

**September 8, 1967**

**Report of Radio Study Group on the Future of Radio  
Free Europe (RFE) and Radio Liberty (RL)**

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**Summary:**

An inter-agency Radio Study Group reviews options for RFE and RL in the wake of publicity about CIA funding. It recommends (the Bureau of the Budget representative dissenting) that CIA funding continue but that US government support be acknowledged

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MEMORANDUM FOR: The 303 Committee

SUBJECT : Report of Radio Study Group on the Future of Radio  
Free Europe (RFE) and Radio Liberty (RL)

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1. At its meeting of June 27, 1967, the 303 Committee considered a CIA memorandum dated May 29, 1967, analyzing the problem posed for Radio Free Europe (RFE) and Radio Liberty (RL) by the policy laid down in the Katzenbach Report and discussing the advantages and disadvantages of nine alternative solutions. Members of the Committee expressed tentative views regarding these alternatives, eliminated certain of them, but concluded that further study was required before a sound choice could be made among the three remaining approaches which appeared to have most merit:

- a. Continued financing by CIA.
- b. Financing through a public-private mechanism to be established by Congress.
- c. Transfer to USIA.

A special Radio Study Group (RSG), with representatives from State (Chairman), White House, Bureau of the Budget, Defense, USIA, and CIA, was directed to conduct this further study and make recommendations.

2. In assessing the importance to the United States of continuing the RFE and RL broadcasting operations, the RSG consulted the 1966 report on this subject made for the 303 Committee by Messrs. Salant, Griffith, Brzezinski, and Hayes. The pertinent parts of that report, which

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- recommended continuation of the operations and was endorsed by the 303 Committee, are appended for convenience at Tab A.\* The RSG also met with Messrs. Griffith, Brzezinski and Hayes to obtain their current views.
3. The group also undertook a fresh assessment of the importance of the broadcasts. This assessment was based on a comparison of broadcast guidance and scripts for selected periods of RFE/RL, on the one hand, and VOA, on the other, for the purpose of determining (a) what is distinctive about the output of RFE/RL, (b) the importance of this distinctive component, and (c) whether the latter could be duplicated by VOA. The separate studies for each of the target countries are at Tab B.
  4. Estimates of the size and composition of the audience in the target countries were also made and are to be found at Tab C. These estimates were made by USIA and, for the RFE countries, are based on interviews conducted under USIA auspices.
  5. Embassies in the countries in which RFE/RL facilities are based (Germany, Spain, Portugal and Taiwan) were consulted regarding the likely impact of alternative solutions on the retention of these facilities. Embassies in the target countries were queried as to government reactions to the same alternatives and as to the effect on broadcast effectiveness. These field views are at Tab D.
  6. The Group reviewed the costs of continued operations and obtained estimates of the costs of termination. The pertinent figures, as well as a comparison with VOA operating costs, are at Tab E.
- \* The report also includes a useful discussion of the differing functions of official and unattributed (gray) radio broadcasts.

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7. A sub-group assessed the technical facilities of the two radios, including frequencies, to determine their possible usefulness to VOA in the event operation of either should be discontinued. The report of the technical sub-group is at Tab F.

8. The RSG met with the Presidents of RFE and RL, Mr. John Richardson, Jr. and Mr. Howland Sergeant, and with Mr. Michael Halder and Mr. Frank Stanton, of the RFE Fund Board of Directors, and Ambassador Robert Murphy, of the Free Europe Inc. Board of Directors. The RSG Chairman also visited the Munich headquarters of the two organizations.

9. Finally, the members of the RSG consulted extensively with knowledgeable persons in their own agencies, particularly regarding the Congressional and Public Relations aspects of the problem.

#### CONCLUSIONS

10. On the basis of the foregoing study, the RSG has concluded that RFE operations should be continued on substantially the present scale. RFE broadcasts make and can continue to make a significant contribution to U.S. objectives in Eastern Europe in promoting and encouraging internal pressures for reform and political liberalization (de-Stalinization) and for the attenuation of Soviet influence and control. Further, we believe that the broadcasts are not incompatible with a policy of bridge-building; indeed, meaningful improvement in East-West relations is probably dependent in the long run on the kind of internal changes which RFE seeks to foster. The unique element of RFE broadcasts--detailed reporting and comment on

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internal developments--could not be duplicated by VOA without substantial changes in VOA operating principles and the risk of unacceptable diplomatic consequences. Nor do we believe that VOA could realistically be expected, partly but not wholly for budgetary reasons, to maintain the massive news-gathering and research operations on which effective programming of the RFE sort depends.

11. The case for continuing RL is less clear because it is impossible to obtain relatively reliable data, such as we have for RFE, on the size and make-up of the RL audience. We do know that the massive Soviet jamming operation makes listening difficult at best. As against this, the RL target is incomparably more important than that of RFE, audience access to foreign information other than by radio is very much less, and developments in the Soviet Union could make retention of RL's capability of substantial importance. The Soviet jamming effort (at least 160 jamming centers) itself attests to the effectiveness, at least potentially, of the broadcasts and argues against according the windfall which termination would represent. On balance, we believe that RL operations should also be continued on substantially the present scale.

12. Both RFE and RL represent important U.S. assets, in terms of rare talent, specialized organization and base facilities, which it has taken over 15 years and some \$350 million to develop. Once dispersed, they could be recreated only with immense difficulty, if at all. We believe that this in itself is a powerful argument for continuing the operations for the time being.

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13. On the other hand, RFE and RL should not be regarded as permanent enterprises. The situation in the target countries may over time so develop as to make the broadcasts superfluous. But well before this occurs it is possible that the operating facilities in Germany and perhaps elsewhere will become untenable. While there has as yet been no suggestion that the German Government is concerned over the matter, the growing and probably continuing German interest in improving relations with Eastern Europe and the USSR makes the government sensitive to any pressure from those quarters to eliminate the radios from German territory. The government, out of growing concern for "sovereignty", will also be increasingly sensitive to internal or foreign criticism of RFE and RL as remnants of the occupation and cold war. Although loss of the German facilities would not be fatal, we believe it is at best dubious that the United States would or should accept the considerable expense and other difficulties attendant on moving the operations elsewhere--especially in the situation of East-West rapprochement which would presumably underlie the pressure to leave Germany.

14. If the radios are to be continued, we see no satisfactory alternative to continued CIA financing. Our judgment and that of those we have consulted--including some who have earlier advocated other solutions--is that normal Congressional appropriation procedures would almost certainly result in a fairly rapid phase-out of the operations, whether the radios were being funded through a public-private mechanism or as a line item in the USIA budget. In the process, appropriations for VOA might suffer as well. Even if this were not so, the extensive and annual public debate, in which it would be necessary inter alia to explain and defend the mission

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of RFE/RL as distinct from VOA, would directly jeopardize the position of the radios in certain host countries and could lead to serious diplomatic complications with the target countries. The public appropriation procedure, in short, would firmly fix the image of the radios as official instruments of the U.S. Government and, in our view, this image would not be significantly blurred by the device of the public-private mechanism, at least in foreign eyes.

15. It will not be feasible to deny government support of the radios, and we propose that such support (without identifying CIA explicitly as the source) be officially acknowledged. There would be certain advantages, e.g., in handling Communist protests over the broadcasts, if open acknowledgement could be avoided. We believe, however, that to take a "no comment" stance in response to queries about government support would very likely undermine the credibility of the Katzenbach Report as a whole. On the other hand, official acknowledgement can be accompanied by an unambiguous assurance that RFE/RL are the only activities covered by the statement of policy in the Katzenbach Report which will continue to be subsidized in substantially the same way after December 31, 1967. There is the subsidiary advantage that future government support being acknowledged, i.e., not covert, an exception to the Katzenbach policy is not involved.

16. We believe that there is no reason to expect that the press will seek to exploit the acknowledgement in a major way. Government support for these operations is not "news". Moreover, neither operation has come in for serious press criticism in the past, except for charges of deception in connection with the mass-media solicitation of individual contributions by RFE. (We

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concur in previous recommendations that such solicitation be discontinued but we also agree that fund-raising within the business community should be continued, in part to substantiate the private nature of the organization.) A proposed scenario for handling press questions is at Tab G.

17. Protests from target countries will be somewhat more difficult to handle, once government support is acknowledged. However, it is believed that the United States can continue to take the position in diplomatic exchanges that RFE and RL are private operations, pointing out that many private organizations receive government financial support without thereby becoming instruments of the government. Host countries should be able to use the same line in response to target country protests or press criticism. Nevertheless, if government support is acknowledged, there will be added importance in insuring that any needlessly provocative themes are avoided.

18. Acknowledgement of U.S. Government support is not expected to make any substantial difference in RFE and RL credibility with their audiences. Most listeners have probably assumed such support all along and if anything acceptance of the radios may have been enhanced thereby.

19. Continued CIA financing is of course dependent on approval by the Senate and House "watch-dog" committees. They have not been consulted and we have no basis for estimating their likely reaction.

20. Should continued CIA financing be ruled out, then we believe the operations should be terminated. The problems associated with normal appropriation procedures (paragraph 14 above), taken with our estimate of the practical life expectancy of the operations, convince us that the game would not be worth the candle.

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21. In the event of termination of either radio, every effort should be made to retain technical facilities, frequencies and personnel for the VOA. As the report of the technical sub group (Tab F) indicates, certain of the technical installations and frequencies would be valuable to VOA in improving its service and in providing a backstop in the event of loss of facilities elsewhere. Important savings might also be made in future construction costs. These benefits would, of course, be contingent on satisfactory arrangements with the host countries for VOA use of the facilities. The price of such arrangements in Portugal would probably be unacceptably high: a change in our African policy, especially modification of our views on self-determination for Portuguese territories. In the case of Spain, prospects would be less bleak, but we could expect the Spanish to demand a substantial monetary quid pro quo. At this juncture, this might take the form of increased demands in the 1968 base negotiations. We believe also that the German Government, for the reasons mentioned earlier, would be reluctant to agree to additional USIA facilities on German soil. As regards personnel, any major use of RFE/RL personnel would probably be contingent on a VOA decision to expand its programs to the target areas as well as to change its broadcast policies so as to permit somewhat more freedom in dealing with internal developments. This raises much broader problems affecting the world-wide operations of VOA which are beyond the scope of this study.

22. It has also been suggested that the research organizations of RFE and RL should be retained for their intelligence value should the broadcast operations be terminated. The product of the research units is highly respected by and useful to the U.S. intelligence community, as well as to U.S. Missions in the target areas. It is also valued by the German Govern-

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ment which might be willing to contribute financially to its support. The management of RFE and RL believe that it would be possible to retain the research organizations but probably some of the better personnel would be lost. Morale of the organizations would also suffer and there would tend to be a drying up of contacts with travellers from the target areas. The most serious question, however, is whether the cost of these intensive research activities would be justified in competition with other claims on intelligence funds. This seems doubtful, at least for the Eastern European countries. However, if there were a requirement also for research support for an expanded VOA operation, the outlook would be more favorable.

23. We have considered whether it would be possible to obtain a quid pro quo for the termination of RFE and RL. While the target countries would undoubtedly regard cessation of the broadcasts as a concession, we see no way of using them as direct bargaining counters in present circumstances. On the other hand, the kind of broad negotiations directed at detente, in which the question of terminating the broadcasts might indirectly play an important role, are not in the offing.

24. Finally, we recommend that the question of the future of RFE and RL be reviewed periodically, perhaps annually. Such reviews should take into account, as the present study has done, (a) the continuing need for the radios, (b) the outlook for retention of base facilities, and (c) the feasibility of transferring technical facilities and staff to VOA and/or of obtaining compensating concessions from the Communist countries in the event of termination.

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25. NOTE: The Bureau of the Budget member does not concur in the principal recommendation of this report and has submitted a separate appraisal which is annexed.

RADIO STUDY GROUP

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