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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

ACTION

~~SECRET/SENSITIVE~~

June 22, 1971

MEMORANDUM FOR: THE PRESIDENT
FROM: HENRY A. KISSINGER *HK*
SUBJECT: Financing Radio Free Europe and Radio Liberty

As you know, the Administration has proposed the creation of the American Council for Private International Communications, Inc. to overtly fund Radio Liberty and Radio Free Europe. Because the bill is presently stalled and will probably not be passed before December, there is an urgent need to find an acceptable procedure for interim funding of these two Radios after existing appropriations terminate on June 30, 1971.

The preferable interim method is to prolong the existing arrangement of CIA funding via a continuing resolution. However, Chairman Ellender of the Senate Appropriations Committee has indicated opposition to this procedure. He has stated, nonetheless, that his Committee "would consider a request for an 'open' appropriation for the required interim funding, pending the enactment and implementation of open funding legislation." (Tab A) An arrangement which might meet Senator Ellender's objections would be to fund the Radios under USIA's appropriation. Director Shultz feels this is the only viable alternative for obtaining temporary funding. However, this "open" arrangement has a number of shortcomings:

- There is traditional opposition to explicit inclusion of a controversial item under the continuing resolution.
- The USIA arrangement could evolve into a long term arrangement, undercutting the Administration's bill and increasing pressures to eliminate distinctions between Voice of America and the Radios.
- Although Frank Shakespeare does not strongly object, the State Department is concerned that such a move would endanger the status of VOA and other USIA activities. It also might put additional pressure on the Germans.

NSS, DOS Reviews Completed.

THIS DOCUMENT MAY CONTAIN CONGRESSIONAL ISSUES

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-- The open appropriation might provide a vehicle for rallying opposition forces in the Committee and on the Senate floor for prolonged debate and might not gain passage.

The 40 Committee believes that only your direct intervention with Senator Ellender could overcome his opposition to interim CIA funding under a continuing resolution. Although I am not sanguine about the possibility of convincing Senator Ellender to alter his stand, I believe, on balance, that the complications of the USIA alternative make an effort to use Presidential pressure worthwhile even under these circumstances. Senator Ellender is probably not sympathetic to arguments for the continuing need for Radio Liberty and Radio Free Europe. If Senator Ellender remains unconvinced you could then ask his support for temporary funding under the USIA appropriation of the continuing resolution.

RECOMMENDATION:

That you call Senator Ellender using the Talking Points at Tab B, requesting his acquiescence in continuing the present funding arrangement on an interim basis and reluctantly suggesting open funding through USIA if Senator Ellender is adamantly opposed.

Attachments

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IS 100-71/S-107

SECRET

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United States Senate

COMMITTEE ON APPROPRIATIONS

WASHINGTON, D.C. 20510

THOMAS J. SCOTT, CHIEF CLERK
WM. W. WOODRUFF, COUNSEL

June 10, 1971

Honorable George P. Shultz, Director
Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

Dear Mr. Shultz:

I want to thank you for your letter of June 9, 1971, concerning fiscal year 1972 funding for the support of Radio Free Europe and Radio Liberty.

Inasmuch as the Federal Government's support of these organizations has been made public, I do not think it is proper to continue the inclusion of funds for this purpose in the budget for the Central Intelligence Agency, and I will oppose the inclusion of such funds in the fiscal year 1972 CIA appropriation.

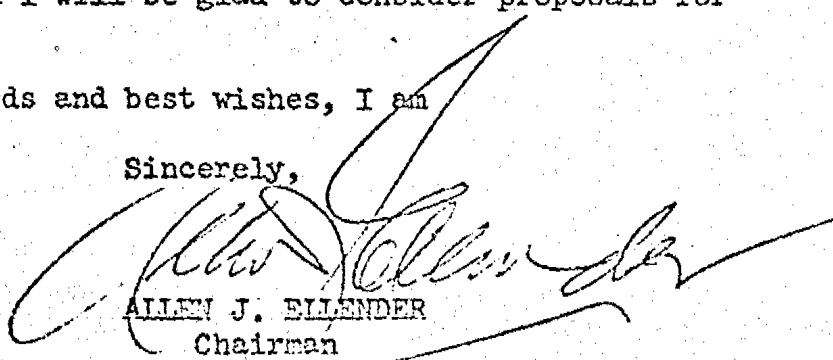
You raised the question of interim funding under the authority of the Continuing Resolution to cover the period from July 1, 1971, until the enactment and implementation of legislation to provide for open funding for the support of these organizations. I do not consider this proposal as an acceptable means of funding because it is a continuation of the use of Central Intelligence Agency funds.

I want to stress the point that funds for the Government's support of these organizations must, in my opinion, be handled as an open appropriation subject to discussion in the Committee on Appropriations and on the Senate Floor. This cannot be done if the interim funding is routed through the Central Intelligence Agency's authority under the Continuing Resolution.

In the event the Government's support of these organizations is terminated, I recognize that substantial funds will be required to cover termination costs, and I will be glad to consider proposals for providing such costs.

With kindest regards and best wishes, I am

Sincerely,



ALLEN J. ELLENDER
Chairman

AJE:W:m

P. S. I want to make it clear that the Committee would consider a request for an "open" appropriation for the required interim funding, pending the enactment and implementation of open funding legislation.

A.J.E.

Dear Doug:

I have written to Ambassador Walter Stoessel in Warsaw to tell him of your forthcoming visit. I am sure he will be happy to give you any assistance you need.

The U. S. Embassy in Warsaw is at Aleje Ujazdowskie 29/31, telephone 283041-9. You can write to him, if you wish, c/o American Embassy, APO New York 09757.

Warm regards,

Henry A. Kissinger

**Mr. Douglas Cramer
c/o Screen Gems
1334 Beachwood
Hollywood, California 90028**

PWR:nm:6/22/71

Dear Walt:

A good friend of mine, Douglas Cramer, will be visiting Poland for a week beginning around July 4th. He is an independent Hollywood film producer affiliated with Screen Gems, a division of Columbia Pictures. He will be in Poland in connection with a project he is doing.

I think you would enjoy meeting him, and I have taken the liberty of telling him to stop by and say hello to you when he is in Warsaw.

Warm regards,

Henry A. Kissinger

The Honorable
Walter J. Stoessel, Jr.
American Ambassador
American Embassy
Warsaw, Poland
APO New York 09757

PWR:nm:6/22/71