

## June 24, 1971

# CIA Advises Radio Liberty to Prepare for Liquidation

### Citation:

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### Summary:

Acting CIA Director Cushman advises AMCOMLIB President Sargeant to prepare for liquidation in the absence of Congressional funding action. [A similar letter was sent to the FEC. At the last minute, the Congress approved temporary funding for RFE and RL from the USIA budget]

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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D. C. 20505

OFFICE OF THE DIRECTOR

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Mr. Howland H. Sargeant  
President  
Radio Liberty Committee, Inc.  
30 East 42nd Street  
New York, New York 10017

Dear Mr. Sargeant:

As you know, the President has expressed a desire that Radio Free Europe and Radio Liberty continue to operate, and I assure you that all those concerned in the Executive Branch are doing everything possible to work out a plan for continuing operation.

Unfortunately, the situation at present is most uncertain in view of the failure of the Congress to act on the Case bill in this fiscal year and the resulting uncertainty as to the availability of any funds for Fiscal Year 1972.

We have been exploring the possibility of providing funds under a continuing resolution, but the Chairmen of both Appropriations Committees concerned have stated that they would not approve of this, so no dependence can be placed on this solution. In the alternative, some support has been gained for an open appropriation to USIA for the purpose of continuing the radios for a period of 90 days in the hope that during that time final action will have been taken on the Case bill.

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Due to the uncertainties involved, we wrote to the Director of the Office of Management and Budget on 16 June 1971 asking for guidance as to what the Administration wanted this Agency to do about the funding and management of Radio Free Europe and Radio Liberty effective 1 July 1971. The response from that office was that we should immediately prepare realistic liquidation plans. I realize that you are actively engaged in preparing up-to-date plans in the unfortunate event that funding is not forthcoming. In this connection, our analysis indicates that the timing of liquidation is important. The difference between notice of termination to employees before 1 July 1971 and after 30 June 1971 could amount to some [redacted]. I, therefore, believe it is necessary to have alternative plans taking these dates into consideration.

I realize that you have been planning on 1 July and that administrative and legal problems may make the earlier date impossible of achievement. However, the need for additional funds in the event of liquidation makes any substantial savings of great importance.

We wish to be of all possible assistance with this heavy burden that has been placed upon you.

Sincerely,

SIGNED

R. E. Cushman, Jr.  
Lieutenant General, USMC  
Acting Director

OGC:LRH:jeb  
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