MEMORANDUM FOR:  Director of Central Intelligence

SUBJECT:  Reaffirmation of Existing Policy on Radio Free Europe and Radio Liberty

1. Operational Summary

This paper is being presented to the 303 Committee at the request of Mr. Rostow, who asked that the Committee consider the findings of the Panel on U.S. Government Broadcasting to the Communist Bloc as they pertain to Radio Liberty and Radio Free Europe. Mr. Rostow also asked CIA to present to the Committee evidence of the radios' effectiveness, the Agency's plans for modernization of the radios' technical facilities, and the Agency's analysis in response to BOB request, of the effects of holding the radios to the FY 67 budget level and of a _______ reduction from the FY 67 level over a five-year period.

This paper proposes that the 303 Committee approve: the sections of the Panel report pertaining to the radios with a partial exception on fund-raising; CIA's plans to implement certain suggestions of the Panel; and CIA's plans to modernize the radios' technical facilities.

2. Previous 303 Committee Approvals

The missions of RFE and RL were reaffirmed by the Special Group on 31 August 1961, 15 August 1963 and 12 December 1963.

3. Cover and Personnel

_________ was recently asked by the White House to accept chairmanship of the 1966-67 RFE Fund drive. Abandonment of public fund-raising (a Panel suggestion with which CIA disagrees) at this juncture would cause cover and security problems and increase the level of CIA's financial support.

4. Coordination

This paper has not been coordinated with any outside agency. Implementation of the Panel's suggestions will be coordinated with State and USIA as required.
5. **Security**

As stated in paragraph 3 above.

6. **Cost**

We are specifically requesting the 303 Committee to approve the CIA modernization plan for the technical facilities of the two radios in the amount of spread over a three-year period. Their approval of the Panel report and our plans to implement the Panel's suggestions will assist us in our upcoming negotiations with the BOB. Our preliminary estimate is that the absolute minimum of additional funds needed for Free Europe, Inc., and Radio Liberty Committee to maintain the current level of operations in 1968 is for Free Europe and for RLC).

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Chief, Covert Action Staff

CONCUR:

Deputy Director for Plans Date

Release of the attached proposal to the members of the 303 Committee is authorized:

Executive Director-Comptroller Date

Director of Central Intelligence

Date
MEMORANDUM FOR: The 303 Committee

SUBJECT: Reaffirmation of Existing Policy on Radio Free Europe and Radio Liberty

1. SUMMARY

The chairman of the 303 Committee, Mr. Walt Rostow, on August 10, asked CIA to present a paper to the Committee on the findings of the Panel on U.S. Government Broadcasting to the Communist Bloc as they pertain to Radio Free Europe and Radio Liberty. He further asked to see evidences of effectiveness of the radios, CIA's plans for modernization of the radio's technical facilities, and CIA's reply to the Bureau of the Budget request to show what the effects on Radio Free Europe and Radio Liberty would be of: a) holding at the FY 1967 budget level for five years, and b) reducing by over a five-year period from the FY 1967 level.

This paper presents the information requested and proposes that the 303 Committee approve the sections of the report of the Panel on U.S. Government Radio Broadcasts to the Communist Bloc, dated 28 April 1966, dealing with Radio Free Europe and Radio Liberty and reaffirm Radio Free Europe's mission as a non-attributed U.S. radio
broadcasting to Poland, Czechoslovakia, Hungary, Rumania and Bulgaria and Radio Liberty's mission as a non-attributed radio broadcasting to the Soviet Union. It also proposes that the 303 Committee endorse CIA's plans to implement certain of the specific suggestions of the Panel, CIA's modernization proposal, and review CIA's analysis of the effects of the BOB alternatives.

2. BACKGROUND
   a. Objectives of Radio Free Europe

Since its inception in 1950, the basic objective of Radio Free Europe has been and continues to be to keep the communist regimes from achieving or maintaining a monopoly over communications with the people of Eastern Europe and in this way to limit the capabilities of the regimes and USSR for exploiting the political, military and economic resources of the area for their own purposes. This is done primarily by encouraging evolution toward open, self-governing societies in Eastern Europe, capable of mutually beneficial relationships with the Western European community of free nations as well as with the United States. For evidences of effectiveness of RFE see Attachment A.
b. Objectives of Radio Liberty

The original proprietary cover committee, later the American Committee for Liberation, now the Radio Liberty Committee, was organized in 1951 on the recommendation of the State Department with the primary political function of consolidating several USSR emigre groups into a useful political force. In 1953 the Jackson Committee recommended that the unattributed radio become the principal task of the ACL with a concomitant decrease in non-radio activities. Since that time Radio Liberty has evolved from simple, hard-line anti-Communism to become a sophisticated voice of opposition in the effort to break the Soviet monopoly on news and information in the USSR. For evidences of effectiveness of RL see Attachment B.

3. PROBLEM

When the 303 Committee was considering Radio Proposal in November 1965, McGeorge Bundy, then Special Assistant to the President for National Security Affairs, appointed a panel consisting of
to evaluate the U.S. covert broadcasting effort. After a six-month survey the panel was unanimous in its judgment that the need to maintain Radio Free Europe and Radio Liberty in a period of liberalization and intellectual ferment was greater than ever. The Panel's conclusions on these radios are excerpted as Attachment C.

4. FACTORS BEARING ON THE PROBLEM

a. The missions of Radio Free Europe and Radio Liberty as the major non-official Western radios challenging communist efforts to secure a monopoly on information and ideas in Eastern Europe were reaffirmed by the Special Group on 31 August 1961. This position was again reapproved on 15 August 1963 by the Special Group when it agreed that no change in existing policy on Radio Free Europe or Radio Liberty was desirable. On 12 December 1963 the Special Group further agreed that Eastern Europe was still a target for the heaviest concentration of political-psychological operations and that the Free
Europe Committee, Radio Free Europe, the American Committee for Liberation, and Radio Liberty should continue. 

b. In light of the Panel's suggestions (Attachment C), which CIA accepts in their entirety, (with one partial exception relating to RFE's fund-raising campaign--see Attachment D) CIA is prepared to:

1) Present to the BOB for approval a plan for modernization of facilities of both radios at a total cost over a three year period of ________ with ________ being required in FY 1968 (see Attachment E). CIA considers that the technical improvements recommended are the minimum required if Radio Free Europe and Radio Liberty are to retain a competitive position in international broadcasting to the Soviet Bloc. This position was arrived at only after a thorough review of the International Broadcasting field and a study of all conceivable alternatives. (Attachment F contains the summary of this study.)

2) Undertake a program for improved research on and increased broadcasting by Radio Liberty to nationality groups in the Soviet Union.
3) Implement the panel's suggestion that "given the increasing importance . . . of international communications in shaping international relations, and given the relative insignificance of the cost of these radio operations compared to the costs of weaponry, there should be greater generosity in funding them."

4) Advise the Bureau of the Budget that the implementation of either of their suggested alternatives would result in the inability of these policy instruments (RFE and RL) to carry out current policy directives. Both organizations have a built-in cost factor that increases by [redacted] percent per year, due primarily to wage increases resulting from union negotiations and the rising cost of living in overseas locations. While management economies and elimination of low priority items can absorb approximately [redacted] percent, there remains [redacted] percent that must come out of operations. After three tight budget years in which both radios have eliminated low priority items any further absorptions must come at the expense of operations. Over a period of five years the effect of either alternative would
be a decline in effectiveness, elimination of high priority activities and disintegration of employee morale. Because modernization of the facilities of both radios is essential, absorption of capital expenditures under either alternative would further degrade the level of operations. (See Attachment G for summary of analysis and charts.)

5) Decrease the emphasis on mass solicitation of funds, but to continue the RFE fund-raising effort in the corporate field in view of its continued success.

5. COORDINATION

a. Intra-Governmental

papers governing RFE and RL broadcasts are coordinated with the State Department and USIA and have been most recently revised and approved as follows:

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c. Host Countries

The radios have no current problems with the government site of their programming headquarters, or with the governments of where their transmitters are located.

RFE is operating in on the basis of a ten-year license renewed in 1963 and on a year-to-year automatically renewable license.

RL has agreement from the government that it will not use its termination rights before 9 July 1971. RL's license was renewed for 12 years on 15 July 1957, and its agreement will not expire until 30 July 1974.
6. **RECOMMENDATIONS**

   a. That the 303 Committee approve the sections of the report of the Panel on U.S. Government Radio Broadcasts to the Communist Bloc as they pertain to Radio Liberty and Radio Free Europe with the one exception noted in paragraph 4.b.5).

   b. That the 303 Committee approve CIA's modernization proposal and its plans to implement certain suggestions of the Panel as stated in paragraph 4.b.