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Executive Registry

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13 NOV 1968

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director for Plans

SUBJECT: Status of Radio Free Europe and Radio Liberty Under the New Administration

1. Attached for your possible use is the paper you requested setting forth the case for the retention of Radio Free Europe and Radio Liberty, and recommending resumption of their covert funding by CIA. This paper reviews briefly the status of the radios since the Katzenbach guidelines were announced, and outlines the problems the new administration will face in determining either the continuation or termination of the two organizations.

2. Accompanying the paper are attachments which give background information on the radios, additional effectiveness items, and some dimensions of the problem they present.

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Attachments:

Status Review on RFE and RL with Attachments

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Approved for Release

Date June 1999

FREE EUROPE, INC. AND RADIO LIBERTY COMMITTEE, INC.

1. Background of the Problem

Radio Liberty and Radio Free Europe have been the CIA's two largest and most successful covert action projects in the U.S. effort to break the communist monopoly on news and information in the Soviet Union and Eastern Europe. Originally intended as political action instruments to mobilize the post-war emigration from Eastern Europe and the Soviet Union as an effective opposition, the parent organizations of the two radios have long since turned virtually their entire efforts to broadcasting. Their primary mission has been to conduct radio broadcasting into the USSR and Eastern Europe and in doing so their broadcasts have evolved in step with the development of official U.S. policies toward these countries. For nearly 20 years the two radios have been covered as privately financed, non-profit American corporations. But during that time their funds have largely been provided and their policy controlled by CIA.

Radio Free Europe (RFE) has been in operation since 1949, and currently broadcasts 19 hours a day to Poland, Hungary and Czechoslovakia, 12 hours a day to Romania, and 8 hours a day to Bulgaria. It is the principal activity of an organizational parent body, Free Europe, Inc. (FE, Inc.), located in New York City, which also sponsors East Europe magazine and other publications, supports East European emigre groups, conducts large-scale book mailing programs into Eastern Europe, and facilitates diverse East-West contacts. General Lucius D. Clay is chairman of the board of directors of Free Europe, Inc.; the president is William P. Durkee. Other members of the board include Crawford H. Greenewalt, Roswell L. Gilpatric, Michael H. Haider, Livingston T. Merchant and Robert D. Murphy. James M. Roche, chairman of General Motors Corporation, has accepted the chairmanship of Radio Free Europe Fund (RFEF), the fund-raising arm of FE, Inc. (See Tab A for complete list of board members).

RFE's programming headquarters are located in Munich, Germany, with transmitters in Biblis and Holzkirchen, Germany, and in Glória, Portugal. The facilities are licensed by the host countries under agreements entered into directly by RFE as a private corporation, and without the intercession or official acknowledgement of support by the U.S. Government. RFE is operating in Portugal on the basis of a ten-year license renewed in 1963, and in Germany on a year-to-year, automatically renewable license.

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RFE's broadcasts carefully avoid provocative positions or inflammatory appeals, and in line with guidelines approved by the State Department are designed to supply the target audience with factual reporting and hard-hitting commentary that cannot be attributed to an official government voice. RFE, Inc., employs 1,738 people and has a FY 1969 budget of \$20,575,000, of which \$16,418,000 is for RFE. Of the total budget \$1.7 million was raised by RFEF, Inc.

Radio Liberty (RL) has been broadcasting to the Soviet Union since 1953, and transmits 24 hours a day in Russian, 14 hours a day in Ukrainian, and lesser amounts in 15 other languages of the USSR. Radio Liberty Committee, Inc. (RLC), the parent body located in New York City, also sponsors the Institute for the Study of the USSR in Munich, conducts the Agency's largest book mailing program to the USSR, and runs a program for providing Latin American press and radio with journalistic material on communism developed by RL. The president of RLC is Howland H. Sargeant, and its trustees include General Alfred Gruenther, Peter Grace, Jr. and Whitney Seymour (See Tab B for full list of board members).

RL's programming headquarters are also situated in Munich, with transmitters in Lampertheim, Germany, in Pals, Spain, and Pa Li, Taiwan. RL's license agreement with the West German Government is valid to 9 July 1971. Although the West Germans have the option of terminating the agreement earlier, their relations with RL are extremely good and it is not expected that they will exercise this option. The radio's Spanish license was granted for 12 years on 15 July 1959, and its Taiwan license does not expire until 30 July 1971. RL's broadcasting guidelines, like RFE's, are coordinated by CIA with the State Department, and are intended to exploit domestic Soviet topics in a way denied to official U.S. broadcasts. The Radio Liberty Committee, Inc., currently employs 1,075 people and has a FY 1969 budget of \$12,953,000, of which \$10,530,000 is for RL.

Because RFE and RL did not represent a clear case of CIA involvement with American private voluntary organizations, and because they have been of such importance to the Agency's covert action effort for so long, Secretary Rusk decided that the radios fell outside the purview of the Rusk Committee, appointed by President Johnson to review overt funding possibilities for the "CIA orphans" after the exposure of many of CIA's covert action projects in 1967. Secretary Rusk requested instead that consideration of the radios' future be undertaken by the 303 Committee. After exhaustive inter-agency review of the radios' operations and of

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numerous alternatives for their future, the Director of Central Intelligence was authorized by the President to approach key congressional leaders to determine their opinions toward continuation or termination of the radios. The congressional leaders consulted were: Senator Richard B. Russell, Senator Milton R. Young, Representative Glenard P. Lipscomb, Representative George H. Mahon, and Representative Frank T. Bow. They unanimously recommended continuation of these activities and their views were transmitted to the Secretary of State and the White House. On the basis of these views from the Congress, the 303 Committee recommended, and President Johnson affirmed, an interim solution that provided the radios with funds sufficient for them to operate at existing levels through 30 June 1969.

RFE and RL were thus given a lump sum
In December 1967. This arrangement technically concluded CIA's financial relationship with the radios in compliance with the Katzenbach Committee doctrine that all covert aid to private, voluntary organizations should cease by 31 December 1967, and left open the way to future resumption by the Agency of covert financial responsibility should this be decided by a new Administration. In practice, and as requested by the 303 Committee, the Agency has maintained its policy control over the radios since the lump sum payments were made. b3

While no provision was made for their existence after 30 June 1969, the thrust of the 303 Committee recommendation leaned strongly toward continuation. Thus, a decision on the continuation of the radios after 30 June 1969, and on the future source of government financing, must be made at the earliest possible date.

2. An Appraisal of Effectiveness

A. RFE

There is an abundance of testimony to RFE's effectiveness as an important factor in the life of Eastern Europe. It comes to us from regime leaders as well as from U.S. officials stationed in the target area and is supported by audience research data gathered by USIA and by RFE itself, showing RFE to be the most widely listened-to station in Eastern Europe (See Tab C for audience research studies). This would suggest that RFE satisfies

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urgent needs of the majority of the population of those countries which are not and, as the result of domestic political conditions, cannot be satisfied by their home radio stations and censored press.

During the historic spring and summer of 1968, RFE's audience in Poland, Hungary and Romania reached an all-time high, as people listened to the radio for news of developments in Czechoslovakia, denied to them by their own media. In Czechoslovakia itself, primarily because of the freedom accorded domestic media by the Dubcek regime, the RFE audience declined temporarily. But after 21 August, and particularly after the clandestine Czech radios encountered difficulty in obtaining adequate information and maintaining consistent service, the population turned toward RFE, and its September 1968 audience research poll showed that listenership reached a record 71 percent (See Tab D for research poll).

In this crisis period, RFE informed its Czechoslovak audience of the world's indignation at the invasion, including the criticism expressed by Romania and Yugoslavia and by a majority of the Western communist parties. The regular broadcasting schedule was extended to 24 hours a day, with news broadcasts every half-hour.

The impact of the radio on the Czechoslovak people (See Tab E for Czech statements) during the crisis impressed Ambassador Beam to such extent that he said on 31 October that "they are doing a great job." He also noted that Radio Prague had relied on RFE's coverage of the Olympics in Mexico City rather than originate its own programming.

Former Ambassador Gronouski cabled from Warsaw in March 1968 during the student demonstrations that as much as 40-50 percent of the student population followed RFE for news of the riots, particularly in quest of information from other parts of the country, and that the news broadcasts were "especially appreciated by the Polish audience." Another Warsaw report stated that many Poles were full of praise for RFE's coverage of the news, noting particularly that RFE broadcasts obliged the Polish media to react hastily in their own news treatment,

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with considerable fumbling as they attempted to present their version of the facts.

Ambassador Hillenbrand in Budapest reported that RFE has unquestionably furnished its Hungarian audience with more, and more timely, information on the Polish riots and the Czechoslovak situation than did the local media. Further information received from the Embassy in Budapest indicates that RFE's appeal seems to be increasing in Hungary, and that despite the regime's displeasure, Hungarian officials listen to it regularly and probably use it as a gauge of public sentiment and reactions.

One of the most valuable services that RFE performs for its target audience is that of cross-reporting news from other East European countries that is suppressed by regime media. Thus, RFE has been able to tell its Polish, Romanian, Hungarian and Bulgarian listeners about the Czechoslovak liberalization program from the fall of Novotny to the present day. Likewise, Czechoslovakians, Bulgarians, Hungarians and Romanians heard details of the Polish student demonstration that they could not possibly have learned from regime organs. Yugoslav developments, the independent moves of Romania, all these are immediately made available to the other Bloc countries by RFE.

Testimony to the efficacy of radio in general--and RFE in particular--came recently in response to Secretary Rusk's request to all U.S. diplomatic missions for suggestions on specific ways for the United States to call attention to its efforts in the Paris talks with North Vietnam. Ambassador Hillenbrand replied that the official media of the countries of Eastern Europe are offset by widespread listening to foreign broadcasts and recommended that maximum feasible attention be given to publicizing the U.S. position on RFE and VOA. The Embassy in Warsaw reported that "with respect to the Polish public, we feel that U.S. broadcast media--which are the most effective means of reaching broad elements of the Polish population--should continue full factual coverage of the Paris talks and other developments relating to Vietnam." (See Tab F for official documents)

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B. Radio Liberty

Replying to a State Department request for an evaluation of Radio Liberty in July 1967, Ambassador Llewellyn Thompson recommended that RL be continued in operation. Noting that RL broadcasts are heavily jammed, he said that despite this interference it has been able to hold on to an audience. He also pointed out that jamming operations tie up Soviet resources and entail costs, which, together with the impact of the broadcasts on the population, might make it possible for the United States Government to use eventual cessation of RL broadcasts as an indirect bargaining counter at a later date. Ambassador Thompson said that the political climate at that time was not suitable for making a unilateral concession. (See Tab G for Thompson cable) Since July 1967, the atmosphere has deteriorated sharply. The USSR has intensified its jamming of RL, resumed jamming of VOA and other Western broadcasters, rejected an official U.S. protest on this subject, and registered a protest of its own over the printing of a collection of Soviet protest documents in UESIA's Problems of Communism.

RL's reaction to the nine-month Czechoslovak interlude and the subsequent invasion has been to encourage, prior to the invasion, a crisis of confidence in the Soviet leadership's judgment and intentions, and afterwards to arouse apprehension over the leadership's misreading and brutal handling of the Czechoslovak situation, and to inculcate doubt as to the rationality of CPSU policy-making in times of stress. During the invasion, RL pressed into service its previously experimental one thousand-kilowatt (megawatt) transmitter, and the Moscow Embassy has reported that its monitoring indicates that this signal can more than hold its own against the previously impenetrable groundwave jamming in the metropolitan Moscow area where the elite target audience lives. (See Tab H for monitoring and Embassy reports)

In the USSR intellectual turmoil has begun to verge on political dissent, and RL has been particularly well-suited to respond to this development. About 20 percent of all output has focused on these sensitive areas. Among other things, it has broadcast the texts of virtually every one of the scores of Soviet protest documents, something VOA has been reluctant to do

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because of its official status, and frequently has read them at dictation speed so that they can be copied by listeners for further dissemination inside the USSR (See Tab I for audience research report). In the fall and winter of 1967-68, RL concentrated heavily on reporting Soviet persecution of Ukrainian nationalist intellectuals, and serious youth problems in Georgia and Moldavia. Immediately afterward, in March 1968, the Ukrainian Party Secretary responsible for ideological and cultural affairs was demoted, and Radio Kiev was obliged to present a special interview with an official of the prosecutor's office to answer listeners' queries which, according to the broadcast, stemmed from the "noisy sensation" created by foreign press and radio about the trials of Ukrainian intellectuals (See Tab J for full report).

There has never existed a firm basis on which to estimate the size of RL's audience. But several indicators of RL's relative standing are available. It is known, for instance, that even without the megawatt transmitter RL's signal was capable of geographically covering, at various times, 90 percent of the USSR's territory. From RL's analysis of its listener letters and from interviews with listeners who travel abroad, it is fairly clear that RL looms as one of the three or four most important stations broadcasting to the USSR, along with VOA and BBC, and that it probably ranks in popularity immediately behind these two stations. It is clear also that RL is recognized for what it is, a "political" station with a political message, and that therefore most of its audience is probably listening through preference rather than by accident. It is evident from this that RL is not so much in competition with VOA or BBC as it is complementary to their efforts, and that because RL offers a significantly distinctive product it is sought out for different reasons by many of the same people who also listen to other Western stations.

A number of indications of RL's impact are derived from audience responses and regime reactions. Several mail tests have shown that only about one letter in thirty reaches RL from inside the USSR. Despite this censorship, RL annually receives between 500 and 1,000 listener letters, and additionally interviews about 500 listeners who arrive in the West as legal travelers

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and refugees. After a two-year slump in Soviet listener mail that affected all Western radios, the rate of mail flow to RL in 1968 has been 43 percent higher than last year and might suggest that a greater number of people are listening than ever before. Listener evidence also shows that in times of international crisis, RL's audience size rises sharply. During the period of Polish student disturbances and Czechoslovak tensions in March 1968, RL was told by a Soviet literary critic that in Moscow "the streets were empty and quiet" because of people listening to foreign radio and that "Radio Liberty enjoyed the greatest success." Evidently because of its coverage of East European developments and Soviet intellectual dissidence, RL was the object of more regime denunciations (36) in just the first six months of 1968 than in any previous year. Most of the attacks made reference to the radio's treatment of these two subjects. Finally, Soviet efforts to jam RL around the clock have continued unabated since 1953, whereas jamming of VOA was discontinued in 1963 and only resumed during the invasion of Czechoslovakia. (See Tab K for audience size data)

3. The Outlook for the Future - Termination or Continuation

The value of the radios as irreplaceable assets has been affirmed over the years by every study group, official and private, that has addressed itself to the problem (See Tab L for Radio Study Group report and the Trueheart report) It has been recognized by each reviewing body that RFE and RL represent important U.S. assets in terms of rare talent, specialized organization and base facilities, which have taken nearly 20 years [] to develop. Once dispersed, these assets could be recreated only with immense difficulty, if at all, In itself this represents a powerful argument for continuing the operation.

If the radios are to be continued, there is no satisfactory alternative to the resumption of covert financing by CIA. If an attempt were made to fund them openly through a public-private mechanism or as a line item in the USIA budget, they would be subject to extensive debate each year, and it would become necessary inter alia to publicly explain and defend the more politically-charged missions of RFE and RL as distinct from those of VOA. This would firmly fix the image of the radios as official instruments of the U.S. Government, which, in turn would jeopardize their position in all their host countries and present the target regimes with an easy rationale for discrediting them.

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In light of the foregoing, a determination must be made as to whether the radios should be continued after 30 June 1969 and, if so, whether they should be funded and controlled by CIA. There is no reason to believe that additional staff review will facilitate that determination, or make it any easier. The problem of what to do with RFE and RL has been studied exhaustively and almost continuously for the last three years by some of the most competent specialists in and outside the Government. Every conceivable and reasonable alternative has been explored, and additional options from which to choose are not likely to be developed. What is required now is a policy decision based on value judgment. It should be made at the earliest possible date to determine whether normal operations should continue in to FY 1970, or whether termination is to be undertaken.

Should continued covert CIA financing be deemed unacceptable the only alternative would be termination, with the transfer, where possible, of technical facilities, frequencies and personnel to VOA. However, the unique element of RFE and RL broadcasts--detailed reporting and hard-hitting commentary on internal developments--could not be duplicated by VOA without substantial changes in VOA operating principles and risk of unacceptable diplomatic consequences.

Termination at this particular time--in the aftermath of the invasion and occupation of Czechoslovakia--would be a significant unilateral concession to the Soviet Union and hardline East European regimes. The absence of a plausible explanation for the cessation of broadcasting would suggest to the radio audiences in the USSR and Eastern Europe that the United States had lost interest in them. This would likewise be interpreted by West Europeans as another sign of U.S. disengagement from Europe, and might suggest that a deal had been struck with the Soviets.

Domestically, there are many elements, including large ethnic groups with close ties to many of the countries to which the radios broadcast, for whom cessation of broadcasting would seem a most serious and incomprehensible decision, especially in view of the occupation of Czechoslovakia. The attitudes of the ethnic groups would probably add significantly to the likelihood of adverse publicity attendant on termination, and would lend themselves to local political exploitation. Strongly negative Congressional reactions were encountered when the Director of Central Intelligence discussed the possibility

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of termination with key members of Congress in late 1967. A number of Congressmen are likely to show particular concern for the fate of RFE and RL because of their traditional responsiveness to the interests of domestic European ethnic groups.

Termination would be neither cheap nor swift. It is estimated that termination would require at least 12 months and approximately 40 million dollars for the two radios.

4. Recommendation

It is recommended that the Central Intelligence Agency be authorized to resume covert funding of FE, Inc., and RLC, Inc., in FY 1970 under the "exception" provisions of the Katzenbach Report, with the radios continuing to function at substantially the same level of operations as in FY 1969. (See Tab M for background on the problem of the funding legend and a recommended course of action for handling press queries)

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