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November 17, 1967

The Honorable James O. Eastland  
The United States Senate  
Washington 25, D. C.

Dear Senator Eastland:

The members of the Board of Directors of this organization, all of our employees and tens of millions of peoples in Eastern Europe owe you a debt of gratitude for your wholehearted and effective intervention in the question of our survival. I was not exaggerating yesterday when I said that this has been the most encouraging development for us in the past seven months.

Thanks to you, Senator Dirksen gave us a warm welcome yesterday afternoon and indicated his desire to do whatever he could. I was much encouraged.

It occurs to me that you might like to see a copy of the memorandum which Senator Dirksen asked us to prepare for him and it is therefore enclosed.

With great respect,

Sincerely yours,

John Richardson, Jr.

JRjr:mrf  
Enclosure

*Present Situation of Rulerless Europe*  
11/17-67

CC - F2G ✓  
*Ji Chaves*

PRESENT SITUATION OF RADIO FREE EUROPE

Background

Radio Free Europe is the No. 1 channel of communication between the people of five strategic East European countries and the Western World. Its regular listenership totals twenty-five million persons--approximately half of the politically aware (aged 15 or older) populations of its listening area

RFE pioneered, in peacetime, a unique means of reaching into and influencing denied areas. Its broadcasts center on the problems and concerns of its listeners, rather than the projection of official American viewpoints. It specializes in information about East Europe itself which Communist regimes suppress or distort. Professionally qualified East Europeans, directed and supervised by responsible Americans, talk to their countrymen exactly as if they were operating a free patriotic opposition press inside each country.

The first loosening of Soviet control over the area, and first stirrings of change or opportunities for change, have intensified RFE's special value. In the words of a recent official Executive Branch survey, "meaningful improvement of conditions in East Europe will substantially depend on the kind of changes RFE seeks to promote."

RFE's combination of initiative and flexibility with responsibility, and ability to maintain its private image and person-to-person relationship with its audiences, depend on two factors: Boards of Directors (of Free Europe, Inc. and Radio Free Europe Fund, Inc.) made up of nationally respected private citizens with distinguished backgrounds in public affairs and the business world; and a nationwide fund-raising mechanism supported

by thousands of volunteer civic and business leaders and national organization. These citizens, and millions of individual contributors, feel a personal commitment to RFE. They believe (and they are essentially correct) that their support has made possible and effective a privately managed national institution which makes a vital contribution--their contribution--to freedom, security and peace.

Periodic charges that RFE was CIA-or government-supported, over the years, have never shaken this attitude because the fundamental private attributes of the effort were obvious. The sensational publicity set off by Ramparts magazine last February has had no perceptible effect on volunteer fund campaigners or on the level of contributions.

#### The Problem

Following widespread exposure of covertly financed activities, a special committee headed by Undersecretary Katzenbach produced, and the President approved on March 29, a statement of policy that "no Federal agency" should "provide any covert financial assistance...to any of the nation's educational or private voluntary organizations."

This report projected December 31, 1967, as the date by which covert financing could be "largely--perhaps entirely" terminated. It also proposed that if "overriding national security interests" required, exceptions might be made by the Interdepartmental Review Committee with concurrence of the Secretaries of State and Defense.

(The report also proposed development of a public-private mechanism to openly finance overseas activities which serve the national interest. However, the committee formed to explore this, under Secretary Rusk, has confined its

studies to educational and cultural activities, and has made no formal proposals.)

The Boards of both Free Europe, Inc., and RFE Fund, Inc., (headed by their Chairmen, Former Ambassador to NATO John C. Hughes and Standard Oil of New Jersey Chairman Michael L. Haider) and Executive Committee Chairmen (former Ambassador to the U.N. Ernest A. Gross and CBS President Dr. Frank Stanton) took an immediate active interest in seeking a solution for RFE consonant with the Katzenbach Report requirements. In June, they addressed a three-point recommendation to the sub-cabinet level committee which oversees covert activities. This recommendation called for continuation of RFE and related activities maintenance of its private character, and such acknowledgment of government support as might be necessary. Both Boards offered their services in finding a solution.

The sub-cabinet group discussed all possible alternatives and narrowed them down to three: continuation of RFE substantially as at present; transfer to USIA; or liquidation. However, before deciding among these, it directed a joint study by representatives of all agencies concerned. This study group recommended continuance of RFE on the present scale, funding as at present but with acknowledgment, and limiting of public solicitation.

However, no action was taken on this recommendation by the sub-cabinet group; in early September, the issue passed to cabinet-level consideration. As of November 17, no decision has been reached. The deadline projected by the Katzenbach Report is, as stated, December 31.

Consequences of Transfer

Directors are convinced that a transfer to USIA would be tantamount to liquidation. It would be read as a "government takeover," and would result in a progressive, very rapid dissolution of the organization and its effort.

The gravest consequences would be loss to the United States of major capabilities to exert pressure against the USSR through its closest allies, and loss also of the West's strongest single form of leverage, through communications, on developments in much of the Communist world. The psychological impact of a seeming U. S. withdrawal of interest and "presence" from an area important to future European unity and peace would be felt in both East and West Europe.

However, the areas of immediate difficulty would be in the U. S.:

Private supporters: Those who have personally taken part in efforts supporting RFE, helping to convince the American public, their friends, business colleagues and organizations, that RFE's private character was crucial to its success. They include:

- Presidents Truman, Eisenhower, Kennedy and Johnson
- Secretaries Dulles, Herter and McElroy, Generals Clay, Norstad and Gruenther, and former Undersecretaries (now Board members) Roswell Gilpatric, Robert Murphy and Livingston Merchant.
- Hundreds of major corporation executives such as Messrs. Haider, Greenewalt (du Pont Chairman), Roche (General Motors Chairman), Henry Ford II, etc.

--National organizations and many of their chief executives:  
American Legion, VFW, General Federation of Womens'  
Clubs, U.S. Chamber of Commerce, AFL-CIO, and nearly  
eighty others.

--Some eight thousand community leaders in every state.

In addition, there have been several million contributors.

Generally speaking, these are many of the same people who provide the backbone of support for American policy on Vietnam and for firm, constructive approaches in foreign relations generally. The sense of betrayal which they would logically feel, if the importance of RFE's private character were suddenly negated and its effectiveness undercut, would have damaging consequences.

Special-interest groups: Large East European ethnic groups, as well as other anti-Communist-oriented organizations, would read an apparent emasculation of RFE as a symptom of "appeasement" of the Communist world. The impact could be massive: in Poland alone, RFE has an estimated ten million listeners, who in turn have active ties with many of the estimated six million Polish-Americans.

Outside the United States, RFE's ability to continue operations in West Germany and Portugal would be imperiled by its becoming a de facto subsidiary of the Voice of America or USIA. With such a pretext, broadcast licenses, property leases and frequency assignments could all revert to the local governments for their own use or transfer to the highest bidder.

#### The Solution

Ambassadors in RFE's target area, and by numerous private professional experts. Its efficiency and effectiveness are not in question.

The Directors are unanimously convinced that RFE must be preserved with its private character intact. They believe that because of RFE's overwhelming public support, any solution to the current problem will work, which does not require major changes in the present funding arrangements and public posture.

#### Radio Liberty

Radio Liberty, because of the importance of its target audiences in the Soviet Union, serves the national interest in the same way as RFE, and most of the above considerations apply to it as well.

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RFEA 45 9 FEB 71

TO: DURKEE INFO YARROW HOVEY DUNNING KAUFMANN REYMAN  
FM: WALTER INFO GROZIER KINGSLEY FISCHER

U R G E N T

ITEM OF SPECIAL INTEREST:

FURTHER RE. RFEA 30 OF 9 FEBRUARY, THE FOLLOWING IS THE FEBRUARY 7 NEPSZABADSAG ARTICLE BY ISTVAN PINTER, WHICH APPEARED IN THE SUNDAY SUPPLEMENT SECTION UNDER THE HEADLINE "THE APPEARANCES SHOULD REMAIN...." WITH THE SUBHEADLINE "SECRET AMERICAN DOCUMENTS ON THE SITUATION OF RFE." IT INCLUDES THE PREVIOUSLY MENTIONED BLURRED REPRODUCTIONS OF PURPORTED LETTERS BY JOHN RICHARDSON AND SENATOR EASTLAND; ON ONE LETTER ONLY THE LETTER HEAD "UNITED STATES SENATE" AND THE SALUTATION "THE PRESIDENT, THE WHITE HOUSE, WASHINGTON D.C." AND "MY DEAR MR. PRESIDENT" ARE LEGIBLE, WHILE ON THE OTHER THE LETTERHEAD "FREE EUROPE INC.," THE SIGNATURE "JOHN RICHARDSON JR." AND A STAMPED "CLASSIFIED" CAN BE READ. (A COPY OF THE FACTUAL ARTICLE IS BEING AIR-POUCHED TO YOU FEBRUARY 10.) FULL TRANSLATION FOLLOWS:

TWO UNKNOWN ACQUAINTANCES IN MUNICH RECEIVED SIMULTANEOUSLY THE URGE TO WRITE LETTERS REPORTING THE RENEWED COMMOTION CAUSED IN ENGLISCHER GARTEN 1, THAT IS TO SAY IN THE CENTER OF RFE, BY THE STEP TAKEN BY CLIFFORD CASE, AMERICAN SENATOR. AS IT IS KNOWN, CASE PUBLISHED THE RESULTS OF THE INVESTIGATION DEALING WITH THE SECRET RELATIONS BETWEEN RFE AND THE CIA. IN MUNICH THE NERVOUSNESS WAS NOT CAUSED PRIMARILY BY THE EXPOSURE, AS THE RELATIONS BETWEEN THE AMERICAN INTELLIGENCE SERVICE AND RFE ARE FOR SOME TIME ALREADY NO SECRET TO THE NEWSPAPER READERS, BUT BECAUSE CASE PROPOSED AGAIN THAT INSTEAD OF THE CIA WHICH SECRETLY FINANCES THE RADIO'S ACTIVITIES, RFE'S BUDGET SHOULD BE DETERMINED BY AMERICAN LEGISLATION.

AND SUPPORT THEM FROM WASHINGTON AND NEW YORK -- ADHERE STUBBORNLY AND OBSTINATELY TO THE STATUS QUO. THAT IS TO SAY THEY ADHERE TO THE PRACTICE WHICH -- ACCORDING TO A CONFIDENTIAL MEMORANDUM DATED 17 NOVEMBER 1967 AND PREPARED IN THE MUNICH CENTER -- "IS BASED UPON TWO FACTORS: ON THE BOARD OF DIRECTORS (FREE EUROPE COMPANY, RFE FOUNDATION CORPORATION) THE MEMBERS OF WHICH ARE PERSONS WITH EMINENT AND SERIOUS SOCIAL AND BUSINESS BACKGROUNDS, AND (ON) AN ORGANIZATION COLLECTING FUNDS NATIONWIDE WHICH HAS THE VOLUNTARY SUPPORT OF THOUSANDS OF NATIONAL ORGANIZATIONS AND LEADING PERSONALITIES OF THE SOCIAL AND BUSINESS WORLD."

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THE MEMORANDUM SENT BY JOHN RICHARDSON JR. TO SENATOR JAMES O. EASTLAND, WHICH CAME INTO OUR POSSESSION TOGETHER WITH AN ALSO [CONFIDENTIAL] LETTER WRITTEN BY SENATOR EASTLAND TO JOHNSON, PRESIDENT OF THE USA AT THE TIME, ARE VERY INTERESTING AND EDIFYING LECTURES. IT WAS COMPOSED WITH THE AIM TO GIVE DETAILED INFORMATION ON THE GOALS OF RFE, ITS METHODS AND SITUATION TO THOSE WHO, DURING THE COURSE OF THE DEBATE DEVELOPED IN WASHINGTON, TOOK A STAND WITH KEEPING UP RFE'S STATUS QUO. IT WAS SENATOR DIRKESN WHO ASKED FOR THE PREPARATION OF THE MEMORANDUM AND THEN EASTLAND, AS THE PRESIDENT OF THE SENATE'S JUDICIARY COMMITTEE, ADDRESSED A LETTER TO JOHNSON IN THE DEFENSE OF RFE ("WE ARE EXPRESSEDLY ASKING THAT RADIO LIBERTY AND RADIO FREE EUROPE SHOULD BE ABLE TO CONTINUE THEIR ACTIVITIES IN THE SAME SYSTEM OF FINANCING AS HITHERTO.") AND JOHN RICHARDSON JR. SENT HIM, ACCOMPANIED BY A LETTER FULL OF THANKS ("YESTERDAY I WAS NOT EXAGGERATING WHEN I SAID THAT FOR THE LAST SEVEN MONTHS YOUR STATEMENT WAS THE MOST ENCOURAGING EVENT."), A COPY ENTITLED: "THE PRESENT SITUATION OF RADIO FREE EUROPE." SINCE THEN THE SITUATION IS ACTUALLY UNCHANGED. IT MIGHT HAVE CHANGED TO THE EXTENT THAT IT HAS BECOME EVIDENT; IT HAS TO CHANGE SHORTLY AS IT BECOMES MORE AND MORE UNTENABLE!

IN THE INTRODUCTION -- THAT THEY WANT TO INTERVENE IN THE LIFE OF THE SO-CALLED "EAST-EUROPEAN COUNTRIES." "IN PEACE TIME RFE IS THE ONLY MEANS WITH THE HELP OF WHICH THIS AREA CAN BE REACHED AND WHERE WE CAN EXERT INFLUENCE." THAT IS TO SAY: THEY INTEND RFE TO BECOME AN INSTRUMENT WHICH SUBSTITUTES THE "REAL" TOOLS OF WAR. THEY ELABORATE THAT RFE IS SUITABLE, WITH THE HELP OF WESTERN MONEY AND OTHER MEANS, TO PRODUCE AN EFFECT IN AN IMPORTANT

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PART OF THE COMMUNIST WORLD. THE METHOD IS SUBORDINATED TO THE GOAL: "THEY SPEAK TO THEIR COMPATRIOTS, UNDER THE DIRECTION AND CONTROL OF THE RESPONSIBLE AMERICAN LEADERS, AS IF PUBLISHING FREELY IN THE TERRITORY OF THEIR OWN COUNTRIES AS A PATRIOTIC OPPOSITION PRESS."

THUS IT IS UNDERSTANDABLE WHY THE APOSTLES OF RFE STUBBORNLY MAINTAIN THEIR ALLEGATION THAT THEY DO NOT RECEIVE THEIR MONEY FROM THE AMERICAN BUDGET AND FROM THE CIA. THE PRESENT CONSTRUCTION COVERS THE EVIDENT FACT THAT, CONTRARY TO THE RADIO'S NAME, IT HAS AT ITS DISPOSAL VERY OFFICIAL RESTRICTIONS AND, IN REALITY, CARRIES OUT IN ITS OWN CHARACTERISTIC LANGUAGE THE MOST AGGRESSIVE LINE OF OFFICIAL AMERICAN POLICY.

IS A PRIVATE FOUNDATION AND ORGANIZES FROM TIME TO TIME, WITH LOTS OF PROPAGANDA, FUND-RAISING COLLECTIONS. IN TRUTH -- WHICH HAS BEEN SUPPORTED BY THE RECENTLY PUBLISHED DATA BY SENATOR CASE -- RFE (AND RADIO LIBERTY CARRYING OUT THE SAME FUNCTIONS IN RUSSIAN) ARE DIRECTLY AND PROVABLY FINANCED (TO THE EXTENT OF) 90 PER CENT BY THE GOVERNMENT OF THE USA. AFTER THIS THE ARGUMENTATION OF THE MEMORANDUM IS SHEER NONSENSE WHEN IT SAYS: "THE FOR YEARS PERIODICALLY VOICED (SIC) SLANDERS, ACCORDING TO WHICH RFE IS FINANCED BY THE CIA OR THE AMERICAN GOVERNMENT, DID NOT WEAKEN THE RADIO'S POSITION AS THE ENTIRE PRIVATE CHARACTER OF THE FINANCING WAS EVIDENT. THE DATA PUBLISHED IN FEBRUARY THIS YEAR IN THE PERIODICAL RAMPART(S) HAD NO EFFECT ON THE VOLUNTEERS CARRYING OUT THE COLLECTION, THAT IS TO SAY ON THE SUMES OF THE CONTRIBUTIONS."

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IT HAS TO BE ADDED THAT JUST BECAUSE OF THE PROPORTION OF THESE MONEY SOURCES, THE SIZE OF CHECKS AND BANKNOTES FROM THE PRIVATE DONORS EFFECTS RFE ONLY IN AN INSIGNIFICANT MEASURE. IT IS MUCH MORE IMPORTANT THAT THIS FORM OF FINANCING SERVES AS A DISGUISE. THIS IS THE REASON WHY THE WORK OF THE COMMITTEE LED BY UNDER SECRETARY OF STATE KATZENBACH, WHICH REVISED EXTENSIVELY "THE COVERTLY FINANCED ACTIVITIES", CAUSED SUCH A PANIC IN MUNICH, AND WHICH DESIGNATED 31 DECEMBER 1967 AS THE DEAD-LINE "WHEN THE GREATEST PART OF THE COVERT FINANCING HAS TO CEASE, OR PERHAPS ALL OF IT." TRUE, THE COMMITTEE SAW SOME EXCEPTIONS TO BE NECESSARY FOR CASES WHEN "THE VITAL INTEREST OF NATIONAL SECURITY" MAKES THIS DESIRABLE. THE MEMORANDUM WISHED PRIMARILY TO ATTAIN THIS PURPOSE -- AND ACCORDING TO THE SIGNS RFE, I.E. ITS HIGH-RANKING SUPPORTERS, SUCCEEDED TO OBTAIN AT LEAST THE POSTPONEMENT OF THE DEFINITE DECISION -- THAT THEIR PROBLEMS SHOULD BE RANKED WITH THESE "EXCEPTIONS".

THE COUNCILS OF THE FREE EUROPE INSTITUTE AND THE FREE EUROPE FOUNDATION STEPPED INTO ACTION AND SUBMITTED TO THE GOVERNMENT COMMITTEE FORMED FOR THE CONTROL OF "COVERT ACTIVITIES" A PROPOSITION OF THREE POINTS IN WHICH THEY POINTED OUT THAT "THE FURTHER EXISTENCE OF RFE AND THE KEEPING OF ITS PRIVATE CHARACTER IS ABSOLUTELY DESIRABLE, AS IS THE OFFICIAL RECOGNITION OF NECESSARY GOVERNMENT SUPPORT TO BE OFFERED TO IT."

THE THREE SOLUTIONS: RFE WILL GO ON OPERATING IN ITS PRESENT

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FORM; RFE'S TRANSFER TO THE SPHERE OF AUTHORITY OF THE USIA (AN AMERICAN GOVERNMENT OFFICE DEADLING WITH PSYCHOLOGICAL WARFARE) AND FINALLY THE LIQUIDATION OF RFE. IN THE VIEW OF THE DIRECTORS ONLY THE FIRST PROPOSITION CAN BE CONSIDERED. NATURALLY THEY DO NOT WANT TO HEAR ABOUT THE LIQUIDATION OF RFE. ON THE OTHER HAND THEY DECLARE THAT, "... THE PLACING OF RFE IN THE SPHERE OF AUTHORITY OF THE USIA WOULD BE EQUAL TO ITS LIQUIDATION," AND "WOULD RESULT IN THE SPEEDY TERMINATION OF THE ORGANIZATION AND ITS ACTIVITIES."

THE OPPOSERS OF THE "RETREAT" REFER IN A SURPRISINGLY DETERMINED TONE TO THE FACT THAT "DISCONTENT WOULD MAKE FELT ITS EFFECT PRIMARILY IN THE UNITED STATES." AND THEN THEY ENUMERATE WHO WAS AND IS SUPPORTING THEM: "PRIVATE SUPPORTERS: THOSE WHO PARTICIPATE PERSONALLY IN THE SUPPORT OF RFE AND TRY TO CONVINCE AMERICAN PUBLIC OPINION, THEIR FRIENDS AND BUSINESS ASSOCIATES AND VARIOUS ORGANIZATIONS THAT THE PRIVATE CHARACTER OF RFE IS A DECISIVE FACTOR IN ITS SUCCESS. AMONG THESE ARE PRESIDENTS TRUMAN, EISENHOWER, KENNEDY AND JOHNSON; MINISTERS (SIC) DULLES, HERTER AND MCELROY, GENERALS CLAY, NORSTAD AND GRUENTHER AS WELL AS FORMER UNDER SECRETARIES OF STATE (AT PRESENT COUNCIL MEMBERS) ROSWELL GILPATRIC, ROBERT MURPHY, LIVINGSTON MERCHANT. SEVERAL HUNDRED LEADERS OF THE BOARDS OF DIRECTORS OF THE LARGER CORPORATIONS ... GENERALLY SPEAKING THESE ARE ESSENTIALLY THE SAME PEOPLE WHO SUPPORT SUBSTANTIALLY THE AMERICAN POLICY IN THE VIETNAM QUESTION AND WHO FORM A BASIS FOR THE DETERMINED CONSTRUCTIVE APPLICATION OF THE FOREIGN POLITICAL LINE. THE FEELING OF BETRAYAL WHICH IS UNDOUBTEDLY AROUSED IN THEM MIGHT RESULT IN DESTROYING CONSEQUENCES BECAUSE OF THE UNEXPECTED DECREASE IN RFE'S PRIVATE CHARACTER AND EFFECTIVENESS."

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MORE IN A MINUTE...

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THIS MEMORANDUM DATED THREE YEARS AGO ALSO REFLECTS THE FEAR -- WHICH UNDERSTANDABLY HAS INCREASED -- THAT SOONER OR LATER THE EUROPEAN COUNTRIES HARBORING RFE WILL GET TIRED OF THE EXISTENCE OF RFE BASES WHICH PUT THEIR SOVEREIGNTY INTO A STRANGE LIGHT. A CHANGE IN THE SITUATION COULD INDUCE THE INTERESTED EUROPEAN GOVERNMENTS TO CARRY OUT CHANGES ALSO IN THE STATUS RFE ENJOYS IN THEIR COUNTRIES. THIS FEAR IS REFLECTED IN THE SUMMARY: "IF RFE WOULD BECOME A SUBSIDIARY COMPANY TO THE USIA OR THE 'VOICE OF AMERICA' IT WOULD GREATLY AGGRAVATE RFE'S FUNCTIONING OUTSIDE THE FRONTIERS OF THE UNITED STATES: IN WEST GERMANY AND PORTUGAL. IN THIS CASE THE LOCAL GOVERNMENTS TAKE INTO THEIR OWN HANDS THE MATTERS OF PERMITS FOR BROADCASTING, THE LEASE AGREEMENTS OF THE TERRITORIES AND THE DETERMINATION OF FREQUENCIES WHICH THEY APPLY FOR THEIR OWN USE OR OWN INTEREST."

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THUS: "THE PRIVATE CHARACTER OF RFE MUST BE MAINTAINED BY ALL MEANS....ANY KIND OF SOLUTION COULD BE EFFECTIVE WHICH DOES NOT REQUIRE DECISIVE CHANGES IN THE PRESENT FINANCING SYSTEM ANDV WON'T EFFECT ITS SOCIAL STATUS." THE SUBSEQUENT EVENTS -- NO ESSENTIAL MEASURES WERE TAKEN -- PROVE THAT UNDER THE PRESSURE OF EASTLAND, DIRKSEN AND OTHERS -- DESPITE THE KATZENBACK PROPOSAL -- THE JOHNSON ADMINISTRATION DID NOT MAKE A DECISION IN THE CASE OF RFE AND LEFT THE WHOLE MATTER TO THE NIXON ADMINISTRATION. THE NEW AMERICAN PRESIDENT WOULD SURELY HAVE BEEN GRATEFUL TO HIS PREDECESSOR FOR A SOLUTION. IN ANY CASE -- THIS CUSTOM WAS BROUGHT INTO HONOR ALREADY BY EISENHOWER -- SHORTLY AFTER HE TOOK OFFICE HE WROTE A LETTER TO THE LEADERS OF RFE IN WHICH HE HAS POINTED OUT THAT IN HIS OPINION "RFE CARRIES OUT AN ESTREMELY USEFUL ACTIVITY." HOWEVER, THE CORRESPONDENTS OF RADIO FOUND IT PECULIAR THAT THE PHOTOCOPY OF THE NIXON LETTER -- CONTRARY TO THE LETTER OF WELCOME OF HIS PREDECESSOR -- HAS NOT BEEN SHOWN TO THE PUBLIC, BUT ONLY EXCERPTS OF THE LETTER HAVE BEEN MADE PUBLIC. MANY PEOPLE OBJECTED TO THIS, SAYING THAT EXACTLY IN THE CURRENT UNSTABLE SITUATION THE PUBLICATION OF THE LETTER WOULD HAVE A REASSURING EFFECT ON THE MOOD OF THE PEOPLE WORKING THERE. OTHER PEOPLE THINK THAT NIXON'S MESSAGE WAS NOT PROCLAIMED FROM THE HOUSETOPS PURPOSELY BECAUSE NIXON WOULD MAKE A FOOL OF HIMSELF IN CASE RFE MAY MOVE AFTER ALL. NEVERTHELESS THE LETTER WAS EVALUATED IN A WAY THAT THE AMERICAN GOVERNMENT -- IN THE COURSE OF THE NEGOTIATION OF THE QUESTION -- WILL DO EVERYTHING POSSIBLE FOR THE EXTENSION OF THE CONTRACT.

#### THE MUNICH PROBLEM

WELL, IT MUST BE NEGOTIATED. IT IS HARDLY COMPATIBLE WITH THE "NEW EAST POLICY" OF THE WILLY BRANDT GOVERNMENT THAT MUNICH SHOULD BE THE HOME OF THE CIA RADIO STATIONS DISGUISED AS RADIO

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CONSIDER MORE AND MORE DOUBTFUL THE UNCHANGED MAINTENANCE OF THE POSITION OF RFE. IT IS TRUE THAT IN BORN -- IN SPITE OF THE PRESSURE OF INTERNATIONAL PUBLIC OPINION -- NO EFFECTIVE INTERVENTION HAS BEEN DECIDED UPON YET. THE PERFORMANCE OF SENATOR CASE HAS AGAIN REFERRED TO THE FACT THAT THE, BY NO MEANS PRO-COMMUNIST BUT BY ALL MEANS SENSIBLE, AMERICAN POLITICIANS WANT TO FARESTALL THE MUNICH PROBLEM AND ARE TRYING TO PREVENT THE SHARPENING OF THE QUESTION. IN ALL PROBABILITY THE PEOPLE AT RFE WORK AGAIN ON NEW SUMMARIES TO DEFER AGAIN THE DECISION WHICH HAVE COME TO THE FRONT IN THE SENATE OVER THREE YEARS AGO. THERE IS NO DOUBT, HOWEVER, THAT AN INCREASING NUMBER OF PEOPLE IN THE AMERICAN OFFICIAL QUARTERS ARE OF THE OPINION THAT THE "ADVANTAGE" OF THE MAINTENANCE OF THE MUNICH SPY STATION FOR THE "WESTERN WORLD" IS LESS AND LESS PROPORTIONAL TO THE IMMENSE BURDEN WHICH THIS MAINTENANCE REPRESENTS.

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(THE ARTICLE REPRODUCES A PICTURE OF THE TWO LETTERS WITH THE FOLLOWING CAPTION: "ABOVE: LETTER OF SENATOR EASTLAND, PRESIDENT OF THE SENATE'S JUDICIARY COMMITTEE WRITTEN ON 17 NOVEMBER 1967, IN WHICH HE PROTESTS AGAINST THE PLAN TO LIQUIDATE RFE. UNDERNEATH: JOHN RICHARDSON JR. DIRECTOR OF RADIO FREE EUROPE, IN WHICH HE THANKS EASTLAND FOR THE "GENEROUS AND SUCCESSFUL INTERVENTION." END OF ARTICLE.

IT SHOULD BE NOTED THAT RADIO MOSCOW DOMESTIC (AT 0700 AND 1100 HOURS), RADIO MOSCOW IN SLOVAK (AT 1300 HOURS) AND RADIO HVEZDA IN CZECH (AT 1430 HOURS) HAVE ALL CARRIED SUMMARIZATIONS OF THE PRAVDA ARTICLE ON RFE AND LIBERTY TODAY (FEBRUARY 9).

ALSO AUSTRIAN RADIO BROADCAST AN ITEM ON THE PRAVDA ARTICLE IN ITS 1200 HOURS NEWSCAST, WHICH IT IS ASSUMED WAS BASED ON UPI STORY.