

# U.S. SUBSIDY TO PRESS HIT; PROBE ASKED

## Aid Plan Scheme Called Outrage

### REACTION

Press in east gives its reaction to subsidy proposal. Story on Page 2.

BY WILLARD EDWARDS  
(Chicago Tribune Press Service)

Washington, June 2—A congressional investigation of state department plans to subsidize pro-Marshall plan publishers was demanded on the house floor today by Rep. Rankin (D., Miss.)

Displaying to members a copy of THE TRIBUNE's expose of a 15 million dollar subsidy program underwriting the foreign circulation of propagandists for the 6 billion dollar spending scheme, Rankin branded the proposal "an outrage."

"The state department spent millions of dollars of taxpayers' money on propaganda to dupe congress and the people into approval of the Marshall plan," Rankin declared. "Now, those sections of the eastern press which aided in that propaganda campaign are to be paid off—to be salved with millions of dollars in subsidies. It would be disgraceful for congress to sit idly by and permit this scheme to be carried out. There must be an immediate investigation."

### Joins In Demand

Rep. Rich (R., Pa) joined in the demand. He noted that radio commentators in the last few days

"have been telling the people it is their duty to do everything provided in the European recovery plan" and suggested that "some of these radio people might be investigated also."

The Washington Post meanwhile was revealed as one of the newspapers scheduled for rewards under the state department's system of benefits for those organs of opinion which propagandized for the spending experiment.

The Post joins the list of a selected few publications. The New York Herald Tribune tops the list as the scheduled beneficiary of a \$977,000 a year subsidy for circulation of its Paris edition in the occupied zones in Germany and Austria.

Other recipients of proposed subsidies totaling 5 million dollars a year included the New York Times, Life and Time magazines, Newsweek and Reader's Digest.

### Rewarded With Jobs

Barred from participation in the subsidy because it has no foreign circulation, the Post's reward, under state department plans, is five top policy shaping positions in the spending organization.

Eugene Meyer, owner and board chairman, and four Post officials and employes have been recommended by the state department for these important positions.

Meyer was recommended for the post of "consultant on congressional intent." The proposed title aroused satirical comment in congress where the newspaper's left wing tendencies frequently have been assailed.

J. Russell Wiggins, managing editor, was recommended as director of information, or press

agent extraordinary, with the duty of selling the program to the American people and the world.

### \$50 A Day Position

J. A. Livingston, a financial writer, was recommended as a consultant, a \$50 a day position.

John J. Corson, circulation director, was recommended for the post of director of administration and organization, one of the choice \$15,000 a year jobs.

Alfred Friendly, labor reporter, was recommended for hiring as an "information consultant" and has accepted. Friendly, known as a leftist in Washington, will act as adviser to roving Ambassador Averell Harriman.

If these five Post officials and employes move into the ECA, Capitol hill observers noted, they will hold commanding positions in framing policies under which 18 European countries and China will receive 6 billion dollars in the next 12 months and 17 to 20 billion dollars over a four year period.

This flow of money abroad is designed, under Secretary Marshall's theory, to stop communism everywhere in the world. The Washington Post has been labeled in the Congressional Record as the Washington edition of the New York Daily Worker, official Journal of the Communist party.



The Pennsylvania Crier

# EASTERN PRESS SHIES AT THAT WORD 'SUBSIDY'

## Several See Free Press Concept Sullied

New York, June 2 (Special)—A chorus of quibbled protests over a reward by the name of "subsidy" today emanated from publishers of newspapers and magazines selected to share 5 million dollars of taxpayers' money in the wake of their propagandizing of the 6 billion dollar Marshall plan. But they didn't exhibit any dislike of that aid under a different name.

Spokesmen for the New York Herald Tribune, an international paper that has vociferously advocated foreign spending and now tops the list of beneficiaries with a listing of 1 million dollars for its European editions, were firm and specific in asserting they do not want "a government subsidy."

"This is not a subsidy," declared Mrs. Helen Rogers Reid, president of the company. "The government called us in so that American news can reach both Germans and Austrians, and an attempt is being made to create firm currencies to make this possible."

### Reimbursement For Marks

The Paris Herald would receive \$827,000 yearly as reimbursement for blocked German marks which it would receive for its sales in Germany's occupied zone. It would turn over the German marks to the government in return. Another \$150,000 a year would be similarly paid the Herald Tribune for its Austrian circulation.

"I told them we didn't want a subsidy and wouldn't accept one," said William E. Robinsin, business manager of the Herald. "We would fold up the paper first. I said that if they want us to sell papers in Germany and Austria they should enable us to convert the currencies of the countries into French francs, which is impossible at present."

Edgar Baker, general manager of Time and Life international editions, which is scheduled to receive \$853,000 for Life maga-

zine, contended that "factual statements and implications from certain dispatches carried out of Washington on government plans for assisting publishers overseas are in complete error" as they refer to his publications.

### Called Distribution Move

"As we understand it," he said, "the sole purpose of the financial assistance is to encourage publishers to extend their foreign distributions."

"This would be done by having the government purchase from publishers limited amounts of frozen currencies earned from future distribution of their magazines."

"We have not asked and will not ask for any kind of outright government subsidy."

Edwin L. James, managing editor of the New York Times, said the state department had asked his paper to publish an English language edition for German civilians, but that a Times official called to Washington had "refused to make any proposition."

### Subsidy Protests Echoed

Officials of three news services scheduled to divide 1 million dollars a year under the scheme echoed the protests against government subsidy.

The United Press president, Hugh Baillie, said: "The United Press never accepts government subsidy."

Kent Cooper, general manager of the Associated Press, declared: "We have made no application for any conversion of foreign exchange under the European recovery act." Another AP official said that agency "always has eschewed from any form of subsidy either from the American or any foreign government."

### Cites Financial Problem

The International News Service's general manager, Seymour Berkson, commented: "We have

never asked for a government subsidy, nor would we accept one. All we want is to conduct a normal financial operation in the handling of our foreign news service."

He referred to the problem, common to all American agencies operating in occupied Germany and Austria, of spending large sums of American dollars in the conduct of their business and receiving in return German or Austrian currencies of dubious value.

### "Asked No Subsidy"

Barclay Acheson, director of foreign editions of Reader's Digest, listed for \$305,000 of assistance, said that his publication "never had received nor requested any subsidy or other financial assistance under the Marshall plan."

The editors declared that members of the house appropriations committee who heard of the proposal to aid publishers at a recent closed-door meeting were mistaken if they thought the American press was soliciting subsidies.

\* All propositions were initiated by the state department, the editors said.

In addition to the 5 million dollars scheduled to be spent by the state department to facilitate distribution of American newspapers and magazines abroad as part of the Marshall plan, another 10 millions was proposed to be spent to aid in the similar distribution of American movies and books.