FROM: Submission, Min Reunion 15 No. May 25

Dated: June 15

Received in Registry:

Import of equipment for the Radio Free Europe Studios in London.

References to former relevant papers

PR134/10G

(Print)

(How disposed of)

[Signatures]

(Date)

(action completed)

(References to later relevant papers)

M2609–7 45865 3/54 E.O.P.
EQUIPMENT FOR R.F.E. STUDIO IN LONDON

Problem

Radio Free Europe wish to import without payment of duty £2,700 worth of magnetic tape recording equipment for a new studio in London. A copy of their letter describing the steps taken so far and the uses to which the equipment will be put is attached. An application by R.F.E. to the Board of Trade for duty-free importation under Section 8 of the Finance Act 1936 (permitting duty-free importation of cultural materials etc.) has already been refused. H.M. Customs would only permit duty-free entry if the importation were temporary.

Argument

2. It is to Her Majesty's Government's interest to facilitate entry of this equipment for the following reasons:

(a) R.F.E. is an organisation whose principal aim is to transmit news and explain Western policy to, and maintain the morale of, the inhabitants of the European Satellites. It therefore deserves the full support of Her Majesty's Government. To this end it maintains links with the Foreign Office and B.B.C. It is not a commercial organisation.

(b) R.F.E., though independently constituted, is in fact supported to a great extent by U.S. Government money contributed covertly. For political and other reasons the U.S. Government are unable to admit this by sponsoring officially R.F.E.'s application for waiver of duty.

(c) It is to Her Majesty's Government's advantage that R.F.E. should establish a studio and branch-office in London, as this will facilitate liaison and improve co-ordination with H.M.G. and British organisations, notably the Foreign Office and B.B.C. (see (a) above). At present, R.F.E.'s nearest office is in Munich, which is inconvenient and involves the Foreign Office in the time and expense of special journeys to Munich to discuss problems.

(d) It is also to Her Majesty's Government's interest that R.F.E. should have the best possible facilities for interviewing and recording the stories of East European refugees. It is probable that R.F.E. will encounter increasing difficulties in doing this work in Germany.

(e) The equipment comes from R.F.E.'s existing stock and was not purchased specially for the studio in London. Some of it is part-worn or reconditioned.

(f)
(f) Insistence by Her Majesty's Government upon payment of duty in this instance might be misunderstood in the United States, where unfriendly critics are quick to seize upon anything which might be used to suggest that Britain is not pulling her weight in carrying out agreed Western policy and maintaining resistance to Communism.

Recommendation

3. I therefore recommend that a case be put to the Treasury for extra-statutory waiver of duty on the equipment (£500-2600 is involved).

4. Northern Department, American Department and German Information Department agree.

(J.O. Rennie)

Mr. P.F. Grey.

[Handwritten note:]
I agree — unless we can cut the Gordian knot by getting the Americans to bring it in under diplomatic cover, would not be a shocking suggestion. [Initial]

Discussed with hi. Rennie: draft to hi. Hills, Tsy.

[Signature]
B.U. 24/6.

[Stamp: 15 Jun 1955]
As your Department is already aware, Radio Free Europe recently applied to the Board of Trade to import without payment of duty, under Section 8 of the Finance Act 1936, a quantity of magnetic tape recording equipment for a new studio which they are establishing in London.

The application was refused on the ground that the equipment did not qualify under the Section.

This Department has now been approached on the matter; I attach a copy of Ref's letter.

2. In our opinion, it is to Her Majesty's Government's interests to waive payment of duty on this equipment for the following reasons:

(a) R.F.E. is an organization whose principal aim is to transmit news and explain Western policy to, and maintain the morale of, the inhabitants of the European Satellites. It therefore deserves the full support of Her Majesty's Government. To this end it maintains links with the Foreign Office and B.B.C. It is not a commercial organization.

(b) R.F.E., though independently constituted, is in fact supported to a great extent by U.S. Government money contributed covertly. For political and other reasons the U.S. Government are unable to admit this by sponsoring officially R.F.E.'s application for waiver of duty.

(c) It is to Her Majesty's Government's advantage that R.F.E. should establish a studio and branch-office in London, as this will facilitate liaison and improve co-ordination with H.M.G. and British /organisations
organizations, notably the Foreign Office and BBC (see (a) above). At present, R.F.E.'s nearest office is in Munich, which is inconvenient and involves the Foreign Office in the time and expense of special journeys to Munich to discuss problems.

(d) It is also to her Majesty's Government's interest that R.F.E. should have the best possible facilities for interviewing and recording the stories of East European refugees. It is probable that R.F.E. will encounter increasing difficulties in doing this work in Germany.

(e) The equipment comes from R.F.E.'s existing stock and was not purchased specially for the studio in London. Some of it is part-worn or reconditioned. I should therefore be most grateful if you could use your best influence with the Department of the Treasury to give, in the extra-statutory waiver of duty, on these grounds. I understand that the total value of the equipment is about £2,700, and that £500-£600 of duty is involved.
As your Department is already aware, Radio Free Europe recently applied to the Board of Trade to import without payment of duty, under Section 9 of the Finance Act 1936, a quantity of magnetic tape recording equipment for a new studio which they are establishing in London. The application was refused on the ground that the equipment did not qualify under the Section. This Department has now been approached on the matter; I attach a copy of R.F.E.'s letter.

In our opinion, it is in Her Majesty's Government's interests to waive payment of duty on this equipment for the following reasons:

(a) R.F.E. is an organization whose principal aim is to transmit news and explain Western policy to, and maintain the morale of, the inhabitants of the European Satellites. It therefore deserves the full support of Her Majesty's Government. To this end it maintains links with the Foreign Office and B.B.C. It is not a commercial organization.

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/ I should

A.H.M. Hillis, Esq.,
Treasury,
S.W.1.
I should therefore be most grateful if you would use your kind influence with the department of the Treasury concerned with extra-statutory waiver of duty. I understand that the total value of the equipment is about £2,700, and that £500 - £600 of duty is involved.

(P. F. Gray)