

10/01/71
Pete Peterson to
Whitehead
“concerning alteration of
the FAA/ESRO
arrangements...as you
know the matter is
extremely complex and I
am unable to give you a
substantive reaction”

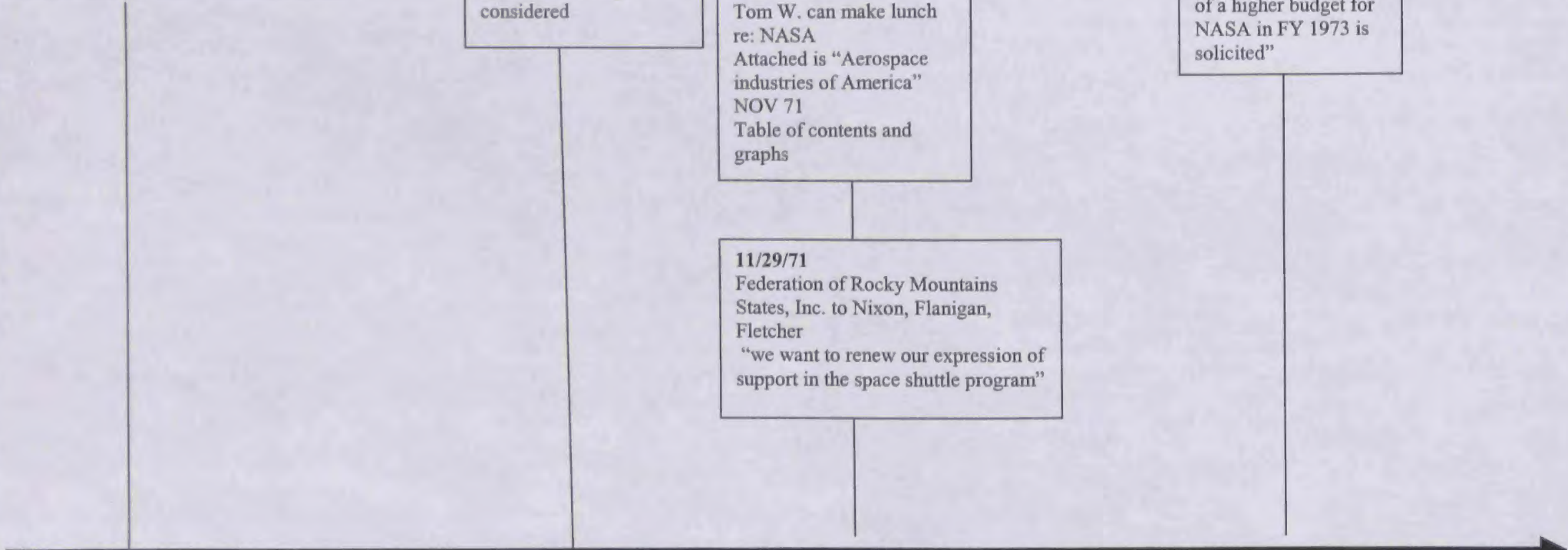
10/04/71
Grubb to Rose on
Fletcher letter to George
Miller
RE: the space shuttle
and the alternative
approaches being
considered

11/01/71
“Jon to Bill”
Tom W. can make lunch
re: NASA
Attached is “Aerospace
industries of America”
NOV 71
Table of contents and
graphs

11/29/71
Federation of Rocky Mountains
States, Inc. to Nixon, Flanigan,
Fletcher
“we want to renew our expression of
support in the space shuttle program”

12/17/71
Peters of Madison
County Republican
Party to Haldeman
“Your active support
of a higher budget for
NASA in FY 1973 is
solicited”

07/27/71
Haldeman to Mr. Sully
a study in 1970 indicated.. we must
continue in space, and the potentials
of space exploration warrant the
expenditures presently planned



01/05/72
Nixon Statement on Space

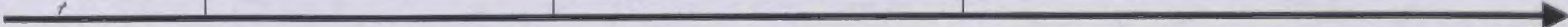
12/29/71
NASA admin. to Cap Weinberger
"report the results of space shuttle options and to recommend a course of action"

01/29/1972 John Rose to Flanigan
"We have come from \$6Billion to \$3B thanks to Whitehead...
"My suspicion is without having intently studied the matter tat we would not have a viable space program if the level were too much lower than it is now."

12/19/72
Rose to Knubel
"OMB analysis indicated that the only way to reach the overall desired mark of 3.04 billion is to cancel the Viking Mars mission scheduled to arrive in '76"...

OMB outline of suggestions to Nixon for FY 73 and the future manned space program

04/27/72
Rose to Flanigan
"PSAC science panel would inevitably creep into areas in duplication of NASA's technology and OMB's purview."



02/22/69 Memo to President from NASA administrator
Policy issues regarding manned space flight, FY1970, future of NASA

03/18/69 O'Paine to Ehrlichman
Description of activities and plans of NASA

06/19/69 Whitehead to O'Connell
"Procurement on satellite in post Apollo era"

06/27/69 Whitehead to General Lincoln
"I am not strongly wedded to final recommendation"

07/03/69 PSAC to Presidents Space Task Group
outlines "objectives in post Apollo period"

07/08/69 Whitehead to Shapley
"attached is a rough proposed working paper"

07/14/69 Whitehead to Shapley
"will you please set up a briefing on communication satellite technology"

08/08/69 Stephen Bull to Nixon
"3.5 billion in budget cuts needed" -NASA

08/19/69 Flanigan to Nixon CC:Whitehead
"I agree with Dr. Paine's recommendations that the administration concentrate its support of bills recognizing accomplishments in space"

08/21/69 Flanigan to Dr. Paine
"Thank you for the cost reduction report"

08/27/69 Space task Group Report
"Post-Apollo Space Program: Directions for the Future"
(manned pace flight and international considerations copied)

11/19/69 PSAC Advisory Suggestions "Reports Prepared in the last 18 months"

12/17/69 O'Paine to Nixon to Flanigan for recommendation
--regarding FY 1971 budget level
-includes stats on suggested NASA cuts

12/18/69 Flanigan to Nixon
"Renegotiation board budget appeal"

01/05/70 ***** Whitehead to Flanigan
****The current NASA budget is as follows, the major differences are, BOB, Viking,
** packet includes attached memo including Kriegsman's suggested reductions (12/29/69),
includes expenses/outlays, and Flanigan's NASA budget cuts

01/06/70 Flanigan to O'Paine and Mayo
"It was agreed that with Dr. Payne that NASA's FY 1971 budget will be met subject to the
following presidential objectives"

03/06/70 Shapley to Whitehead
"These are the changes George Low and I recommended to you at Paine's request"

03/06/70 Flanigan to Nixon
 "To discuss statement on space and Dr. Paine's press briefing"

03/06/70 Flanigan to Ehrlichman
 I advise Paine meets with the president but this is not the occasion to try and change his message on space

03/07/70 *Nixon's statement on Space

12/01/70 Ed Harper to Ehrlichman
 NERVA

12/12/70 Low to Flanigan CC:Kriegman
 "there are two important points which bear on the President's posture on NASA..the BOB and Russia
 ***includes charts on payloads Russia vs USA

02/16/71 Flanigan to Ehrlichman
 "Attached is a thoughtful memo I asked Tom Whitehead to prepare on NASA."
 **attached memo

07/27/71 Haldeman to Mr. Sully
 a study in 1970 indicated.. we must continue in space, and the potentials of space exploration warrant the expenditures presently planned

10/01/71 Pete Peterson to Whitehead
 "concerning alteration of the FAA/ESRO arrangements...as you know the matter is extremely complex and I am unable to give you a substantive reaction"

10/04/71 Grubb to Rose of Fletcher letter to George Miller
 on the space shuttle and the alternative approaches being considered

11/01/71 "Jon to Bill"
 Tom W. can make lunch re: NASA
 Attached is "Aerospace industries of America" NOV 71
 Table of contents and graphs

11/29/71 Federation of Rocky Mountains States, Inc. to Nixon, Flanigan, Fletcher
 After meeting with Fletcher, "we want to renew our expression of support in the space shuttle program"

12/17/71 Peters of Madison County Republican Party to Haldeman
 "Your active support of a higher budget for NASA in FY 1973 is solicited"

12/29/71 NASA admin to Cap Weinberger
 "report the results of space shuttle options and to recommend a course of action"

01/05/72 Nixon Statement on Space

01/29/1972 John Rose to Flanigan
 "We have come from \$6Billion to \$3B thanks to Whitehead...
 My suspicion is without having intently studied the matter tat we would not have a viable space program if the level were too much lower than it is now."

04/27/72 Rose to Flanigan

"PSAC space science panel would inevitably creep into areas in duplication of NASA's technology and OMB's purview."

12/19/72

Rose to Knubel

"OMB analysis indicated that the only way to reach the overall desired mark of 3.04 billion is to cancel the Viking Mars mission scheduled to arrive in '76'..."

undated

OMB outline of suggestions to Nixon for FY 73
And the future manned space program

If research was done at
NARA, what was the
scope of it? what
was achieved?
Any contacts there?

who is Roger Ailes?

what was scope of Javari's
research - what did he
do? what was his goal?
where did he leave off?
what suggestions for going
forward? Contacts?
useful websites?

What

Are the papers following the
disk ~~just print outs of~~
~~what's on the disk?~~ + where
did they come from?

look like NARA docs...

were they selected based on analysis of
computer disks?

What does Jyba Linda ~~hahaha~~
that the N11 archives doesn't
+ vice versa?

Did Jason create these
time lines? Are they on disk
Do we have electronic copies?

What are these Notes? What
do they mean? Who
collected them?

Kennedy

Kennedy Nixon Debates on defense
DU726

Cuban Missile Crisis
DU1515

JFK Inaugural 1961 71874 00092102
"Torch has been passed....."
DU1516

Kennedy fueneral

LBJ

LBJ Inaug

LBJ 11/27/63 to Congress, 00072073 Tape # 100310
Anti-fanaticism, unity after JFK
DU1517 24:45:00 26:08:00

Great Society 5/22/64 100740 00072112
DU1518 1:00:10 1:01:50

Johnson will not seek re-election 3/31/68 000100315 Box 00072073
DU1519 00:39:00 00:41:46

Nixon

Inaug

100599 **Nixon "Silent Majority"** 11/03/69 0072101
DU1453 TRT 132

Nixon Press Conference Nov 1973 "never obstructed justice, not a crook"
DU1458

Nixon wave

Ford

Nixon Pardon "American Tragedy" 09/74 100601
DU1461 TRT 43

No Soviet Domination (and response?)
DU704 76 Pres Debate

Carter

DU 707 Malaise
DU 708 Iran Hostage failure

Reagan

OBIT #107346

DU1157-1162

Inaug

Brandenburg Gate

DU

Challenger

DU1153

1:01:30

1:02:53

Pointe du hoc

DU1154

01:03:30

1:05:13

Bush 41

Thousand points of light

DU1130

Read my lips

DU1131 or DU384

41st Bush Ends Gulf War 3/6/91 101443 box 00075014

DU1521

41st Bush in front of Congress "There is a New World Order"

37:24:00

39:32:00

Clinton

I still believe in a place called hope +balloon drop

DU1134

TRT 30+ 215Broll

Clinton State of the Union

1/23/96

61614

"Era of big government is over"

DU1484

TRT 46

Clinton Childcare 1/26/98

81635

box 00096035

I did not have an affair with that woman

DU1482

TRT 26

President Clinton Speech 8/17/98 86884

Apology

DU1483

TRT 57

W

Bush at WTC 9/14/01 119302 Box 00055105
DU354 15:47:09 15:48:27

DU365 0:00 bush at Cathedral

USS Lincoln T135665 28:15 WHITE HOUSE CURRENT DVCPRO LIBR
Bush walks to podium, shot of "Mission accomplished"
DU323

We now have precision weapons..let the tyrants fear
DU324 21:07:20 21:09:35

Bush in Baghdad 11/27/03
DU1360 142286

Western Electric

"The Western Electric Manufacturing Company (WEMC) was the biggest concern of its kind and a plan was developed to combine it with the Charles Williams Company, of Boston, and several other concerns. To protect themselves, the Bell interests found it desirable to secure control of WEMC. This they did by buying in 1882, majority of the shares of stock, which were held by interests associated with Western Union Telegraph. Western electric was formed." WElectric was now the exclusive manufacturing licensee....The exact relationship between American Bell and W-Electric was the subject of a contract drawn up between them on 02/06/82. This contract continued in force until 1908 when it was altered. Under it Bell was permitted to acquire at cost, any telephone patents owned by the manufacturing company, and the latter has the privilege of manufacturing any patents owned by the former."

The Financial History of American Telephone and Telegraph Company" Stehman page 30,31

"When the US went into the war in 1917 the engineering staff and laboratories of WElectric were devoted almost entirely to war activities, and large quantities of materials were supplied the US Signal corp. Western's knowledge and capacity are now (1941) as they were then, an important military asset. But now it is better prepared to serve the military and Naval needs than it was in 1917 for the army and Navy have maintained a continuing relationship with Western, which, knowing their wants, can work for them without delay or confusion."

The Bell System Page p135

Early Regulation

#1 On Moving to New York and consolidation: "American bell decided to organize a company under New York laws to take care of its long distance business. This was done apparently in the hope that, by merely licensing and owning the stock of operating companies and in no case doing any operating, American bell could avoid being classified as a public service corporation." *Page 43 Forbes describes the consolidation he oversaw as "best to bring a large territory under one management"
p33-43 Stehman

#2 Beginning in 1904 various state legislatures passed laws providing for compulsory physical connections so as to enable independents to break out of the confines of their limited territories" In 1912 (Kingsbury) the federal government put their weight behind thisbut Bell always found a way to evade the requirements"

Monopoly , Goulden page 65

#3 The earliest efforts at effective state regulation of telephone services came in 1907 in Wisconsin, NY, and Georgia of enabling legislature creating commissions with jurisdiction over telephone service, While interstate commerce commission obtained normal authority over interstate telephone service with passage of Mann- Elkins act of 1910, this area of the business remained unregulated. Gabel, R¹ p16

#4 Control of the nationwide network was a valuable tool during the competitive era after expiration of the Bell patents (1893-94) in defeating incipient competition and consolidating control of the telephone services in the major metropolitan communities Gabel, R² p17

Gabel, R³ 66

#5 Chapters on State and Federal regulations The Bell Telephone system, Page 176-205

PAGE BOOK
Bell Telephone
Systems

Western Union 147-152

**Gould, New York Telegraph,
Page 213**

The first major settlement was of the patent suit of the Bell Telephone company etc al, against Peter A. Dowd, a licensee of a subsidiary of Western Union.

“From the standpoint of existing and potential patent control the Western Union settlement was most advantageous to the Bell CO. 42 patents and applications then owned by western Union covering improvements on the telephone itself and useful devices in the field of telephonic apparatus. Over the 17-year period of the agreement, the Bell system obtained exclusive rights in the telephone field under 87 Western Union patents.

Post-Patent Competition

The most serious threat to Bell was the American Telephone, Telegraph and Cable company (headed by rival bankers, Rockefeller, ~~and~~) attempted to consolidate independents. *The Financial History of American Telephone and Telegraph Company Stehman page 57*

The Trust company panic of 1907 Chapter 5 page 83

Wicker, “The Banking Panics of the Gilded Age”

Three Characteristics of the 1907 panic render it unique among the banking panics of the national banking era:

1. The disturbance in New York was largely confined to the trust companies
-

2. leadership for restoration was assumed by J.P. Morgan and not the NY Clearing House
3. the instrument of voluntary money pooling was used extensively to provide financial support to troubled trust companies and the stock market, and to relieve the fiscal crisis in NY city.

Also,

total liabilities of failed banks were over 20% greater in 1907 than in 1893

Original investors included Boston bankers, George Bradley, W.G. Salastonn and G.Z. Salisby had organized

Quote: In One Man's Life A.B. Paine page 111

"Uncle Joe" Cannon, then a member of Congress said upon hearing news of Vail quitting his Postal job to join Bell remarked, "That's too bad. I always liked Vail. Hubbard tried to sell *me* some of that stock. I am sorry he got a hold of a nice fellow like Vail"

- W.H. Forbes had resigned in 1887,
- He took the company to NY
- to be succeeded by John Howard Stockton, who after a brief two years was ~~██████████~~ (the previous successor to Vail in 1885)
- The Laws of John E. Hudson, Massachusetts were not favorable to a policy of expansion, and it was at this period that AT&T assumed supreme control. This was Hudson's crowing work.....
- .President Fish, on the verge of nervous prostration, was anxious to retire. He had put the needed vigor into the business and inaugurated a new era of growth, but he and broken under the strain. He had not sought the place-he never felt suited for it. The bankers recommended making Vail president.....

"Charles Glead of Topeka, at one time president of the bell company in Missouri and Kansas once told the writer of these pages that when he undertook to inaugurate a policy of conciliation his hardest job was to ally the wrath of stockholders."

Morgan

#1

Referring to the competitive threat caused by Erie T&T and The Telephone, Telegraph and Cable company announced plans to mount a nation wide, coordinated competition with Bell. "Within a month, one frown by JP Morgan doomed the venture" "Morgan didn't want an outside company to threaten the millions of dollars of bonds his house had invested into bell. He pointedly reminded several NY members of the new telephone

syndicate of the help he had given them in just finished fight with JD Rockefeller for control of the New York gas distribution and hinted that he could reopen the case if he so desired...the New York bankers understood perfectly...and the long distance venture died. ✓

Goulden Page 61

#2 Throughout his career, J.P.Morgan possessed more power than money, although he had a great deal of both. The key to understanding his influence was that he represented the masses of investors who delegated authority to him and worshiply followed his lead. As the uncontested master manipulator of other people's money, he took the latent power of domestic overseas investors and converted it into an active managerial role, blurring the lines between industry and commerce.

Paine page 111

- i. Was Western Electric key in the purchase of WU?
- ii. Did Western Electric act as a fiscal shield/piggy bank that allowed Bell to justify its rates?
- iii. What role did trusts play in the early 1900's?
- iv. Was Morgan's relationship with the government key to Bells regulation?
- v. How did the military complex have a hand in the protection of Bell? Was it in the national interest to have "universal service?"
- vi. What impact did radio/omni directionality have on the regulatory atmosphere? Rail roads as a leader?
- vii. Why was the ICC oversight replaced with FCC?
- viii. Did the nugatory period of hands off regulation play a role in the vast expansion and consolidation of the industry?
- ix. Were independents loss leaders?
- x. What role did McKinley, TR, Taft, Hoover, and Wilson play?

Patent monopoly

Bell patents telephone and gets his primary support by Boston bankers that George Bradley, W.G. Salastonn and G.Z. Salisby had organized. Western Union immediately replies by using their telegraph network only to be forced to give up its telephone infrastructure along with 87 patents in 1879. Bell acquires Western Electric and signs an exclusive contract that created uniformity and also proved very profitable for Western.

AT&T becomes Big Apple

Bell culminates a process of constant restructuring by moving the company to New York under ATT causing a shift from holding company to centralized management structure. This also allowed Bell to avoid menacing regulations from Massachusetts and put them in a great position to take advantage of the world's biggest financial institutions. During this time Bell Labs acquired numerous patents that put them in a good position going into the patent expiration period.

Competition –Turn of the century

Upon the expiration of the patent, independents sprouted up and immediately began the process of consolidation to counter the powerhouse of Bell. Price wars and problems of interconnection weakened non-Bell systems and many were absorbed into ATT. During this period trusts and bonds were the backbones of the industry and regulation was largely absent. Bell held 50% of the total market and grew at a rate of between 15-22% annually. *1899,1900, 1906 the annual rate of growth exceeded 22%

The most serious threat to Bell was the American Telephone, Telegraph and Cable Company (headed by rival banker, Rockefeller). When they attempted a major consolidation. JP Morgan used his influence in other markets to force investors away from the telephone industry. *The Financial History of American Telephone and Telegraph Company; Stehman, page 57*

VAIL

It was a vigorous, but messy, competition. Competing systems did not interconnect. The subscribers of competitors were unable to talk to Bell subscribers. Vail reorganized the company and launched a campaign to establish a unified national telephone system under AT&T's control. ATT acquired Western Union from 1908-1913. Corporate self-interest was involved. Prices and profits had fallen dramatically in the early years of the 20th Century.

Vail argued that the public interest would be best served if there were a single national network, coordinated and controlled by a single entity, AT&T, with "wasteful duplication" eliminated. ("One Policy, One System, Universal Service.") There would be no need for a tangle of wires coming to a business or a home that needed to communicate with users of different phone systems. In return, the company would accept government regulation of its rates and services.

Important Acts

1907 States try and force interconnection and tax

1910 Mann-Elkin widens state efforts of regulation but proves ineffective

1913 Kingsbury commitment forces divestiture of WUnion, puts ATT under ICC and requires connection/access.

World War

President Woodrow Wilson issued a proclamation assuming control of telephone and telegraph systems in the United States, placing them under the direction of the Post Office Department as of July 31, 1918. This proclamation is issued under authority of a joint resolution of Congress. Western Electric and ATT become vital source of technology and manufacturing during wartime. The Bell System announces plans for the introduction of machine switching (dial telephones) in its exchanges. Cost studies have been underway since 1884. In January, certain long line rates are increased by 20% by order of the Postmaster. On July 30, Postmaster General A.S. Burleson signs an order returning the telegraph and telephone systems to private ownership

Graham-Willis act solidifies the theory of the natural monopoly and precludes it from anti-trust suits and creates stability in telecom

Cross Licensing Agreement

ATT goes into agreement with RCA and GE. They agree to get out of broadcasting while each member company agrees to lines of competition and privilege.

The Communications Act of 1934 established the Federal Communication Commission ("FCC"), consolidating federal regulatory authorities previously exercised by the Interstate Commerce Commission and the Federal Radio Commission. This *New Deal legislation did not fundamentally change federal policy toward telephones*. The FCC was given authority over interstate telephone service; state commissions retained responsibility for intrastate activity. This basic framework remained intact until the Telecommunications Act of 1996.

Creation Stage 1876-1896

- Bell patents telephone
- Original investors included Boston bankers, George Bradley, W.G. Salastonn and G.Z. Salisby had organized
- Western Union immediately replies by using their telegraph network only to be forced to give up its infrastructure in 1879
- Bell acquires Western Electric and signs an exclusive contract that created uniformity and also proved very profitable for Western
- Bell culminates a process of constant restructuring by moving the company to New York under ATT
- ATT shifts from holding company to centralized management structure
- AT& T acquires numerous patents and begins to prepare for competition
- *1899,1900, 1906 the annual rate of growth exceeded 22%

Competition and Early Regulation

The most serious threat to Bell was the American Telephone, Telegraph and Cable company (headed by rival banker, Rockefeller) attempted to consolidate independents. *The Financial History of American Telephone and Telegraph Company*; Stehman, page 57

- Sublicensing becomes a "powerful weapon"
- Morgan finances ATT and breaks up consolidation efforts of the competitors
- States begin regulation of telephone institute common carrier laws

Vail Years 1906-1914

- streamlines company
- includes marketing and concept of service provider
- "embraces" regulation
- Western Union under the control of ATT
- Loading coil introduced
- Mann-Elkin widens state efforts of regulation but proves ineffective

Kingsbury Commitment 1913

- forces divestiture of WUnion,
- puts ATT under ICC
- requires connection/access

World WAR and “Nugatory period” p. 184, Page

- First Air-to ground and Ground to Air radio communications developed by Bell labs
- President Woodrow Wilson issued a proclamation assuming control of the telephone and telegraph systems in the United States, placing them under the direction of the Post Office Department as of July 31, 1918. This proclamation is issued under authority of a joint resolution of Congress.
- Western Electric and ATT become vital source of technology and manufacturing during wartime.
- The Bell System announces plans for the introduction of machine switching (dial telephones) in its exchanges..
- dual system emerged
- Western Electric expands global manufacturing base
“through all cities of consequence in the world”

1921 **Graham-Willis Act**

- solidifies the theory of natural monopoly and precludes it from anti-trust suits
- allows greater flexibility to merge and acquire control of companies
- Cross-licensing agreement further expands monopoly status, creates stability in telecom
- Transcontinental service (1915) becomes an increasingly important aspect for both the military and the consumer market
- ATT invents and patents sound motion picture
- Radio Act of 1927
- ATT goes into agreement with RCA and agrees to get out of broadcasting
- Lloyd Espenschied and Herman Affel applied for a patent for broadband coaxial cable, the first broadband transmission medium.

Walter Gifford 1925

- Established Bell Labs
- Reorganized company to “establish organizational principles that lasted into the 1980’s”
- Sold the international businesses..(except Canadian)

Key aspects of 1934 Communications Act

1. Federal-State division of responsibilities
2. Common carrier obligations including interconnection
3. Rate regulation
4. Universal services
5. Creation of Federal Communications Commission (FCC) to assume telecom duties of ICC and FRC (radio)

Defines carrier services and how offered

- Descriptions and rates for various services, features, & options
- Terms and conditions of transaction
- Limits on carrier liability
- A substitute for a contract with customer

State-Fed regulations

- FCC to regulate interstate telephone service
- Regulation of intrastate (wireline) communications left to the states
- No clear division between state and federal
- Can divide individual calls (intrastate/interstate)
- Many network components serves both types of calls and cannot be physically separated
- FCC can preempt state on some issues, but must clearly show why it is necessary

Common Carriers

- Carriers must provide (interstate communications) “service upon request”
- Must interconnect with other carriers when FCC decides it is “in the public interest”
- Charges, practices, classifications, and regulations must be “just and reasonable”
- No “unjust or unreasonable discrimination”
- Regulators decided when carriers had to interconnect

Other Factors that contributed to Monopoly status

- Carrier cannot construct facilities until FCC issues “certificate of public convenience”
- Carrier also need FCC approval to dismantle facilities
- Thus, FCC empowered to control entry into and exit from the industry
- FCC used this power (for years) to keep competitors out and retain monopoly status
- In theory, FCC could set rates on each individual service/option (rate elements)
- FCC chose a loose approach to monitor overall earnings, especially of AT&T

WWII

- On the back of Western Electric, AT&T became not only the major industry player in the United States, but in fact, the largest company in the world. Through its monopoly control, AT&T came to dominate the three major areas of telephone service: local service, long distance service, and equipment.
- DOD relationship very strong “by 1944 roughly 85% of Western Electric business was defense contracts”

Post WWII

- In 1949, the government sued Western Electric and AT&T charging that they had monopolized the manufacture and sale of telephones and equipment (Civil Action No. 17-49).
- What the government sought was the divestiture by AT&T of Western Electric, the termination of the exclusive relationship Western Electric enjoyed with AT&T, and the total separation of telephone manufacturing from the provision of telephone service, among other things.
- Demand for telephones “skyrocketed”

Consent Decree of 1956

- Instead, an injunction was issued which barred AT&T from engaging in any business other than the provision of common carrier communication services
- Allowed to re-enter non telephone industries such as computers and information services
- Required Western Electric and AT&T to license their patents to anyone who wanted them upon the payment of appropriate royalties.
- Allowed others to manufacture telephone equipment which they could actually sell to businesses and residential customers who could attach this equipment to AT&T's telephone network

- There were substantial differences between what the government had sought in its 1949 complaint and what was actually provided by the consent decree (CA 82-0192, Transcript 1-24-56).

1959

- In 1959, the antitrust's subcommittee of the House Judiciary Committee held hearings on the 1956 consent decree. The Subcommittee's investigations revealed that AT&T was very active behind the scenes in trying to get the government to suspend its 1949 suit. (Report of the Antitrust Subcommittee of the House Committee on the Judiciary on the Consent Decree Program of the Department of Justice, 86 Cong. First Sess., Jan. 30, 1956).
- As a result of AT&T's continuing lobbying of the Defense Department, the Secretary of Defense wrote a letter to the Attorney General asking him to end the 1949 litigation without requiring AT&T's divestiture of Western Electric. The Subcommittee, in its 1959 report, concluded that the Attorney General manifested a willingness to have the Justice Department consider a token settlement.
- The Subcommittee also uncovered the fact that AT&T had actually prepared the letter that the Secretary of Defense sent to the Attorney General. (Subcommittee Report, 55)

1960's

- hexagon cells developed

1974 Anti-trust suit & 1982 Modified Final Judgement

- The government indicated that it brought the 1974 suit because the 1956 consent decree had not prevented AT&T from restraining competition in telephone equipment manufacture, nor protected against antitrust violations in long distance telephone service. AT&T pursued various legal actions to derail this suit, but pretrial action began in 1978, and a new settlement was proposed in 1982. That year the court, under Judge Harold Green, held a hearing on the settlement and released what was officially called "A Modification of Final Judgment."
- AT&T was required to divest itself of its 22 operating companies, the local service providers.
- AT&T would only be allowed to provide long distance service and would have to face competition from other long distance carriers, such as MCI and Sprint. Local telephone service was now to be provided by seven regional Bell operating companies

Creation Stage 1876-1896

- 1876 Bell patents telephone
- 1877 Original investors included Boston bankers, George Bradley, W.G. Salastonn and G.Z. Salisby had organized
- 1877 Western Union immediately replies by using their telegraph network only to be forced to give up its infrastructure in 1879
- 1882 Bell acquires Western Electric and signs an exclusive contract that created uniformity and also proved very profitable for Western
- 1894 AT& T acquires numerous patents and begins to prepare for competition
- 1896 Bell culminates a process of constant restructuring by moving the company to New York under ATT
ATT shifts from holding company to centralized management structure

*1899,1900, 1906 the annual rate of growth exceeded 22%

Competition and Regulation

The most serious threat to Bell was the American Telephone, Telegraph and Cable company (headed by rival banker, Rockefeller) attempted to consolidate independents. *The Financial History of American Telephone and Telegraph Company*; Stehman, page 57

- 1905 Sublicensing becomes a "powerful weapon"
- 1906 Morgan finances ATT and breaks up consolidation efforts of the competitors
- 1907 States begin regulation of telephone, institute common carrier laws
- 1907 Vail returns, streamlines company, includes marketing and embraces regulation
- 1907 Loading coil introduced
- 1908 Western Union under the control of ATT
- 1910 Mann-Elkin widens state efforts of regulation but proves ineffective
- 1911 Radio Act of 1912: the federal government shut down all private radio operations in the United States.
- 1912 Kingsbury commitment forces divestiture of WUnion, puts ATT under ICC and requires connection/access

World WAR and "Nugatory period" p. 184, Page

- 1917 First Air-to ground and Ground to Air radio communications developed by Bell labs
- 1918 President Woodrow Wilson issued a proclamation assuming control of the telephone and telegraph systems in the United States, placing them under the direction of the Post Office Department as of July 31, 1918. This proclamation is issued under authority of a joint resolution of Congress. Western Electric and ATT become vital source of technology and manufacturing during wartime.
- 1919 The Bell System announces plans for the introduction of machine switching (dial telephones) in its exchanges. Cost studies have been underway since 1884. In January, certain long line rates are increased by 20% by order of the Postmaster. On July 30, Postmaster General A.S. Burleson signs an order returning the telegraph and telephone systems to private ownership. On November 8th, the first large machine switching exchange in the Bell system is brought into service in Norfolk, VA. This exchange uses the step-by-step system and is installed by the Automatic Electric Company of Chicago for the Bell System. Finally, Theodore N. Vail retires as president. Harry Bates Thayer is elected as president.
- 1920 Graham-Willis act solidifies the theory of natural monopoly and precludes it from anti-trust suits
- 1920 ATT has crippled Independent markets through price controlling, uniformity, and constant accumulation of independents
Western Electric and ATT become vital source of technology and manufacturing
- 1920 KDKA
- 1921 Cross-licensing agreement further expands monopoly status, creates stability in telecom
- 1922 Transcontinental service (1915) becomes an increasingly important aspect for both the military and the consumer market
- 1926 ATT invents and patents sound motion picture
- 1926 Radio Act
- 1927 ATT goes into agreement with RCA and agrees to get out of broadcasting
- 1928 Lloyd Espenschied and Herman Affel applied for a patent for broadband coaxial cable, the first broadband transmission medium.
- 1929 Hoover's statement sparks 34 point drop in ATT's stock, the depression begins
- 1934 FCC created

Creation Stage 1876-1896

- 1876 Bell patents telephone
Original investors included Boston bankers, George Bradley, W.G. Salastonn and G.Z. Salisby
- 1876 Western Union replies by using their telegraph network
- 1879 Western Union forced to give up its infrastructure and 88 patents
- 1882 Bell acquires Western Electric and signs an exclusive contract that created uniformity and also proved very profitable for Western
- 1897 AT& T acquires numerous patents and begins to prepare for competition
- 1900 Bell culminates a process of constant restructuring by moving the company to New York under
1901 ATT shifts from holding company to centralized management structure

*1899,1900, 1906 the annual rate of growth exceeded 22%

Competition Regulation

The most serious threat to Bell was the American Telephone, Telegraph and Cable company (headed by rival banker, Rockefeller) attempted to consolidate independents. *The Financial History of American Telephone and Telegraph Company*; Stehlmann, page 57

- 1905 Sublicensing becomes a "powerful weapon"
- 1906 Morgan finances ATT and breaks up consolidation efforts of the competitors
- 1907 States begin regulation of telephone institute common carrier laws
- 1907 Vail returns, streamlines company, includes marketing and embraces regulation
- 1907 Loading coil introduced
- 1908 Western Union under the control of ATT
- 1910 Mann-Elkin widens state efforts of regulation but proves ineffective
- 1912 Radio Act of 1912: the federal government shut down all private radio operations in the United States.
- 1913 Kingsbury commitment forces divestiture of WUnion, puts ATT under ICC and requires connection/access
- 1917 First Air-to ground and Ground to Air radio communications developed by Bell
- 1918 President Woodrow Wilson issued a proclamation assuming control of the telephone and telegraph systems in the United States, placing them under the direction of the Post Office
- 1919 The Bell System announces plans for the introduction of machine switching (dial telephones) in its exchanges.

- 1920 Graham-Willis act solidifies the theory of natural monopoly and precludes it from anti-trust suits
- 1923 Gifford established Bell Labs and reorganized company to "establish organizational principles that lasted into the 1980's"
- 1924 - AT&T introduces "telephotographic" fax machine
- 1926 ATT goes into agreement with RCA
For one million dollars Bell turned over its radio facilities to RCA and withdrew from broadcasting. It also gave up its rights to manufacture receiving sets to RCA. In Return RCA agreed to use Bell wires exclusively and not to compete in the telephone business.
- 1926 ATT invents and patents sound motion picture
- 1926 The first simple television shadow images were shown on a standard Western Electric oscillograph tube at Bell Labs.
- 1927 Radio Act
- 1926 Transcontinental service becomes an important aspect for the military
- 1928 Lloyd Espenschied and Herman Affel applied for a patent for broadband coaxial cable, the first broadband transmission medium.
- 1931 - AT&T inaugurates the Teletypewriter Exchange Service (TWX) November 21.

1934 Communications Act

1. Federal-State division of responsibilities
2. Common carrier obligations including interconnection
3. Rate regulation
4. Universal services
5. Creation of Federal Communications Commission (FCC) to assume telecom duties of ICC and FRC (radio)
 - Descriptions and rates for various services, features, & options
 - Terms and conditions of transaction
 - Limits on carrier liability
 - A substitute for a contract with customer
- FCC to regulate interstate telephone service
- Regulation of intrastate (wireline) communications left to the states
- No clear division between state and federal
- Can divide individual calls (intrastate/interstate)
- Many network components serves both types of calls and cannot be physically separated
- FCC can preempt state on some issues, but must clearly show why it is necessary
- Carriers must provide (interstate communications) "service upon request"
- Must interconnect with other carriers when FCC decides it is "in the public interest"
- Charges, practices, classifications, and regulations must be "just and reasonable"
- No "unjust or unreasonable discrimination"

- Regulators decided when carriers had to interconnect
- Carrier cannot construct facilities until FCC issues "certificate of public convenience"
- Carrier also need FCC approval to dismantle facilities
- Thus, FCC empowered to control entry into and exit from the industry
- FCC used this power (for years) to keep competitors out and retain monopoly status
- In theory, FCC could set rates on each individual service/option (rate elements)

FCC chose a loose approach to monitor overall earnings, especially of AT&T

1939-1945 WWII

On the back of Western Electric, AT&T became not only the major industry player in the United States, but in fact, the largest company in the world. Through its monopoly control, AT&T came to dominate the three major areas of telephone service: local service, long distance service, and equipment. DOD relationship very strong "by 1944 roughly 85% of Western Electric business was defense contracts"

1945 - Western Union installs the first commercial radio beam system. ~~XXXXXXXXXX~~

1946 - AT&T televises Army-Navy game in Philadelphia and transmits it to NYC

1946 - AT&T has 8 VF channels on microwave from Catalina Island to Los Angeles. Raytheon has a microwave link transmitting audio from WQXR in NYC to Boston.

1949 - FCC's Jordaphone Docket (1949 - 1954). Jordaphone and three other manufacturers of answering machines sought FCC approval for their use on telco lines. The FCC decision left the matter to the states as only about 1% of telephone calls at that time were interstate.

1949 The government sued Western Electric and AT&T charging that they had monopolized the manufacture and sale of telephones and equipment (Civil Action No. 17-49). (Led to 1956 consent decree)
 What the government sought was the divestiture by AT&T of Western Electric, the termination of the exclusive relationship Western Electric enjoyed with AT&T, and the total separation of telephone manufacturing from the provision of telephone service, among other things.

1956 - The Bell System and the British Post Office inaugurates service on a transatlantic telephone cable, TAT-1

1956 ^{- built 1920} Hush-a-Phone decision permitted telephone users to attach a cup-like device to the telephone mouthpiece to make communication more private. (Key in the Carterfone decision)

1956 Consent Decree or "Final Judgement"
 AT&T agreed to restrict its activities to the regulated business of the national telephone system and government work. They were allowed to keep Western Electric.

An injunction was issued which barred AT&T from engaging in any business other than the provision of common carrier communication services

Required Western Electric and AT&T to license their patents to anyone who wanted them upon the payment of appropriate royalties.

1956 FCC agrees to hear the "Above 890" proposition-whether the private line business should be change by allowing microwave systems employing radio frequencies above 890 megahertz to be used by private (non bell) parties. TV channels and Motorola were at the heart of this market. AT&T fought this on the basis of eventual forced interconnection "cream skimming" of long distance markets.

1959

In 1959, the anti-trust's subcommittee of the House Judiciary Committee held hearings on the 1956 consent decree. The Subcommittee's investigations revealed that AT&T was very active behind the scenes in trying to get the government to suspend its 1949 suit. (Report of the Antitrust Subcommittee of the House Committee on the Judiciary on the Consent Decree Program of the Department of Justice, 86 Cong. First Sess., Jan. 30, 1956).

As a result of AT&T's continuing lobbying of the Defense Department, the Secretary of Defense wrote a letter to the Attorney General asking him to end the 1949 litigation without requiring AT&T's divestiture of Western Electric. The Subcommittee, in its 1959 report, concluded that the Attorney General manifested a willingness to have the Justice Department consider a token settlement.

The Subcommittee also uncovered the fact that AT&T had actually prepared the letter that the Secretary of Defense sent to the Attorney General. (Subcommittee Report, 55)

- 1959 - AT&T introduces the TH-1 1860-channel microwave system. The FCC's Above 890 MHz Decision allowed private microwave systems
- 1961 In response to Above 890, Bell proposed TELPAK, a new service which amounted to dramatic reduction in AT&T's rates for private line services. In 1964 the FCC claimed TELPAK was unlawful due to predatory pricing. This led to a series of court battles over the next ten years.
- 1962 President Kennedy signed the Communications Satellite Act, which gave a monopoly on international communications via satellite to a new corporation, called Comsat. (Although AT&T built Telstar) AT&T went ahead with Telstar II anyway to complete its experimental program. It was launched on May 7, 1963. The publicity from Telstar had been very positive for AT&T. AT&T had built six flight worthy spacecraft and launched two of them using company funds. Bell Labs had developed much of the technology required for satellite communications including transistors, solar cells, and TWT amplifiers. AT&T also built ground stations for Echo and Telstar
- 1963 Bill McGowan establishes Microwave Communications of America and requests a permit to construct a private line from St. Louis to Chicago.
- 1966 Lawrence G. Roberts of MIT publishes "Towards a Cooperative Network of Time-Shared Computers" which outlines the ARPANET plan. Worldwide direct telephone dialing has its first public demonstration, a call from Philadelphia to Geneva, Switzerland. (June 15).
- 1968 Rostow Report asserted that competition should replace regulation as the norm in telecommunications.
- 1968 Carterfone Decision
FCC ruling that allowed non-AT&T equipment to be attached to the public telephone network provided the equipment met certain technical and operational specifications. Permitted the connection of a device used to interconnect private two-way radio communication systems with the public telephone network. The Carterfone decision opened the way to competition in connection of customer-owned terminal equipment to the public telephone network. As a result the interconnect industry was born.
- 1969 New York telephone crisis

1969 "The MCI decision" allowed Microwave Communications, Inc. (MCI) to provide specialized common carrier services in direct competition with existing common carriers. The MCI decision also required existing carriers to furnish interconnect service to the new carriers.

1970 Corning Glass demonstrate highly transparent fibers, and Bell Laboratories demonstrates semiconductor lasers that could operate at room temperature; these demonstrations help establish the feasibility of fiber-optic communications.

1971 *Specialized Common Carrier Services Decision* expanded "MCI decision"

1971 *Computer Inquiry I Decision* (CI-I) permitted communications carriers to transport data over their networks on a regulated basis but not to process it.

1973 The Senate Subcommittee on Antitrust and Monopoly, chaired by Senator Philip Hart, held a series of hearings in 1973 and 1974 on the question of competition in telecommunications.

1974 Anti-trust suit

The government indicated that it brought the 1974 suit because "the 1956 consent decree had not prevented AT&T from restraining competition in telephone equipment manufacture, nor protected against antitrust violations in long distance telephone service".

The government sought to have Western Electric divested from AT&T and divided into separate companies, and to have some or all of the Bell operating companies split away from AT&T's long lines.

Debutts refused a compromise and took the government head on.....

1. They tried to get the suit thrown out
2. And appealed to Congress for
 - To urge Congress to reaffirm the need for a unitary network.
 - if that course should fail, they would push Congress to adopt legislation that would deregulate most of the Bell system operations.

1976 -- AT&T installs its first digital switch.

1976 The FCC launches Computer Inquiry II.

1980 The FCC issues its Computer Inquiry II decision which differentiated between basic and enhanced services. Basic service requires regulation. AT&T must now provide unregulated services through a fully separated subsidiary.

1984

- AT&T was required to divest itself of its 22 operating companies, the local service providers.
 - AT&T would only be allowed to provide long distance service and would have to face competition from other long distance carriers, such as MCI and Sprint.
- Local telephone service was now to be provided by seven regional Bell operating companies

Who were these men, what did they contribute, how did they contribute and further develop radio or did someone pick it up after they invented it.

Sarnoff

Sarnoff began his career with the Marconi Wireless Telegraph Company. Sarnoff had a dream of turning RCA into the dominant radio company in the world. In a twenty eight page memo to Chairman Young, Sarnoff laid out a blue print for RCA, selling radio 'music box sets', and turning radios into a "household utility". (Lewis, 1991, page 149)

Armstrong

Howard Armstrong had several inventions that made him into a wealthy man including the superheterodyne and "regeneration". The circuit he devised made weak signals come through with clarity and an operator no longer needed headphones to hear Morse code. (Lewis, 1991, page 71)

De Forest

De Forest improved the responder, a device that worked more efficiently than Marconi's coherer, which allowed a person to use sensitive earphones instead of a Morse inker. (Lewis, 1991, page 41) De Forest became an inventor for fame, not the advancement of technology. His focus on fame and not technology would prove to be a detriment.

DeForest started his company with backer Abraham White (born Abraham Schwatz). White incorporated De Forest's company (De Forest Wireless Telegraph Company) in 1902 with \$1 million stock offering. (Lewis, page 41) White became president, and De Forest became vice president. According to the book, "Empire of the Air", White conceived a plan in which he would use De Forest's name, build wireless stations, conjure up stories, make elaborate claims, and sell stock to anyone "gullible enough to buy them." (Lewis, page 41) In the meantime White controlled the capital from these schemes, while De Forest made about \$30 a week.

During the short years of the company's existence, DeForest Wireless was hit with patent suits from Reginald Fessenden and Guglielmo Marconi for patent infringement and unfortunately lost the majority of them. While this was taking place, White secretly created another company, took all the assets, and left De Forest Wireless with all the liabilities. The company was liquidated after De Forest's resignation.

De Forest did hold onto one invention that others deemed useless but became one of the most important devices in early radio history- the audion.

Paley

William S. Paley was a son of a Philadelphia cigar manufacturer. His experience with radio prior to creating CBS was overseeing programming sponsored by La Palina cigar. (Lewis, 1991, page 183)

From the start, CBS wanted to set itself apart through programming and business practices. According to Tom Lewis, author of "Empire of the Air" Paley, "...immediately moved to increase the network's sales of advertising, and encouraged rival radio manufacturers to promote their products on his network." (1991, page 183) He hired an executive from the Federal Radio Commission, added stations to the West Coast, and changed standard business practices that charged affiliate stations for carrying unsponsored programs to giving programs and reserving the right to take over a local station's schedule to broadcast CBS sponsored programs at any time. (Lewis, 1991, page 183) While NBC broadcasted classical music, and educational programming, CBS broadcasted jazz and soap operas.

Young

Owen Young was vice president and general counsel at General Electric in 1913. (Lewis, 1991, page 143) It was Young that negotiated on behalf of GE to form a new radio enterprise, RCA. He was later named chairman of the board of directors in 1919. Young had a reputation of possessing a "calm and reflective temperament" which was a valuable attribute during a strike at the GE plant in Massachusetts. (Lewis, 1991, page 143) He settled the strike which was the last strike while he remained with the company. (Lewis, page 143)

Young was a skilled negotiator. Realizing the importance of securing as many patents as possible, he settled a deal with AT&T in which the telephone company would receive about 10 percent of RCA stock for cross licensing their patents it held on the vacuum tube. (Lewis, page 151)

Fessendon

Hoover

Hoover was the Secretary of Commerce from ___ to ___. He had a profound impact on his new industry.

He created the radio conferences, which would shape the industry through legislation and regulation before the enactment of the Federal Radio Commission, and then later the Federal Communications Committee.

Which elements are different from before?

Key aspects of 1934 Communications Act

1. Federal-State division of responsibilities
2. Common carrier obligations including interconnection
3. Rate regulation
4. Universal services
5. Creation of Federal Communications Commission (FCC) to assume telecom duties of ICC and FRC (radio)

Defines carrier services and how offered

- Descriptions and rates for various services, features, & options
- Terms and conditions of transaction
- Limits on carrier liability
- A substitute for a contract with customer

State-Fed regulations

- FCC to regulate interstate telephone service
- Regulation of intrastate (wireline) communications left to the states
- No clear division between state and federal
- Can divide individual calls (intrastate/interstate)
- Many network components serves both types of calls and cannot be physically separated
- FCC can preempt state on some issues, but must clearly show why it is necessary

*How?
By whom?*

Common Carriers

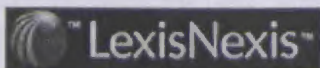
- Carriers must provide (interstate communications) "service upon request"
- Must interconnect with other carriers when FCC decides it is "in the public interest"
- Charges, practices, classifications, and regulations must be "just and reasonable"
- No "unjust or unreasonable discrimination"
- Regulators decided when carriers had to interconnect

Other Factors that contributed to Monopoly status

- Carrier cannot construct facilities until FCC issues "certificate of public convenience"
- Carrier also need FCC approval to dismantle facilities
- Thus, FCC empowered to control entry into and exit from the industry
- FCC used this power (for years) to keep competitors out and retain monopoly status

- In theory, FCC could set rates on each individual service/option (rate elements)
- FCC chose a loose approach to monitor overall earnings, especially of AT&T

1969



Copyright 1969 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

July 9, 1969, Wednesday

SECTION: Page 87, Column 1

LENGTH: 33 words

JOURNAL-CODE: NYT

ABSTRACT:

CBS Enterprises signs pact with over 100 broadcasting outlets in Australia and Japan under which they will get 24 news transmissions in next yr via Intelsat 3 satellite; confs with Comsat; details

Copyright 1969 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

January 27, 1969, Monday

SECTION: Page 42, Column 4; (AP)

LENGTH: 24 words

JOURNAL-CODE: NYT

ABSTRACT:

Comsat station dedicated, central PR; comsat to cut by avg 35% rates for transmitting signals for prime carriers, not necessarily for TV networks

Copyright 1969 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

August 9, 1969, Saturday

SECTION: Page 31, Column 4

LENGTH: 69 words

JOURNAL-CODE: NYT

ABSTRACT:

Drs P C Goldmark and D Gabor (CBS Labs) patent method of recording TV pictures on black and white film, a key to EVR system; illus; Comsat patents device that lets antenna on spin-stabilized satellite maintain communications even though its own rotation ceases; has patented device in other nations; device invented by E I Podraczky, owned by Intelsat; automatic embroidery system patented by Her Majesty Industries

GRAPHIC: PHOTOGRAPHS

Copyright 1969 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

August 31, 1969, Sunday

SECTION: Section 3; Page 11, Column 3; (RTR)

LENGTH: 18 words

JOURNAL-CODE: NYT

ABSTRACT:

ITT World Communications gets FCC permit to begin US-Argentina service by leasing 5 circuits from Comsat

Copyright 1969 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

September 4, 1969, Thursday

SECTION: Page 65, Column 1; (AP)

LENGTH: 60 words

JOURNAL-CODE: NYT

ABSTRACT:

Photo Magnetic Systems Inc brings \$2-billion damage suit against 4 cos (AT&T, IBM, Western Elec and Chesapeake & Potomac Telephone) for patent infringement involving telephone-computer systems on which Photo Magnetic pres Peter James holds patents; James says AT&T takes position there is no infringement; made known his intention of filing suits about a wk ago

Copyright 1969 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

October 16, 1969, Thursday

SECTION: Page 95, Column 1

LENGTH: 78 words

JOURNAL-CODE: NYT

ABSTRACT:

AT&T, in major policy switch, says any group or orgn should be allowed to apply for operation of domestic satellite system; previously maintained that only commercial carriers of information should have such function; move follows CBS pres Stanton proposal that TV networks operate own system and abandon reliance on AT&T; Comsat comments; AT&T proposal detailed; UPI backs Dr F Stanton proposal, hopes press would get access to system; Audio Engineering Society meets

Copyright 1969 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

October 19, 1969, Sunday

SECTION: Page 1, Column 2

LENGTH: 134 words

JOURNAL-CODE: NYT

ABSTRACT:

Comsat, in secret plan submitted to White House Sept 8, says it is ready to build and operate immediately a domestic satellite system to serve commercial and noncommercial TV, supplant AT&T and ease rising congestion of US communications facilities; plan would let all users gain direct access to system without going through estab commercial carriers; would make Comsat full carrier in own right and thus able to offer service to other TV users; details; Comsat gets permission from Pres aide to declassify plans providing its contents be given only to heads of networks who will conf with Comsat this wk; Dr F Stanton says plan offers appealing econ features; AT&T's passive role linked to its contention that it would be able to lease its ground stations to retail users at higher rates than for TV

Copyright 1969 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

October 30, 1969, Thursday

SECTION: Page 95, Column 3

LENGTH: 60 words

JOURNAL-CODE: NYT

ABSTRACT:

Comsat details proposed system, which will have capacity equivalent to 48 TV channels, enough to relay all network programs, CATV and various other non-TV services and which will exclude phone service for 1st time; chmn James McCormack and pres Dr J V Charyk brief heads of 3 networks and Pub Broadcasting Corp; further confs set on engineering and econ details

Copyright 1969 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

July 30, 1969, Wednesday

SECTION: Page 1, Column 1

LENGTH: 175 words

JOURNAL-CODE: NYT

ABSTRACT:

S Halpern, 3d ranking NYS Repub on HR Banking and Currency Com, acknowledges that he has 'number of loans and several personal debts' and insists that there has been no conflict with his duties as com member, statement issued following Wall St Journal rept that he has run up over \$100,000 in debts, mostly to banks in NYC, Garden City, Utica and Miami; Journal repts money owed to hotels in NY, Washington and Miami, to Chesapeake & Potomac Telephone Co and to various restaurants; details; Journal holds obligations put him in vulnerable position; Patman, com chmn, notes that rept raises questions concerning legis recently approved by com; notes recent articles about links between com members and commercial banks, and intensified pressure by lobbyists; Journal article discusses 1st Natl City Bank of NY \$40,000 unsecured loan to Halpern at prime interest rate; bank spokesman comments; Patman notes repts of intensified lobbying pressure on important banking legis, such as bill to regulate 1-bank holding cos; Halpern statement text; illus

GRAPHIC: PHOTOGRAPHS

Copyright 1969 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

September 12, 1969, Friday

SECTION: Page 85, Column 4

LENGTH: 24 words

JOURNAL-CODE: NYT

ABSTRACT:

Piedmont, Texas Internatl and Southern Airlines sign 5-yr, \$13-million pact with Computer Communications Network for computer reservations system



Public Broadcasting PolicyBase

A service of [Current Newspaper](#) and the [National Public Broadcasting Archives](#).
[PBPB Index](#) | [About PBPB](#) | [Resources](#)

Nixon Administration Public Broadcasting Papers Summary of 1969

[Introduction](#) | [1969](#) | [1970](#) | [1971](#) | [1972](#) | [1973](#) | [1974](#)

When Richard Nixon took office in January 1969, the Corporation for Public Broadcasting (CPB) was in its infancy and the Office of Telecommunications Policy (OTP) had yet to be created. Staff responsibilities for public broadcasting rested largely with Peter Flanigan, Assistant to the President, and Clay T. Whitehead, then a White House staff assistant. The new Administration recognized that it would shape the future of public broadcasting in America and reap credit or criticism for its efforts.

The first action the new President took was to appoint Albert L. Cole, a Director of *Reader's Digest*, to a vacancy on the 15-member Board President Johnson had appointed the previous March. Cole was appointed March 15, 1969.

The first evidence of anyone's thinking about public broadcasting in the Nixon Administration is found in a May 6 memo from Whitehead to Dwight Chapin, Deputy Assistant to the President. In recommending that the President send a congratulatory message to the University of Wisconsin on the occasion of the 50th anniversary of educational radio broadcasting at the University, Whitehead said, "I think it is desirable for the President to be associated in an affirmative way with public broadcasting.

Later that month, Frank Pace, Jr., Chairman of the CPB Board, wrote to the President requesting a meeting with himself and Cole to discuss the potential contributions of CPB to American education. On June 4, Flanigan responded that such a meeting would be useful but should await development of plans for a White House conference on uses of telecommunications technology.

Also in June, a long-term financing bill, prepared by CPB at the Administration's request, was circulated among various agencies for their reactions. (The draft bill provided for permanent Federal financing for CPB through an earmarked two percent manufacturers excise tax on radio and television sets, and an annual Federal matching payment equal to twice the excess over \$50 million of the total non-Federal contributions to public broadcasting.) In testimony before the House Communications and Power Subcommittee on June 16, CPB President John W. Macy, Jr., noted the Nixon Administration's interest in public broadcasting and in finding a solution to the problem of long-term financing.

On June 20, Whitehead wrote to Richard Nathan, Assistant Director, Bureau of the Budget (BOB), indicating that he agreed with the Council of Economic Advisors' criticism of the proposed excise tax on television sets and radios. "The Administration would like to be identified in a positive way with public broadcasting," Whitehead said, "but I do not see how in good conscience we can be very favorable on any of the proposals so far advanced."

Whitehead suggested several other ideas for BOB to consider and told Nathan, "[T]he point I am trying to get at is that public broadcasting should be relatively self-sufficient in order that it will be independent of the appropriations process (and therefore of the inevitable political pressures) and so that there will be the appropriate incentives to develop programming that is responsive to the public interest."

In late June, Chester Finn of White House Counsellor Daniel P. Moynihan's staff attended a conference on public television programming in Kettering, Wisconsin. Upon his return, Finn prepared a memorandum for Moynihan in which he forecast that public broadcasting was on the verge of "a great step forward."

"Although the Corporation for Public Broadcasting was a Johnson creation, it is clear that this Administration has the opportunity to put its stamp on public television, and for it to really flourish in the next few years," said Finn.

In his July 1 memo, Finn expressed concern that "because it is such an inexpensive program, public television risks falling between the boxes in the Administration." He suggested that someone in the White House, such as Leonard Garment, follow it, as Douglass Cater had in the Johnson Administration.

White House Staff Assistant Jonathan Rose sent Whitehead a copy of Finn's memo with a note which said:

Apparently there was a conference...on public TV broadcasting. Macy called Moynihan who sent Finn. Why didn't Macy call us? I suggest we maybe send Moynihan a memo under PMF (Peter M. Flanigan) signature saying that Garment and we will handle it. I talked to Garment and he doesn't want it in his lap right now.

On July 4, Whitehead sent a memo to Moynihan apprising him of Flanigan's and Whitehead's activities in the public broadcasting area. Whitehead said he was trying to coordinate these with Garment.

On August 7, Whitehead sent Flanigan a comprehensive memorandum describing the history and development of public broadcasting in the United States, public television's sources of programming, CPB's priorities, the problem of long-term financing, and the Administration's options. With respect to the latter, Whitehead wrote:

The Nixon Administration's support of the Corporation for Public Broadcasting will shape the future of public television in America. Since relatively little more money can affect very high visibility when put into broadcasting, the Administration should give the matter thorough consideration.

The Administration has several options. It can continue to give the Corporation for Public Broadcasting very small appropriations on the theory that public television has not generally been an influential, constructive force and the Corporation has not yet developed its leadership capacity. The result of such action will probably be to perpetuate the disunity and ineffectiveness of the public broadcasting system as a whole, at least for several years.

Alternatively, the government can expand its investment with the Corporation for Public Broadcasting -- financially and otherwise. For the Administration to assess how large and beneficial an impact its investment in public broadcasting can be, the Corporation must articulate its role more clearly. Does it plan to function primarily as a revenue sharing institution or as a selective board that will encourage the better stations and independent production units to make national programs? What are the programs to do: provide cultural enrichment; instruct people in dealing with problems of everyday living; provide a voice for ethnic groups; generate awareness of contemporary events? Can it coordinate activities of local stations and change the fragmentary nature of the public broadcasting system?

There is some question that its staff is capable and/or willing to answer such "hard" questions. Until the Corporation's objectives are clearly formulated, it is difficult to imagine any massive outlay of federal funds to it. Perhaps the Administration's most constructive action at this point would be to provoke answers to these questions. The establishment of a CPB task force, which the Administration might assist in, may be the best way to resolve the issue of priorities.

On August 11, Whitehead sent another memo to Flanigan, in which he said, "Although the CPB was established in the Johnson Administration, the Administration will reap the credit or criticism for whatever becomes of public broadcasting over the next decade...."

On September 25, Nathan sent Whitehead a description of a draft bill to authorize payments to CPB for

fiscal years 1971-1973. This, the Assistant Budget Director explained, "would allow the Administration adequate time to come up with a more permanent solution later...."

On September 29, Whitehead prepared the first draft of a memo to Flanigan proposing that a small working group "made up of people who have a substantive knowledge or interest in the [public broadcasting] area, as well as people who can gauge the potential impact on the Administration image," be convened to discuss what the Administration's position on public broadcasting should be. The memo was redrafted and sent to Flanigan on November 4.

In the interim, President Nixon met with CPB Board Chairman Pace and Director Cole. The meeting was the outgrowth of a conversation Nixon had had with Cole during a dinner at Hobe Lewis' house. According to a memo Flanigan wrote for Nixon prior to the meeting, Pace and Cole wanted to urge the President to give greater budgetary support to CPB (CPB was seeking a \$20 million appropriation for FY 70; the BOB had recommended \$10 million). Flanigan recommended that Nixon "indicate broad support for the objectives of public broadcasting," but point out that "inflation pressures continue to require strict control of federal expenditures."

Flanigan summarized the Nixon, Cole, Pace meeting in an October 27 "Memorandum for the President's File." According to the memo, Cole told Nixon that the current programming by National Educational Television (NET) was being underwritten by the Ford Foundation and Cole felt this was inappropriate in that "he who pays the piper calls the tune." Flanigan said Nixon "entirely agreed" with Cole and after the meeting suggested that Flanigan discuss with BOB Director Robert Mayo an increase in CPB's FY 70 appropriation contingent on "the establishment of an independent producing unit."

On the afternoon of October 24, Flanigan sent a memo to Mayo informing him that the President wanted CPB "to have an additional \$5 million." Flanigan told Mayo, "The President feels very strongly that public broadcasting should not be dependent for content on Foundation supported programs."

"When the final [budget] decision is made," Flanigan said, "it is important that I have an opportunity to talk first to Pace and Cole in order to inform them of other desires of the President which will be a condition of his support."

On October 30, Whitehead sent Flanigan a memo which described the current situation with respect to noncommercial programming sources:

NET is now the only major source of noncommercial programming and has been for the last decade. They are funded largely by the Ford Foundation, but there seems to be little indication that Ford has or wants much influence over program selection. In fact, the management of NET exercises little initiative in this area and the programming appears to flow upward from the individual NET producers.

The Corporation for Public Broadcasting has been encouraging competition with NET primarily by grants to the better noncommercial stations around the country to develop their own programming that would be suitable for nationwide distribution. NET is unhappy that their domination of the field is disappearing and apparently resents the intrusion of the Corporation.

From the standpoint of the President's objectives, the grants to individual stations cut both ways: the people who run the educational and public television stations around the country tend to be relatively liberal, but the geographical diversification probably would promote an overall less liberal emphasis than the New York City centralized NET. Funding a separate production unit to "compete" with NET would not be a complete bed of roses either, since the liberal bent of people in the performing arts is well known. However, we could presumably have a hand in picking the head of such a major new organization if it were funded by the Corporation.

Whitehead went on to recommend that if BOB could find an extra \$5 million, "half of it should go for the increased grants to local stations to develop new programs in the interest of more balanced geographical distribution of programming, and half should go to begin planning a new programming entity on the West

Coast."

On November 3, Flanigan sent Whitehead a memorandum Flanigan had prepared for the President "based on an agreement reached with Frank Pace." The memorandum said:

I talked with Frank Pace and Al Cole regarding the Corporation for Public Broadcasting.

In accordance with your instructions, I made it clear to Pace that the proposed \$5 million increase in the funding for the Corporation was contingent upon the creation of new program production facilities to replace National Educational Television. NET has been largely Ford Foundation financed, the most recently elected chairman being Norman Cousins. It was agreed that while NET would be used until the new facilities are in operation, the degree of its funding would not increase: rather the funding would decrease to zero over the next two or three years. Pace agrees with these conditions. He points out however, that there are limitations on his ability to control total programming and broadcasting policies of non-commercial stations. Non-CPB financed programs produced by NET and others may have anti-Administration content. In addition, noncommercial stations which have received CPB grants may carry anti-Administration programs. I told him we were aware of that problem. I stated our position as being that government funding of CPB should not be used for the creation of anti-Administration programming or for the support of program-producing organizations which use other funds to create anti-Administration programs. Mr. Pace agrees with this and appreciates the additional support that will be forthcoming for CPB.

Flanigan noted in the margin that when he read the memo to Pace, Pace said it might take three or four years to decrease NET funding to zero.

Meanwhile, plans went forward to convene a small working group to consider developing an Administration position on public broadcasting.

On November 4, Whitehead sent Flanigan a memorandum which said:

Since the Nixon Administration will set the tone and pace (no pun intended) for the future growth of public broadcasting, we should give some real attention to how we want to see it develop and how much money we are willing to spend. This is potentially a high visibility area where we can reflect considerable credit on the President at relatively low expenditures.

The memo then outlined the issues the group should address:

1. Is the Federal Government to take an active role in Corporation budgeting and planning, or to simply allocate a bloc grant for unspecified uses? What initiatives should we encourage?
2. What audience or audiences can public broadcasting reach that will be most useful; what criteria should the Corporation use in selecting the mix of audiences it will seek to reach; in a broad sense, what should the Corporation seek to reach in terms of trade-off between quality of programming and size of audience?
3. Will the Corporation function primarily as a revenue sharing institution or as an activist organization to provide central direction for public broadcasting?
4. What is the role of Government information dissemination in public broadcasting; should we make a major effort to use public broadcasting as a way of achieving social goals; should we use it as a way of disseminating information about Government programs?
5. How is the Corporation to be financed; what mix of advertising, taxation, and Federal matching provides the best long-run solution; how can the method of funding be used to create incentives for the Corporation to move in the directions we consider most appropriate?

6. Should the Corporation be insulated from the annual appropriation process either through a dedicated tax or through multi-year authorizations and appropriations?

7. What is the constituency of public broadcasting, its mix, and its size? What groups of people will look most favorably on a major or moderate Administration initiative in this area? Are there any potential political pitfalls?

On November 12, Flanigan sent a memorandum to Nancy Hanks, Charles McWhorter, Garment, Ray Price, Frank Shakespeare and Whitehead, inviting them to join the working group Whitehead had proposed. Flanigan's memo incorporated the questions which Whitehead thought should be addressed.

Subsequent invitations to join the group were extended to FCC Chairman Dean Burch and White House Science Advisor Lee DuBridge.

On November 17, CPB President John Macy met with Flanigan and Whitehead to discuss the Administration's position with respect to public broadcasting. Following the meeting, CPB Public Affairs Director Bill Duke sent Flanigan and Whitehead a schedule of the Public Broadcasting Service (PBS) public affairs programs to be aired on WETA, Channel 26, Washington, from November 27 to December 7. An accompanying note from Duke to Flanigan said, "Following his conversation with you recently, Mr. Macy thought it would be a good idea to keep you personally informed of programs of particular interest on a regular basis. Attached is our first effort. We will appreciate any comments you might have."

On Monday, November 24, the first meeting of the public broadcasting working group was held. Attending in the place of USIA Director Shakespeare, was Deputy Director Henry Loomis.

On December 5, Macy wrote Budget Director Mayo to appeal what Macy had learned to be the Administration's intent to request \$15 million for CPB for FY 71. Macy sent Whitehead a copy of the letter on December 9.

On December 17, Flanigan prepared a "Memorandum for the Staff Secretary," to which he attached a "Memorandum for the President" which reminded the President of his earlier decision to direct BOB to request an FY 70 supplemental for CPB of \$5 million, and recommended to the President that in view of his discussion with Pace and Cole and the increase to \$15 million in FY 70, that "it would be unfortunate not to increase the Corporation's funding next year [FY 71]."

Because Macy's December 5 letter had not been sent in the proper form, Macy sent another letter requesting review of the amount proposed for CPB for FY 71 to the President on December 18.

On December 29, Macy sent Whitehead CPB's official comments on the proposed three-year authorization bill. A memo affixed to the comments said, "As you will note, our study of the text as provided by the BOB produced a generally negative report along with some suggested lines of improvement."

To 1970

Public Broadcasting PolicyBase
A service of Current Publishing Committee and the National Public Broadcasting Archives
Web page created March 30, 1999
[E-mail to webmaster](mailto:webmaster)

1970



Public Broadcasting PolicyBase

A service of [Current Newspaper](#) and the [National Public Broadcasting Archives](#).
[PBPB Index](#) | [About PBPB](#) | [Resources](#)

Nixon Administration Public Broadcasting Papers Summary of 1970

[Introduction](#) | [1969](#) | [1970](#) | [1971](#) | [1972](#) | [1973](#) | [1974](#)

The Nixon Administration continued to develop its position on public broadcasting in 1970. While doing so, it proposed a new three-year authorization for CPB. In 1970, the President also appointed five CPB Directors.

On February 6, Whitehead wrote to Flanigan, Garment, Ranks, Shakespeare and McWhorter, asking them for suggestions for the five CPB Board seats opening up in March. "I think it would be useful if we could come up with a list of five outstanding individuals," Whitehead wrote. "The board is not particularly visible, but clearly can have a big influence over the course of public broadcasting, and it is obviously important to the President what direction the Corporation pursues," he continued.

Flanigan sent a copy of Whitehead's memo to Harry Flemming with a note written across it, "Mr. Flemming--No hacks."

Meanwhile, on March 9, at the Administration's request, Senators Warren Magnuson, John Pastore and Hugh Scott introduced the "Public Broadcasting Financing Act of 1970." The bill authorized annual appropriations for CPB through fiscal year 1973. After receiving suggestions from a number of sources, Whitehead sent a memo to Bryce Harlow, John Ehrlichman, and H.R. Haldeman, recommending seven names to be considered for the five Board positions. In a memo, dated April 3, Whitehead said:

We can name five Republicans without overbalancing the Board politically.* The Board is one of our primary levers for assuring that the programming and other activities of the Corporation do not get overly biased politically.

Among those Whitehead suggested for consideration were: Jock Whitney, Paul Keyes, Stanley Sanders, and Tom Moore, the latter of whom had been recommended by Cole. Moore was then President of Ticketron and for many years had been a Vice President of ABC.

Whitehead described Sanders as "an Independent, Negro, from Los Angeles with an outstanding record."

Whitehead's memo also noted that "Senator Magnuson, whose committee has jurisdiction, has indicated that he very much wants Saul Haas reappointed."

In a March 23 memo to Congressional Liaison Bill Timmons, Whitehead had pointed out that Haas was the only commercial broadcaster on the CPB Board. "From what I can determine," Whitehead wrote, "he (Haas) is not overly liberal ideologically and is constructive on the Board."

In his April 3 memo, however, Whitehead reported that, "Timmons sees no reason to do so [reappoint Haas] unless we can get a good quid pro quo [from Magnuson]."

Ehrlichman responded on April 4, giving his preferences. Ehrlichman noted that Saul Haas "has a very questionable political background" and told Whitehead to "get an FBI check" if in doubt.

Haldeman sent a memo to Whitehead on April 14. In it he questioned "whether Jock Whitney would be very much attuned to our way of thinking on this--Paul Keyes, of course, would be. Tom Moore would

undoubtedly be O.K."

He recommended some other possibilities, including "Bob Reynolds--a Regent of the University of California and President of Golden West Broadcasting, Gene Autry's partner and another staunch supporter.

Haldeman also agreed "with Timmons' view that we should do nothing for Senator Magnuson unless we have a good quid pro quo."

On April 22, Whitehead notified Flanigan that the clearance process had begun on Whitney, Keyes, Reynolds and Jack Wrather. Wrather's name had not been on Whitehead's April 3 list.

Clearance had not begun on Sanders, Whitehead said, because "Flemming says he can come up with a first-rate black Republican."

"We will compare his guy with Sanders in a few days and then proceed," Whitehead told Flanigan.

On April 24, Flanigan sent Whitehead a memo reminding him to call Cole with the names of the CPB candidates.

On April 29, Whitehead sent a memorandum to Haldeman saying that Cole was unhappy with the tentative list of nominees because it "did not include any of the suggestions the President had asked him to make." Whitehead said that Flanigan and he were therefore substituting Moore for Reynolds.

On May 1, Whitehead informed Flanigan that Congressman William Springer "refuses to clear any of our nominees for the Board of CPB unless Frank Schooley is reappointed."

"Schooley is from Springer's district," Whitehead said, but noted "his major support in the past seemed to come from Dirksen."

Whitehead recommended to Flanigan that Timmons or one of his staff should try to talk Springer out of his opposition to the Administration's nominees. Flanigan agreed.

On May 15, Whitehead sent Flanigan a memo which said he understood that in a discussion with Flemming, Flanigan agreed that Wrather, Whitney, Schooley, and Moore would be appointed to the CPB Board and that the fifth slot would be filled either by a black or by Keyes.

"If at all possible," Whitehead said, "I would urge that a black be appointed and that Keyes replace either Wrather or Whitney. If you feel that both Wrather and Whitney should stay, then there is a very difficult choice between Keyes and the black. As much as I would like to see Keyes on the Board, I am afraid I would have to recommend the black as the wiser political choice."

On May 18, the White House announced the renomination of Schooley and the nominations of Whitney and Wrather to replace Haas and Erich Leinsdorf whose terms had expired.

The next day Whitehead asked his secretary to call Eugene Cowen, Special Assistant to the President, and tell him that the press release announcing the three nominees was incorrect in identifying Haas and Leinsdorf as the directors Whitney and Wrather would succeed.

"We are telling Nick Zapple [Senate Communications Subcommittee Counsel] that no final decision has been made about Haas and no one has talked to Magnuson about Haas," Whitehead explained.

On June 5, Whitehead received a phone message from Jonathon Rose. Rose called to say that Flanigan wanted Whitehead to do nothing with respect to additional names for CPB. Rose said that Haas was going to have to be reappointed given all the problems with Magnuson's committee. "So—the black man goes," Rose's message said.

On June 29, Whitehead notified Flanigan that he had been informed that Carl E. Sanders, a Democrat,

would soon resign as a member of the CPB Board. "This gives us the opportunity we needed to appoint a black to the Board," Whitehead said, and recommended that the nominations of Moore and Haas be held up pending receipt of Sanders' resignation so that three nominations could be announced simultaneously. Flanigan agreed and Whitehead informed Flemming to hold Moore and Haas.

In July, Sanders resigned. On July 13, Saul Haas' nomination was sent to the Hill and in August Tom Moore's name was sent forward. The two were confirmed on August 28.

In early August, John Price of CPB sent Flanigan a memo recommending Ralph B. Rogers, Chairman of the Board of Texas Industries, Inc., for the remaining vacancy on the CPB Board. "I recommend him highly as a Republican and as a citizen in Dallas who has taken immense interest in public TV," Price said.

On August 25, Whitehead responded to Price and Flanigan, saying, "Rogers certainly does look like an attractive candidate.... However, we have only one vacancy, and I think we are in agreement that we should try to find a black for that position." Whitehead recommended that Rogers be considered when the next vacancy arose.

On October 7, Whitehead sent a memo to Flanigan recommending that the President accept an invitation from the National Association of Educational Broadcasters (NAEB) to address its annual convention in November. In part, Whitehead's memo said:

The NAEB people are a rather responsible group and surprisingly somewhat level-headed. They provide a very useful counterbalance to us in dealing with the Corporation for Public Broadcasting and NET. Their views on the future of public television mirror some of our concerns and could be very useful to us in defining a role for public television that I would prefer over the Ford Foundation view.

Since the Association is in Washington, all that is necessary is a 10-15 minute drop-by. I think the publicity and pro-administration impact would be quite beneficial.

The invitation was declined ultimately.

In November, Flanigan sent Cole a copy of a Washington Post article about the NET documentary "Banks and the Poor." The documentary concerned financial institutions in New York, Philadelphia, and Washington, D.C., and their work in the housing, personal loan, and consumer credit areas. With the article, Flanigan sent Cole a letter, dated November 9. The letter said:

Herewith another example of NET activity that is clearly inappropriate for a government supported organization. Would you do me the favor of letting me know the extent to which NET has been supported by CPB in 1970 and the amount of the budgeted support for 1971.

I am directing this inquiry to you in that I think it comes better from you to the board and the management of the Corporation than from the White House. Therefore, I'd appreciate you treating this inquiry in that light.

Cole wrote back to Flanigan on the 21st. In his letter, he said:

One of these days when you can be in New York or I can be Washington I want to sit down and tell you what is happening in the Corporation for Public Broadcasting. But I want you for the present to accept my statement that really progress is being made.

The Corporation doesn't really give money to NET in anywhere as large amounts as the Ford Foundation does. They contribute about \$16 million a year, which is a good deal more than the U.S. Government did up until very recently. The Government should really provide enough funds to the CPB so that no one else needed to contribute further and there should be a prohibition against having the Corporation accept money for any organization or any group that might affect the quality of programs that are sent out. NET is a separate

organization financed very largely by the Ford Foundation. They have been making educational television programs for years and most of them are good, but every once in awhile there is a very sour one, including the two that you mentioned. But in spite of the fact that it is going to take a little time, I repeat that the total program is good.

I wish you would look at some of the educational programs. For instance, look at Sesame Street; you might get some of your kids to look at it. Also look at the program called Civilization which is created by the BBC. And also the Advocates. And I'll bet your wife looks at Julia Childs on The French Chef now and then.

We had a Board meeting in Washington just two days ago and I suggested that Jack Wrather, Frank Pace, John Macy and I try to get ahold of you for lunch some day and really tell you what we are doing. I really think you would cheer for it.

In early November, FCC Chairman Burch had sent Whitehead a proposal for the long-range financing of public broadcasting. On November 27, Whitehead responded to Burch, telling him that he agreed with the general thrust of his proposal:

In particular, the idea of dividing federal support between the Corporation and local communities gets over one of the big hurdles I have had with previous proposals.

Whitehead suggested a few changes in Burch's proposal and then outlined what the proposal would look like with these changes. "It may be quite feasible," he told Burch, "to include it in the President's legislative program next year.

According to Whitehead's outline:

1. Federal funds would be apportioned one—half to the Corporation for Public Broadcasting and one—half to locally supported, nonprofit, public programming sources. The funding for local sources would be distributed through the Corporation in proportion to the non—Federal funds each has received.
2. An appropriate legal definition of eligible local programming sources would be necessary; licensees of public broadcasting stations would automatically be included, while political organizations would be excluded. Funds could be used by the local programming source for production and for distribution on any local broadcasting medium including educational and commercial stations and cable systems.
3. Federal appropriations for public broadcasting would be made on a formula basis; \$20 million annually plus matching on a two—for—one basis those funds in excess of \$100 million from non—Federal sources. The Federal share would not exceed \$100 million annually.
4. The parameters of the financing formula described above would be established by law for a five-year period and reviewed by the Congress every five years.

On November 30, Whitehead sent a memo to Flanigan, Flemming, and Garment concerning the remaining vacancy on the CPB Board:

At my request, Sam Wyly is providing me with possible candidates to fill the remaining vacancy on the Board of Directors of the Corporation for Public Broadcasting. This is a very important vacancy because it will tip the majority to both Republican and Nixon-appointed members. It is important also because there are no minority group members on the Board once we decided not to reappoint Roscoe Carroll.

We are looking for a very solid minority group Republican who can make a substantial contribution, and I believe we will have some outstanding candidates. Our coordination

with these matters in the past has not been sterling, and I simply want you to know what I am doing so we will not proceed at cross purposes. I will be in touch shortly regarding possible candidates.

On November 30, Macy wrote to Presidential Counsellor Moynihan, advising him that on Tuesday, December 1, public television's award winning debate series, The Advocates, would explore the question of guaranteed minimum income. Macy's letter also indicated who would be on the program.

Guest witnesses opposing the guaranteed minimum income plan will be Mr. Roger A. Freeman, economist and former Special Assistant to President Nixon, and Honorable Ronald Reagan, Governor of California, The Honorable Barbara Jordan, State Senator from Texas and member of President Johnson's Commission on Income Maintenance, and Professor Theodore Marmor, Associate Director of the School and Public Affairs at the University of Minnesota will defend the need for such a plan.

Macy's letter precipitated a prompt response from Moynihan:

I am not only not pleased by your letter, I am genuinely troubled by it. It seems to me yet another example of a persistent pattern of biased treatment of the Administration by public television. I would not say this to many persons, but I will say it to you.

Consider the implications of the casting of the the forthcoming debate on the question of a guaranteed minimum income which will appear on The Advocates.

One President and only one President has proposed such a scheme. His name is Richard Nixon. His bill has passed the House and is now before the Senate. Who do you choose to oppose the idea? Naturally, an economist who was Special Assistant to President Nixon when the Family Assistance Program was devised. (He was an associate of Dr. Burns who--it is hardly a secret--opposed the plan.) And now who do you get to support the idea? A member of President Johnson's Commission on Income Maintenance. My respect for President Johnson is surely as great as yours, but you know perfectly well the previous administration would not go near the subject. If you think otherwise, ask John Gardner.

Your audience will be liberal to left in its politics. They will be for the Guaranteed Income. They will see it opposed by an appointee of President Nixon's and defended by an appointee of President Johnson's. A Reagan Republican will side with the Nixon man, and a Minnesota liberal will side with the Johnson lady.

I leave the White House every bit as much a Democrat as when I entered. But, dear Sir, I also leave profoundly uncertain of the moral and intellectual capacity of institutional liberals to defend the standards of liberal enquiry.

Moynihan also sent a memo that day to Haldeman:

I enclose an exchange with John Macy which suggests where some of our problems come from. We have men on that Board. Why aren't they looking out for the President's perfectly legitimate interests? Why are Federal funds being spent (as I assume they are) to distort the facts of this situation. And what may I ask is a Special Assistant to the President doing opposing his most important piece of domestic legislation?

Haldeman asked Flanigan, Garment, and Klein to look into Moynihan's questions:

Pat Moynihan has brought up some interesting questions regarding the televised debate on guaranteed minimum income described in the attached. Do we have any control over the choice of participants in something like this? If so, how did we allow an ex--Special Assistant to oppose one of our bills? Please look into this and give me a report so that when the situation arises again, we can make sure our side is strongly defended by one of our

own people.

Flanigan, in turn, asked Whitehead to prepare a response to Haldeman. On December 8, Whitehead sent Haldeman the following memo:

To answer directly the questions in your memorandum:

(1) We have no direct control over the choice of participants in programs funded by the Corporation for Public Broadcasting; neither does the Corporation. (The Advocates is funded 50/50 by CPB and the Ford Foundation.) The Corporation frequently consults Herb Klein's office to get suggestions for administration participants, but that procedure was not followed in this case.

(2) We, of course, have no control over the activities of ex—Special Assistants, and I must confess that I strongly share Pat's suspicion as to why Roger Freeman, of all people, was selected. Our best bet in these activities is to encourage Herb Klein's office to maintain active liaison with the Corporation on upcoming programs so that we can make suggestions well in advance.

The Corporation was established to be the chosen instrument whereby Federal funds are channeled to public broadcasting and to insulate programming decisions from direct government control. Any attempt to control or change program content would subject us to considerable criticism. However, the Corporation does have a clear responsibility to see that balanced presentations of viewpoints are made, and it is here that Pat's real point comes into play. By and large, educational and public television producers and directors have a rather unsubtle liberal bias. The remedy to this should be provided by the Board of Directors, which can exert a strong influence to see that a sound mix of programming viewpoints is provided in spite of that bias.

I am meeting early next month with a selected group of these directors to discuss the plans and activities of the Corporation and to establish a firmer liaison between us. We have a number of topics to discuss, and this will be one of them. You will no doubt be interested to know that the current vacancy on the Board presents opportunity for us to tip the balance for the first time to a Republican majority and a majority of Nixon-appointed members. As soon as that vacancy is filled, I will have some suggestions regarding the Corporation.

On December 29, Ken Goodwin of the Federal Communications Commission (FCC) called George Mansur, Deputy Director of OTP, to say that neither the Office of Management and Budget (OMB) nor Chairman Burch felt it appropriate for the FCC to prepare and sponsor a legislative package for CPB. He recommended that OTP take the lead in its formulation. Mansur discussed this with Whitehead and the two agreed that OTP should take the initiative.

On December 30, Mansur sent a memo to Walter Hinchman, Antonin Scalia, and Stephen Doyle, asking Hinchman and Scalia to prepare legislation for early submission to Congress, and Doyle to prepare a one- or two-sentence statement suitable for inclusion in the President's Budget Message.

*The Public Broadcasting Act provides that no more than eight CPB Directors may be of the same political party.

Public Broadcasting PolicyBase
A service of Current Publishing Committee and the National Public Broadcasting Archives
Web page created Jan. 25, 2000
E-mail to webmaster

Copyright 1970 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

February 10, 1970, Tuesday

SECTION: Page 25, Column 5

LENGTH: 77 words

JOURNAL-CODE: NYT

ABSTRACT:

Pres Nixon submits plan to Cong for creation of Office of Telecommunication Policy which will manage Govt's telephone and radio network and be Nixon's repr before FCC; press sec R Ziegler says office will not be concerned with content of broadcasting and is unrelated to Vice Pres Agnew's criticism of media; office will attempt to solve problems of telephone and broadcasting regulation; under plan, FCC will continue to have final authority on regulatory issues

Copyright 1970 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

July 25, 1970, Saturday

SECTION: Page 5, Column 1

LENGTH: 27 words

JOURNAL-CODE: NYT

ABSTRACT:

Clay T Whitehead nomination as dir of Office of Telecommunications Policy confirmed; C A Lewis nomination as member of Equal Employment Opportunity Comm confirmed

Copyright 1970 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

September 23, 1970, Wednesday

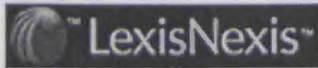
SECTION: Page 20, Column 4

LENGTH: 45 words

JOURNAL-CODE: NYT

ABSTRACT:

Mrs Marcos, wife of Philippines Pres, visits Pres Nixon, Washington; Nixon meets with Repub Cong leaders; C Whitehead sworn in as dir of Telecommunications Policy Office; Pres Nixon declares Arizona major disaster area because of extensive damage caused by recent rains



Copyright 1970 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

October 3, 1970, Saturday

SECTION: Page 12, Column 3

LENGTH: 58 words

JOURNAL-CODE: NYT

ABSTRACT:

Sen approves bill providing \$14-billion for fed-aided hwy programs through '76; rejects admendment to allow cities to use funds from hwy trust to finance mass transit projects; Borda apptmt as Air Force Asst Sec confirmed; Mansur apptmt as Telecommunications Policy Office deputy dir confirmed; Smith apptmt as Transportation Asst Sec confirmed

Copyright 1970 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

July 25, 1970, Saturday

SECTION: Page 5, Column 1

LENGTH: 27 words

JOURNAL-CODE: NYT

ABSTRACT:

Clay T Whitehead nomination as dir of Office of Telecommunications Policy confirmed; C A Lewis nomination as member of Equal Employment Opportunity Comm confirmed

36 Message to the Congress Transmitting Reorganization
Plan 1 of 1970 To Establish an Office of
Telecommunications Policy. *February 9, 1970*

To the Congress of the United States:

We live in a time when the technology of telecommunications is undergoing rapid change which will dramatically affect the whole of our society. It has long been recognized that the executive branch of the Federal Government should be better equipped to deal with the issues which arise from telecommunications growth. As the largest single user of the nation's telecommunications facilities, the Federal Government must also manage its internal communications operations in the most effective manner possible.

Accordingly, I am today transmitting to the Congress Reorganization Plan No. 1 of 1970, prepared in accordance with chapter 9 of title 5 of the United States Code.

That plan would establish a new Office of Telecommunications Policy in the Executive Office of the President. The new unit would be headed by a Director and a Deputy Director who would be appointed by the President with the advice and consent of the Senate. The existing office held by the Director of Telecommunications Management in the Office of Emergency Preparedness would be abolished.

In addition to the functions which are transferred to it by the reorganization plan, the new Office would perform certain other duties which I intend to assign to it by Executive order as soon as the reorganization plan takes effect. That order would delegate to the new Office essentially those functions which are now assigned to the Director of Telecommu-

nications Management. The Office of Telecommunications Policy would be assisted in its research and analysis responsibilities by the agencies and departments of the Executive Branch including another new office, located in the Department of Commerce.

The new Office of Telecommunications Policy would play three essential roles:

1. It would serve as the President's principal adviser on telecommunications policy, helping to formulate government policies concerning a wide range of domestic and international telecommunications issues and helping to develop plans and programs which take full advantage of the nation's technological capabilities. The speed of economic and technological advance in our time means that new questions concerning communications are constantly arising, questions on which the government must be well informed and well advised. The new Office will enable the President and all government officials to share more fully in the experience, the insights, and the forecasts of government and non-government experts.

2. The Office of Telecommunications Policy would help formulate policies and coordinate operations for the Federal government's own vast communications systems. It would, for example, set guidelines for the various departments and agencies concerning their communications equipment and services. It would regularly review the ability of government communications systems to meet the security needs of the nation and to perform effectively in time of emergency. The Of-

fic would direct the assignment of those portions of the radio spectrum which are reserved for government use, carry out responsibilities conferred on the President by the Communications Satellite Act, advise State and local governments, and provide policy direction for the National Communications System.

3. Finally, the new Office would enable the executive branch to speak with a clearer voice and to act as a more effective partner in discussions of communications policy with both the Congress and the Federal Communications Commission. This action would take away none of the prerogatives or functions assigned to the Federal Communications Commission by the Congress. It is my hope, however, that the new Office and the Federal Communications Commission would cooperate in achieving certain reforms in telecommunications policy, especially in their procedures for allocating portions of the radio spectrum for government and civilian use. Our current procedures must be more flexible if they are to deal adequately with problems such as the worsening spectrum shortage.

Each reorganization included in the plan which accompanies this message is necessary to accomplish one or more of the purposes set forth in section 901(a) of title 5 of the United States Code. In particular, the plan is responsive to section 901(a)(1), "to promote the better execution of the laws, the more effective management of the executive branch and of its agencies and functions, and the expeditious administration of the public business;" and section 901(a)(3), "to increase the efficiency of the operations of the government to the fullest extent practicable."

The reorganizations provided for in

this plan make necessary the appointment and compensation of new officers, as specified in sections 3(a) and 3(b) of the plan. The rates of compensation fixed for these officers are comparable to those fixed for other officers in the executive branch who have similar responsibilities.

This plan should result in the more efficient operation of the government. It is not practical, however, to itemize or aggregate the exact expenditure reductions which will result from this action.

The public interest requires that government policies concerning telecommunications be formulated with as much sophistication and vision as possible. This reorganization plan—and the executive order which would follow it—are necessary instruments if the government is to respond adequately to the challenges and opportunities presented by the rapid pace of change in communications. I urge that the Congress allow this plan to become effective so that these necessary reforms can be accomplished.

RICHARD NIXON

The White House

February 9, 1970

NOTE: Reorganization Plan 1 of 1970 became effective on April 20, 1970. On September 4, 1970, the President issued Executive Order 11556, Assigning Telecommunications Functions.

Also on February 9, 1970, the White House released the transcript of a news briefing on the President's message by Ronald L. Ziegler, Press Secretary to the President, and Clay T. Whitehead, Staff Assistant. Mr. Whitehead became Director of the Office of Telecommunications Policy on September 22, 1970.

An announcement, on January 23, 1970, of administration recommendations of regulatory policies on the use of communications satellites for domestic telecommunications services is printed in the Weekly Compilation of Presidential Documents (vol. 6, p. 66). On the same

day, the White House released the text of a memorandum from Peter Flanigan, Assistant to the President, to Dean Burch, Chairman of the Federal Communications Commission,

which outlined the recommendations; and the transcript of a news briefing on domestic satellite communications by Mr. Flanigan and Mr. Whitehead.



- TITLE 5--APPENDIX
- REORGANIZATION PLANS
- REORGANIZATION PLAN NO. 1 OF 1970
- OFFICE OF TELECOMMUNICATIONS POLICY

Section 1. Transfer of Functions

The functions relating to assigning frequencies to radio stations belonging to and operated by the United States, or to classes thereof, conferred upon the President by the provisions of section 305(a) of the Communications Act of 1934, 47 U.S.C. 305(a), are hereby transferred to the Director of the Office of Telecommunications Policy hereinafter provided for.

Sec. 2. Establishment of Office

There is hereby established in the Executive Office of the President the Office of Telecommunications Policy, hereinafter referred to as the Office.

Sec. 3. Director and Deputy

(a) There shall be at the head of the Office the Director of the Office of Telecommunications Policy, hereinafter referred to as the Director. The Director shall be appointed by the President by and with the advice and consent of the Senate and shall be compensated at the rate now or hereafter provided for Level III of the Executive Schedule Pay Rates (5 U.S.C. 5314).

(b) There shall be in the Office a Deputy Director of the Office of Telecommunications Policy who shall be appointed by the President by and with the advice and consent of the Senate and shall be compensated at the rate now or hereafter provided for Level IV of the Executive Schedule Pay Rates (5 U.S.C. 5315). The Deputy Director shall perform such functions as the Director may from time to time prescribe and, unless the President shall designate another person to so act, shall act as Director during the absence or disability of the Director or in the event of vacancy in the office of Director.

(c) No person shall while holding office as Director or Deputy Director engage in any other business, vocation, or employment.

Sec. 4. Performance of Functions of Director

(a) The Director may appoint employees necessary for the work of the Office under the classified civil service and fix their compensation in accordance with the classification laws.

(b) The Director may from time to time make such provisions as he shall deem appropriate authorizing the performance of any function transferred to him hereunder by any other officer, or by any organizational entity or employee, of the Office.

Sec. 5. Abolition of Office

That office of Assistant Director of the Office of Emergency Preparedness held by the Director of Telecommunications Management under Executive Order No. 10995 of February 16, 1962, as amended, is abolished. The Director of the Office of Emergency Preparedness shall make such provisions as he may deem to be necessary with respect to winding up any outstanding affairs of the office abolished by the foregoing provisions of this section.

Sec. 6. Incidental Transfers

(a) So much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, held, or used by, or available or to be made available to, the Office of Emergency Preparedness in connection with functions affected by the provisions of this reorganization plan as the Director of the Bureau of the Budget shall determine shall be transferred to the Office of Telecommunications Policy at such time or times as he shall direct.

(b) Such further measures and dispositions as the Director of the Bureau of the Budget shall deem necessary in order to effectuate the transfers provided for in subsection (a) of this section shall be carried out in such manner as he shall direct and by such agencies as he shall designate.

Sec. 7. Interim Director

The President may authorize any person who immediately prior to the effective date of this reorganization plan holds a position in the Executive Office of the President to act as Director of the Office of Telecommunications Policy until the office of Director is for the first time filled pursuant to the provisions of section 3 of this reorganization plan or by recess appointment, as the case may be. The President may authorize any person who serves in an acting capacity under the foregoing provisions of this section to receive the compensation attached to the office of Director. Such compensation, if authorized, shall be in lieu of, but not in addition to, other compensation from the United States to which such person may be entitled.

[The Office of Telecommunications Policy was abolished and its functions transferred to the President and the Secretary of Commerce by secs. 3 and 5 of Reorg. Plan No. 1 of 1977.]

Questions or comments regarding this service? Contact the
GPO Access User Support Team by Internet e-mail at gpoaccess@gpo.gov ;
by telephone at 1-202-512-1530 or 1-888-293-6498; or by fax at 1-202-512-1262.

(Last updated May 10, 2002)



- TITLE 5--APPENDIX
- REORGANIZATION PLANS
- REORGANIZATION PLAN NO. 1 OF 1970
- MESSAGE OF THE PRESIDENT

To the Congress of the United States:

We live in a time when the technology of telecommunications is undergoing rapid change which will dramatically affect the whole of our society. It has long been recognized that the executive branch of the Federal government should be better equipped to deal with the issues which arise from telecommunications growth. As the largest single user of the nation's telecommunications facilities, the Federal government must also manage its internal communications operations in the most effective manner possible.

Accordingly, I am today transmitting to the Congress Reorganization Plan No. 1 of 1970, prepared in accordance with chapter 9 of title 5 of the United States Code.

That plan would establish a new Office of Telecommunications Policy in the Executive Office of the President. The new unit would be headed by a Director and a Deputy Director who would be appointed by the President with the advice and consent of the Senate. The existing office held by the Director of Telecommunications Management in the Office of Emergency Preparedness would be abolished.

In addition to the functions which are transferred to it by the reorganization plan, the new Office would perform certain other duties which I intend to assign to it by Executive order as soon as the reorganization plan takes effect. That order would delegate to the new Office essentially those functions which are now assigned to the Director of Telecommunications Management. The Office of Telecommunications Policy would be assisted in its research and analysis responsibilities by the agencies and departments of the Executive Branch including another new office, located in the Department of Commerce.

The new Office of Telecommunications Policy would play three essential roles:

1. It would serve as the President's principal adviser on telecommunications policy, helping to formulate government policies concerning a wide range of domestic and international telecommunications issues and helping to develop plans and programs which take full advantage of the nation's technological capabilities. The speed of economic and technological advance in our time means that new questions concerning communications are constantly arising, questions on which the government must be well informed and well advised. The new Office will enable the President and all government officials to share more fully in the experience, the insights, and the forecasts of government and non-government experts.
2. The Office of Telecommunications Policy would help formulate policies and coordinate operations for the Federal government's own vast communications systems. It would, for example, set guidelines for the various departments and agencies concerning their communications equipment and services. It would regularly review the ability of government communications systems to meet the security needs of the nation and to perform effectively in time of emergency. The Office would direct the assignment of those portions of the radio spectrum which are reserved for government use, carry out responsibilities conferred on the President by the Communications Satellite Act, advise State and local governments, and provide policy direction for the National Communications System.
3. Finally, the new Office would enable the executive branch to speak with a clearer voice and to act as a more effective partner in discussions of communications policy with both the Congress and the Federal Communications Commission. This action would take away none of the prerogatives or functions assigned to the Federal Communications Commission by the Congress. It is my hope, however, that the new Office and the Federal Communications Commission would cooperate in achieving certain reforms in telecommunications policy, especially in their procedures for allocating portions of the radio spectrum for

government and civilian use. Our current procedures must be more flexible if they are to deal adequately with problems such as the worsening spectrum shortage.

Each reorganization included in the plan which accompanies this message is necessary to accomplish one or more of the purposes set forth in section 901(a) of title 5 of the United States Code. In particular, the plan is responsive to section 901(a)(1), "to promote the better execution of the laws, the more effective management of the executive branch and of its agencies and functions, and the expeditious administration of the public business;" and section 901(a)(3), "to increase the efficiency of the operations of the government to the fullest extent practicable."

The reorganizations provided for in this plan make necessary the appointment and compensation of new officers, as specified in sections 3(a) and 3(b) of the plan. The rates of compensation fixed for these officers are comparable to those fixed for other officers in the executive branch who have similar responsibilities.

This plan should result in the more efficient operation of the government. It is not practical, however, to itemize or aggregate the exact expenditure reductions which will result from this action.

The public interest requires that government policies concerning telecommunications be formulated with as much sophistication and vision as possible. This reorganization plan--and the executive order which would follow it--are necessary instruments if the government is to respond adequately to the challenges and opportunities presented by the rapid pace of change in communications. I urge that the Congress allow this plan to become effective so that these necessary reforms can be accomplished.

Richard Nixon.
The White House, February 9, 1970.

Questions or comments regarding this service? Contact the
GPO Access User Support Team by Internet e-mail at gpoaccess@gpo.gov ;
by telephone at 1-202-512-1530 or 1-888-293-6498; or by fax at 1-202-512-1262.

(Last updated May 10, 2002)



- TITLE 5--APPENDIX
 - REORGANIZATION PLANS
 - REORGANIZATION PLAN NO. 2 OF 1970
 - MESSAGE OF THE PRESIDENT

To the Congress of the United States:

We in government often are quick to call for reform in other institutions, but slow to reform ourselves. Yet nowhere today is modern management more needed than in government itself.

In 1939, President Franklin D. Roosevelt proposed and the Congress accepted a reorganization plan that laid the groundwork for providing managerial assistance for a modern Presidency.

The plan placed the Bureau of the Budget within the Executive Office of the President. It made available to the President direct access to important new management instruments. The purpose of the plan was to improve the administration of the Government--to ensure that the Government could perform "promptly, effectively, without waste or lost motion."

Fulfilling that purpose today is far more difficult--and more important--than it was 30 years ago.

Last April, I created a President's Advisory Council on Executive Organization and named to it a distinguished group of outstanding experts headed by Roy L. Ash. I gave the Council a broad charter to examine ways in which the Executive Branch could be better organized. I asked it to recommend specific organizational changes that would make the Executive Branch a more vigorous and more effective instrument for creating and carrying out the programs that are needed today. The Council quickly concluded that the place to begin was in the Executive Office of the President itself. I agree.

The past 30 years have seen enormous changes in the size, structure and functions of the Federal Government. The budget has grown from less than \$10 billion to \$200 billion. The number of civilian employees has risen from one million to more than two and a half million. Four new Cabinet departments have been created, along with more than a score of independent agencies. Domestic policy issues have become increasingly complex. The interrelationships among Government programs have become more intricate. Yet the organization of the President's policy and management arms has not kept pace.

Over three decades, the Executive Office of the President has mushroomed but not by conscious design. In many areas it does not provide the kind of staff assistance and support the President needs in order to deal with the problems of government in the 1970s. We confront the 1970s with a staff organization geared in large measure to the tasks of the 1940s and 1950s.

One result, over the years, has been a tendency to enlarge the immediate White House staff--that is, the President's personal staff, as distinct from the institutional structure--to assist with management functions for which the President is responsible. This has blurred the distinction between personal staff and management institutions; it has left key management functions to be performed only intermittently and some not at all. It has perpetuated outdated structures.

Another result has been, paradoxically, to inhibit the delegation of authority to Departments and agencies.

A President whose programs are carefully coordinated, whose information system keeps him adequately informed, and whose organizational assignments are plainly set out, can delegate authority with security and confidence. A President whose office is deficient in these respects will be inclined, instead, to retain close control of operating responsibilities which he cannot and should not handle.

Improving the management processes of the President's own office, therefore, is a key element in improving

the management of the entire Executive Branch, and in strengthening the authority of its Departments and agencies. By providing the tools that are needed to reduce duplication, to monitor performance and to promote greater efficiency throughout the Executive Branch, this also will enable us to give the country not only more effective but also more economical government--which it deserves.

To provide the management tools and policy mechanisms needed for the 1970s, I am today transmitting to the Congress Reorganization Plan No. 2 of 1970, prepared in accordance with Chapter 9 of Title 5 of the United States Code.

This plan draws not only on the work of the Ash Council itself, but also on the work of others that preceded--including the pioneering Brownlow Committee of 1936, the two Hoover Commissions, the Rockefeller Committee, and other Presidential task forces.

Essentially, the plan recognizes that two closely connected but basically separate functions both center in the President's office: policy determination and executive management. This involves (1) what government should do, and (2) how it goes about doing it.

My proposed reorganization creates a new entity to deal with each of these functions:

--It establishes a Domestic Council, to coordinate policy formulation in the domestic area. This Cabinet group would be provided with an institutional staff, and to a considerable degree would be a domestic counterpart to the National Security Council.

--It establishes an Office of Management and Budget, which would be the President's principal arm for the exercise of his managerial functions.

The Domestic Council will be primarily concerned with *what* we do; the Office of Management and Budget will be primarily concerned with *how* we do it, and *how well* we do it.

The past year's experience with the Council for Urban Affairs has shown how immensely valuable a Cabinet-level council can be as a forum for both discussion and action on policy matters that cut across departmental jurisdictions.

The Domestic Council will be chaired by the President. Under the plan, its membership will include the Vice President, and the Secretaries of the Treasury, Interior, Agriculture, Commerce, Labor, Health, Education and Welfare, Housing and Urban Development, and Transportation, and the Attorney General. I also intend to designate as members the Director of the Office of Economic Opportunity and, while he remains a member of the Cabinet, the Postmaster General. (Although I continue to hope that the Congress will adopt my proposal to create, in place of the Post Office Department, a self-sufficient postal authority.) The President could add other Branch officials at his discretion.

The Council will be supported by a staff under an Executive Director who will also be one of the President's assistants. Like the National Security Council staff, this staff will work in close coordination with the President's personal staff but will have its own institutional identity. By being established on a permanent, institutional basis, it will be designed to develop and employ the "institutional memory" so essential if continuity is to be maintained, and if experience is to play its proper role in the policy-making process.

There does not now exist an organized, institutionally-staffed group charged with advising the President on the total range of domestic policy. The Domestic Council will fill that need. Under the President's direction, it will also be charged with integrating the various aspects of domestic policy into a consistent whole.

Among the specific policy functions in which I intend the Domestic Council to take the lead are these:

--Assessing national needs, collecting information and developing forecasts, for the purpose of defining national goals and objectives.

--Identifying alternative ways of achieving these objectives, and recommending consistent, integrated sets of policy choices.

--Providing rapid response to Presidential needs for policy advice on pressing domestic issues.

--Coordinating the establishment of national priorities for the allocation of available resources.

--Maintaining a continuous review of the conduct of ongoing programs from a policy standpoint, and proposing reforms as needed.

Much of the Council's work will be accomplished by temporary, ad hoc project committees. These might take a variety of forms, such as task forces, planning groups or advisory bodies. They can be established with varying degrees of formality, and can be set up to deal either with broad program areas or with specific problems. The committees will draw for staff support on Department and agency experts, supplemented by the Council's own staff and that of the Office of Management and Budget.

Establishment of the Domestic Council draws on the experience gained during the past year with the Council for Urban Affairs, the Cabinet Committee on the Environment and the Council for Rural Affairs. The principal key to the operation of these Councils has been the effective functioning of their various subcommittees. The Councils themselves will be consolidated into the Domestic Council. Urban, Rural and Environment subcommittees of the Domestic Council will be strengthened, using access to the Domestic Council staff.

Overall, the Domestic Council will provide the President with a streamlined, consolidated domestic policy arm, adequately staffed, and highly flexible in its operation. It also will provide a structure through which departmental initiatives can be more fully considered, and expert advice from the Departments and agencies more fully utilized.

Under the reorganization plan, the technical and formal means by which the Office of Management and Budget is created is by re-designating the Bureau of the Budget as the Office of Management and Budget. The functions currently vested by law in the Bureau, or in its director, are transferred to the President, with the provision that he can then re-delegate them.

As soon as the reorganization plan takes effect, I intend to delegate those statutory functions to the Director of the new Office of Management and Budget, including those under section 212 of the Budget and Accounting Act, 1921.

However, creation of the Office of Management and Budget represents far more than a mere change of name for the Bureau of the Budget. It represents a basic change in concept and emphasis, reflecting the broader management needs of the Office of the President.

The new Office will still perform the key function of assisting the President in the preparation of the annual Federal budget and overseeing its execution. It will draw upon the skills and experience of the extraordinarily able and dedicated career staff developed by the Bureau of the Budget. But preparation of the budget as such will no longer be its dominant, overriding concern.

While the budget function remains a vital tool of management, it will be strengthened by the greater emphasis the new office will place on fiscal analysis. The budget function is only one of several important management tools that the President must now have. He must also have a substantially enhanced institutional staff capability in other areas of executive management--particularly in program evaluation and coordination, improvement of Executive Branch organization, information and management systems, and development of executive talent. Under this plan, strengthened capability in these areas will be provided partly through internal reorganization, and it will also require additional staff resources.

The new Office of Management and Budget will place much greater emphasis on the evaluation of program performance: on assessing the extent to which programs are actually achieving their intended results, and

delivering the intended services to the intended recipients. This is needed on a continuing basis, not as a one-time effort. Program evaluation will remain a function of the individual agencies as it is today. However, a single agency cannot fairly be expected to judge overall effectiveness in programs that cross agency lines--and the difference between agency and Presidential perspectives requires a capacity in the Executive Office to evaluate program performance whenever appropriate.

The new Office will expand efforts to improve inter-agency cooperation in the field. Washington-based coordinators will help work out interagency problems at the operating level, and assist in developing efficient coordinating mechanisms throughout the country. The success of these efforts depends on the experience, persuasion and understanding of an Office which will be an expediter and catalyst. The Office will also respond to requests from State and local governments for assistance on intergovernmental programs. It will work closely with the Vice President and the Office of Intergovernmental Relations.

Improvement of Government organization, information and management systems will be a major function of the Office of Management and Budget. It will maintain a continuous review of the organizational structures and management processes of the Executive Branch, and recommend needed changes. It will take the lead in developing new information systems to provide the President with the performance and other data that he needs but does not now get. When new programs are launched, it will seek to ensure that they are not simply forced into or grafted onto existing organizational structures that may not be appropriate. Resistance to organizational change is one of the chief obstacles to effective government; the new Office will seek to ensure that organization keeps abreast of program needs.

The new Office will also take the lead in devising programs for the development of career executive talent throughout the Government. Not the least of the President's needs as Chief Executive is direct capability in the Executive Office for insuring that talented executives are used to the full extent of their abilities. Effective, coordinated efforts for executive manpower development have been hampered by the lack of a system for forecasting the needs for executive talent and appraising leadership potential. Both are crucial to the success of an enterprise--whether private or public.

The Office of Management and Budget will be charged with advising the President on the development of new programs to recruit, train, motivate, deploy, and evaluate the men and women who make up the top ranks of the civil service, in the broadest sense of that term. It will not deal with individuals, but will rely on the talented professionals of the Civil Service Commission and the Departments and agencies themselves to administer these programs. Under the leadership of the Office of Management and Budget there will be joint efforts to see to it that all executive talent is well utilized wherever it may be needed throughout the Executive Branch, and to assure that executive training and motivation meet not only today's needs but those of the years ahead.

Finally, the new Office will continue the Legislative Reference functions now performed by the Bureau of the Budget, drawing together agency reactions on all proposed legislation, and helping develop legislation to carry out the President's program. It also will continue the Bureau's work of improving and coordinating Federal statistical services.

The people deserve a more responsive and more effective Government. The times require it. These changes will help provide it.

Each reorganization included in the plan which accompanies this message is necessary to accomplish one or more of the purposes set forth in Section 901(a) of Title 5 of the United States Code. In particular, the plan is responsive to Section 901(a)(1), "to promote the better execution of the laws, the more effective management of the Executive Branch and of its agencies and functions, and the expeditious administration of the public business;" and Section 901(a)(3), "to increase the efficiency of the operations of the Government to the fullest extent practicable."

The reorganizations provided for in this plan make necessary the appointment and compensation of new officers, as specified in Section 102(c) of the plan. The rates of compensation fixed for these officers are comparable to those fixed for other officers in the Executive Branch who have similar responsibilities.

While this plan will result in a modest increase in direct expenditures, its strengthening of the Executive

Office of the President will bring significant indirect savings, and at the same time will help ensure that people actually receive the return they deserve for every dollar the Government spends. The savings will result from the improved efficiency these changes will provide throughout the Executive Branch--and also from curtailing the waste that results when programs simply fail to achieve their objectives. It is not practical, however, to itemize or aggregate these indirect expenditure reductions which will result from the reorganization.

I expect to follow with other reorganization plans, quite possibly including ones that will affect other activities of the Executive Office of the President. Our studies are continuing. But this by itself is a reorganization of major significance, and a key to the more effective functioning of the entire Executive Branch.

These changes would provide an improved system of policy making and coordination, a strengthened capacity to perform those functions that are now the central concerns of the Bureau of the Budget, and a more effective set of management tools for the performance of other functions that have been rapidly increasing in importance.

The reorganization will not only improve the staff resources available to the President, but will also strengthen the advisory roles of those members of the Cabinet principally concerned with domestic affairs. By providing a means of formulation integrated and systematic recommendations on major domestic policy issues, the plan serves not only the needs of the President but also the interests of the Congress.

This reorganization plan is of major importance to the functioning of modern government. The national interest requires it. I urge that the Congress allow it to become effective.

Richard Nixon.
The White House, March 12, 1970.

Questions or comments regarding this service? Contact the
GPO Access User Support Team by Internet e-mail at gpoaccess@gpo.gov ;
by telephone at 1-202-512-1530 or 1-888-293-6498; or by fax at 1-202-512-1262.

(Last updated May 10, 2002)

1971

Copyright 1971 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

January 8, 1971, Friday

SECTION: Page 60, Column 7

LENGTH: 149 words

JOURNAL-CODE: NYT

ABSTRACT:

White House Office of Telecommunications Policy dir Whitehead, in policy statement, urges Govt promote installation of satellite systems for trans-Atlantic and trans-Pacific air navigation; sees communications satellites as only practical solution to growth of internatl 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 gen use by airlines and aviation adms of many nations, after its formal recognition by ICAO; prompt implementation of White House policy seen assuring US control of system

Copyright 1971 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

June 24, 1971, Thursday

SECTION: Page 77, Column 7; (AP)

LENGTH: 43 words

JOURNAL-CODE: NYT

ABSTRACT:

Pres Nixon names White House com to chart policy for cable TV indus; White House Office of Telecommunications Policy dir **Clay T Whitehead** heads com; other members are Secs Stans, Romney and Richardson, and White House aides R H Finch, L Garment and H G Klein



Public Broadcasting PolicyBase

A service of [Current Newspaper](#) and the [National Public Broadcasting Archives](#)
[PBPB Index](#) | [About PBPB](#) | [Resources](#)

Nixon Administration Public Broadcasting Papers Summary of 1971

[Introduction](#) | [1969](#) | [1970](#) | [1971](#) | [1972](#) | [1973](#) | [1974](#)

A major part of OTP's activity in 1971 involved the development of a long-term financing bill for CPB. However, because of disagreements with CPB over details of the draft "Public Telecommunications Financing Act of 1971" and the Administration's displeasure with public broadcasting's news and public affairs programming, the Administration did not submit a CPB funding bill to Congress that year.

On April 13, Flanigan and Whitehead, now OTP Director, met in Flanigan's office with CPB Directors Cole and Wrather, both of whom had been appointed to the Corporation Board by President Nixon. The meeting was an outgrowth of Flanigan's and Whitehead's correspondence with Cole, dating from November 9, 1970, when Flanigan wrote to Cole complaining about the NET documentary "Banks and the Poor." On March 15, Flanigan sent Whitehead a memo which said:

Regarding the Corporation for Public Broadcasting, we discussed having a meeting of our directors to determine where we go from here with the Corporation. Nothing having happened on this, I believe we should undertake that activity immediately. If you agree, I propose to ask Al Cole, Jack Rather [sic], and our other friends that we have put on that Board to come to the White House and sit down to discuss the future of the control of the Board and the management with us. After that, we can determine the validity of the desirability of meeting with the President.

Following the April 13 meeting, Whitehead asked OTP General Counsel Scalia to draft a letter to CPB Chairman Pace, outlining points to be discussed at a subsequent meeting with selected CPB Board members. Pace had previously proposed that the President meet with the entire CPB Board.

On May 20, Whitehead wrote Pace, suggesting that, prior to a meeting with the President, he [Whitehead] "get together with a few selected members of the Board, to discuss the details of the meeting with the President, the range of subjects which should be covered, and other matters of mutual concern."

Whitehead met with Pace, Cole, and Wrather on June 3. On June 4, Scalia drafted for Whitehead a "Memorandum to the President," outlining reasons for long-term financing for CPB. The memo, classified "CONFIDENTIAL," noted that the Administration's 1972 Budget said that "legislation will be proposed to provide an improved financing arrangement for CPB." Scalia pointed out that the legislation had been promised for several months and that an apparent change of heart at this point would be alleged to be politically motivated." Citing several other reasons for submitting a financing proposal, the memo concluded:

"The best possibility for White House influence over the Corporation is through the Presidential appointees to the Board of Directors. These tend to be independent people, however, and failure to submit the previously announced legislation might antagonize them."

Flanigan met with CPB Director Wrather on June 14.

On June 16, President Nixon nominated Zelma George to the CPB Board.

On June 18, a more detailed "Memorandum for the President" was drafted for Flanigan. It laid out other options regarding CPB. Among the items discussed was the CPB Board:

We appointed Jack Wrather, Tom Moore, and Jock Whitney to the CPB Board last year and reappointed Saul Haas and Frank Schooley due to Congressional pressure. We have just announced the appointment of Zelma George to the Board to fill a term which expires next Spring. Four more vacancies will also be filled at that time, giving us clear control of the Board.

The memo also reminded the President of the meeting he had had with Pace and Cole in October 1969:

Frank Pace and Al Cole met with you in 1969 and agreed to reduce CPB funding of NET substantially. While some alteration has taken place, there is room for substantially more.

It went on to say:

We have discussed with Jack Wrather the possibility of substituting him for Frank Pace as Chairman of the CPB Board. Wrather has replied that he does not have the time and knows of no person more suitable than Pace--who, although a Democrat, is generally conservative and aware of the need to keep the Corporation out of political controversy.

The memo then presented two options and three recommendations with respect to CPB:

OPTIONS

(1) Elimination of CPB

This alternative would be politically difficult in view of the strong educational support and the generally favorable public image CPB has developed.

(2) Shaping the Corporation

Probably no amount of restructuring will entirely eliminate the tendency of the Corporation to support liberal causes. On the other hand, this Administration does have an opportunity to establish, by legislation and otherwise, structures and counterbalances which will restrain this tendency in future years and which, as a political matter, it will be difficult for other administrations to alter. It is in this direction that we have thus far been proceeding.

RECOMMENDATIONS ([Charles] Colson concurs)

(1) Obtain an agreement from Pace to replace Macy with a professional, apolitical President of our choosing as soon as discretion permits.

(2) Make clear to Pace that CPB must further reduce its funding of NET, in order to accelerate the shrinking of that organization's influence in the public television field.

(3) Proceed with the legislative package prepared by OTP after Pace has agreed to these changes. This increases the amount of CPB funding but at the same time reduces its influence over social thought, by excluding it from classroom programming and by increasing the independence of local stations which are generally more conservative in outlook.

On June 22, Wrather wrote a letter to Flanigan following up on their June 14 meeting in Flanigan's office. In his letter, Wrather said:

I feel very strongly that this is not the time to try to make quick decisions and changes...the propitious time to make a move, if such is desired, might be at a later date, coincident with the new appointments in early '72.... The selection of any replacement is pretty critical and I feel should be given enough time to really scout the entire field of possibilities....

On July 9, Whitehead met with Flanigan and Colson to discuss an "Action Memorandum" regarding CPB. The proposed action was premised upon the assumption that "entire elimination of Federal support of public television is politically impossible" and, in any case, "could easily be undone by a subsequent Administration." Thus, redirecting Federal support "so as to create a structure which will be dominated by those elements in the public television field which are generally most congenial—namely, the local stations," was viewed as the "most effective course of action."

The memo laid out a course of action which included having the President meet with Cole and Wrather to obtain their agreement in exchange for Administration support of a new funding bill, to reduce CPB funding of NET "to a near-zero level," and to "replace John Macy as soon as practicable with a non-political professional."

The memo cautioned that pains must be taken "to avoid the appearance of hostility to public broadcasting, both because it is a sacred cow in many quarters and because the President's Opponents are already trying to tar him with antagonism towards 'free and independent' media."

The following day Scalia prepared a breakdown of CPB expenditures for Colson and Flanigan. Scalia's breakdown showed how Federal funds might be diverted from CPB station support and networking activities to direct Federal station support.

On July 15 OTP Counsel Henry Goldberg prepared a memorandum for Whitehead and Scalia "intended to offer a policy rationale for accomplishing the objectives explicit and implicit in the July 9 'Action Memorandum' and the July 10 memorandum concerning CPB...." Goldberg's memo stressed the concept of local station control of public broadcasting.

The local control rationale was used in a "Memorandum for the President" from Flanigan which Scalia drafted on August 9:

The foundation of the public broadcasting network is the local stations. Most of these were created and are supported by state funds, and almost all carry classroom programming during school hours. These stations generally reflect the Philosophical outlook of the areas which they serve, and, as a group, are not dominated by the liberal establishment of the Northeast.

The memo then detailed the objectives of Administration policy toward public broadcasting:

We believe that the principal objective of our policy toward public broadcasting should be to modify the structure of the system so as to eliminate the dominant position of CPB. An attempt to cut back public broadcasting as a whole would be doomed to failure because of the strong support that medium receives, not only from education interests, minority groups and liberals, but also from Congressmen whose districts contain stations which contribute to local education. Moreover, a mere reduction of funding for all public broadcasting would be ineffective in the long run since the level could easily be raised by a later administration. We are confronted with a long range problem of significant social consequences—that is, the development of a government-funded broadcast system similar to the BBC.

There are three ways of attempting to prevent such a development:

1. Attempt to reduce drastically the Federal support for the Corporation for Public Broadcasting and thereby all public broadcasting, including educational broadcasting, as well as public affairs programming;

2. Attempt to selectively reduce the public affairs emphasis of CPB; or
3. Alter the basic structure of the public broadcasting and the funding arrangements.

In view of the widespread support for many aspects of public broadcasting outside of public affairs programming, such as Sesame Street, Forsythe [sic] Saga, high school equivalency programs, etc., we think it would be unwise to attempt an across-the-board cut in CPB funding; not only would the political repercussions be undesirable but it would be highly unlikely that we could achieve this result politically. Any significant effort to reduce CPB effort of public affairs programming would run into resistance from commercial broadcasters who would just as soon leave this to public television and would raise a hue and cry about government control, etc. While it would be more effective than the first course of action, we think that it can be done more effectively if combined with the third alternative. The most fruitful course of action in achieving your objectives therefore seems to be a restructuring of CPB in its relationship to the local stations and a careful structuring of long-term financing arrangements to limit centralized control of public broadcasting which is certain to be highly liberal in its stance, and in conjunction make appropriate changes in the management of CPB through our friends on the Board of Directors.

Scalia redrafted his "Memorandum For The President" on August 17.

On September 7, Wrather conveyed to Whitehead information about Bill Moyers and Martin Agronsky which Wrather had asked Macy to provide. Wrather's transmittal memo to Whitehead characterized the information as "confidential."

The Scalia memos of August 9 and 17 were reworked by Whitehead, and a revised draft "Memorandum For The President" was prepared September 23. One of the courses of action the memo recommended was to induce CPB to change its orientation and emphasis on public affairs programming." The memo said:

Our friends on the CPB Board of Directors, notably Jack Wrather, Al Cole, and Tom Moore, favor this approach and are working with limited success toward this end. At a minimum, replacement of Frank Pace as Chairman and John Macy as President would be necessary, and more detailed White House intervention would probably be required to keep a rein on the full-time CPB and PBS staffs....

Later that day, Jon M. Huntsman, Staff Secretary, informed Flanigan that the President wanted all funds for public broadcasting cut. Huntsman's "CONFIDENTIAL, EYES ONLY," memorandum, with copies to Haldeman and Alex Butterfield, said:

The following report appeared in the September 23, 1971, News Summary:

Robert MacNeil and Sander Vanocur will anchor a weekly political program on Public Broadcasting in '72. It will "try to reverse the usual focus of political reporting from the politician down to the people." Said Vanocur: "we have taken an institutional view of politics in the past...in a sense will be doing psycho logical reporting." (We can hardly wait.)... Senator Ervin's Constitutional Rights Subcommittee will begin next week exploring the growing deterioration in relations between the press and the government.

The above report greatly disturbed the President who considered this the last straw. It was requested that all funds for Public Broadcasting be cut immediately. You should work this out so that the House Appropriations Committee gets the word.

On September 28, Whitehead drafted a response to the President's request that "all funds for Public Broadcasting be cut immediately." Whitehead's memo began:

We have identified several options for dealing with the public affairs programming of public broadcasting. In the short run, there does not appear to be any way to cut off Federal funds. Federal funds for the Corporation for Public Broadcasting (CPB) for FY 1972 were apportioned by OMB in July and a check for \$30 million was transferred to the Corporation in August. These funds remain available to the Corporation until expended, outside the control of the Executive Branch by statute. The \$5 million remaining to be apportioned is to match non-Federal contributions and would not normally be apportioned until late in the fiscal year. Our efforts, therefore, must be directed to legislative action for FY 1973 and beyond.

Whitehead advised the President that it would be hard to cut back funds for public affairs programming without cutting back funds for educational and cultural programming as well.

The September 28 memorandum was redrafted September 30, then redrafted again October 4. The memo described the current situation and laid out four major options:

Option 1: Negotiate a compromise financing bill that would increase Federal funds for public broadcasting, but would circumscribe the power of CPB by increasing the autonomy of the local stations.

Option 2: Seek legislation to cut CPB funds drastically and to exclude it from public affairs programming.

Option 3: Seek legislation to provide a new structure for Federal funding of only educational and cultural programming at the national level and for direct grants to local educational stations.

Option 4: Same as (3), but also seek revision of tax laws to prohibit foundations from supporting news and political commentary programming, in the same way they are prohibited from lobbying.

Whitehead then made the following recommendation:

Recommendation: The first option does little but avoid controversy and the second is likely to accomplish little but controversy. Options (3) and (4) would have lasting and constructive effect, though both would raise a loud Liberal howl. Only Option (4) stands a chance of achieving all of our goals.

I recommend you approve Option (4) if you are willing to face the controversy and that we open the attack in my address to the annual convention of the local stations October 20.

On October 5, Whitehead sent the memo to Ehrlichman, Haldeman, Garment, and Colson, asking each for comments.

The next day he sent a slightly different version of the memo to presidential Counsellor Robert Finch, OMB Director George Shultz, Press Secretary Ron Ziegler, and Communications Director Klein. He asked each of them for comments as well.

Finch and Garment responded to Whitehead right away, recommending Option 3; Klein responded, recommending Option 1. Ehrlichman pointed that all the options involved legislation and said he doubted whether the legislature route was the best way to go. Instead Ehrlichman suggested:

The best alternative would be to take over the management and thereby determine what management decisions are going to be made. Obviously, this is an uphill fight but seems to me to be the only feasible path to accomplish your ends. If you tell me that you can't take

over the management, then I think this is just a situation that can't be solved. If you have a 50-50 chance of making a fight and taking over the management, then I think it might be worth the try and some very bright guy like Malek ought to be put in charge of bringing it off.

Colson too supported Option 3 but recommended that Option 3 state by how much public broadcasting funding would be increased.

In conveying his views to Flanigan and Whitehead, Colson also said, "I don't think you need to put things quite so explicitly in the first paragraph. This is a serious mistake for whatever records this piece of paper might ultimately end up in or, perish the thought, should it get Out."

The paragraph referred to read:

You have expressed serious concern regarding Vanocur/MacNeil and the National Public Affairs Center for Television (NPACT) funded by the Corporation for Public Broadcasting (CPB) and Ford Foundation. (Liz Drew will be funded by CPB through NPACT; the Moyers and Agronsky shows do not receive CPB funds, although the public television network which carries them to the local stations is funded entirely by CPB.) This comes at a time when we need some firm decisions on our posture toward the financing and structure of public broadcasting.

On October 12, Scalia advised Whitehead that Klein had changed his recommendation from Option 1 to Option 3.

The Memorandum for the President was again revised on October 12 and 15. The October 15 draft dropped Option 4, which called for a revision of the tax laws. The other three options were presented in a little more detail than in the October 4 draft, with the following prefatory comments:

The Problem : To achieve your goals, with some lasting impact, we must first replace the current CPB management and assure its control by the Board, and second, find new arrangements for funding public television. Neither step will be easy, and both will require us to take some political heat.

First, controlling the management of CPB is difficult because the Public Broadcasting Act purposely structured it to minimize executive branch influence. CPB is theoretically governed by an independent Board, with members appointed to fixed terms with Senate confirmation. In fact, however, it is the full-time management, headed by John Macy, that really runs CPB and controls the money. The part-time Board is only marginally effective, in part because all the members are convinced CPB is a great thing.

Second, it is difficult to control CPB by cutting back their funds because they have all the discretion on how funds are disbursed. Public affairs programming is not a large part of their activity, and there is wide public and Congressional support for the popular "Sesame Street," drug abuse shows used in high schools, and the like. A cut in CPB funding cannot be targeted specifically at public affairs programs, and would force a cutback in these other areas. It would also cause a reduction in support for local educational TV stations (in 223 Congressional districts), since that also goes through CPB.

This Fiscal Year: OMB thinks CPB appropriations are mandatory spending over which we have no legal control. Even if we are willing to make a test of OMB's authority to withhold funds, there is no effective way to cut funds substantially for this fiscal year, since \$30 million of the \$35 million appropriation has already been disbursed. Furthermore, CPB has already made block grants to independent programming organizations which have in turn already funded the objectionable programs. Thus, there is no way to control CPB's disbursement of its funds this year either. The best we can do is to reduce these programs after June 30, by taking over the Board.

Controlling the Board: We have now appointed eight of the fifteen Board members, but because of various political pressures at the time, only four or five can be counted on to help us replace CPB management and redirect the programming emphasis. We can take over the Board next April when you have five appointments to make. All your advisers agree that Fred Malek should start now to find five tough-minded appointees who will vote with us to fire John Macy and his top staff and replace them with suitable people. Malice agreed to do this; we will then attempt to get these appointees by Senators Magnuson and Pastore, both of whom have a strong affection for CPB.

Funding Alternatives: There has been pressure since CPB was established for greatly increased funding under "permanent" financing; and your last budget promised a plan for "improved" financing arrangements. The Congress is calling for an Administration plan this session. We have to adopt some legislative posture on funding arrangements.

The memo then presented the three options previously discussed.

Discussions about CPB were also taking place in other quarters of the White House at this time. An October 15 memo from Rose to Larry Higby of Haldeman's staff made a number of observations:

In spite of what it may seem, no one participating in this exercise has ever been unclear as to the President's basic objective: to get the left-wing commentators who are cutting us up off public television at once, indeed yesterday if possible. ...

We need eight loyalists to control the present CPB Board and fire the current staff who make the grants. There is no way to get this number of votes until our five new appointments next April. ...

We should be aware, however, that these appointees must be confirmed and therefore go through Senators Magnuson and Pastore. Last Spring Senator Magnuson forced us to reappoint a known left-winger over the adamant opposition of John Ehrlichman as the price of confirming four other people. It is difficult to think that the Spring of 1972 will be any different. ...

For the longer term the essential thing is to get CPB Out of the business of financing public affairs programming. One obvious way would be to abolish CPB if we could do it. A substantial majority of those who know anything about it believe there is simply no way. Indeed it is believed Congress would ram the money for CPB through over our protests. Thus the Whitehead memo proposes using increased funding of local public tv stations directly as the carrot to buy passage of a prohibition against CPB funding of public affairs programs. ...

Even if we go the Whitehead route and succeed in cutting off federal funds for liberal hour on public tv, no doubt Mac Bundy will be ready with Ford Foundation money to take up the slack. This is another battle for which I and a number of others would be eager to draft legislation if it is desired. ...

Those are the unpleasant facts. Believe me, I do not enjoy watching these left-wingers any more than you do, but I think it is essential that we know the maximum that can be done and do it rather than spinning our wheels proposing the impossible. ...

During the time these discussions were taking place, CPB Director Wrather was providing Whitehead with more information which Wrather asked be kept "confidential."

On October 4, Wrather sent Whitehead material he had obtained from Macy about NPACT and the appointment of MacNeil and Vanocur as Senior Correspondents for the Center

On October 12, he sent Whitehead a memo Macy had prepared for the CPB Board concerning Paul Jacobs' Great American Dream Machine segment on FBI informants.

Also during this period, Macy extended an invitation to the White House to informally suggest names for the 15-member Board which CPB and NET were appointing to run NPACT. Matt Coffey of Macy's staff called Garment with the invitation.

In a October 13 memo to Whitehead and Flanigan, Garment said, "In view of Tom's [Whitehead] pending proposal to the President, we may decide not even to respond to Coffey's invitation...My recommendation would be to do so and to get some strong people in there (along the lines of Charlie Crutchfield).

Scalia cautioned Whitehead that this was "a mousetrap by Macy." Whitehead then recommended to Flanigan:

That we express our preferences through someone like Jack Wrather rather than directly to Macy. If we were to suggest names directly, it would imply tacit approval and they would have the opportunity at any future time to say that we have participated to the extent of suggesting directors. Unless you have any objections, I will raise this with Malek and try to get a few names that we can ask Jack Wrather to pass along without any attribution to us.

On October 20, Whitehead sent Flanigan "still one more revision" of the "Memorandum for the President." This time the memorandum included an option Congressman Springer had suggested, making no legislative proposal at all and "forcing CPB into a one-year extension where their funds could be kept at or near the current \$35 million." Whitehead told Flanigan that "Springer's option never has appealed to me and...seems worse than a fall back from an attempt to implement our reforms...."

Attached to the October 20 memo was a summary of "Current Public Broadcasting Activities in Public Affairs and 'Commentary' Programming."

October 20 was also the day Whitehead opened his public attack on public broadcasting. (Whitehead had recommended launching the attack in his October 4 "Memorandum for the President.") Addressing the 47th Annual Convention of NAEB in Miami, Whitehead said:

I honestly don't know what group I'm addressing. I don't know if it's really the 47th Annual Convention of NAEB or the first annual meeting of PBS affiliates. What's your status? To us there is evidence that you are becoming affiliates of a centralized, nationalized network.
...

On a national basis, PBS says that some 40 percent of its programming is devoted to public affairs. You're centralizing your public affairs programs in the National Public Affairs Center in Washington, because someone thinks autonomy in regional centers leads to wasteful overlap and duplication. Instead of aiming for "overprogramming" so local stations can select among the programs produced and presented in an atmosphere of diversity, the system chooses central control for "efficient" long-range planning and so-called "coordination" of news and public affairs--coordinated by people with essentially similar outlooks.

On November 4, NPACT General Manager Jim Karayn wrote Whitehead "in the hope of eliminating some apparent misconceptions about NPACT's role within public television and its programming plans that were indicated by your references to us in your October 20 NAEB speech."

In his letter, Karayn explained that "NPACT programming is not dictated by one person or a small group of individuals with a particular philosophical viewpoint or journalistic background."

On November 9, Whitehead met with CPB an Pace. Two days later, he met with CPB Director Moore.

On November 15, Whitehead revised his October 20 Memorandum and sent it to Haldeman to be given to the President. The memo recommended that several steps be taken to eliminate "slanted programming":

1. Induce the programmers themselves to keep some balance, under pressure of criticism from our friends on the CPB Board and among the general public. Peter Flanigan and I will meet soon with our loyal Board members to emphasize the serious concern.
2. Replace Frank Pace and John Macy. We would try to do this immediately by telling them they have lost the confidence of the Administration and thereby have become obstacles to the progress of public television; our loyal friends on the CPB Board can help in this appeal. If this is not successful, we would have them voted out next year after getting firm control of the Board. Fred Malek will begin recruiting for their replacements as soon as your approval for this move is gained.
3. Take more effective control of the CPB Board. Although we have now appointed eight of the fifteen members, because of political pressures at the time of appointment, only four or five can be counted on to help us. We can take more effective control over the Board next April when you have five appointments to make. This will enable us to reduce drastically the CPB funding of the offensive commentators effective next summer.
4. Build more actively the public case against CPB programming bias through speeches by friends in the Congress, selected columns, and my speeches.

But even with "a loyal Board and top management at CPB" there were limits, Whitehead said, "to the change that is possible within the current structure of the Public Broadcasting Act":

No matter how firm our control of CPB management, public television at the national level will always attract liberal and far-left producers, writers, and commentators. We cannot get the Congress to eliminate CPB, to reduce funds for public television, or to exclude CPB from public affairs programming. But we can reform the structure of public broadcasting to eliminate its worst features.

There is, and has always been, a deep division within public broadcasting over the extent of national control versus local station control. Many local stations resent the dominance of CPB and NET. This provides an opportunity to further our philosophical and political objectives for public broadcasting without appearing to be politically motivated.

We stand to gain substantially from an increase in the relative power of the local stations. They are generally less liberal, and more concerned with education than with controversial national affairs. Further, a decentralized system would have far less influence and be far less attractive to social activists.

Therefore, we should immediately seek legislation to: (a) remove CPB from the business of networking; (b) make a drastic cut in CPB's budget; and (c) initiate direct Federal operating support for local stations on a matching basis.

Whitehead said, "the key to the success of this approach is to provide more Federal funding to the local stations than they can get from CPB," and estimated "local stations' support for our proposals could be bought for about \$30 million."

On November 22, Alvin Snyder of Klein's staff sent Flanigan a memo containing "several examples of bias to help document our case against Frank Pace and the Corporation for Public Broadcasting."

Snyder's memo described Vanocur and MacNeil as "network rejects."

"Vanocur's bias is well documented," Snyder's memo continued:

On the David Frost Show last July he said the President has 'consistently lied' to the American people. Vanocur said he is a bit ashamed of his role as a transmission belt for those lies. The government, claimed Mr. Vanocur, has used classification to cover 'every kind of sin, arrogance and obscenity--and there is none greater than Vietnam.' ...

Last May Vanocur told the Chicago Tribune that extending the war into Laos and Cambodia was 'stupidity.' Said Vanocur: 'Every time you put a President on the air about Vietnam...we have very little chance to say, "it's hogwash," or "they're lying to you.'

The memo cited a number of other examples of "bias," including a "scathing attack" by Bill Moyers "on our efforts to end the Vietnam war."

On November 24, Whitehead sent Haldeman a memo describing "what we are doing behind the scenes on the Vanocur/MacNeil situation":

After Vanocur and MacNeil were announced in late September, we planted with the trade press the idea that their obvious liberal bias would reflect adversely on public television. We encouraged other trade journals and the general press to focus attention on the Vanocur appointment. Public television stations throughout the country were unhappy that once again they were being given programs from Washington and New York without participating in the decisions. My speech criticizing the increasing centralization of public television received wide coverage and has widened the credibility gap between the local stations and CPB. It also has brought more attention to the acknowledged liberal bias of CPB and NPACT.

We then began to encourage speculation about Vanocur's and MacNeil's salaries. As a result of the increasing public controversy, several reporters and Congressman Lionel Van Deerlin asked CPB to release the salaries. Macy refused, but after pressure increased, quietly made it known that Vanocur receives a salary of \$85,000 a year and Robert MacNeil \$65,000.

We plan to do two things in the next few weeks to continue to call attention to balance on public television, especially NPACT. We will quietly solicit critical articles regarding Vanocur's salary coming from public funds (larger than that of the Vice President, the Chief Justice, and the Cabinet) and his obvious bias. We will quietly encourage station managers throughout the country to put pressure on NPACT and CPB to put balance in their programming or risk the possibility of local stations not carrying these programs. Our credibility on funding with the local stations is essential to this effort.

On December 1, Peter Flanigan wrote Haldeman and told him "our alternatives with respect to Public Broadcasting are all bad." After reviewing the options of cutting CPB's budget below the current level and of attempting to by-pass CPB by giving funds directly to the local stations, Flanigan said there was a third option which had been suggested by Moore, "one of our few strong Board members."

Flanigan said Moore recommended the following:

A. At the December 16th meeting of the Board he will undertake to have a Board resolution passed removing CPB from news and news analysis and commentary.

B. At the end of December, he will be in a position to assure the Administration that, at its January meeting, the CPB Board will pass a resolution removing CPB from public affairs programming. Both of these resolutions will also remove PBS (Public Broadcasting Service which is the networking arm of CPB) from carrying any such programs even if produced privately.

C. In mid-January (based on the above commitment and assurance, and the following commitment regarding Macy) the Administration will send to the Congress a two-year financing bill for CPB proposing \$45,000,000 in FY 73 and \$55,000,000 in '74.

D. At the January meeting of CPB the Board will pass the resolution removing CPB and PBS from public affairs programming and networking.

E. In February or March Macy will be removed as President of CPB.

F. After the five new Presidential appointees to the Board in April, a new Chairman will be appointed.

This approach, based on Moore's commitment to produce the above results, was supported by Colson, Garment, Shakespeare, Whitehead, and himself, Flanigan said.

On December 2, Whitehead sent a memo to Flanigan saying that while he agreed with Moore's recommendation, he continued to think that the long-run benefits of attempting to by-pass CPB and give funds directly to the local stations are significant, "since many of the local

stations are less liberal, far less interested in public affairs, and, in any event cannot afford the talent or attract the attention to do anywhere near the damage of

C PB."

Whitehead said, however, that he was "willing to postpone this approach to see whether we can obtain instead the news and public affairs commitment that Tom Moore says he can deliver."

On December 7, Flanigan notified Whitehead, Garment, Colson, Shakespeare and Malek that "the President has approved Option III, that is the Tom Moore option, with regard to the Corporation for Public Broadcasting."

On December 22 Flanigan sent Whitehead a copy of minutes of the December 15-16 C.PB Executive Committee meeting.

According to the minutes, the Executive Committee asked CPB management:

[to] devise a plan which will assure insofar as possible the balanced and objective presentation of public affairs. In this regard, the Committee generally agreed that at this juncture programs involving news analysis and political commentary have a low funding priority and present activity in that area should be phased out on the basis of a sound plan to be developed by management.

On December 22, Whitehead sent a memo to Richard Cook, Deputy Assistant to the President, in which he described the present situation on the Hill as follows:

On the whole, Congressional attitudes do not now seem favorable towards CPB. This can be attributed to several factors: (1) dissatisfaction with slanted and irresponsible public affairs programs, (2) CPB's extensive advertising in newspapers and on network primetime to build audience and ratings, and (3) the high salaries being paid to Macy, Vanocur, MacNeil, Moyers, and others. I began to be publicly critical of CPB in my October speech to the National Association of Educational Broadcasters; since then, my Office has consistently been calling attention to these problems in the press and on the Hill.

On December 23, Scalia sent Whitehead a memorandum about a matter Scalia considered "urgent":

I have attached an analysis of the current plan being considered for the CPB Board of Directors.. After giving it a good deal of thought, I have concluded that the most likely eventuality is that the plan will fail and the Administration's role will become public knowledge. Naturally, this is the worst possible development, but its likelihood argues for exceptional discretion and caution on our part.

Since my initial recommendation to abandon this plan has been rejected, at the very least I urge you to point out to the White House staff all of the risks and difficulties outlined in the attached analysis. If, in the end, you have to go along with this approach, your acquiescence should be given reluctantly. I do not think it is an overstatement to say that OTP's future depends on how you handle this matter. The more you can do to dissociate yourself from this particular "initiative," the more likely it becomes that OTP will survive.

Attached to Scalia's "EYES ONLY" memo was his analysis of the Administration's plan for CPB.

On December 23, Whitehead drafted a letter from Flanigan to Congressman Springer. The letter noted that the CPB Board was to vote at its January 21 meeting on the future of CPB involvement in funding public affairs programming. The letter said that Schooley, the Board member whom Springer had urged be reappointed, opposed any limitation on the areas of CPB programming. Whitehead asked Springer if he could talk to Schooley "and try to convince him how he should change his position."

Public Broadcasting PolicyBase
A service of Current Publishing Committee and the National Public Broadcasting Archives
Web page created Jan. 26, 2000
[E-mail to webmaster](mailto:webmaster)

1972

427 Statement on Receiving Necessary Ratifications of
the International Telecommunications Satellite
Organization's Definitive Agreements.

December 15, 1972

I NOTE with special satisfaction today that the number of ratifications necessary to bring the INTELSAT definitive agreements into force has been fulfilled. This marks an historic milestone in international communications, with consequences

ranging far into the future. All of the partner-members can take great satisfaction from the progress of this unique multinational venture for the peaceful use of outer space.

With its volume of traffic constantly in-

creasing and with more new earth-stations being inaugurated each year, the global communications satellite system is helping to bring the peoples of the world closer together. It is our hope that the closing of communications gaps will greatly enhance understanding among nations.

We can now look forward to the day when nations around the world will be linked together for instantaneous communications. The implications of this development are enormous, presaging improved international relations in the

political, economic, cultural, and scientific spheres.

I am pleased to congratulate the partner-members of INTELSAT and to express my confidence in the continued growth and expanding usefulness of this system.

NOTE: The texts of the agreements are printed in *Treaties and Other International Acts Series* (TIAS 7534).

On the same day, the White House released a fact sheet on INTELSAT and the agreements.



Public Broadcasting PolicyBase

A service of [Current Newspaper](#) and the [National Public Broadcasting Archives](#)
[PBBP Index](#) | [About PBBP](#) | [Resources](#)

Nixon Administration Public Broadcasting Papers Summary of 1972

[Introduction](#) | [1969](#) | [1970](#) | [1971](#) | [1972](#) | [1973](#) | [1974](#)
[Washington Post's timeline of Watergate events](#)

Nineteen seventy-two saw President Nixon veto funding for public broadcasting. In the wake of Nixon's veto, Pace and Macy resigned as chairman and president, respectively, of CPB. Pace was replaced by Thomas Curtis, a former Congressman from Missouri; Macy, by Henry Loomis, a career civil servant, then the Deputy Director of USIA. In addition to Curtis, Nixon appointed six other Directors in 1972.

On January 14, Whitehead sent a memo to Flanigan in which he recommended a "CPB budget request of \$35 million for FY 73 with quiet Administration support of the Pastore/Magnuson bill already introduced to extend CPB authorization at the current \$35 million level for one year only."

Whitehead also urged a "strong statement from you to our friends on the Board that, until CPB has demonstrated a more responsible attitude toward funding of controversial programming and toward highly centralized networking operations, the Administration will be unwilling to support long-range funding or significant increases in CPB funds."

At the same time, Whitehead recommended an increase in Broadcast Facilities Act support from \$11 million in FY 72 to \$15 million in FY 73.

"The modest increase [in facilities funding] which I suggest," Whitehead said, "will demonstrate a positive attitude toward public television and provide some relief to those local stations that are in the most trouble. It will make it easier for me to retain local station support for many of our objectives despite the failure to increase CPB funds."

With respect to CPB funds, Whitehead noted:

Tom Moore feels very strongly that anything below \$45 million for CPB in FY 73 will make it difficult for us to continue making progress on the public affairs front within the public television community. I would have more leverage in dealing with these people if I could show \$45 million as evidence of our good faith, and I told Tom Moore that I would recommend that amount for that reason. But I think CPB is in enough disfavor now that the President can take a tough stance so long as he does not appear negative, and, all things considered, I feel my recommendations are best from his standpoint.

At its January 20-21 Board meeting, CPB voted not to fund the networking of news, news analysis, and political commentary. Prior to the meeting Whitehead held meetings with CPB Chairman Pace and Director Wrather. Also in early January, Springer had talked with Schooley and said to him "that there was not a chance to get any appropriation of any kind out of the Committee or passed in the Congress...if they [CPB] were to continue news, news commentary and news analysis by professional broadcasters." According to a "Confidential" memo sent to Flanigan by Helen Dubino, Springer's Executive Assistant: "He [Springer] asked if he [Schooley] fully understood the impact of what he [Springer] was saying and he [Schooley] said he did."

While voting not to fund news, news analysis and political commentary, the Board rejected Moore's

proposal to adopt a similar policy public prohibition against public affairs programming involving controversial political issues.

In a January 24 draft Memorandum for the President, Whitehead noted that almost all of the additional \$10 million for CPB which the Administration had requested in its FY 73 budget would be used "to increase support for local stations as we have been urging and will not increase the level of support for centralized program production."

The memo said:

Tom Whitehead has made it clear to Pace and Macv that the extra \$10 million for CPB in the FY 73 budget is based on the willingness of the Board to redirect its activities and that further increases are dependent on the willingness of the Board to make some of the changes we think are important. We are making some progress with the Board, but in view of the slow movement and reluctance, Whitehead will have to continue the pressure both in public and in private. Also, we will have to change the Board in April and replace Pace and Macy as quickly as possible, as all of us earlier agreed. Whitehead also has been working closely with the Hill where we are getting considerable support. However, House Democrats threaten to make a partisan issue of the Administration's posture towards public television.

The progress to date will have no immediate effect. All of the offensive programs are funded through the end of this fiscal year, and even some of those that are dropped can be expected to be funded through foundations and syndicated outside the public broadcasting network. Changing the Board and the management will be necessary to continued progress but we have made a good beginning.

On February 9, Moore sent Whitehead a "confidential" letter with some background information on the status of television programs CPB had funded in FY 71 and was considering funding during the remainder of FY 72.

On February 20, the ACLU issued a 55-page report which accused the White House of attempting to intimidate and "starve" public broadcasting. The report cited examples of attempted intimidation on the part of the White House and examples of the medium's willingness to cave in under the pressures of that intimidation.

A February 22 memo prepared by Henry Goldberg summarized the ACLU's findings:

Powledge's [the author's] main thesis is that public television is a "disaster in the making" caused largely by "a cynical exercise in White House manipulation of a communications medium that threatens to reduce the medium to even worse pap than commercial television's diet" (p.52). To facilitate this manipulation, the White House keeps CPB on a starvation diet, since even the increase in funds proposed for FY 1973, "would leave national public affairs programming in an advanced state of poverty; [and] it once again would postpone permanent financing and would continue to leave the medium at the mercy of politicians." (p.48) Powledge sees a clear connection between a delay in permanent financing and a reduction in national public affairs, since the White House will oppose such financing until public TV steers clear of national issues.

Taking a pro-NET and anti-PBS stance, the ACLU report implies that the Administration is being aided in its scheme by local stations, which exercise censorship power through PBS.

"All in all," Goldberg concluded, "the report is typically polemical and anti-Administration, but it doesn't add much that is new.

Also on February 22, Brian Lamb, OTP's Congressional Liaison, sent Whitehead a memo reminding him that in March the President would have five appointments to the CPB Board.

"Senator Pastore has asked that Mr. Michael A. Gammino, Jr., President, Columbus National Bank, Providence, Rhode Island, be reappointed to the Board. If his wish is granted, there will be four vacancies created..." Lamb's memo said.

On February 24 Whitehead sent Fred Malek biographical information on five potential CPB candidates, one of whom was Springer. Whitehead told Malek that he [Whitehead] was "doing some checks on the side as to their [the potential candidates'] feelings with regard to the key policy issues facing the Corporation...." Whitehead suggested to Malek that they touch base as soon as Malek completed his "political checks."

On March 1, PBS President Hartford Gunn sought to answer publicly Whitehead's question about the appropriateness of public television's carriage of public affairs and news commentary. In a speech before the Western Educational Society for Telecommunications, Gunn said:

Let me say right-off raising questions about public affairs programming on public television -- or about any other area of our activity -- is appropriate for stations, citizens and all branches of the government. Questions, comments and criticism are always most welcome. What is not welcome, or appropriate, is for those in positions of real power to attempt to influence a public medium on the basis of their own personal biases. We all have our biases and our prejudices. But, by inappropriate attempts to influence our medium, I mean attempts to apply financial pressure to achieve objectives which are alien to the basic purposes for which public broadcasting was established in this country.

In early March, Whitehead met again with Pace and Macy. He also got together with Moore and Wrather. The CPB Board met March 17-18 on the West Coast.

On March 27, Lamb advised Whitehead about the status of the CPB authorization bill. Lamb told Whitehead that he had met with Max Friedersdorf of the White House Congressional Liaison Office and that the two of them had concluded:

- 1) We should attempt to change the public broadcasting legislation as it came out of the House Interstate and Foreign Commerce Committee in two ways:
 - a) Introduce an amendment that deals with the salary question as it regards both executive and performers in public broadcasting. He (Friedersdorf) feels the limitation on performers should be no higher than \$42,500.
 - b) Introduce an amendment that would cut back funding to one year.
- 2) Have [Senator] Howard Baker talk to Senators Magnuson and Pastore regarding one year funding.

At Friedersdorf's request, said Lamb, "Scalia is preparing minority views for the House Interstate and Foreign Commerce Committee which will reflect the need to deal with the salary question and one year funding."

On March 30, Clark MacGregor of the White House staff called Whitehead to say that he had talked with Springer and that Springer could not respond to an invitation to serve on the CPB Board until after Election Day.

On April 11, Rose called Whitehead and left a message that Flanigan wanted to get Ted Braun off the Postal Board and onto the CPB Board. Rose also indicated that Flanigan had met with Senator Scott concerning Joe Hughes.

In late April, Whitehead met with Moore and Neal Freeman, another prospective CPB Board nominee.

Whitehead also met with Loomis.

On April 25, Whitehead drafted a memorandum which was to be sent to President Nixon under Flanigan's signature.

The memo gave the President a "Progress Report on Public Broadcasting." A final version of the memo was prepared on April 27.

We have been working in the public broadcasting field to accomplish three objectives:

Short run:

(1) Objectivity in their journalistic coverage of politically controversial public affairs.

Long run:

(2) The elimination of the use of Federal funds for public affairs programming.

(3) A reduction of the influence of the Corporation for Public Broadcasting in the public broadcast system by decentralizing some of the power to the local stations.

Our progress on these three objectives is reported below.

(1) Anti-Administration bias, while certainly not eliminated, has diminished in large part because of public attention focused on the known bias of Sander Vanocur. Our only short-run lever here is the spotlight of public attention on the widely acknowledged liberal bias of most public television commentators, and we will assure that spotlight is kept on them for the rest of this year. In this effort our Congressional supporters have also been helpful.

In another, somewhat related area we have succeeded in cutting the CPB contribution to the NET budget from \$3.2 million to \$222 million [sic] next year. NET has been a major producer of liberal-bias programming in the past.

(2) We have had very little success in convincing most of those involved in public broadcasting (including several of our friends) that coverage of public affairs should be eliminated in the long run. Some of our appointees on the CPB Board recently made an effort to reduce the amount of the Corporation's funds allocated for this purpose for the next fiscal year. Their only success was a reduction in support for the National Public Affairs Center for Television (which funds Sander Vanocur) from \$1.6 million to \$1.2 million, and this has been interpreted in the press as a definite slap at Sander Vanocur and the heavy emphasis of CPB on public affairs programming.

(3) The influence of the local stations is being more and more felt at CPB, and this has been largely beneficial. However, it is clear that so long as the Board of Directors of CPB is unchanged and so long as John Macy is President, we will continue to have a heavy amount of centralization and a heavy amount of public affairs programming.

While I wish the progress were more substantial, at least the public attention focused by Tom Whitehead and the work on the CPB Board by Jack Wrather and Tom Moore have slowed Macy and others in their efforts. Taking over control of the Board and replacing the management is the only way to achieve our long run goals. e will recommend to you shortly new appointments to the Board that will

provide a majority of members who believe Public Broadcasting should be limited to cultural and educational subjects, and should have no public affairs programming at all. Once they are confirmed we would expect to replace both President Macy and Chairman Pace, and to put the new program policy in place.

Also on April 27, Moore sent Whitehead CPB's 1973 TV Production Budget. The set of recommendations contained in the 118-page document was an expansion of material provided the CPB Board at its March 17-18 meeting. Moore's cover letter to Whitehead said the document "includes the information you are seeking, if you are able to abstract it...let me know if there is any further information I can get you."

The same day, sent Whitehead a copy of "the recommendation of the [CPB] program advisory committee to regulate the programming and staff...." Moore told Whitehead that the recommendation would be acted upon at the next CPB Board meeting and "would prevent the problems that sprang up when the staff developed the programming on their own, and presented it as a total package before the program committee became involved."

Moore also called Whitehead's office on the 27th to convey information concerning NET's budget.

On April 28, Whitehead responded to a request from Congressman Robert Michel for the views of the Administration with respect to appropriations for CPB for FY 73. In part Whitehead's letter said:

We have introduced in both the House and Senate legislation authorizing an expenditure of \$45 million for the Corporation during the next fiscal year. This is an increase of approximately 30 percent over the present year, and in our view it is needed to continue the sound progress of public television. A larger amount is not supportable for two reasons: First, is the fact that the overall budget cannot sustain it. More than a 30 percent increase for these useful but nonessential services is obviously not justified in a year of severe budget pressures.

Second, drastically increased funding should not be poured into the public broadcasting system until appropriate structures have been established to eliminate its clear tendency towards centralization and towards creation of a Federally funded "fourth network," contrary to the intent of the Public Broadcasting Act. In our view, this tendency would be greatly strengthened by giving the Corporation drastically increased funds during the next year.

In early May, Moore sent Whitehead an item from the May 10 NAEB Newsletter:

"Covering the '72 Election: The Ways and Means"

Fiscal considerations, predictably, are having a major impact on the style and scope of '72 presidential election coverage, both at the national and the local station level in public broadcasting.

Faced with a \$400,000 cut from its \$1.6 million CPB grant, the National Public Affairs Center for Television finds its plans to provide on-the-scene coverage of the Democratic and Republican national conventions effectively blocked. As a result, its reportage will most likely be limited to feature-type presentations.

On May 11, Moore sent Whitehead a copy of material NPACT Board Chairman Sidney James had sent to CPB Chairman Pace. Moore's letter said James' letter had almost brought about a reconsideration of the \$400,000 reduction in CPB's funding of NPACT for FY 73. Moore also told Whitehead that he had had a call from Loomis and that they were planning to lunch the next week.

On May 11, Ralph Vinovich, Administrative Assistant to Congressman Michel, sent Lamb the NAEB's response to questions Michel had submitted to them. OTP had prepared the questions for Michel. One of the questions asked NAEB whether it felt Federal money should be used for national for national news

and public affairs programming. Another asked NAEB its opinion of the new National Public Affairs Center for Television.

NAEB's answers to these questions follow:

6. Yes. The Congress has expressed its conviction in this also. Both the House and Senate reports on the Public Broadcasting Act of 1967 emphasized the 'value to a democracy of a citizenry that is kept fully and fairly informed as to the important issues of our times.' (H.R. Report No. 57290, 90th Congress 1st Session, Page 10 (1967)) and the role of noncommercial educational broadcasting as 'a vital public affairs medium--bringing indepth many aspects of community and political life;...a means of examining and solving the social and economic problems of American life today.' (Senate Report No. 91-167, 91st Congress, First Session, Page 7 (1969)).

7 & 8. The new NPACT appears to be developing as a major national production resource which will benefit the stations. It has recently been reorganized to come under the jurisdiction of Station WETA, a move strongly endorsed by the stations. Stations' general acceptance of the NPACT programs is indicated by their high rate of broadcasting them. Presumably stations will be continuously assessing and evaluating NPACT's performance. It has been producing programs for only a short time, however, and it would be premature to make overall judgements at this time.

In answer to another question, NAEB noted that Congressman Clarence Brown had surveyed local public TV stations as to their program priority preferences and had found that the stations' first preference of "the kinds of programs on which CPB should spend its funds and efforts" was national public affairs programming. On May 17, Whitehead met with Presidential Speechwriter Pat Buchanan and gave Buchanan a memorandum on CPB's use of Federal funds. The memo contained a functional breakdown of CPB's budget.

On May 18, Whitehead sent Flanigan an article from the May 6 Memphis Press Scimitar entitled "PBS to Televisе Nude Ballet." The article noted that PBS was federally financed.

On May 25, the White House announced the nomination of five persons to be members of the CPB Board for terms expiring March 26, 1978. The five were:

Michael A. Gammino Jr. of Providence, R.I., Chairman of the Board and President of Columbus National Bank of Rhode Island. (reappointment)

Joseph D. Hughes of Pittsburgh, Pa., Trustee, Richard King Mellon Foundation, and Vice President, Richard K. Mellon and Sons, Philadelphia. (reappointment)

Neal Blackwell Freeman of New York, N.Y., Vice President, King Features Syndicate, Inc. He replaces Zelma George whose term expired.

Theodore W. Braun of West Los Angeles, Calif., Chairman and Founder of Braun and Company, Los Angeles. He replaces Joseph A. Beirne whose term expired.

Gloria L. Anderson of Atlanta, Ga., Associate Professor and Chairman, Chemistry Department, Morris Brown College. She replaces Ovetta C. Hobby whose term expired.

On June 1, the House took up H.R. 13918, the CPB authorization bill which Congressman Torbert Macdonald had introduced in January. The bill authorized \$65 million in FY 73 and \$90 million in FY 74 for CPB. It also provided for 30 percent of CPB's appropriation to be distributed to local public broadcast stations.

In connection with House consideration of the legislation, OTP prepared a number of statements critical of public broadcasting for use by House Members. One such statement, drafted for Ohio Congressman Sam

Devine, talked about NET's influence over national programming and its dominance of the prime time evening schedule of PBS, concluding:

One would not be concerned with so great a proportion of 'cultural' and public affairs programs being produced by N.E.T. and N.E.T.-derivative organizations, if the production entity had a reputation for balanced and objective programming. But this is not the case. Key officers and employees of N.E.T. have had a record of biased, leftist and left-leaning programming and have openly acknowledged their biases. Thus, the American public will continue to be subject to views of 'culture' and current events filtered through the particular points of view represented by the New York City program producers. CPB has not diminished N.E.T.'s dominance, but actually has aided and abetted N.E.T.'s control over what viewers will see and hear on public television.

Devine's statement appeared at page H.5157 of the June 1, 1972 Congressional Record.

OTP also prepared statements which questioned the lobbying activities of CPB, NAEB, and individual public broadcast licensees; the salaries paid to NPACT correspondents Vanocur and MacNeil; "the expensive advertising campaign mounted by PBS to huckster its network programming"; the influence of the Ford Foundation in public television"; "the carriage of allegedly cultural events in which nudity is the prime attraction"; and the balance and objectivity of specific PBS programs. Among others who used the OTP drafted statements were Congressman Jim Harvey (Cong. Rec. p. H.5153) and Congressman Robert Michel (Cong. Rec. p. H.5154).

After defeating amendments to cut the salary of Vanocur and other newsmen (182-163) and to limit CPB to a one-year \$45 million authorization (183-166), the House voted (254-69) to extend CPB's authority for two years at the levels provided in H.R. 13918.

On June 2, Whitehead sent Hughes, Wrather, Moore and Freeman the Washington Post account of the preceding day's action. The Post article, by Mary Russell, was headlined, "CPB: Under Fire Again."

During the month of June, Whitehead met or talked with CPB Directors Cole, Hughes, Moore, Pace, and Wrather and CPB nominees Anderson, Braun, and Freeman. Whitehead also held discussions with Curtis, Kristol and Loomis.

Anderson, Braun, Freeman, Hughes, and Gammino were confirmed by the Senate on June 15.

On June 20, the Senate Commerce Committee reported H.R. 13918. The Senate Report recommended enactment of the bill as passed by the House. Enactment of it, the Report said, would "further the growth and development of public broadcasting and is, therefore, in the public interest."

Included in the Senate Report were the Supplemental Views of Senators Baker, Cotton, and Griffin. The three Republicans recommended against a two-year authorization:

We believe strongly that a two-year extension of CPB's funding at a total level of \$155 million is inappropriate at this time. Establishment of a plan for long-range funding for CPB was initially deferred because the Congress had no clear understanding of CPB's future needs--needs which we hoped would be clarified once CPB had gained operational experience. We believe, however, that CPB's operational experience has not clarified these needs. To the contrary, it has raised new questions and new doubts as to CPB's role in the system and its relationships with the local stations. CPB has not shown to our satisfaction how it intends to resolve these issues. More importantly, CPB has not stated clearly how it intends to use its increased funding to serve the financial and operating needs of the local stations, and how it intends to pursue the goal of local station autonomy and independence within the national public broadcasting system.

The statement was drafted by OTP.

OTP also drafted floor statements which were used by Senators Strom Thurmond (Cong. Rec. p. S.10,011) and J. Glenn Beall (Cong. Rec. p. S.10,008) when H.R. 13913 was brought up in the Senate on June 22. Thurmond's statement questioned the geographic distribution of program production funds by CPB. Beall's questioned the "hidden subsidy...provided CPB in the form of reduced rate interconnection services for its national broadcast network."

Notwithstanding the questions raised by Thurmond and Beall, the Senate passed H.P. 13918 with only one dissenting vote (82-1).

At the White House that day, President Nixon met with about 30 representatives of the commercial broadcasting industry. According to a Memorandum for the Record prepared by Whitehead from notes made at the meeting:

The President opened the meeting by referring to meetings he has had with broadcasting executives and said he wanted to have similar meetings with individual station owners. He is aware of their concerns, cable television, and the like. He wanted to start the meeting off by asserting some principles: the first, was his belief in the private enterprise system -- particularly in the media. It is in the interest of the country that we have a strong and independent private enterprise broadcast system for two reasons: (1) principles of the First Amendment -- free speech, free press, dangers of government control; (2) he has traveled abroad extensively and seen what government-run or government-sponsored broadcasting is like; and in spite of the growing reports of many people that government-controlled broadcasting produces high-quality programming, no commercials, etc., he stated that no one should be fooled -- that that was a bunch of crap.

The President then turned his attention to public broadcasting in this country. He stated that this country would benefit from the public broadcasting system, that most of his advisers disagreed with him on this subject, and urged him to support the larger funds for broadcasting [sic]. He thought that the biggest danger, however, was not that it be too big, but that it be kept under very careful control as to size and what it was allowed to get into because it would inevitably be subject to Government control, and would inevitably become a political force in our country. He felt that we had to give serious consideration to the fact that you never know who's going to be sitting in his chair next and that some presidents might be inclined to use Federal support of public broadcasting to their advantage, that that was a risk not worth taking; and, therefore, public broadcasting, particularly the use of Federal funds, should be kept under the strictest of control and not be allowed to become too large.

The President then asked to hear what the group had in mind.

On June 26, Whitehead sent a Memorandum for the President to Flanigan. The memo reviewed the Administration's efforts in the public broadcasting field and the recently passed CPB authorization bill. Whitehead's cover memo to Flanigan summarized the course of action recommended:

We conclude that the President should veto the legislation. The option of a Pocket Veto is not an attractive option since a veto on grounds of principle will have more impact and provide us with more initiative.

John Mitchell sees no problem with this course of action, and Cap Weinberger poses no objection. I have sent copies to Colson, Ehrlichman, and MacGregor.

Whitehead added a P.S.: "Pat Buchanan and Max Friedersdorf also concur in this decision."

In full, Whitehead's June 26 Memorandum for the President said:

Background

The Congress has just passed legislation authorizing funding of the Corporation for Public Broadcasting (CPB) for \$65 million and \$90 million in FY 73 and FY 74 respectively. The current authorization expires June 30 this year. Funding for FY 72 was \$35 million, and your budget recommended a one-year authorization for FY 73 of \$45 million. The legislation also contains other provisions, the most important of which are the establishment of a permanent Public Broadcasting Fund, and the requirement that five of the fifteen CPB board members be managers of public TV stations.

The Senate has appropriated the full \$65 million for the coming year; but the House has made no appropriation. The conference this week is likely to approve something over \$45 million.

The legislation is essentially that proposed by Torbert Macdonald, Chairman of the House Communications Subcommittee. It was actively and effectively supported by CPB and most of the public TV stations around the country. I opposed the Macdonald bill in the House hearings, and OTP introduced an Administration bill in support of our position. The vote on our funding position lost 183-166 in the House and 58-26 in the Senate. We succeeded in generating active debate and dissension in both the House and the Senate over the direction of CPB and public broadcasting generally.

Our five recent appointments to the CPB Board have been confirmed and will attend the July meeting. Both John Macy and Frank Pace are expected to leave this year. We expect that Macy will be replaced with Henry Loomis or Neal Freeman and that our appointment to the Whitney vacancy will be elected to replace Pace.

You will recall that your decision to support an increase of CPB funds from \$35 million to \$45 million was based on the expectation that a substantial reduction in politically controversial news and public affairs programming would ensue. That has not occurred, and there is no sign that the professional public broadcasting community intends any such action. It will require active control by the new CPB Board and management under real funding constraints to make progress in this area.

Options

You must decide whether to sign or veto the CPB authorization. (Draft signing and veto statements are attached at Tab A.) The major objectives are (1) containing the growth of Federal funding, (2) showing CPB and Congress the seriousness of your concern, (3) achieving answerability on the part of CPB and the local stations in their use of tax dollars, and (4) reducing the use of Federal dollars for support of politically controversial programming.

Whichever course you choose, I believe we should retract our commitment to the early development of a plan for long-term, insulated financing for CPB. While the goal of insulating CPB from governmental pressures is sound, the public broadcasting community has not yet demonstrated the responsibility or maturity to justify such funding.

Option 1: Sign CPB bill

Pro:

1. Avoids making an issue of the subject this year and giving the appearance of hostility toward public broadcasting.
2. Easily relieves us of our commitment to develop long-range financing for CPB by acknowledging that the two-year authorization and annual appropriation pattern set by Congress is the most appropriate approach for the present.

Con:

1. Risks large increases in funding for CPB both this year and next, and makes \$90 million the floor for FY 75 authorizations.
2. Casts doubt on our desire and ability to restrain public broadcasting, since CPB has pushed this legislation through against our strong opposition and despite our criticism of their performance and responsibility.
3. Places very heavy reliance on our CPB Board appointments to support positions that they may not be able to maintain. It will be hard for them not to support appropriations up to the full authorization, and extension of the authorization to three or five years.
4. Because of the high funding levels and the doubt cast on the seriousness of our concern, it will be more difficult for the CPB Board to cut back funding of news and controversial public affairs programming.

Option 2: Veto CPB bill

Pro:

1. Keeps both authorization and appropriation at lower levels.
2. Calls attention to the direction and performance of public broadcasting.
3. Will help avoid the growth of CPB into a highly centralized full-scale TV network instead of the experimental and educational program production entity originally envisioned.
4. Limiting funds this year will assist CPB Board in shifting priorities away from news and public affairs toward educational programming.

Con:

1. Will produce some criticism that your Administration is trying to intimidate the media and is unsympathetic to the cultural and educational benefits of public TV.
2. Will cause short-run, and perhaps long-run, animosity against us by professional public broadcasters.
3. May antagonize Senators Magnuson and Pastore.

Recommendation:

There is not a large viewing audience for public TV, nor does the public seem very aware of it. The professional public broadcasters at CPB and in the local noncommercial stations, however, are becoming an effective lobbying constituency in the Congress. In the name of "public" broadcasting, they are seeking funds and independence to create a TV network reflecting their narrow conception of what the public ought to see and hear. This should not be allowed to happen.

I strongly recommend that you veto the CPB financing legislation.

On June 28, Bob McDermott of Flanigan's staff notified Whitehead that Flanigan, with the concurrence of

Klein, Colson, MacGregor, and Ehrlichman would recommend that the President veto H.R. 13918.

Also on the 28th, Whitehead sent some background regarding public broadcasting to Assistant White House Press Secretary Gerald Warren. Whitehead's memo to Warren said:

If the President decides to veto the Public Broadcasting Act, and if the announcement is made prior to Thursday evening's news conference, it is possible that the President may get questions.

Whitehead attached several items which he hoped would be helpful, including several questions he thought could be asked at the news conference and proposed answers:

1. Q. Is this veto of the Public Broadcasting Bill a part of an Administration game plan to intimidate the media in this election year?

A. No, to the contrary. It was my firm belief that the legislation as passed by the Congress would have the effect of undermining the intent of the Public Broadcasting Act of 1967, which established public broadcasting as we know it today. One of the primary goals of the Act, and you can find it throughout the history of Congress' deliberations, was to provide an incentive for local stations' programming initiatives-- to make the local stations educational resources for their communities.

The Corporation for Public Broadcasting was to assist the stations in their effort. However, since 1967 we have seen a continual increase in National network production, contrary to the intent of the law. This Administration is dedicated to the principle of public broadcasting. Since 1967, Federal appropriations have grown from \$3 Million to \$35 Million. This year, I requested \$45 Million, a 30% increase over last year. This hardly demonstrates hostility to public broadcasting. On the contrary, we feel public broadcasting should be continued and strengthened by recalling it to the original purposes of the 1967 Act.

2. Q. Does your veto mean public funds for programs like Sesame [sic] Street and Masterpiece Theatre will be cut off in the future?

A. No. In FY72 the producers of Sesame Street received only \$2 Million of its \$13 Million budget from CPB. In addition, large grants for the development of Sesame Street have come from HEW, separate from the Corporation budget. My budgetary request for this year is \$45 Million, 30% over last year's budget. This will certainly not hinder production of Sesame Street or other fine educational programs.

3. Q. Was your action today prompted by the alleged hostility toward this Administration by public broadcasting correspondents Sander Vanocur and Robert McNeil [sic]?

A. I certainly have no objection to any responsible view that may be expressed against this Administration. You in the professional press corps can best judge Mr. Vanocur's objectivity and competence.

4. Q. One of your advisers, Clay Whitehead, called on Public Broadcasting to get out of news and public affairs programming. Do you agree with him?

A. There is a deep public policy concern about a network using tax dollars for sensitive political programs which surfaced in the legislation that Congress passed prohibiting the CPB from conducting political polls. I am concerned that public broadcasting devotes a third of its network schedule to national news and public affairs. I am not against local stations doing this type of programming. What I do question is the centralized national direction and the use of tax dollars. Is this type of programming any different from what we see on the commercial networks? I do not think so. And we cannot risk a government-

controlled network in this country like so many other countries have.

S. Q. Does your veto today mean that the Administration is no longer seeking a plan to insulate public broadcasting from the Federal Government?

A. No. But we do not think this is the proper time to devise such a funding plan. The future direction of public broadcasting is still unclear, as was evident from the Congressional debate on H.R. 13913. Moreover, there always have been reservations about the role of the Federal Government in national public TV service. This was evident during the hearings on public broadcasting in 1967. By vetoing the bill today, I am saying that many of the questions regarding the Federal Government's relationship with public broadcasting have not yet been answered. A long range plan would in effect say that these questions are insignificant and would give public broadcasting the go ahead. I cannot agree to that.

6. Q. In light of the fact that the Chairman and President of the Corporation for Public Broadcasting are both members of previous Democratic Administrations, do you plan to put your own people in these positions?

6. A. The President appoints the Board members, but under the statute, the Board elects its own Chairman and hires its own President. Questions regarding employment of officials and staff for the Corporation are the province of the Corporation's Board of Directors.

7. Q. Your veto message says that more time is needed to determine the future direction of public broadcasting. What future direction do you think it should take? Should the Administration attempt to influence that direction?

A. Both the Carnegie Commission and the legislative history of the 1967 Public Broadcasting Act made it very clear that public television was to be principally local and devoted to broad educational pursuits. The role of the Corporation for Public Broadcasting was to provide grants to the local stations for their own use and to provide grants for the production of worthwhile programming of a broadly educational nature that does not attract sufficient audience for commercial broadcasting. It was never intended that there should be a monolithic publicly-funded national network with the Corporation as its headquarters, nor that its principal purpose should be programming for narrow audiences. It was not intended to be a journalistic medium. Its purpose was to encourage local and private initiatives in educational programming and experimental program development. I believe those objectives remain sound and those are my objectives for public broadcasting.

8. Q. Should the Administration attempt to influence the direction of public broadcasting?

A. Of course, I am against the Government dictating the content of programming be it in public television or commercial television. In that sense, we should not influence public broadcasting. But public officials responsible to the public for how tax dollars are spent cannot avoid the responsibility for assuring that those funds are used for sound purposes.

On June 29, Flanigan sent a memorandum to the President transmitting Whitehead's June 26 memo. Flanigan's memo summarized the situation regarding the public broadcasting legislation:

On Monday the Congress passed an authorization for the Corporation for Public Broadcasting of \$85 million in FY'73 and \$90 million in FY'74. The legislation also contains other undesirable provisions, the most important of which is the authorization for a permanent public broadcasting fund.

As you know, we actively opposed this type of legislation, and the Office of Telecommunications Policy backed an Administration proposal for a one year extension at your budget level of \$45 million. FY'72 funding was \$35 million.

Messrs. Ehrlichman, Colson, MacGregor and Weinberger have reviewed this matter and concur in recommending that you veto this bill. This action appears to offer our best chance to obtain responsible legislation which will provide a reasonable funding level and structure for federally- financed public broadcasting.

Clay T. Whitehead's memorandum at Tab B sets forth in detail the reasons for a veto. In brief, I feel that our opposition to this legislation has been clear and well-documented, and we have already suffered most of the adverse reaction from the CPB and the press. Clark MacGregor believes that a veto will be sustained. However, MacGregor considers it imperative that the veto be delivered early tomorrow morning while the House is in session, so that it cannot be charged that Congress was given no opportunity to override it.

We have prepared a veto message, attached at Tab A, which urges that the Congress immediately enact a one-year extension of the CPB authorization at the \$45 million level specified in your budget, and sets forth your support of an appropriately organized and financed CPB.

CPB would be covered in the interim by the continuing resolution which is expected to pass Congress before July 1.

RECOMMENDATION

That you veto H.R. 13918 and sign the veto message at Tab A.

President Nixon vetoed the CPB authorization bill on June 30. In his veto message, the President said:

There are many fundamental disagreements concerning the directions which public broadcasting has taken and should pursue in the future. Perhaps the most important one is the serious and widespread concern -- expressed in Congress and within public broadcasting itself-- that an organization, originally intended only to serve the local stations, is becoming instead the center of power and the focal point of control for the entire public broadcasting system.

The Public Broadcasting Act of 1967 made localism a primary means of achieving the goals of the educational broadcasting system. Localism places the principal public interest responsibility on the individual educational radio and television stations, licensed to serve the needs and interest of their own communities. By not placing adequate emphasis on localism, H.R. 13918 threatens to erode substantially public broadcasting's impressive potential for promoting innovative and diverse cultural and educational programming.

The public and legislative debate regarding passage of H.R. 13918 has convinced me that the problems posed by Government financing of a public broadcast system are much greater than originally thought. They cannot be resolved until the structure of public broadcasting has been more firmly established, and we have a more extensive record of experience on which to evaluate its role in our national life.

Later that day Whitehead met with CPB Chairman Pace. In a memo to the President, Whitehead recounted their discussion:

I met with Frank Pace today to inform him of your decision to veto the public broadcast financing legislation. In a frank, and I think constructive, discussion, Mr. Pace asked that I inform you that he intends not to stand for re-election this fall as Chairman of the Board of the Corporation for Public Broadcasting. He and I agreed that it would be useful for him to meet with you for 10 minutes at your convenience sometime this summer to discuss the problems and future directions of CPB. Mr. Pace indicated it would be his intention to

remain on the Board of the Corporation, and I encouraged him to do so.

On July 5, Whitehead sent Flanigan a memo from Sydney, Australia, where Whitehead was traveling. The memo pertained to the selection of a new CPB Chairman and President:

Since we last talked, I have made several further checks on Tom Curtis and Irving Kristol. I conclude that it would be far preferable to proceed with Kristol rather than Curtis.

This choice is based on two main considerations:

First, that Kristol's personality and capabilities complement and reinforce Henry Loomis', whereas Curtis' strong points more nearly coincide with Loomis'; and, secondly, Kristol could be more readily elected as Chairman than Curtis. Curtis' main strong points are that he is thoroughly with us philosophically and has a reputation for getting things done in a political environment. However, it will be principally the President of the Corporation rather than the Chairman who will have to make the necessary changes. Though both the President and the Chairman traditionally represent CPB on the Hill, there is much more day-to-day contact by the President. While Loomis might not be as effective in this role as Curtis, he certainly can perform the job effectively. More importantly, however, Curtis will not be well known by the Board of the Corporation or by the professional broadcast community. Regardless of his strength, he is bound to be viewed by most of those people as a purely political appointment. There was considerable resentment on the Board of Directors about the President's desire to shape the Corporation, particularly in the news and public affairs area. Tom Moore, Al Cole, and Jack Wrather feel that that attitude will prevail even more strongly after the *eto*.

Irving Kristol is in agreement with our philosophy at least as strongly as Tom Curtis--perhaps even more so, because his beliefs grow from an intellectual conviction after some familiarization with public broadcasting. I believe he would be far more effective than Curtis in selling our point without arousing political opposition. His reputation is such that it would be very hard for the press or the professional public broadcasters to accuse him of partisan motivation. Furthermore, his intellectual conceptualization of our point of view would greatly assist Henry Loomis in the practical task of turning the Corporation around, and would deflect much of the public attention away from the changes that Henry will have to make.

All four of the Board members I have talked to are willing to work to get our choice elected Chairman, but all point out that it will not be easy. Like it or not, we have to work through the Board to achieve our objectives. The major danger is that someone now on the Board would react negatively to our choice and announce his own candidacy. There is sufficient animosity on the Board towards the President that someone like Jim Killian could build a sizeable coalition against us. Considering the two personalities, I, and the Board members I have talked with believe it would be far easier to convince the Board to go with Kristol than with Curtis.

In light of all these considerations, and particularly in light of the effect of the veto, I feel strongly that we would be far better off proceeding with Kristol. His appointment would reflect more credit on the President and display less political motivation; he could be more easily elected Chairman in the Fall; and, finally, Loomis and he would be an effective team in working to achieve the changes we want. Tom Moore, Al Cole, and Jack Wrather all concur in this analysis based on the general characteristics of the two individuals. Len Garment believes that Kristol might be more useful to the Administration elsewhere, although he believes that both Curtis and Kristol would do a good job. Frank Shakespeare knows both individuals and agrees with my analysis. Neal Freeman, one of our newest appointees to the Board and one of our strongest supporters, also agrees.

In conclusion, I am recommending that we proceed with Kristol as rapidly as possible. It is absolutely essential that he be named before July 17, so that (by virtue of a Recess

Appointment) he be able to attend the July 21 Board meeting. (The Recess Appointment, by the way, would look rather devious if Curtis were the nominee.) If you concur, I would appreciate your notifying Dan Kingsley as soon as possible. I am sure Dan will be in touch with me. If you have problems, perhaps we should try to make contact by phone.

On July 6, Cole called Whitehead's office to request information on Irving Kristol and Tom Curtis. According to the phone log, Cole said:

Kristol [sic] is an able man, primarily a writer, a strong conservative and Nixon supporter. Mr. Cole talked to John Olin, who is a close friend of Nixon's. Mr. Olin talks highly of Curtis. He said he is a former Congressman (Mo.), a strong supporter of the Nixon Administration, and an outstanding administrator, and might be better for the job than Krystol [sic].

On July 14, the White Rouse announced the recess appointment of Curtis to be a member of the Board of Directors of CPB for the remainder of the term of Whitney, who had resigned.

On July 28, Caspar W. Weinberger, Director, OMB, sent a memo to the President in response to his request that OMB prepare an authorization bill for CPB providing a one-year extension and \$35 million. Weinberger told the President:

We have prepared such a bill and the papers necessary to transmit it to the Congress. The transmittal papers explain that the amount being requested is \$10 million less than that proposed in your January budget, because the Congress has increased many programs above your requests in its action on the budget to this point and offsets must be found.

However, while the draft bill was being prepared, Senator Pastore evidently discussed the matter with the Office of Telecommunications Policy and Senators Cotton and Baker and secured their general agreement for a new bill (S. 3824) to be introduced in the Senate. This bill was introduced and passed on July 21 without reference to committee and without debate.

Senate Bill 3824 differs from our drafts in that it provides \$45 million instead of \$35 million (the \$45 million being the figure in your January budget)

Senate Bill 3824 also differs from the draft bill in that it does not require the distribution of a specific amount (\$7 million in our bill) to individual stations, and it provides \$25 million for construction facilities for individual stations.

Senator Pastore believes the \$45 million figure in his bill is responsive to your veto message of the earlier bill, which message mentioned that \$45 million was an appropriate level of funding.

In view of the Senate action on S. 3824, which is now in the House Commerce Committee awaiting consideration, should we proceed with the transmittal of the new draft bill providing \$35 million; or should we try to secure a lower authorization than the \$45 million contained in S. 3824 by negotiations with the Rouse committee; or should we simply acquiesce in S. 3824?

On August 4, Whitehead informed Harley O. Staggers, Chairman, House Committee on Interstate and Foreign Commerce, that S. 3824, the interim authorization measure, was "consistent both in amount and purpose with the President's statement of June 30...."

Meanwhile, on August 1, Wrather's office had called Whitehead's office to request copies of biographies on Loomis and Curtis for the CPB Nominating Committee.

Also on August 1, Moore sent a "confidential" letter to Flanigan. The letter to Flanigan began, "This is an

effort to put together the 'scenario' you suggested at the Grove." It then laid out the scenario:

OBJECTIVE

To have the Board of the CPB adopt a policy of devoting all its non station appropriations to cultural, educational, and experimental entertainment programs to the exclusion of public affairs. Then, to execute the policy in such a manner that this policy and character of public broadcasting will become permanent and not altered by future Boards.

PRESENT POSITION

Four new members of the Board, new Chairman to be

chosen in September, policy committee appointed in July to respond to Board in September.

First move: Elect Tom Curtis as Chairman. This will be done, but it should be done with enthusiasm in order to achieve our basic objectives. Curtis should keep a humble low profile with Wrather, Cole, and me to handle the election. Wrather, Cole and Bob

Benjamin, (Ch. United Artists, Democrat) are the nominating committee. If we get Cole and Wrather strongly behind Curtis we will have a clear majority and, in fact, he can be elected unanimously by acclamation.

Prepare for this by giving core group (Wrather, Moore, Cole, and Curtis) a non publicized meeting with the President. Let him sound his feelings directly, and urge the cooperation to that end.

Elect Curtis in September.

After election, the policy committee (now consisting of Moore, Chairmen, Valenti, Killian, and Curtis) should be changed to five members by Curtis appointing his replacement and one other. The policy committee would then recommend a policy change on public affairs, and with some opposition, we should be able to pass this with a close majority of the Board. Cole and Wrather are swing votes here, and the point should be made by the President at his meeting.

After this policy change, if the present staff is still intact, we would select a new president of the Corporation for Public Broadcasting, who in turn, would staff the organization to implement the new policy. There are indications that if we have changed policies, with the new Board, the staff problem will solve itself.

This new staff would undertake the preparation of a strong program schedule, and budget request for 1974-75, 75-76. The schedule would be without public affairs, but heavy with music, drama, education, and new forms. It would be created with advice and participation of such people as Nancy Ranks, Joe Papp, Sol Hurok, and educators (adult, graduate, under-graduate, secondary, primary, and pre-school).

With this schedule, the positive approach to this programming will enable the President to make his recommendation to Congress for a two year financing bill. During his second term, the President can be repeatedly identified with the cultural and educational programming. He can well shape the character of the public television in such a positive way that the public affairs issues will never come up again.

Welcome to the New Public Television.

In an August 2 Floor statement, Congressman Macdonald urged his colleagues to support S. 3824, which the Senate had already passed. "The bill is short and simple," Macdonald said. "(I)t calls for federal funding, in fiscal year 1973, in the amount of \$45 million, for the Corporation for Public Broadcasting. It also calls for a badly needed increase in the appropriations for technical facilities at the local stations....

In his statement, Macdonald also pledged to "continue to oppose, as strenuously as I know how, the naked pressure that the Office of Telecommunications Policy puts on public television by implicit or direct threats, promises or divisive tactics."

The next week, the House passed S. 3824.

On August 10, Macy resigned as President of CPB. In his letter of resignation to Pace, Macy said, "You are aware of my growing belief that current trends in the development of the industry point toward the desirability of a change in leadership of the Corporation." Macy also cited health reasons as a factor in his decision to resign.

On August 15, Whitehead and Lamb dined with Curtis at the University Club.

On August 17, John Witherspoon, director of television activities for CPB, announced his resignation, effective October 15.

On August 18, Whitehead recommended to OMB that President Nixon approve S. 3824, authorizing \$45 million for CPB for FY73.

That day Whitehead also sent the following letter to Macy:

I returned from overseas to find your letter of July 24 and was happy to learn of your safe passage through surgery. I hope that your second round of surgery is equally as successful. I realize what your feelings must have been with regard to the President's veto, and I'm sorry it had less than a recuperative effect on your health.

I am sure you know that you will be missed by the entire broadcasting community. While we have differed on a number of matters, I have always had the greatest respect for you, and for your considerable accomplishments as CPB's first chief executive. You have seen CPB through a turbulent, but productive, infancy and can be proud of many fine accomplishments. I hope that in the future you will continue to be concerned with the sound growth of public broadcasting as I will be and that we can stay in touch.

With warm regards and best wishes for a speedy recovery.

On September 6, Whitehead asked Lamb to coordinate putting together a list of people for high-level positions in CPB." Whitehead asked Lamb to get as many people working to suggest names as he could.

On September 16, Colson sent the following memo to Al Snyder, a White House press aide:

How did we miss the fact that National Educational Television ran the full McGovern speech to the Security Analysts in New York? Not only do they run it once, but they re-ran it a second time. Somewhere along the line we're not watching these things carefully enough. Even though NET has a small audience, two runs of that speech is an outrageous violation of Section 315. The Corporation for Public Broadcasting also never made known to us that this had happened, so we would of course have found out about it only by monitoring. They damn well, as a public corporation, had an obligation to tell us and I would like you to take this up with whoever you deal with there. Also, I would very much like to know why our monitoring operation failed in this instance. We should have demanded and been given equal time to put on a spokesman. Even though the audience is

limited, as I say, it would have been worth doing. It is too late now because we did not make a timely protest, but I think this reflects some real deficiencies in our operation somewhere.

Incidentally, this was pointed out to me yesterday by Frank Stanton as an example of the kind of thing we should not miss.

On September 18, Curtis announced that Loomis had been chosen to replace Macy as President of CPB, effective October 1. Curtis, himself, had just been elected CPB Chairman, on September 15, replacing Pace.

A few days later Whitehead wrote to Curtis and Loomis, congratulating them on their new offices and offering OTP's assistance.

On October 4, Whitehead dined with Loomis at Abbott Washburn's home.

On October 6, Whitehead met with Loomis and Curtis in his office. According to an October 14 14 [memo] Whitehead wrote to his "personal file," the three discussed the following:

1. The GAO audit. Is clearly related to long-range financing. Should be able to provide useful information on station accounting and financial information essential to sound long-range financing plan. The audit was requested by Staggers, and Loomis and Curtis plan to bring this to the Board's attention at the next Board meeting.
2. Long-range financing related to GAO audit and veto message. Torn Curtis will explain to the Board the current willfully inadequate basis for developing a long-range plan. Curtis will point out the difficulties in getting capital the size of the system, funding levels, timing, etc.
3. Station liaison. Torn Curtis will work with local board chairmen and Henry Loomis with local station managers.
4. FY 74 budget. CPB staff wanted to plan on a \$90 million basis for FY 74, but was scaled down to a \$74 million request to OMB with 37% going to local stations. Loomis estimates that \$5 million is required to stay even, and approximately \$60 million is a minimum for political purposes. I suggested it might be difficult in this tight budget year to get more than \$50-55 million.
5. Meeting with the president. It was agreed that the President should meet with Curtis and Loomis at the earliest possible opportunity.

Yet to be discussed: Ford Foundation, staffing, news and public affairs, and PBS.

On October 11, Whitehead sent Flanigan a memo in response to Flanigan's inquiry regarding statutory or other legal requirements for public affairs programming on public television. The memo said that while there is no explicit requirement in the 1967 Public Broadcasting Act for CPB to underwrite the production and distribution of public affairs programs, there is at least an implication that CPB will engage in public affairs programming. The memo noted, however, that the Senate report on the 1967 Act specifically encouraged public broadcasting to "offer in-depth coverage and analysis which will lead to a better informed and enlightened public.

The same day Whitehead sent Flanigan a memo proposing a Presidential meeting with Curtis and Loomis. Along with the schedule proposal, Whitehead sent Flanigan some talking points:

1. Impress on Curtis and Loomis the necessity of dumping NPACT and withdrawing CPB support for news and public affairs programs, particularly preventing all of the current

efforts to make public broadcasting a "network of record" a la New York Times.

2. Past efforts to do this through "friendly" Board members have been unsatisfactory, apparently because these Board members do not appreciate the depth of the President's personal concern. There should be no confusion on this point at present.

3. The Administration will keep CPB's FY 1974 budget at a \$45-50 million level, so Curtis and Loomis will have adequate incentives to enforce strict priorities in use of CPB program and networking funds. Thereafter, if progress is being made, funding will increase.

4. In addition to news and public affairs, one of the most important Curtis/Loomis tasks is to clean house at CPB and staff it with reliable people. They should be open to suggestions from OTP on staffing.

5. PBS power.

On October 12, Flanigan sent a memo to Parker, proposing that the President meet with Curtis, Loomis, Whitehead, and himself before December 1.

On October 26, Whitehead had lunch with Curtis and Loomis at the Metropolitan Club.

On November 7, Loomis sent Whitehead a 276-page document containing initial CPB staff recommendations for major series to support in FY 74. Attached to the "National Program Profile" was a note which said, "Tom- This is our 'burn before reading' [sic] document. No one here knows you have it. HL"

The next day, prior to the CPB Board meeting in Owings Mill, Maryland, Whitehead had breakfast with Tom Curtis at the University Club.

At its meeting that day, the CPB Board voted to adopt the Program Advisory Committee's recommendations for 1974. According to a memo prepared by OTP, "The Committee's recommendations were premised on \$70 million financing for FY 1974; its recommended program list did not include Buckley or Moyers but did include '30 minutes with.'"

The memo said that Wrather "cautioned against automatic annual renewal of programs and urged that CPB must not delegate its program authority.

On November 10, Whitehead met with Curtis. On Monday, the 13th, he met with Loomis. Following the Loomis meeting, Whitehead met with Moore and Freeman in New York City.

On November 28, Parker advised Flanigan that the proposed Presidential meeting with Curtis and Loomis could not be arranged before December 1. "Further," Parker said, "Herb Klein suggests that he, you and Colson meet with the group and have a detailed discussion prior to their seeing the President."

On November 28, Whitehead, Flanigan, Garment, and Shakespeare met with Loomis and Curtis in Flanigan's office.

On the 30th Whitehead met with Loomis again.

In December Whitehead met with Curtis and had phone conversations with Freeman and Moore. Whitehead also had several conversations with Kristol, whom President Nixon appointed to the Board on December 15 to fill the remainder of the term of Haas, who had died in September.

Public Broadcasting PolicyBase
A service of Current Publishing Committee and the National Public Broadcasting Archives
Web page created Feb. 1, 2000

[E-mail to webmaster](#)

1973

Copyright 1972 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

February 11, 1972, Friday

SECTION: Page 24, Column 4; (AP)

LENGTH: 50 words

JOURNAL-CODE: NYT

ABSTRACT:

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

Copyright 1972 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

March 31, 1972, Friday

SECTION: Page 27, Column 1

LENGTH: 12 words

JOURNAL-CODE: NYT

ABSTRACT:

G F Mansur Jr resigns as deputy dir of Telecommunications Policy Office

Copyright 1972 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

April 28, 1972, Friday

SECTION: Page 37, Column 1

LENGTH: 97 words

JOURNAL-CODE: NYT

ABSTRACT:

White House Office of Telecommunications dir C T Whitehead condemns as 'tyrannical' 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

Copyright 1972 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

December 20, 1972, Wednesday

SECTION: Page 86, Column 1

LENGTH: 24 words

JOURNAL-CODE: NYT

ABSTRACT:

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

GRAPHIC: PHOTOGRAPHS

Copyright 1972 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

December 20, 1972, Wednesday

SECTION: Page 86, Column 1

LENGTH: 24 words

JOURNAL-CODE: NYT

ABSTRACT:

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

GRAPHIC: PHOTOGRAPHS

Copyright 1972 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

March 31, 1972, Friday

SECTION: Page 27, Column 1

LENGTH: 12 words

JOURNAL-CODE: NYT

ABSTRACT:

G F Mansur Jr resigns as deputy dir of Telecommunications Policy Office

Copyright 1970 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

October 3, 1970, Saturday

SECTION: Page 12, Column 3

LENGTH: 58 words

JOURNAL-CODE: NYT

ABSTRACT:

Sen approves bill providing \$14-billion for fed-aided hwy programs through '76; rejects admendment to allow cities to use funds from hwy trust to finance mass transit projects; Borda apptmt as Air Force Asst Sec confirmed; Mansur apptmt as Telecommunications Policy Office deputy dir confirmed; Smith apptmt as Transportation Asst Sec confirmed

Copyright 1970 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

September 23, 1970, Wednesday

SECTION: Page 20, Column 4

LENGTH: 45 words

JOURNAL-CODE: NYT

ABSTRACT:

Mrs Marcos, wife of Philippines Pres, visits Pres Nixon, Washington; Nixon meets with Repub Cong leaders; C Whitehead sworn in as dir of Telecommunications Policy Office; Pres Nixon declares Arizona major disaster area because of extensive damage caused by recent rains

Copyright 1970 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

July 25, 1970, Saturday

SECTION: Page 5, Column 1

LENGTH: 27 words

JOURNAL-CODE: NYT

ABSTRACT:

Clay T Whitehead nomination as dir of Office of Telecommunications Policy confirmed; C A Lewis nomination as member of Equal Employment Opportunity Comm confirmed

Copyright 1970 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

February 10, 1970, Tuesday

SECTION: Page 25, Column 5

LENGTH: 77 words

JOURNAL-CODE: NYT

ABSTRACT:

Pres Nixon submits plan to Cong for creation of Office of Telecommunication Policy which will manage Govt's telephone and radio network and be Nixon's repr before FCC; press sec R Ziegler says office will not be concerned with content of broadcasting and is unrelated to Vice Pres Agnew's criticism of media; office will attempt to solve problems of telephone and broadcasting regulation; under plan, FCC will continue to have final authority on regulatory issues

Network agrees to provide Affiliate with at least one hundred twenty (120) days' prior written notice of a satellite or technology change

Any notice or report given under this Agreement shall be in writing, shall be sent postage prepaid by registered or certified mail, return receipt requested, or by hand or messenger delivery, or by Federal Express or similar overnight delivery service, or by facsimile transmission, to the other party, at the following address (unless either party at any time or times designates another address for itself by notifying the other party by certified mail, in which case all notices to such party thereafter shall be given at its most recently so designated address):

To Network: 400 North Capitol Street, N.W.
Suite 650
Washington, D.C. 20001
Facsimile Number: (202) 783-0315

Attention: President
cc: Legal Department

To Affiliate: Terrace Tower II
5619 DTC Parkway
Englewood, Colorado 80111
Facsimile Number: (303) 488-3218

Attention: President
cc: Legal Department

Notice or report given by personal delivery shall be deemed given on delivery. Notice or report given by mail shall be deemed given on the earlier to occur of actual receipt thereof or on the fifth day following mailing thereof in accordance with the notice requirements of this Section 11. Notice or report given by Federal Express or similar overnight delivery service shall be deemed given on the next business day following delivery of the notice or report to such service with instructions for overnight delivery. Notice or report given by facsimile transmission shall be deemed given on the day of electronically confirmed transmission if a business day, or on the next business day after the day of electronically confirmed transmission if not transmitted on a business day.

Copyright 1973 The New York Times Company; Abstracts
Information Bank Abstracts
NEW YORK TIMES

May 18, 1973, Friday

SECTION: Page 75, Column 1

LENGTH: 193 words

JOURNAL-CODE: NYT

ABSTRACT:

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

Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

April 21, 1973, Saturday

SECTION: Page 26, Column 1

LENGTH: 116 words

JOURNAL-CODE: NYT

ABSTRACT:

Ed says decision of Sen Ervin's Watergate com to allow hearings 'open to the public and the news media' can serve as educ forum for Amer people; says hearings, scheduled for May 15, could help clear air; says for hearings to be broadcast, channels must be open in public interest; notes that White House Office of Telecommunications Policy has been putting heat on Corp for Public Broadcasting to disassemble its Public Broadcasting Service and lower voices of local stations; wonders whether Public Broadcasting Corp, Public Broadcasting Service and local stations will stand up against pressure if Telecommunications Policy Office actually attempts to prevent Watergate hearings from being aired

Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

January 21, 1973, Sunday

SECTION: Section 2; Page 17, Column 3

LENGTH: 52 words

JOURNAL-CODE: NYT

ABSTRACT:

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

Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

February 14, 1973, Wednesday

SECTION: Page 82, Column 4

LENGTH: 158 words

JOURNAL-CODE: NYT

ABSTRACT:

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

Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

March 25, 1973, Sunday

SECTION: Section 2; Page 19, Column 1

LENGTH: 80 words

JOURNAL-CODE: NYT

ABSTRACT:

J J O'Connor article discusses Network Project's 'notebook' on White House Telecommunications Policy Office; cites project's contention that FCC's role as ind custodian of public's interest in communications has been steadily eroded by Telecommunications Office; contends White House has developed channels of influence in communications indus that are impressive, if not shocking; says few issues deserve closer attention in current power confrontation between Nixon and Cong

Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

April 16, 1973, Monday

SECTION: Page 74, Column 6

LENGTH: 194 words

JOURNAL-CODE: NYT

ABSTRACT:

Nixon Adm special com that has been working for nearly 2 yrs on long-range Govt policy for cable TV is expected to recommend soon that cable TV operators be prohibited eventually from producing their own programs; Adm sources say thrust of com's recommendations will be that cable TV indus should be encouraged to grow with minimum of Govt regulation, except for existing policies of FCC and conventional bars against libel; recommendations, which have been revised several times since com was formed in June '71, and which were delayed by '72 Pres campaign, are subject to further changes before being forwarded to Pres Nixon; White House Telecommunications Policy Office spokesman says it is not known whether recommendations will be made public when they are forwarded to Pres Nixon; recommendations are being awaited eagerly by cable-TV indus, although nation's 7-million cable TV subscribers are not likely to see immediate changes on their screens; some recommendations are expected to require legis action by Cong; FCC has moved on its own to establish cable TV policies and it is possible that Adm's recommendations will not correspond with FCC regulations

Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

April 21, 1973, Saturday

SECTION: Page 26, Column 1

LENGTH: 116 words

JOURNAL-CODE: NYT

ABSTRACT:

Ed says decision of Sen Ervin's Watergate com to allow hearings 'open to the public and the news media' can serve as educ forum for Amer people; says hearings, scheduled for May 15, could help clear air; says for hearings to be broadcast, channels must be open in public interest; notes that White House Office of Telecommunications Policy has been putting heat on Corp for Public Broadcasting to disassemble its Public Broadcasting Service and lower voices of local stations; wonders whether Public Broadcasting Corp, Public Broadcasting Service and local stations will stand up against pressure if Telecommunications Policy Office actually attempts to prevent Watergate hearings from being aired

Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

May 8, 1973, Tuesday

SECTION: Page 87, Column 2

LENGTH: 92 words

JOURNAL-CODE: NYT

ABSTRACT:

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 havily on technique of intimidation

Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

May 18, 1973, Friday

SECTION: Page 75, Column 1

LENGTH: 193 words

JOURNAL-CODE: NYT

ABSTRACT:

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

Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

July 3, 1973, Tuesday

SECTION: Page 53, Column 4; (AP)

LENGTH: 39 words

JOURNAL-CODE: NYT

ABSTRACT:

TV Digest (pub) says that Prof G O Robinson is in line to succeed N Johnson on FCC; says that J Eger will be apptd deputy dir of White House Office of Telecommunications Policy; Robinson surprised; has been interviewed at White House

Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

July 24, 1973, Tuesday

SECTION: Page 29, Column 3

LENGTH: 23 words

JOURNAL-CODE: NYT

ABSTRACT:

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

Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
WALL STREET JOURNAL

August 20, 1973, Monday

SECTION: Page 8, Column 2

LENGTH: 37 words

JOURNAL-CODE: WSJ

ABSTRACT:

Pres Office of Telecommunications Policy opposes AT&T request for big frequency space for development of radio-telephone system; suggests FCC assign co smaller section while encouraging development of competitive services

Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

October 10, 1973, Wednesday

SECTION: Page 95, Column 1

LENGTH: 136 words

JOURNAL-CODE: NYT

ABSTRACT:

HR Commerce subcom on Oct 9 approves legis that would permit broadcasters' licenses to be challenged by persons who propose to offer superior service; bill is certain to be opposed by broadcasting indus and its fate is uncertain; FCC and White House Office of Telecommunications Policy have taken different positions on criteria and procedures that should be used in renewing broadcasters' licenses; most broadcasters and 2 Govt agencies have wanted to make license renewals automatic, so long as holder of license to run TV or radio station has met certain standards, even if someone else promised to do better; subcom bill requires that broadcasters' licenses be renewed for periods of 4 yrs, compromise between 3-yr provision of present law and 5 yrs sought by broadcasters and backed by their supporters in Govt

Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

November 10, 1973, Saturday

SECTION: Page 62, Column 5

LENGTH: 112 words

JOURNAL-CODE: NYT

ABSTRACT:

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'

Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

November 16, 1973, Friday

SECTION: Page 82, Column 6

LENGTH: 130 words

JOURNAL-CODE: NYT

ABSTRACT:

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'

Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

November 29, 1973, Thursday

SECTION: Page 30, Column 3

LENGTH: 209 words

JOURNAL-CODE: NYT

ABSTRACT:

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

Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
WALL STREET JOURNAL

November 30, 1973, Friday

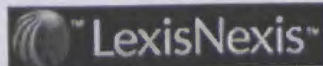
SECTION: Page 7, Column 4

LENGTH: 28 words

JOURNAL-CODE: WSJ

ABSTRACT:

Fed Communications Comm (FCC) requests comments on proposals by White House and by FCC for emergency med
communications system to link ambulances with hosps and drs



Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

December 9, 1973, Sunday

SECTION: Page 97, Column 5; (AP)

LENGTH: 38 words

JOURNAL-CODE: NYT

ABSTRACT:

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

Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

December 12, 1973, Wednesday

SECTION: Page 95, Column 1

LENGTH: 158 words

JOURNAL-CODE: NYT

ABSTRACT:

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

Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

December 17, 1973, Monday

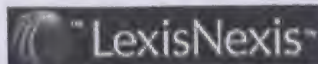
SECTION: Page 75, Column 1

LENGTH: 312 words

JOURNAL-CODE: NYT

ABSTRACT:

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 reptdly 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, reptd 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



Copyright 1973 The New York Times Company: Abstracts
Information Bank Abstracts
NEW YORK TIMES

December 20, 1973, Thursday

SECTION: Page 79, Column 3

LENGTH: 294 words

JOURNAL-CODE: NYT

ABSTRACT:

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 consideraton 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



Public Broadcasting PolicyBase

A service of [Current Newspaper](#) and the [National Public Broadcasting Archives](#)
[PBPB Index](#) | [About PBPB](#) | [Resources](#)

Nixon Administration Public Broadcasting Papers Summary of 1973

[Introduction](#) | [1969](#) | [1970](#) | [1971](#) | [1972](#) | [1973](#) | [1974](#)

In 1973, CPB negotiated an agreement with the PBS defining the relationship between the two organizations with respect to program control, operation of the public television interconnection, and support of local stations. When the CPB Board voted to defer action on a draft of the agreement which representatives of the two organizations had worked out, CPB Chairman Curtis resigned, alleging improper White House interference in the negotiations process. Six weeks after Curtis' resignation, the CPB Board approved the "Partnership Agreement" with PBS. Following Curtis' resignation and ratification of the Agreement, Whitehead recommended a shift in the Administration's approach toward public broadcasting.

On January 6, four days prior to CPB's first board meeting of 1973, Whitehead, Goldberg, and Lamb had lunch with CPB General Counsel Tom Gherardi. Prior to the meeting, Whitehead also spoke with Loomis, Freeman and Ted Braun. (Braun had just resigned from the CPB Board.)

At its January 10 meeting, the Board adopted a resolution calling for greater involvement of local stations and the public in CPB decisionmaking. As part of the process of expanding access to CPB decisionmaking, the Board said it would review CPB's relationships with PBS, NPR, NAEB, local station boards, citizens advisory groups, and others who shared its "devotion to excellence and diversity in public broadcasting." The Board said it was "particularly concerned about the dilution or confusion of decisionmaking responsibility between CPB and PBS" and would seek to negotiate a formal, written contract to govern the relationship between them.

Later in January, Whitehead, Goldberg, and Lamb met again with Gherardi; this time over dinner. During January, Whitehead also met or spoke with Kristol and Wrather.

On January 31, Keith Fischer, the new Executive Vice President of CPB, sent Lamb drafts of resolutions dealing with proposed CPB Board policies on public affairs programs and management of the television interconnection. Fischer's cover letter said Loomis had asked him to send the drafts to Lamb. Fischer emphasized that the drafts were preliminary. "In fact, our Board has not yet seen them," Fischer said, adding, "We will keep you advised as these are formulated into more formal documents."

On February 5, Whitehead met with Haldeman, Colson, and the President to discuss communications issues. According to a memorandum for the record prepared by Whitehead, "The President opened the meeting by saying how much he admired and appreciated the way Mr. Whitehead had been handling his job, particularly with regard to the problem of the networks and broadcasting...."

The memo then reviewed the discussion pertaining to license renewal, cable television, prime-time access, and public broadcasting. With respect to the latter, it said:

The President reaffirmed his view on public television and that we should oppose the funding of controversial public affairs programming with tax dollars. Mr. Whitehead expressed concern that the various parts of the public television field were feuding over future directions and Federal dollars. He feels that the strong proclivity of public TV to produce one-sided political affairs programming as an instrument of social change and the

danger of CPB becoming a mouthpiece for a future, less restrained Administration may make it necessary in the future to eliminate the use of Federal tax monies to fund public television. The President recognized that such steps might become necessary.

Following the meeting, Whitehead, Goldberg, and Lamb had lunch with Loomis and Fischer.

Whitehead also called Wrather that day. On February 6, Whitehead placed calls to three other CPB directors: Curtis, Moore, and Freeman. On February 7, CPB held its monthly Board meeting.

On February 16, the Administration submitted to Congress a bill authorizing \$45 million for FY 74 for CPB. Whitehead's letter to the Speaker of the House and the President of the Senate indicated that the Secretary of HEW would be submitting separately an authorization bill for the Educational Broadcasting Facilities Program.

On March 6, the day before CPB's March board meeting, Whitehead and Curtis met in Whitehead's office. Whitehead also talked by phone that day with Loomis and Moore.

At its March 7 meeting, the CPB Board voted to seek an extension of Federal support for CPB at levels of \$60 million for FY 74 and \$80 million for FY 75; to authorize a subcommittee of the Board (Killian, Valenti, and Moore) to consult with representatives of the public television stations regarding their plans for use of the interconnection; and to adopt a national program schedule for the 1973-74 television season.

On March 22, Goldberg and Lamb met with Loomis. Four days later, Whitehead had breakfast with Curtis.

On March 27, Whitehead wrote the following "Memorandum for the Record":

We were advised by the White House today that the President still sees serious dangers in the existence of a Federally funded broadcasting network. He is strongly opposed to control of the interconnect and its scheduling anywhere other than with CPB since that is the entity responsible to the Congress by law for the use of Federal funds. The effort Mr. Curtis is making to seek more involvement by the boards of local public broadcast stations and a more active partnership with them in funding programs has much good in it. But the President would have to oppose that plan and Mr. Curtis personally, both strongly and openly, unless the principles of board responsibility and of safeguarding against excessive control by private organizations are clearly incorporated.

The next day Whitehead testified before a Senate Subcommittee on Communications hearing on a two-year CPB authorization bill which Senators Pastore and Magnuson had introduced, and on the Administration's one-year proposal. In his testimony Whitehead continued what he criticized as "a tendency toward centralized program decisionmaking by CPB and PBS." Whitehead also criticized as "inappropriate and potentially dangerous" reliance on federal monies to support public affairs programming.

Curtis and Loomis also testified that day, but unlike Whitehead, they supported the Pastore-Magnuson bill.

On March 30, PBS was reorganized. The new organization was created by combining the old PBS, the Board of Governing Chairmen, and the Educational Television Stations Division of the NAEB.

During the month of April, discussions between CPB and PBS aimed at defining the relationship of the two organizations continued. As the discussions proceeded, Killian, and Valenti, representing a majority of the CPB negotiating committee, recommended to the CPB Board an agreement under which CPB, in consultation with PBS, would decide what programs to fund; and PBS, in consultation with CPB programming staff, would schedule the TV interconnection. Killian and Valenti also recommended that non-CPB funded programs be given access to the interconnection. The CPB committee chairman, Moore, filed a dissent with the Board, in which he argued that CPB should operate and schedule the interconnection. Loomis transmitted the negotiating committee's report to the Board on April 9.

On April 11, Dick McCormack, a consultant to CPB who had previously worked as an OTP consultant, called Whitehead's office. The next day McCormack sent Whitehead a memo confirming their conversation.

According to McCormack's memo, Rogers and probably Curtis were initiating a campaign to remove Loomis as President of CPB. Word of this effort already had been leaked to the trade press, McCormack said. The memo continued:

By now, Curtis must have learned of broad dissatisfaction with his conduct as chairman. He may well have learned that Loomis, as well as a number of his fellow board members would like to remove him as chairman this September. Moreover, by comparison with Loomis, Curtis suffers on television appearances. This too, for a proud ex politico must rankle him. For all these reasons, I suspect that Curtis would like to have Loomis out of the way. And as a skilled politician, Curtis knows that the first step in removing someone is a whispering campaign.

The conflict between Curtis and Loomis simply must not be permitted to continue or surface. If this happens, and if there is an open breach, Loomis' ability to influence the outside will be sharply reduced. And we might as well pick up our marbles and go home.

In light of the above, McCormack recommended:

1. That the White House prevail upon Curtis to issue a statement of confidence in Loomis--or that the Board of Directors as a whole give Loomis a vote of confidence. In view of the printed reports, a vote of confidence in management is perfectly normal procedure and would stop the whispering campaign cold.
2. That the White House prevail upon the Board of Directors of CPB to support an "interim plan" confirming CPB control of the programming' decisions--while at the same time instructing CPB management to continue negotiations with PBS and the Rogers group and to report on recommendations in one year's time....
3. CPB Board should pass a resolution thanking Ralph Rogers for his selfless efforts thus far toward finding a common solution to the questions facing the public broadcasting industry.
4. We must recruit a more effective buffer between CPB management and CPB chairman and board of directors than the present secretary of the board, who also functions as the general counsel. We have pretty much lost control of our board--and it's going to take a bigger man than Gherardi to get on top of the situation. In the ego conflict between Gherardi and Curtis, the only winner has been Ralph Rogers and Hartford Gunn. WE SIMPLY CAN NOT AFFORD TO LET THIS SITUATION CONTINUE.

On April 12, Whitehead met in his office with Curtis and Moore.

On April 13, the CPB Board met and voted to defer action on the agreement which representatives of CPB and PBS had hammered out.

In the wake of the Board's decision, Curtis resigned from the Board of CPB and as its Chairman. Curtis explained his reasons in a letter to the President, dated April 16:

A difference of opinion developed between myself and what Mr. Whitehead stated to me was your opinion in respect to the course of action the Corporation should be taking in working out its current relationships with PBS, the local stations and other organizations. I told Mr. Whitehead that of course I respected your opinion, but I was certain you did not have the benefit of my experience over the past seven months I have been Chairman and

dealing with the matter, nor did he. That I was anxious to give you my views as to why the course of action the Board under my leadership seemed ready to take was wise. Mr. Whitehead suggested that if the Board persisted in the course of action it seemed ready to pursue, a veto of the new authorization Bill probably would be forthcoming. I responded by saying the Board would proceed and if it did follow the course seemingly it was ready to follow, perhaps the results would be such that the Board would be proven right and that a veto would not be advisable.

Mr. Whitehead and others did not accept this position. Their approach was to call individual members of the Board privately without my knowledge or the knowledge of the other members of the Board and presumably try to persuade them to the position that he stated you had taken. This resulted in the Board deferring action on the resolution and considerably altering the delicate negotiations in progress with the new PBS organization and others involved in public broadcasting.

I have been vigorously defending a wide-spread, persistent false and vicious attack against your administration and the CPB alleging in essence that your administration was seeking to take over public broadcasting a) either to make a propaganda arm for your administration, b) to emasculate it so that no criticism of your administration would emanate from it. I pointed out that you had made it clear that you wanted public broadcasting so structured that neither your administration nor any succeeding administration could make a propaganda arm out of public broadcasting, or at least make it exceedingly difficult to do so.

I pointed out that the assurance of this was to emphasize and build up the independence of the Board within the spirit and the letter of the statute creating it. Of course the efforts of Mr. Whitehead and others however well intentioned to save the Board from making what they deemed to be a serious mistake has seriously undermined this independence and integrity, and placed me in a position of not being able to defend the independence of the Board with the vigor required.

On April 20, Whitehead responded to Curtis' letter:

The President has informed me that he has received your letter of resignation from the Board of Directors of the Corporation for Public Broadcasting. I am very sorry that things did not work out as you wanted, but we all very much appreciate your service as Chairman of the CPB Board.

I am sure that the President appreciates, as much as I, your devoting so much time to this important and difficult area.

The same day, Goldberg, the OTP General Counsel, sent Whitehead a memo reviewing the Administration's activities regarding public broadcasting and recommending a future course of action:

Almost two years ago we focused upon a policy for the Corporation for Public Broadcasting and the public broadcasting system in general. Generally, that policy was one that was tied closely to the principles of localism underlying the Public Broadcasting Act of 1967 -- a policy opposed to the development of a "Fourth Network."

The hope was to strengthen the local stations so that they could act collectively as an effective counter force to the centralized, national public broadcasting entities, including the Fred Friendly wing of the Ford Foundation. Structurally, the two approaches that the policy relied upon to achieve this result were (1) converting the interconnection facilities into a distribution network, with the stations taping programs and delaying for later broadcast, and (2) directing operating funds to the local stations in a manner intended to provide them financial independence from CPB. The memorandum outlining this policy approach is attached.

Since September 1971, however, we have not attempted to implement this policy and seek structural changes in public broadcasting. Rather, we have "talked" the policy but relied upon the Directors and staff of CPB to make the needed changes in the operation of the public broadcasting system. This approach involves an inherent inconsistency, in that it seeks centralization as the first step in achieving decentralization. Since the inherent inconsistency is apparent, our motives become suspect and the continued restatement of the localism goal is discounted as simply not being credible.

Another difficulty with this approach is that it requires a high degree of competence and leadership in the individuals chosen for CPB. Past events have demonstrated that these characteristics are quite rare among the people who make up the talent pool we have available to us. Ineffective or ineffectual people simply cannot achieve the requisite goals. In such a vacuum, it devolves upon us to exercise the necessary leadership, thereby exacerbating the centralization problem and bringing our motives into further question.

At this point we are at or near the bottom of the "slippery slope" we first set upon a year and a half ago. However, the chaos within public broadcasting that has resulted from our approach also has its advantages. The present disarray of our opponents, and the fact that we have gone just about as far as we can with this approach, makes this an ideal time -- perhaps our last clear chance -- to restructure public broadcasting and to extricate ourselves and future Administrations from continuous tinkering with public broadcasting.

As I see it, we have two general alternative approaches at hand. One approach is to find competent, fair-minded and independent leadership for the Corporation, both at the board and staff levels; outline the decentralized/localized structure we seek (which might involve their developing new legislation that we could support); and leave this leadership free to rectify the deficiencies in the public broadcasting system. Our other alternative is to take it upon ourselves to call together the CPB, PBS and other station interests, and work out a legislative restructuring of public broadcasting that we all can support.

Both of these alternatives are based upon certain assumptions. One is, that despite our strongly held wishes to the contrary, that it will be impossible for us to "kill" the Corporation either through direct legislative action or through suffocation by stringent cutbacks in appropriated funds.

Another assumption is that, eventually, the full development of cable television, with pay cable as a viable service, will obviate the need in 10-15 years for the Federal Government to subsidize an entire supplemental broadcasting system as an alternative to the present commercial television system. Therefore, both options are mid-range options, i.e., options to see us through the next ten years.

I am disposed toward the second alternative. The first is too much like our present course of action, which has been unsuccessful. In taking this approach you and your successors will inevitably be drawn deeper and deeper into public broadcasting to make short-term adjustments for deficiencies in CPB's leadership.

While I am not optimistic that the legislative restructuring alternative is a viable one, I suspect that some key leaders in public broadcasting are getting tired of having defeat continually snatched from the jaws of victory. They know that, at least for the next three years, they face veto after veto of any funding bill that exceeds a subsistence diet for public broadcasting. Moreover, the realists among them cannot pin all of their hopes on a change to a liberal Democratic Administration in 1976. In short, they may be willing to negotiate now.

I think that our own enlightened self-interest dictates that we use this opportunity to create something constructive and lasting by way of a public broadcasting policy. If not, the great expenditure in time and effort and personal sacrifice of your "image" over the past two

years will all be for naught. I would not like our record in public broadcasting to be one solely of creating, enhancing and feeding upon chaos in this element of the broadcasting system.

On May 9, the CPB Board unanimously approved a four-point proposal for an agreement with PBS as recommended by CPB's Negotiating Committee. The proposal provided:

- (1) CPB, in consultation with PBS, would decide all CPB funded programs through the CPB program department.
- (2) All non-CPB funded programs would have access to the interconnection.
- (3) Scheduling of the interconnection would be done by a group of three appointed by PBS and three appointed by CPB, and a seventh participant chosen by the other six. The seventh participant would have no connection with PBS or CPB and would act as chairman.
- (4) The agreement with PBS would be mutually reviewed at the end of one year of operation.

That same week Whitehead met with Presidential Assistant Garment to discuss some of the thinking OTP had been doing about Administration directions in the communications field. Whitehead told Garment that one of the areas in which OTP was considering a shift in direction was public broadcasting.

According to a "Memorandum for the Record" which Whitehead wrote on the 18th, Garment agreed with the proposed shift in direction in public broadcasting. His memo said:

A great deal of mutual misunderstanding and mistrust has arisen between the Administration and various parts of the public broadcasting community. The recent reconstitution of the Public Broadcasting Service emphasizing its role as representative of the local stations and the current dispute between CPB and PBS may provide an opportunity for bringing about an accord in this area. If an acceptable accord can be reached between CPB and PBS that is reasonably acceptable to the Administration, then we probably should support a compromise involving two-year funding, particularly if the funding levels can be kept in the vicinity of \$55 and \$65 million respectively. Otherwise, another veto may be necessary. In any event, we should explore a more long-range constructive accommodation in this area.

On May 23, the CPB and PBS negotiators agreed on a set of principles defining the relationship between the two organizations. The so-called Partnership Agreement was affirmed by the CPB Board May 31. It incorporated the first two points of the May 9 CPB proposal. Additionally, it provided that PBS would submit a draft schedule of programs for interconnection to CPB, that CPB and PBS would jointly monitor the "balance and objectivity" of CPB-funded programs, that CPB and PBS would formalize an annual contract for the physical operation of the interconnection, that a Partnership Review Committee would be established, and that CPB would pass an increased percentage of its appropriations directly to the stations as appropriations increased.

On June 6, Whitehead sent a draft "Memorandum for the President" to Hank Paulson of the White House staff. The memo laid out options for the President with respect to the Pastore-Magnuson two-year authorization bill and recommended a change in the Administration's approach toward public broadcasting:

Background

Last June you vetoed a two-year public broadcasting authorization bill, providing for funding at a total of \$155 million. Currently, the Corporation for Public Broadcasting (CPB) receives \$35 million in appropriated funds, based on a continuing authorization for Fiscal Year 1973. A bill has passed the Senate providing a two-year \$140 million authorization. House hearings on this bill, and the Administration's proposed one-year

authorization at \$45 million, begin June 11.

During the past four months there has been a great deal of ferment in public broadcasting, including charges that the Administration has attempted to influence CPB to preclude funding of news and public affairs programs unfavorable to the Administration and to dismantle the public broadcasting network. This has led to a compromise between the Corporation and the Public Broadcasting Service (PBS, the station organization that operates the network). Key elements of the compromise give CPB a direct voice in determining the funding and scheduling of programs, rather than leaving the choice entirely to PBS. Moreover, questions of balance and objectivity will be determined prior to airing by CPB and PBS directors jointly. The compromise would establish a system of checks and balances between the boards of 230 local stations, and the centralized program staffs of CPB and PBS, and the CPB board.

The compromise does not achieve all that we would like, but it represents a substantial improvement over the situation that existed prior to your veto. Moreover, during the next year we will appoint seven of the fifteen-man CPB Board of Directors. Therefore, the combination of an acceptable compromise and the seven board appointments leads me to believe that the time is ripe for a change in our approach to public broadcasting.

Alternative Approaches

There are two alternative approaches: (1) continue to stress problems and dangers in public broadcasting and veto a two-year authorization bill; (2) accept a two-year authorization, but at a lower funding level, and build on the present CPB/PBS compromise to achieve a broader legislative consensus, which would seek a longer-range authorization and more decentralized, local control of funds and programs -- if sustained -- would keep public broadcasting dependent upon annual appropriations and check the tendency toward network operations stressing journalistic enterprises. However, it would accomplish little more, if anything, than what we have already accomplished with last year's veto, and it would worsen the Administration's public posture of being against public broadcasting generally. The advantages of the consensus approach are that we could limit the increases in the funding by agreeing not to veto a two-year authorization. We would also avoid the potentially divisive battle to sustain a new veto and improve our chances of continuing to have a voice on the future directions of public broadcasting. The disadvantages are that the Corporation would have increased funding over a longer period of time before all the major issues regarding its objectives are resolved.

Recommended Approach

I recommended that we follow the consensus approach and take the following steps. Prior to my public broadcasting testimony next week, I will discuss our position with the Subcommittee Chairman (Torbert Macdonald) and with key Republicans (Sam Devine and Bud Brown). In exchange for our agreement not to fight a two-year bill, I shall seek to have the level of funding reduced to around \$100 million for two years. In my testimony, however, I shall continue to oppose mildly two-year funding.

I will also support, albeit with reservations, the CPB/PBS compromise as a step in the right direction. I will announce our desire to reopen discussions to seek a broader consensus on longer range funding for public broadcasting. The objective is to gain support for a legislative restructuring of the public broadcasting system that will emphasize the role of the local station in decentralizing funding and programming decisions, stress cultural and educational programs, and deemphasize government-funded news programming.

On June 12, Whitehead testified before the House Communications Subcommittee. In his prepared statement he praised the new Partnership Agreement. At the same time, he urged Congress to vote a one-year authorization for CPB at \$45 million in order to allow time to assess CPB's "progress in its new partnership role with PBS."

On June 14, Goldberg informed Whitehead that he had seen a letter from Rogers, Chairman of PBS, and Killian, Chairman of CPB, to the President requesting a meeting.

On June 15, Whitehead sent a memo to Dave Parker of the White House staff opposing such a meeting.

Both Killian and Rogers have shown a marked disinclination to discuss their objectives with us. Indeed, over the past few months they have strongly (sic) critical of the Administration's goals for public broadcasting and have accused us of attempting to starve or suffocate public broadcasting in order to undercut public broadcasting's ability to criticize the Administration.

In this regard, I think it would be a big mistake for the President to meet with these men, especially with the CPB funding still pending on the Hill, and I strongly oppose such a meeting.

Whitehead's recommendation echoed that of Paulson, who had counseled against the President's meeting with Killian and Rogers in a June 14 memo to Parker. In his memo, Paulson characterized Killian and Rogers as critics of the Administration:

James Killian is a Johnson appointee who was recently elected CPB Chairman in a display of independence by the Board, after the previous Chairman, Tom Curtis, resigned charging the Administration attempted to influence the Corporation to preclude funding of news and public affairs programs. Under the leadership of Killian, who supports the airing of public affairs shows, CPB worked out a compromise with PBS which established procedures for the broadcast of public affairs programs.

Ralph Rogers, the PBS Chairman, is a wealthy Texas businessman, former Finance Chairman of George Bush's Senate campaign and a self-proclaimed supporter of the President. Nonetheless, he has opposed almost every aspect of the Administration's public broadcasting posture, actively working to reestablish public affairs shows and criticizing the Administration for putting public broadcasting on a "starvation diet."

On July 16, Killian called Whitehead's office to suggest a list of people who might be considered for the two candidacies on the CPB Board and the five director positions which were to become vacant the following March.

On July 19 Whitehead sent his own recommendations for the two existing Board vacancies to David Wimer in the White House appointments office. The two people Whitehead recommended were Virginia Duncan, a California Democrat whom Whitehead described as "a strong supporter of the President," and Dr. John Millet, an Ohio Republican whom Whitehead said "also strongly supports the President's position on public television and would work closely with Congressman Brown" (the ranking Republican on the House Communications Subcommittee)

On July 27, Whitehead responded to an OMB request for OTP's views on S. 1090, the Pastore-Magnuson bill CPB which Congress had passed and sent to the President for signature. Reviewing the events of the previous months, Whitehead recommended that the President approve S. 1090:

S. 1090 essentially provides for a two-year authorization for appropriations for public broadcasting: \$50 million in fiscal 74 and \$60 million in fiscal 75, plus \$5 million annually in matching funds for the Corporation, and a total of \$55 million for educational broadcasting facilities in these fiscal years for the Department of Health, Education, and Welfare's Educational Broadcast Facilities Program. In addition, S. 1090 adds a new requirement that educational broadcast licensees record broadcasts in which an issue of public importance is discussed, and maintain such records, available to the Federal Communications Commission and the public, for a period of sixty days.

The Administration had requested only a one-year authorization to public broadcasting: \$40 million for fiscal 74, plus \$5 million in matching funds for the Corporation, and \$13 million for HEW's facilities program for that year.

This request reflected serious concerns regarding the many unresolved issues then facing federally funded public broadcasting, issues including the role of local stations, the proper apportionment of funds among the Corporation and local licensees, a trend towards centralized control, and use of federal funds to sponsor highly controversial public affairs programming.

Steps recently have been taken, however, that answer some of these questions, and we believe further resolution of the issues remaining can be accomplished within the framework of this legislation.

On August 6, President Nixon signed the two-year authorization measure. At the next day's White House press briefing, Jerry Warren told reporters:

The President's signing of this bill reflects his view that public broadcasting has much to offer the American people in the presentation of educational and cultural programs of quality and distinction.

The benefits of public broadcast are best achieved, we believe, when every element of the system is committed to the principle of localism embodied in the Public Broadcasting Act of 1967. Under this principle, the individual educational radio and television stations are oriented to the service of the local listeners and viewers.

The bill that the President signed yesterday, Senate Bill 1090, we believe, will further the goal of this principle, achieving this principle of localism and represents the Administration's continued support. At the same time, there remain significant questions as yet to be resolved, including the proper relationship of local educational radio and television to the Corporation for Public Broadcasting and other national public broadcast entities. These also include the proper allocation of funds among the national entities and the local stations, and the role of public broadcasting in the Nation's life.

As these questions are being resolved, both the Congress and the Executive Branch can provide the necessary budget oversight and review of the system under the bill that was signed yesterday, which is an authorization bill and which extends the Corporation's authorization for two years.

On September 20, Killian wrote the President on behalf of the CPB Board "to urge that the two vacancies on the Board be filled at the earliest practical time.

"The Board has a heavy budget of work, and a full complement of members is needed to discharge its responsibilities...," Killian explained.

Killian also took the occasion to express the Board's appreciation for the President's approval of the two-year authorization.

In early October, Whitehead drafted a Memorandum for the President in which he summarized recent developments in public broadcasting and urged prompt action to fill the two vacancies on the CPB Board. In Paulson's absence, he sent a copy of the memo to Ken Cole, Executive Director of the Domestic Council.

Public Affairs Shows

The Ford Foundation, subject to their Board's approval, will soon announce a phase-out of public TV funding over the next 3-5 years. Because of McGeorge Bundy and Fred Friendly, Ford has been the largest force behind public affairs shows on public TV. This step, together with a reduction in CPB's funding of public affairs shows, is a hopeful sign of progress. However, CPB staff and officials of the public TV network (PBS), and many officials in the local stations still want a strong complement of public affairs programming and the press corps is highly supportive. We have gone about as far as we can go in getting such programs reduced with our old strategy. The emphasis now should, I believe, shift to getting a solid majority on the CPB Board and taking a positive approach to longer range funding for CPB as discussed below.

Suit

The ACLU has sued Pat Buchanan and me, along with CPB, alleging illegal government interference in CPB operations and seeking injunctive relief. We do not expect much to come of this, but we are keeping contacts with CPB to a minimum.

CPB Board

After five years of Administration efforts, public broadcasting is being substantially redirected, but the CPB Board is still evenly divided on key issues. Our supporters on the Board (Jack Wrather, Al Cole, Neal Freeman, Irving Kristol, and Tom Moore) have asked me to advise you of this and to urge prompt action in naming outstanding people to the two Board vacancies, paying particular attention to a potential Chairman. Unless we do make strong appointments now (and in March when the terms of the last LBJ appointees expire), we are likely to lose such active support as we now have on the Board. We simply cannot solidify the changes we have been seeking without a strong Chairman and a strong Board majority committed to our principles.

Whitehead went on to recommend Dr. Allen Wallis, President of the University of Rochester, and Virginia Duncan, a film maker and former TV producer, for the two vacancies.

Whitehead then turned to the subject of long-term funding:

Funding

Although you signed a two-year authorization for CPB providing \$55 and \$65 million for FY74 and 75, CPB's in the Labor-HEW appropriation and continues at \$35 million annually. To summarize the recent developments, we have reversed much of the centralization we based last year's veto upon, Ford is phasing out, and public affairs programming is on the downswing. We have, therefore, few grounds for opposing longer range funding. Long-range funding is supported not only in the Congress, but by our friends on the Board who feel they have "done a job" for us and want tangible evidence of support from the

Administration. John Pastore is greatly upset by our attacks on CPB, and it has seriously deteriorated our relations with him on all communications issues. Our support of longer range funding would help this situation immensely.

With your approval, I plan, therefore, to develop a long-range funding plan for your consideration as part of the Administration program for next year, stressing decentralization (to minimize the network character of the system), matching of non-Federal funds (to keep the Federal share down), and periodic review by Congress (to keep the use of the Federal funds under scrutiny).

On October 14, Patrick Buchanan, Special Assistant to the President, sent Paulson his comments on

Whitehead's memo:

My view is that we should not quit; we should hold their feet to the fire; the President has the power to veto, and we should not hesitate to employ it on public broadcasting if that institution continues to provide cozy sinecures for our less competent journalistic adversaries. If they are going to have public broadcasting, and they are going to overload it against us, why should we approve of any public funding at all. In that event, I would bite the bullet, and keep them at the present level of funding ad infinitum. As for the Ford Foundation decision to get out, I will believe that when I see it. As for the long-range planning, I don't think we have yet gotten the kind of reforms needed. My personal view at this point is that we would be as well off with not having the taxpayers to contribute a single cent to public television -- unless there is a clear, marked disposition to provide balance on commentary, and localism in programming.

The next day, Paulson received comments from White House Press Secretary, Ron Ziegler:

I concur with Whitehead's recommendation about filling the vacancies on the CPB Board. We should move immediately to appoint Wallis, with the understanding he be elected Chairman. Virginia Duncan is an unknown, but I have no reason to object to her appointment. By copy of this memorandum, I am alerting Jerry Jones of the importance I attach to filling these vacancies expeditiously.

Nothing should hold Whitehead back from developing a long-range funding plan for Public Broadcasting. I understand, from Henry Loomis, that the CPB has proposed to us, and to the Congress, a fairly detailed long-range plan, calling for matching funds and providing for a periodic review by the Congress of the Corporation's work. Whitehead should submit a long-term funding proposal, as an alternative to continued short-term funding, with a full discussion of the pros and cons of each.

Whitehead's memorandum could be interpreted as a request for a Presidential sign off on the long-term funding approach. This must not be the case. Assuming the President's agreement, Whitehead should be put on notice that the President's agreement only relates to the formulation of long-term funding alternatives, and does not mean final agreement on the President's part to the long-term funding concept.

On October 22, Paulson received still more comments from Bill Timmons, the White House Congressional liaison:

1. CPB funding is in the current HEW-Labor Appropriations bill. However, this measure is heading for a veto as a budget buster.
2. Senator Hugh Scott had a friend appointed to the Board of CPB that apparently would be replaced by one of the candidates in the memorandum. Scott has talked to many of us, including Peter Flanigan, about reappointment for his pal. To do otherwise would cause difficulties with any legislation or appropriations.
3. I frankly doubt there is much support in Congress for long range financing of CPB since the trend is for annual review, if not appropriations. As a controversial agency, CPB will certainly remain under the Congressional microscope. However, this is probably worth a try.

Public Broadcasting PolicyBase
A service of Current Publishing Committee and the National Public Broadcasting Archives
Web page created Feb. 7, 2000
[E-mail to webmaster](mailto:webmaster)