and its officers. Responsibility flows back through the same channels to the State of New York and the public. However, due to the manner and purposes for which NCFE was established, and in recognition of the fact that a substantial part

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of its revenue has and will continue to be provided by the U. S. Government through OPC, appropriate consideration must be given to the high degree of government interest with which it is endowed and invested. The covert nature of this government interest does not minimize the importance of the relationship between NCFE and the U. S. Government but increases their joint responsibility for safeguarding the confidence and trust that has been reposed. To assist in discharging its responsibilities NCFE shall adopt the following procedures:

a. Budgetary. A budgetary system shall be established which shall reflect as accurately as possible all foreseeable revenue and expenditures (both administrative and operational). This budgetary system is currently operating on a monthly basis and shall be extended to a quarterly and annual basis as soon as possible. All budgets shall be submitted to the Board or Executive Committee and to OPC and insofar as the budget reflects proposed expenditure of government funds shall be subject to OPC approval.

b.

c. Earmarked Funds. Any donations or contributions which are given to NCFE for a specific project shall be earmarked for such activity and shall not be used for any other purpose. Any such funds which are not expended or obligated for the specified project shall be returned to the donor or reallocated if the donor so requests.

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d. Accounting. Monthly and annual statements providing adequate information about assets, liabilities, income and disbursements shall be furnished to the Executive Committee and OPC. For the present the monthly reports shall include schedules explaining all items in excess of fifty dollars, but it is expected that this requirement will be modified as soon as substantial financial support is received from public sources.

e. Administrative Instructions. A series of "Administrative Instructions" has been or shall be issued by NCFE to its staff to establish standards and procedures for such matters as the following:

- (1) Employment of staff personnel
- (2) Employment of consultants
- (3) Travel
- (4) Security
- (5) Incurring of obligations

f. Monthly Reports. Monthly reports shall be submitted to the Executive Committee and OPC to reflect the following:

- (1) Progress of various programs
- (2) Progress of projects
- (3) Problems in the fields of policy, finance, organization or administration.

h. Liaison. Nothing in this outline shall be interpreted to discourage the officers or staff members of NCFE from establishing or maintaining such normal relationships as any private citizens or organizations might have with any government official or agency.