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U.S. Openly Funding Anti-Red Radio

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WASHINGTON, July 11—The United States has quietly begun open funding of Radio Free Europe and Radio Liberty, dropping any pretensions that the anti-Communist stations are privately owned and controlled.

The two stations became the center of controversy last January when Senator Clifford P. Case, Republican of New Jersey, revealed that the Central Intelligence Agency spent several hundred million dollars over the last 20 years to keep them functioning.

Radio Europe, founded in 1950, broadcasts to Eastern European countries except Yugoslavia. Radio Liberty, started a year later, aims at the Soviet Union. Both stations have offices in New York, but their day-to-day operation is directed from Munich, West Germany, where each station has extensive broadcasting facilities.

The two stations purport to be privately financed by corporations, foundations and the public; however, contributions from these sources are reported to be a very small part of the stations' total budgets.

In January, Senator Case said Radio Free Europe conducted a yearly campaign for public contributions under the auspices of the Advertising Council. Although between \$12-million and \$20-million in free media space is donated to this campaign annually, he said, the return from the public is "apparently less than \$100,000.

On June 25, the Senate passed a continuing resolution

appropriating funds for various agencies until the regular appropriations bills have cleared Congress. Contained in the resolution was a paragraph that gave the two stations an appropriation equal to what they received from the C.I.A. in the 1971 fiscal year. Although the amount was not specified in the resolution, it is believed to be about \$30-million.

The Senate resolution, marking the first time in their 20-year histories that the two stations have been openly financed by the United States Government, attracted little attention in United States newspapers. It was given prominent coverage in the Soviet press, however.

The July issue of Pravda carried an analysis of the situation that concluded that the United

States had decided to stop making a secret of its attempts to undermine the Soviet system by broadcasting from the two stations.

Shortly after making his revelations about the station's funding, Mr. Case introduced legislation to bring Government spending on the two stations under the authorization and appropriations process of Congress.

President Nixon proposed in May a variation of the Case bill that would create a tax-exempt, nonprofit corporation to finance and supervise the two stations. Under the Administration proposal, the new corporation, to be known as the American Council for International Communications, Inc., would receive an annual Congressional appropriation of approximately \$40-million.

Both bills are pending before the Senate Foreign Relations Committee.