

The George Washington University

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HIST 220
SMPP 293

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A HISTORY OF AMERICAN BUSINESS

Description: An examination of the origins and development of American industrial enterprise and management in the context of its economic, social, political, and legal environments.

Required reading:

Materials available in bookstore:

- Louis Galambos & Joseph Pratt, The Rise of the Corporate Commonwealth
Alfred D. Chandler, The Visible Hand: The Managerial Revolution in American Business
★ Bennett Harrison, Lean and Mean: The Changing Landscape of Corporate Power in the Age of Flexibility
▲ Olivier Zunz, Making America Corporate, 1870-1920

Outline and Reading Assignments:

- I. Introduction: Business and American History
- II. Economic, Social, Political and Legal Context of American Business Development in an Industrializing Economy
Chandler, pp. 1-78
- III. Railroads: The Advent of Modern Management
Chandler, pp. 79-205
- IV. An Industrial Economy and the Emergence of "Big Business"
Chandler, pp. 207-376
Galambos & Pratt, pp. 1-38
Zunz, pp. 1-102
- V. Adjusting to Big Business: Antitrust Policy and the Origins of Modern Management
Galambos & Pratt, pp. 39-70

A HISTORY OF AMERICAN BUSINESS
(HIST 220/SMPP 293 -- Fall 1996)

MID-TERM EXAMINATION

- VI. Shaping Modern Management: Labor, Advertising, Industrial
 Research, Public Relations, 1900-29
 Galambos & Pratt, pp. 71-99
 Chandler, pp. 377-475
 Zunz, pp. 103-204

- VII. Depression and War: Management and a New Political
 Economy
 Galambos & Pratt, pp. 100-128

- VIII. The Post-War World of Business and American Preeminence,
 1945-1960's
 Chandler, pp. 476-500
 Galambos & Pratt, pp. 129-200

- IX. American Business Challenged: 1960's-1970s
 Galambos & Pratt, pp. 201-266

- X. A New Corporate World: Government, Finance, and
 Restructuring, 1980's and 1990's
 Harrison, passim

FINAL EXAMINATION

Telecom

- AT&T need for capital & ownership of regional companies in exchange for capital infusions
- State regulation
 - Applicability of previous regulatory models to telephone?
 - Acceptance/push to local and toll monopoly
 - Vail
 - Emergence of commonality among state regulations
- Fading and re-dominance of AT&T vis-a-vis the independents
- Decline of WU and telegraphy
- Vail/AT&T focus on the “system”:
 - control vs profit
 - technology, interstate LD as unifying elements
- Meaningful antitrust?
- Patents, control, system, WEAf, Movietone
- WWI impact
 - Patents, standardization

Wireless

- Invention, novelty, awe vs business viability
- Marconi maritime business, telegraphy, telephony
- Why the shift to continuous wave? Telephony? Power? Spectrum?
- Crystal detector, receiver circuits, vacuum tube
- Government vs private sector ownership
- Recognition of spectrum as resource – first interference, then scarcity
- International interdependence because of spectrum, conferences, etc
- When did the quality of reception get to a useable level? Why?

Broadcasting

- Wireless initially seen as point-to-point telegraph/telephone
- Early broadcasts were technical experiments, not attempts to broadcast to a listening audience.

- Amateurs, improving technology, wide availability, limited enforceability of patents, ...
- 1920: broadcast “materialized”
- 1921: broadcasting “crystallized”
- 1922: broadcasting “took off”
- Conrad, Horne, Davis, KDKA
- Westinghouse, RCA, AT&T, other construction of stations
- Brand name sales, advertising if radios?
- AT&T broadcasting strategy
 - Patents, WEA, other stations, plans
 - Feeds, networks
- Sarnoff finds his way
- NBC, CBS
- Consumer electronics manufacturing, patents
- Evolution & economics of programming
 - Vaudeville, phonograph, movies
 - Purpose, acceptability
 - Economics, timing
- Revenue models
 - None, radio set sales
 - Sponsorship, advertising
 - Government ownership model (1919,1920)
- Regulation & legislation
 - Radio conferences, Hoover
 - 1927, 1934
- NBC/CBS vs AT&T
 - Predecessor to TV development
- Spectrum
 - Broadcasting vs telecom
 - Power, frequencies, time of day, interference
- Public/press recognition
- 1920-1922 boom

July 24, 1970

Clay T Whitehead nomination as dir of Office of Telecommunications Policy

September 23, 1970

Whitehead sworn in as dir of Telecommunications Policy Office

December 17, 1970, Thursday

White House Office of Telecommunications Policy dir C T Whitehead criticizes FCC as 'pretty vague' arbiter of communications and calls for re-exam of Govt communications policy; is particularly critical of FCC's Fairness Doctrine at Du Pont-Columbia broadcast journalism awards ceremony, NYC

January 8, 1971, Friday

White House Office of Telecommunications Policy dir Whitehead, in policy statement, urges Gov't promote installation of satellite systems for trans-Atlantic and trans-Pacific air navigation; communications satellites as only practical solution to growth of international air traffic which now relies on high frequency radio for communications and control; says with cooperation of State Dept and foreign nations system could become basic, mandatory mechanism of communications and air traffic control over both oceans by 1980; statement paves way for more detailed program proposal by FAA, which is expected to arrange with commercial contractors for installation and mgt of system; success of system seen depending on general use by airlines and aviation administrations of many nations, after its formal recognition by ICAO; prompt implementation of White House policy seen assuring US control of system

February 15, 1971,

Dr C T Whitehead, chief aide to Pres R M Nixon on telecommunications policy, urges cities not grant exclusive franchises to cable TV; scores municipal ownership of cable TV; says White House policy is not set

June 24, 1971,

Pres Nixon names White House committee to chart policy for cable TV industry

July 12, 1971,

Natl Cable TV Assn convention, Washington; cable industry said to see dramatic gains in new FCC rules; believes chance of broadcasting 2 otherwise unavailable programs will sell its services in top 100 markets;

Congress and White House reassertion of interest in cable TV predicted to delay changes industry wants;

Sen McClellan charges threats to delay FCC policy are political; observes 6-man committee Nixon has appointed has more experience in politics than in issues of communications;

Whitehead says purpose of establishing com is not to delay growth of cable TV, but to accelerate development of policy; holds FCC is too involved with minutiae of regulation to deal with significance of cable policy formation;

October 7, 1971

White House Telecommunications Office head C T Whitehead, urging major revision of '34 Communications Act to get Govt out of broadcast programming and begin deregulation of radio, urges license renewals be based on totality of community service, not on case-by-case complaints, s, Internatl Radio and TV Soc; urges licenses be extended beyond current 3 yrs; says FCC should accept competing bids only for channels whose licenses were revoked or not renewed; says he proposed that Chmn Burch pick 1 or more big cities in which radio assignments and transfers would not be subject to present regulatory inquiries, claiming procedure is superfluous in most cases; says Nixon agrees with 'general tone' of his proposals; Whitehead proposes Congress substitute for fairness doctrine act providing for individuals to use airwaves and assurances that pub will have adequate coverage of pub issues; TV stations approve

October 13, 1971,

Pub Broadcasting Corp and White House aides continue at odds on long-range financing of noncommercial TV; positions of White House exec C T Whitehead and Corp pres J W Macy Jr discussed; current dispute over Pub Broadcasting Service role in showing controversial TV show on FBI noted; discusses dispute over Great Amer Dream Machine segment as example of confusion in situation; PBS is unit of Corp

November 9, 1971, Tuesday

Pub Broadcasting Corp cuts expenditures by about \$2-million, affecting activities of NET and Pub Broadcasting Service, because of uncertainty over future financing of noncommercial TV-radio; corp exec W Duke gives details; notes new pact with AT&T that calls for outlay of additional \$1-million or more a yr for interconnection of stations; move linked to White House aide Whitehead's recent s on pub TV

November 11, 1971

White House Telecommunications Office dir Whitehead's deadline to cable TV indus to reach agreement on current White House proposals for FCC, deemed more restrictive than previous FCC proposals, is near; Whitehead warns issue will go to Cong if no compromise is reached; Natl Cable TV Assn confs on issue; confs set by Natl Broadcasters Assn, which favors White House plan, and Maximum Service Telecasters Assn, which strongly opposes any concessions to cable TV

February 7, 1972

Issue of long-term funding for Public Broadcasting Corp seen taking on pol implications during Pres election yr; US Telecommunications Policy Office dir C T Whitehead, in testimony before Sen subcom, says Nixon Adm does not want to consider any permanent financing arrangement to replace yr-to-yr appropriations until '73; says Adm will approve only 1-yr, \$45-million appropriation for Public Broadcasting until corp's role is redefined; Cong Repubs are concerned that corp will speak out against Nixon Adm since most prominent corp members are Dems

February 11, 1972

J J O'Connor comment rebuts US Telecommunications Policy Office dir C T Whitehead recent statements on public TV; holds public TV offers viewers strong alternative to commercial TV programming

February 11, 1972

White House Telecommunications Policy Office dir C T Whitehead approves 5-yr study to determine if humans are endangered by electromagnetic radiation from such devices as TV sets and microwave ovens; study was recommended by Electromagnetic Radiation Advisory Council, body of nongovernment experts

March 2, 1972

PBS pres H N Gunn Jr vigorously defends public TV's role in public affairs programing against critics 'in positions of real power' who attempt to influence public TV 'on basis of their own personal biases', s, Western Educ Telecommunications Soc meeting, San Francisco; remarks, in wake of recent Cong and White House criticism, appear to be directed at Telecommunication Policy Office dir Whitehead and others who have raised questions about propriety of noncommercial TV's involvement in news and public affairs programing on natl level

April 28, 1972

US Telecommunications Policy Office Dir C T Whitehead scores proposals to ban newspapers from owning broadcast stations

April 28, 1972,

White House Office of Telecommunications dir C T Whitehead condemns as 'tyranical' proposals that fairness doctrine compelling broadcasters to present various sides of controversies be imposed on newspapers, ANPA meeting; holds such proposals to be 'affirmative censorship'; Council of Better Business Burs pres H B Palmer calls for self-regulation as alternative to actions by Cong and Govt agencies to combat decreasing credibility for both business and press; Reprs Reid and Crane rept they share concern about legislating against press but cite problems of getting news coverage

May 2, 1972

White House Office of Telecommunications Policy Dir C T Whitehead repts specialized pubs may be facing stiff ad competition from cassettes and cable TV, Magazine Publishers Assn meeting, Fla

May 16, 1972

Sen Moss scores Nixon Adm official's opposition to proposal which would open tv airwaves to counter-advertising (Amer Ad Fed meeting, Washington, DC, May 15); says White House spokesman, Office of Telecommunications Policy Dir Whitehead, is redefining 1st Amendment by saying public should be allowed to see only 'the best opinions money can buy'; proposal, offered by FTC, would require broadcasters to provide 'a brief segment of prime time on occasion,' some of it free, for counter-advertising; cites assets and liabilities of ad indus; specifically attacks makers of pain-killers (analgesics) as giving 'dangerous incentive for self-diagnosis' and for causing 'pill-popping among the young'; Agric Sec Butz, addressing group earlier, calls for support of Nixon Vietnam policy; execs summarize consumer climate involving ad issues

September 14, 1972

Pres Nixon places his Adm firmly behind efforts of Hollywood unions to force 3 TV networks to cut back on number of reruns programed in prime evening time, Ir to Screen Actors Guild pres J Gavin; contends that unless networks voluntarily reduce amt of prime time devoted to reruns, Adm 'will explore whatever regulatory recommendations are in order'; text of Ir is released to coincide with speech delivered in San Francisco by White House Office of Telecommunications Policy Dir C T Whitehead, who alludes to 'the spreading blight of reruns'; network spokesmen contend spiraling cost of film production in West Coast studios have forced networks to use reruns; NBC pres D Durgin comments on Nixon Ir; Whitehead speech discussed

September 16, 1972

White House Office of Telecommunications Policy Dir C T Whitehead on Sept 15 meets with Screen Actors Guild reprs and other entertainment unions to discuss controversy over TV reruns; says he supports Nixon Adm view that reruns should be reduced to 25% annually, news conf

September 25, 1972

Ed contends FCC should hold hearings before ruling on proposals that limit number of TV reruns during prime evening time; scores White House Office of Telecommunications Policy Dir C T Whitehead recent speech charging that networks increase their profits through reruns; says suspicion exists that Calif unions and votes are 1st consideration of Nixon Adm, not TV viewers

October 9, 1972

Telecommunications Policy Office Acting Gen Counsel H Goldberg Ir scores Sept 25 ed on TV reruns; holds contention that Dir C T Whitehead had 'let it be known' that TV stations should avoid controversial subjects and 'localize' their public service activities is untrue; contends Whitehead questioned use of public funds for politically controversial programs on Govt-supported TV network; holds ed incorrectly implied that office is intruding on authority of FCC

October 11, 1972

NBC pres J Goodman on Oct 11 calls for outright elimination of FCC's Fairness Doctrine as Govt standard for coverage of TV and radio news, speech, Great Issues Forum, Southern Calif Univ; says that since FCC, at urging of Office of Telecommunications Policy dir T C Whitehead, is considering 'deregulation' of radio, Fairness Doctrine could be removed there 1st to make way for its removal from TV; FCC Comr reptd says main reason radio may have to be deregulated is that it has grown so much it is 'unregulatable'

November 30, 1972

White House Telecommunications Policy Office Dir C T Whitehead and his top legal aide H Goldberg on Nov 22 met with officials of 3 TV networks to get them to voluntarily limit number of reruns on TV; network officials involved refuse on Nov 29 to reveal exactly what was discussed at meetings; one official, who asked that his name be withheld, says that Whitehead and Goldberg visited networks to 'indulge in some gentle jawboning at urging of Pres Nixon'; expresses resentment that 'Nixon feels he has right to step in and tell us how to run our businesses'; meeting was in keeping with Nixon's promise to Screen Actors Guild and other West Coast entertainment-indus unions to take active part in campaign to cut number of TV

reruns; CBS Broadcast Group pres J A Schneider and NBC-TV pres D Durgin reptdly met with Whitehouse

December 19, 1972,

White House Telecommunications Policy Office Dir C T Whitehead on Dec 18 discloses that Nixon Adm has drafted legis that will hold individual local TV stations accountable, at risk of losing their licenses, for content of network material they broadcast, including news, entertainment programs and ads, speech at Indianapolis chapter of Sigma Delta Chi luncheon; condemns 'ideological plugola' in network news reporting; Whitehead denies at earlier news conf that proposed legis is intended as vindictive assault on networks; says it is designed to force broadcasters to be more responsible for what they televise into US homes; proposed legis would supplant FCC regulations that govern operations of TV stations and networks that supply local stations with over 60% of their broadcast material; Phoenix, Ariz, TV station KOOL pres T Chauncey and spokesmen for NBC and ABC contend proposed legis is Nixon Adm's boldest effort to equip Govt with strong legal means of keeping broadcasters in line economically and ideologically

December 20, 1972

Key provisions of Nixon Adm's draft bill to amend '34 Communications Act would give broadcasters some important concessions, while at same time imposing on individual local stations increased accountability for content of programs furnished them by networks; provisions are revealed in copy of draft text, obtained in Washington on Dec 19 by NY Times, along with draft of lr to be sent to HR Speaker and Sen Pres early next yr; existence of proposed legis was disclosed by White House Office Telecommunications Policy Office Dir C T Whitehead in speech on Dec 18; proposed legis would make it possible for station to obtain FCC license renewal without some impediments now experienced and would lengthen term of license from 3 to 5 yrs; would also make it easier for broadcasters to meet challenges to their licenses; FCC would be able to listen to competing applicants for station only after it had taken license away from former owner; broadcasters contend that having to apply for license renewals every 3 yrs is expensive and unfair; provisions of draft bill detailed

December 20, 1972

Ed scores White House Telecommunications Policy Office Dir C T Whitehead's recent speech announcing Nixon Adm's intent to sponsor legis making local TV stations directly responsible for network programs they carry; contends speech will encourage stations to censor major news programs and documentaries that offend Adm; holds proposed legis is example of censorship and suppression through abuse of power to license

December 20, 1972

White House Telecommunications Policy Office Dir C T Whitehead biog sketch; he was born on Nov 13 '38; full name is Clay Thomas Whitehead;

December 21, 1972

T Wicker comment contends that White House Telecommunications Policy Office Dir C T Whitehead's Dec 18 speech announcing Nixon Adm's proposed legis to amend '34 Communications Act removes any doubt that Nixon would take his landslide Pres election victory as mandate for major assault on 1st Amendment; asserts that proposed legis would require stations to demonstrate that they have 'balanced' their news broadcasts to satisfaction of Adm's appointees on FCC

December 23, 1972

Ed scores White House Telecommunications Policy Office Dir C T Whitehead Dec 18 speech disclosing Nixon Adm proposal that will hold local TV stations accountable for network material they televise; contends Adm has proposed changes in licensing practices that circumvent legis auth of FCC; holds major news, documentary and entertainment programs produced by networks would be carefully scrutinized and possibly blacked out if deemed to contain what Whitehead calls 'ideological plugola'; notes that Public Broadcasting Corp pres H Loomis has served notice to public broadcasting stations that their funds will be in jeopardy unless he and his Presidentially apptd bd approve their major programs; asserts voices of Cong and public will have to be heard if broadcasting is not to be turned into domestic counterpart of USIA

December 27, 1972

T R Parker Jr opposes Pres Nixon's proposal, outlined in recent speech by White House Telecommunications Policy Office Dir C T Whitehead, that local TV stations be held accountable for network material they broadcast; proposes that Fed Govt establish nonpartisan public broadcasting corp to support and operate public TV network whose chief duty will be to educate public on vital questions facing nation

December 31, 1972,

Text of White House Telecommunications Policy Office Dir C T Whitehead's Dec 18 speech disclosing Nixon Adm proposal that local TV stations be held responsible for content of network programs they televise

January 11, 1973

J J O'Connor comment contends that White House Telecommunications Policy Office Dir C T Whitehead ltd himself to broad generalities on over-all broadcasting policy in his Dec 18 speech and recent NY Times int; holds Whitehead disclosure of proposed Nixon Adm communications bill and his attack on some aspects of TV content triggered intense debates within TV indus; cites NBC pres J Goodman recent statement asserting that Whitehead speech and Adm bill must be considered separately even though they were presented as pkg; notes Goodman contention that speech continued Adm's calculated attack against network news

January 11, 1973

Text of questions and answers at roundtable discussion held by NY Times editors and reporters with White House Office of Telecommunications Policy dir C T Whitehead; questions involve Whitehead's announcement in Dec that Nixon Adm will ask Cong to amend law now governing broadcasting legis that will alter some ground rules under which FCC now regulates TV indus, such as amount of time that must be devoted to specific program categories

January 12, 1973

White House Telecommunications Policy Office Dir C T Whitehead on Jan 11 reiterates that Nixon Adm bill to change broadcasting laws 'would restore equilibrium to the broadcasting system', speech to over 500 hostile members of TV Arts and Sciences Natl Acad NY chapter; acad turnout is attributed to furor that has arisen over Whitehead's recent speech disclosing Adm bill and criticizing 'elitist gossip,' 'ideological plugola' and 'biased' reptg of TV network news programs; Whitehead says Adm would correct FCC 'instability and uncertainty' in issuing broadcast licenses by taking away much of its power to deny license renewals to broadcasters that have not lived up to comm standards; contends networks wield too much power without

having to answer for their actions; says some people should read G Orwell book 1984 because it points out danger that great many people in 1984 liked to live in manipulated soc; says that soc 'is the opposite of what we intend'

January 15, 1973

C T Whitehead, dir of Telecommunications Policy Office in the White House; says 3 major TV networks, since bombing of N Vietnam on Dec 18, have been flooding the air with left-liberal opinion, indicating lack of balance in news coverage

January 17, 1973

Sen Dem Policy Com tentatively approves resolution on Jan 16, limiting Nixon Adm's use of exec privilege, that would require any White House aide or Cabinet member to 'appear and answer all questions' unless Sen com formally consented to written plea from Pres to excuse official from testifying; under doctrine of exec privilege, White House staff members and, in some instances, officials of Cabinet rank have been shielded from Cong interrogation on ground that their confidential communications with Pres are 'privileged' because disclosure would impair orderly functioning of Govt; under resolution, Adm official who did not wish to testify and cited doctrine of exec privilege would still have to appear before Sen com, barring Pres explanation for his refusal to answer questions; Sen Mansfield announces that he is sending lrs to several public and 'quasi-public' agencies, including Com for Re-Election of Pres, instructing them that all pertinent documents should be 'retained and recovered' for study by Sen com investigating Watergate bugging incident; Sen J O Pastore says that he is eager to give 'very close examination' to proposal by White House dir of telecommenucations policy C T Whitehead that would make local TV stations responsible for content of network news programs they broadcast; says if White House pursues proposal Sen Commerce Communications Subcom will look into matter

January 21, 1973

E W Taylor Jr on White House Telecommunications Policy Office Dir C T Whitehead recent article contends either FCC or telecommunications office should be abolished; says Fairness Doctrine and freedom of airwaves could be enforced under existing rules with only minor changes if FCC was freed of pol manipulation

January 23, 1973

FCC member N Johnson on Jan 22 says that Nixon Adm's proposed broadcast legis is 'very simple deal' designed to keep material unfavorable to Adm off the air, speech, RI School of Design Conf on TV, Communications and Community; describes legis proposed in Dec '72 by White House Office of Telecommunications Policy dir C T Whitehead as fulfilling broadcasters dreams by its proposals for 5-yr license terms instead of 3-yr terms, and by restrictions on FCC's power to set criteria for defining whether public interest is being served by station

February 9, 1973

NBC Pres J Goodman says on Feb 8 that 'some Federal officials are waging a continuing campaign aimed at intimidating and discrediting the news media', speech, Southern Baptist Radio and TV Comm, Fort Worth; cites White House Office of Telecommunications Policy dir C T Whitehead's speech on alleged bias in TV news coverage as example of Govt official whose pronouncements help form 'pattern of action aimed at weakening the press as the public's watchdog'

February 14, 1973

4th annual A I DuPont-Columbia Univ Survey of Broadcast Journalism, dealing with '71-'72 season, finds that Govt assaults on TV news and public affairs programming, combined with nervousness on part of network officials reacting to attacks, places broadcast journalism in state of crisis more profound than it has faced in its 50-yr history; holds that much of blame for decline in news programming performance may be laid to mgt, but must also be shared by sponsors and public; notes that only NBC currently schedules regular news and public affairs hr in prime TV time; rejects allegations that news programs are biased, as was charged by White House Telecommunications Office dir Clay T Whitehead; survey rept was distilled from 1 yr of research into news and public affairs broadcasting by Columbia Graduate School of Journalism special projects div, directed by L Cowan and bd of 7 jurors headed by Dean Elie Abel; rept was edited by M Barrett

February 21, 1973,

White House Telecommunications Policy Office Dir C T Whitehead, under intense questioning on Feb 20, adheres to his proposal that broadcasters be made responsible for content of network newscasts, Sen Commerce (Pastore) subcom on communications hearing; says he should have explained proposal better and used less colorful language when he first presented it; contends broadcasting legis that Nixon Adm will propose soon is aimed at lessening Govt control, not increasing it; says citizen who has complaint about TV programing has no place to go under present system; says broadcasters must take responsibility for their programing; maintains that Adm's legis will be 'clarification of the process' under which FCC hears complaints and renews licenses; indicates there will be extensive clarification of Fairness Doctrine, which requires broadcasters to give equal time for dissenting views

February 23, 1973

FCC chmn D Burch says on Feb 22 that question of whether legis is needed to spell out responsibility of broadcasters to present all aspects of controversial issues is 'terribly difficult and terribly delicate', Sen Communications subcom oversight hearing on FCC; says broadcasters are 'responsible for fairness of everything that goes on the air under existing law'; calls comm's fairness doctrine 'difficult, arcane, but perhaps as good as we can devise'; subcom chmn Sen J O Pastore asks Burch what station mgr with such problem should do if he were presented with network news or public-affairs program that 'some people might question as to its veracity or authenticity'; Burch replies that broadcaster will either have to allow network to present another show with opposing point of view or broadcaster will have to do it himself; Pastore questions possible implications of censorship; Burch says that fairness doctrine comes close to area of censorship in sense that it requires certain things be aired; Pastore says that White House Office of Telecommunications dir C T Whitehead, in his appearance before subcom on Feb 20, was 'a little nebulous' concerning his earlier criticism of TV programming; Burch says FCC is working on its own to make Whitehead's policy statement less ambiguous

March 12, 1973

NY Times editors and reporters question network TV's leading news anchormen, John Chancellor (NBC), Walter Cronkite (CBS) and Harry Reasoner and Howard K Smith (ABC) at roundtable discussion held at Times; discussion includes issues of relationship between Nixon Adm and TV news medium, proposed changes in Govt policy, charges by White House Office of Telecommunications Dir C T Whitehead of bias in TV news reptg, and need for Fed legis to give journalists privilege to withhold

from grand juries either confidential information obtained during news-gathering activities or source of that information

March 14, 1973

Nixon Adm proposes legis increasing broadcast license terms from 3 to 5 yrs and establishing as chief criterion for renewal whether station is 'substantially attuned' to needs and interests of local public; Telecommunications Policy Dir C T Whitehead says localism is basic concept of Amer broadcasting system; bill would make challenge of license renewal more difficult

March 18, 1973,

Comment by Rev Dr E C Parker, dir of Office of Communication of United Church of Christ, on Nixon Adm's apparent assaults on news media; holds that greatest threat of Govt interference to flow of information involves Adm's maneuvers to strip reporters of right to protect confidentiality of news sources; holds that action is deliberate attempt to deprive public of its access to information, and therefore of its ability to participate in making of pol decisions; cites attacks on broadcast media by Vice Pres Agnew and C T Whitehead as evidence that Govt counts on owners and mgrs of broadcasting to accept Govt offer of protection of broadcast licenses in exch for broadcasters' surrendering their 1st Amendment rights; calls on media to reject Govt offer and not to be tempted to trade freedom of speech for their own econ security

March 24, 1973

White House Telecommunications Policy Office Dir C T Whitehead, in lr to FCC Chmn Burch, says 3 major TV networks have resisted Nixon Adm pressure to cut down voluntarily on number of programs they rerun; suggests FCC should conduct full inquiry into matter and consider 'regulatory remedies' to protect public's interest; recommends that FCC immediately rescind its prime-time-access rule, which requires networks to provide no more than 3 hrs of programs in prime evening hrs; lr accompanies study of causes and effects of reruns that was made for Nixon after he concluded last fall that increase in reruns diminished amt of diverse programing and threatened econ health of TV production indus; study finds that number of reruns increased substantially over last decade; Whitehead concedes that principal reason for increased rerun percentage has been increased cost of prime-time TV production

March 31, 1973

G Knox of Network Project, private NYC watchdog orgn, on Mar 30 accuses public TV of encouraging conservative propaganda, Sen communications subcom hearing on proposed legis to authorize 2-yr \$140-million budget for Public Broadcasting Corp; corp has operated on yr-to-yr appropriations since its creation but seeks longer term financing because TV productions often require commitments longer than 1 yr; J Schwarzwald, head of Twin City Area Educ TV Corp and exec sec of Natl Educ TV Assn, demands end to Fed financing of public-affairs programs, which he accuses of promoting liberal bias; urges legis requiring corp to distribute at least 2/3 of its funds to local stations; White House Telecommunications Policy Office Dir Whitehead says Pres Nixon will insist on 1-yr financing for public broadcasting until its leaders agree to devote more funds to local programing; denies accusation by Sen Pastore that he is hostile to public broadcasting

April 2, 1973

FCC on Apr 1 refuses to act as judge of broadcast news objectivity when it declines to require Idaho radion station, KID, to include in its news coverage information on Soviet and Chinese mil support of N Vietnamese in addition to its coverage of US involvement in Vietnam; rejects petition by Idaho listener who complained of lack of such coverage; decision appears to place FCC at odds with 1 objective of C T Whitehead, who touched off controversy last Dec by suggesting that station mgrs and network officials should 'correct imbalance or consistent bias from networks'

April 20, 1973

R B Rogers, Texas industrialist who led public TV stations in struggle for their autonomy against Public Broadcasting Corp, on Apr 19 says improper pol influence was exerted on corp bd by White House Telecommunications Policy Office Dir Whitehead; is uncertain whether Pres Nixon knew of such pol influence; says these questions must be resolved before further progress can be made in attempt to reconcile differences between stations and corp; Rogers, reached by telephone in Portugal, says T B Curtis may have resigned as corp's chmn because of 'improper influence' on bd by Whitehead; resignation of Curtis came in wake of decision by bd to defer action on compromise plan that would have allowed stations to retain primary control over programs fed to them by Public Broadcasting Service; Telecommunications Policy Office previously acknowledged that Whitehead had been in contact with bd members but denied that he 'tried to coerce anyone' into voting in particular way

April 24, 1973

T B Curtis, Public Broadcasting Corp chmn until he resigned abruptly 1 wk ago, says on Apr 23 that White House 'tampered with' corp's ind bd, in express contradiction to assurances that he had recd, int; says it is imperative that bd 'reassert its independence and integrity' by devising procedures that will effectively insulate it from pol pressures; contends that White House Telecommunications Policy Office Dir Whitehead did not respect bd's integrity as he said he would; Curtis's resignation on Apr 14 came in wake of decision by bd to defer action on carefully work-out compromise plan determining operating structure of public broadcasting; plan was designed to adjust relations between PBC and nation's 233 public TV stations; it would have assured that stations would retain large measure of control in public TV's national programing; Curtis was surprised that bd did not agree to plan; thinks bd members were ready to when White House interposed; says 4 members told him that they had been called but does not name individuals who allegedly interfered with deliberations

April 26, 1973

Allegations of improper pressure by White House on Public Broadcasting Corp bd are described as 'phony issue' and 'outrageous' in ints with Repub bd members I Kristol, F Schooley and another member who refuses to be identified; White House Telecommunications Policy Office Dir C T Whitehead spokesman says repts of 'last-min telephone blitz' on members of bd by White House staff are 'totally ridiculous'; telephone calls were allegedly aimed at bd members prior to meeting in which they were to vote on compromise plan for apportioning authority for public TV; bd's decision to defer action on this plan sparked resignation of bd chmn T B Curtis on Apr 14, and led to allegations of White House pressure by Curtis and Texas industrialist R B Rogers, who was major architect of plan

May 8, 1973

RCA Corp chmn R W Sarnoff on May 7 condemns 'unprecedented spectacle of high officials attacking the national news media in general and television network news in particular,' speech at meeting of affiliate stations of NBC, Los Angeles; attributes 'growing intensity of govt assaults on broadcasting' primarily to White House Office of Telecommunications Policy, citing Dec '72 speech made by office dir C T Whitehead; says what Govt wants is 'tamed press'; holds that Govt's efforts to make news media docile rely heavily on technique of intimidation

May 18, 1973

T W Moore and J Wrather, members of Public Broadcasting Corp (PBC) bd, on May 17 deny allegations that White House exercised any improper influence on bd but say they have been in contact with White House officials on important issues confronting bd; allegations were raised last mo after T B Curtis, conservative Repub and appointee of Pres Nixon, resigned abruptly as bd chmn; he told NY Times that White House staff members had 'tampered with' bd by contacting several members privately and 'saying God only knows what' to them; F E Schooley, conservative Repub bd member, makes strongest statement yet from within bd, calling for abolition of White House Telecommunications Policy Office, headed by C T Whitehead; 2 other bd members, I Kristol and Repub who declined to be named, previously denied pressure charges; R S Benjamin, Dem, who is vice chmn of bd, says 'White House never brought any pressure on me'; Dr J R Killian Jr, who succeeds Curtis as PBC bd chmn, says he has no 'specific information' about alleged White House campaign to sway bd members' votes; Sen Pastore says PBC bd members are 'strong-minded enough' to carry out their own will

May 22, 1973

Public Broadcasting Service (PBS) acting chief exec R B Rogers on May 21 says major change in present structure of public broadcasting might be necessary to assure its freedom from pol interference; PBS represents managements of over 200 public TV stations currently engaged in negotiations with federally chartered Public Broadcasting Corp (PBC); 2 orgns have recently been engaged in attempt to work out clear division of functions and responsibilities; structural change Rogers conceives could involve abolition of PBC; Rogers, in strongest statement anyone in embattled system has made to date, says 'PBC must be ind of any pol pressures or it should not exist'; says Cong 'has done remarkable job in keeping hands off'; contends best way to assure independence of noncommercial broadcasting is 'long-range financing'; Sen Pastore notes that Nixon Adm has steadfastly resisted 2-yr funding authorization for public broadcasting; says White House Telecommunications Policy Office Dir Whitehead testified that he preferred 1-yr authorization

May 28, 1973

Public Broadcasting Corp chmn Dr J R Killian Jr on May 27 says Watergate scandal and its apparent aftermath of diminished antagonism to press by Nixon Adm may help assure that public broadcasting in US will be 'free of pol control,' int; says pressures have been applied to noncommercial broadcasting by Adm just as they have been applied to other news media; thinks Amer public is going to demand that there be independence for public broadcasting within terms of its Cong mandate; cites Nixon's '72 veto of public broadcasting financing bill and statements by Pres aides C T Whitehead and P J Buchanan as examples of Adm pressures

June 2, 1973

White House Office of Telecommunications Policy dir C T Whitehead on June 1 says he flatly opposes Govt control of broadcast content, June 1 meeting of AP Broadcasters Assn; says such control should come from within profession rather than from Govt; says FCC and Cong already exercise licensing restrictions on broadcasting but that there is no excuse for extending that type of regulation to broadcast content

June 9, 1973

White House office of Telecommunications Policy dir C T Whitehead reasserts on June 8 his belief that broadcasters alone must determine what goes on air without any interference from Govt, speech, Indiana Broadcasters Assn; renews his attack on fairness doctrine and other rules of FCC that have required broadcasters to air both sides of controversies and to carry programming that is at least somewhat diversified; says that trend toward expanded role for Fed Govt in broadcasting 'reached its peak' when FCC and cts ruled against Rev Dr C McIntire in his application for license renewal for station WXUR in Media, Pa, essentially for violations of fairness doctrine; expresses some concern that Adm's bill, chaging rules under which broadcaster;s licenses are renewed, might not be enacted

June 13, 1973

White House Telecommunications Policy Office Dir C T Whitehead on June 12 says Nixon Adm still favors 1-yr funding plan for public broadcasting despite recent agreement between Public Broadcasting Corp and Public Broadcasting Service for greater local-station autonomy, testimony before HR communications subcom hearing; gives no assurance that Nixon will not veto 2-yr authorizaton, repeating his veto of '72

July 24, 1973,

White House Telecommunications Policy Office says on July 24 that its Dir C T Whitehead may leave post by end of '73 or shortly thereafter

September 15, 1973

FCC Chmn Burch on Sept 14 proposes to strip comm of its 'unbridled' adm discretion in programing and to substitute 'known guidelines equitably enforced' in licensing TV stations, speech to Internatl Radio and TV Soc, NYC; criticizes FCC for failing 'to produce licensing and relicensing policy that makes sense'; outlines method to end situation in which broadcaster cannot frame programing policy with certainty of satisfying FCC; under proposed system, FCC would promulgate set of performance guidelines requiring stations seeking license renewal to prove they have allocated set percentages of broadcast time to specific categories, such as local programing, news, instruction and culture; Natl Broadcasters Assn opposes guidelines; NBC says it will not oppose guidelines as long as categories are broadly defined; FCC members reptonly have disagreed about wisdom of guidelines, which are opposed by White House Telecommunications Office Dir Whitehead

September 19, 1973

FCC Chmn Burch on Sept 18 receives generally favorable reception from HR Commerce subcom for his proposed new system for measuring performance of TV stations; would like to see Cong and FCC adopt 'formula' system, under which TV broadcasters would be required to set aside specified amounts of airtime for certain categories of programing, such as news and public affairs; station's licenses would be renewed only if they met minimum standards; subcom chmn Repr T H Macdonald lauds Burch proposal; sole critic is Repr C J Brown, who prefers approach that has

been advocated by White House Telecommunications Policy Office Dir Whitehead; Burch denounces Whitehead's license-renewal legis, which would prohibit FCC from establishing programming guidelines as standards for license renewal; says his formula would not be applied to radio stations;

November 10, 1973

Sen L P Weicker Jr on Nov 9 attacks Office of Telecommunications Policy as 'danger to freedom of the press' and introduces legis that would abolish office; Cong experts in communication policy say that legis stands little chance of passage in '73; Weicker, in speech before Sen, says govt should not be in business of reviewing quality and scope on non-governmental communications; says that functions of office could all be handled by FCC; is critical of speech made by former office dir C T Whitehead in which Whitehead appeared to be threatening owners of TV stations with loss of licenses if they did not 'act to correct imbalance or consistent bias from the networks'

November 16, 1973

Repr T H Macdonald, chmn of HR Subcom on Communications and Power, on Nov 15 denounces Nixon Adm's treatment of electronic press and says that Cong is insulation between hostile exec branch and news media, speech, Natl Press Club, Washington, DC; says of TV execs 'There's nothing the executive branch can do to you'; calls for abolishment of White House Office of Telecommunications; says after it was created White House never entered into any discussion of communications policy with Cong, as had been promised, but rather agency's creation enabled exec branch to speak with harsher voice; says of office's dir C T Whitehead that he will be 'different man when the fiscal 1974 budget goes into effect, for approximately half the amount of money he'd asked for from the Congress'

November 29, 1973

White House Office of Telecommunications Policy on Nov 28 reveals plan to set aside ample radio frequencies for emergency med service networks throughout US; Adm spokesmen call it vital 1st step in giving Amer communities kind of integrated emergency med services they need to save thousands of lives yrly among persons stricken by heart attacks and strokes or injured in accidents; many such persons now die because they do not get adequate emergency care before they reach hosp; estimates of number of lives that could be saved each yr if all regions of US had adequate emergency care systems range from 60,000 to 100,000; dir C T Whitehead notes that a few cities already have efficient systems, including 2-way communication between ambulance and hosp and radio equipment for sending vital data on patient's condition from scene of emergency to drs at hosp; HEW Dept Sec C C Edwards says dept is putting high priority on efforts to develop efficient emergency med system through US; Adm plan calls for allocating 38 radio frequencies for emergency med use throughout US; Whitehead says 22 are already available; says new arrangement will require some reallocations, but probably no serious hardships to any current users of radio frequencies involved

December 9, 1973

White House Office of Telecommunications begins campaign to get more state and local govts to adopt emergency phone number 911; makes available booklet by agency's dir C T Whitehead, designed to help in establishing 911 service

December 12, 1973

United Church of Christ Communication Office Dir Dr E C Parker on Dec 10 challenges move by members of Govt agencies to de-regulate radio, speech to Fed Communications Bar Assn, Washington, DC; says most radio stations are in need of regulation because they broadcast extremist propaganda or are guilty of ad abuses; says his office has found that 'extremist propaganda, principally of right-wing nature, is widely disseminated through small and medium-powered radio stations'; calls for 'rescue' of Office of Telecommunications Policy by removing it from White House and making it responsible to Cong; advocates placing office administratively within FCC but allowing it to function independently; proponents of de-regulation have been FCC member R E Wiley, FCC chief counsel J W Pettit and Office of Telecommunications Policy Dir C T Whitehead; they are concerned with burdensome paper work involved in regulating vast number of broadcast stations

December 17, 1973

Nixon Adm's campaign to subdue TV networks effectively came to end late in Oct when 'secret' memorandums on communications strategy surfaced among Watergate documents; memorandums, written by J S Magruder, L M Higby, P J Buchanan and other White House aides, were studded with such phrases as 'get the networks' and with recommendations to use IRS, FCC, Justice Dept and other Govt offices to harass networks and create climate of doubt about their objectivity in news; had impact of documentary proof that there was orchestrated effort in Adm to pressure networks into adopting sympathetic attitude toward White House; Govt offices have become defensive about pursuing actions involving networks since memorandums became public; FCC recently abandoned proposal that networks be divorced from 5 stations that each of them owns; is going forward with proposed rule to prohibit networks from producing their own entertainment shows or from leasing their facilities to outside producers; White House Telecommunications Policy Office's power over broadcast indus reptonly has receded; Telecommunications Policy Dir C T Whitehead has not made significant speech in mos; memorandum that finished it all as far as campaign against networks was concerned was one by former White House special counsel C W Colson to Nixon's chief of staff H R Haldeman; memorandum, dated Sept 25 '70, reptonly that network officials were 'very much afraid of us' and anxious 'to prove they are good guys'; became public in Nov when Sen L P Weicker Jr released it to press; network officials reacted to it with indignation and seemed to feel challenged to prove their independence and courage to withstand Adm pressures; CBS chmn W S Paley, shortly after Colson memorandum came to light, reversed his 5-mo-old policy barring CBS newsmen from analyzing Nixon speeches immediately after they were delivered

December 20, 1973

White House Telecommunications Policy Office Dir C T Whitehead says on Dec 19 that he will resign within 2 or 3 mos and that he desires to leave Govt service; Whitehead says he has not yet informed Pres Nixon of his decision, telephone int; his attitudes towards network news and public broadcasting noted; for 2 yrs, until Watergate developments this yr, Whitehead was perhaps most vocal critic of network journalism in Govt, best known publicly for his charge that news dealt in 'ideological plugola' and 'elitist gossip'; he recommended in '72, with Pres's allocation powers behind him, that Govt-funded system give up production of news and public affairs programs and that it stress local programing in preference to country-wide programming; says among projects he wants to see completed before he leaves include producing bill for Pres's consideration on long-range financing of public TV and issuing long-awaited cable rept that will recommend natl policy for cable TV,

telephone int; forthcoming from Telecommunications Office is recommendation for new legis on citizens' privacy, which would relate to gaps in existing privacy laws that have arisen from advances in technology since laws were written; resignations in FCC, which will cause FCC to be made up predominantly of Nixon appointees, noted; it is expected that because conservative side of FCC has traditionally backed incumbent station operators in most instances of license challenges, that broadcast license renewals will be more easily achieved than they have been in recent yrs; FCC aide notes that long-pending question of multiple-ownership in media no longer need be considered; advocates of dissolving media monopolies have been Comrs N Johnson and H R Lee, both of whom have resigned

January 17, 1974

White House Telecommunications Policy Office releases rept calling for virtual removal of Govt regulations over cable TV in order to give it same freedom-of-the-press status that newspapers, magazines and books have under First Amendment. Rept, prepared under auspices of special Cabinet com established by Pres Nixon in '71, proposes that owners of cable systems be prohibited from producing programs for their own channels and that current restrictions be lifted against cable-TV ownership by TV networks. Rept's key recommendation is that pay cable TV be permitted on unrestricted basis. Clay T Whitehead, Telecommunications Policy Office dir, who is chmn of Cabinet com, says proposals will not receive 'great push' from Adm because of 'reverse effect of such endorsement'. 5 of 7 com members are gone from Adm. Whitehead's departure has been put off by delays in releasing rept, which he considers most significant product of his office. Rept receives support from number of academicians and cable-TV indus officials who attend conf in Washington, DC, sponsored by Aspen Program on Communications and Soc (L).

January 25, 1974

Ed lauds cable TV rept issued by Cabinet Com on Cable Communications working under aegis of Telecommunications Policy Office. Contends that rept is free of 'ideological plugola' that characterizes Adm's attitude toward broadcasters. Holds rept is practical in its recognition that 'marketplace of ideas' must be opened up without Fed franchises for favored few, complex regulations, or censorship. Says Telecommunications Policy Office Dir Clay T Whitehead and other officials have written document that can have beneficial reverberations for yrs to come

February 12, 1974

White House Office of Telecommunications on Feb 11 issues rept saying that Fed Govt spent \$375-million in fiscal yr '72 on audio-visual materials--including TV and radio spots--and 2 agencies most involved were Pentagon and USIA. Telecommunications Office dir Clay T Whitehead says that rept reveals surprising dimensions of Govt involvement with modern communications techniques, and calls for immediate attention to 'potential for abuse, for turning public service messages into bureaucratic propaganda'. Pentagon accounts for \$260.2-million of total spent, for training films and other materials, and USIA spent \$77.2-million. Budgets for 13 other agencies that are among largest producers of audio-visual materials in Govt are less than \$10-million each. Rept itself recommends that govt begin centralized supervision and coordination of its 653 audio-visual facilities. Finds that 95% of all TV production for govt was performed in-house while 2/3ds of all film production for govt during '72 was done by private firms.

July 10, 1974

Clay T Whitehead, dir of White House office of telecommunications policy, on July 9 criticizes AT&T for using its power to persuade Govt to extend its monopoly in communications. Makes criticism in statement that has been cleared by both Justice Dept and Office of Mgt and Budget. Tells Sen Antitrust and Monopoly subcom that it is unbecoming for co the size and stature of AT&T to use its legal, pol and econ power to extend its monopoly by govt fiat to areas where monopoly is not called for. Says it would not be appropriate for him to comment on merits of allegations of possibly illegal business practices made against AT&T by 38 cos in earlier series of subcom hearings. AT&T spokesman says that time has come to alert public that regulatory decisions that have been taken cannot help but hurt most people (M).

July 21, 1974

Rev of Pres Nixon's approval of Telecommunications Policy Office Dir Clay T Whitehead's bill that will place public TV on sounder financial footing and insulate it from Govt interference

July 31, 1974

AT&T, at Sen Antitrust and Monopoly subcom hearing, launches counterattack on July 30 against critics in both Govt and business who have charged co is too large and too powerful and sometimes uses unfair business methods. Prof Eugene V Rostow, speaking against bill aimed at breaking up concentration of business power in such areas as communications, chemicals and automobiles, says that AT&T and its manufacturing and operating arms are 'reasonable and indeed inevitable system' for maintaining and improving integrated natl and internatl system of communications. Hearings are held several days after Justice Dept acknowledged that its Antitrust Div for last yr has been investigating co for possible antitrust violations and several wks after Clay T Whitehead, dir of White House Telecommunications policy, criticized AT&T for using its power to persuade Govt to extend its monopoly in communications. Rostow attacks many of recent decisions of FCC concerning phone service and legis introduced by Sen Philip A Hart to force businesses in certain key areas to reduce their size. Holds FCC has practiced protection while preaching competition in telecommunications indus. NY Telephone Co vp Frank McDermott Jr says Bell System does not have to condone any policy of anticompetitive behavior. Says he conducted investigation of 121 allegations made to subcom that actions by Bell System had been anticompetitive and found only 4 instances where employees had made statements or taken actions not in accord with corp's policy of fair competition

August 9, 1974

**White House Communications Policy Office head Clay T Whitehead resigns, effective Sept 15. Says he has accepted teaching and consulting assignments both at MIT and Harvard Univ. Deputy dir John M Eger will serve as acting dir. Whitehead career sketch. His duties discussed

August 15, 1974

Pres Ford's aides imply that Pres Ford wants power of White House dispersed. Transition team coordinator Donald Rumsfeld emphasizes that team has not concluded its studies and says it would be premature to forecast its conclusions. Another aide suggests that 1 gen theme of team's rept will be 'decentralization' of White House, to restore some authority to Govt agencies and depts. Press sec J F terHorst says Ford has asked Alexander M Haig Jr, Nixon's chief of staff, to stay on indefinitely and that Haig had agreed to do so. Interior Sec R C B Morton says team is trying to cut through whole 'Nixon style' of operations, which he describes as self-contained style that tended to hold everything in Pres's office. Says Ford wants policy to be developed in depts and agencies and then referred to Domestic Council and Mgt and Budget Office. Ford is expected to make changes in Cabinet. Planning for transition began day before Nixon resigned. Meeting was held at home of William G Whyte and was called by Philip W Buchen. Others present were Sen R P Griffin, Bryce N Harolow, former Repr John W Byrnes, Clay T Whitehead and former Gov William W Scranton. Group's 1st decision was to recommend that Ford appt J F terHorst as White House press sec. Group named transition team

August 26, 1974

Planning for orderly elevation of G R Ford to Presidency began mos before Pres Nixon decided to resign. Plans, which were kept secret from Nixon and, at 1st, from Ford, were initiated by Ford's closest friend Philip W Buchen. 'scenario' for 1st days of Ford Adm was drafted in June by Clay T Whitehead and 3 other men and details of change in Govt were settled 36 hrs before event by assortment of pol and corp friends of Ford who met at home of US Steel Corp vp William G Whyte. Chronology of transition plans. Buchen por

September 16, 1974

Lawyers disagree on Nixon pardon. Prof Philip B Kurland says he thinks pardon is invalid because there was no conviction and suggests Watergate prosecutor Leon Jaworski make a challenge in cts. Amer Bar Assn pres-elect Lawrence E Walsh says it is in natl interest to keep a Pres's pardoning powers broad. Both appear on ABC TV program Issues and Answers. Walsh questions manner and timing of pardon and says he thinks it might have been better if clemency hearings had been held where arguments pro and con could have been fully developed before decision was made. Time (pub) repts that just before White House aides H R Haldeman and John D Ehrlichman resigned in Apr '73, Nixon promised them pardons, which never came through, even though both men pressed Nixon again on subject just before Nixon resigned. Newsweek (pub), citing new evidence from White House tapes, says Watergate prosecutor Leon Jaworski's office now has evidence that Nixon knew in advance of activities of undercover team that later broke into Dem Natl Com hq in June '72. Former White House telecommunications dir Clay T Whitehead says he thinks timing of Nixon pardon was mistake, int on CBS TV program Face the Nation. Says transition team worried about concentration of mil officers in White House and about Alexander M Haig Jr's role as chief of staff. Says team felt it would be 'irresponsible' to remove Haig immediately as symbol of change at White House because he was 'too important operationally to the Pres'. Asked if Haig served 'in effect' as 'surrogate Pres' during Nixon's last days, Whitehead says Haig 'had much more power concentrated in any one man than we've ever seen before and far more than would be healthy in normal circumstances'. He says he himself did not quit because he felt sense of duty to Cong and people. In int by US News & World Rept with top Ford aides Philip W Buchen, Robert T Hartmann and John O Marsh Jr, Buchen is asked if extent of Nixon's suffering was main consideration in granting of

pardon. Buchen says it was not so much the Nixon suffering as what US would go through 'as they may have had to watch this man go step by step toward the brink'

January 18, 1975

White House sources say Pres Ford, on recommendation of Mgt and Budget Office dir Roy L Ash, has agreed to transfer Telecommunications Policy Office to Commerce Dept instead of disbanding it. Move saves \$9.3-million from exec budget. Sources say Ford's change of mind was influenced by bipartisan protests from Cong, which arose when NY Times repled that White House was considering the transfer. Cong activity was led by Sen H H Baker Jr. Baker's effort was joined by Reprs L Van Deerlin and C Brown. Telecommunications Office acting dir John Eger fought to prevent transfer. Clay T Whitehead, 1st dir of office, comments