The Network Project

DIRECTORY OF THE NETWORKS

Notebook Number Two

February 1973

THE NETWORK PROJECT NOTEBOOKS

This is the second in a series of publications begun by the Network Project in October, 1972. Future reports, to appear at least bimonthly, are planned on various aspects of telecommunication, including the control of information (describing the effects of the broadcasting structure portrayed in this Notebook), CATV, government intervention in the electronic press, and broadcasting abroad.

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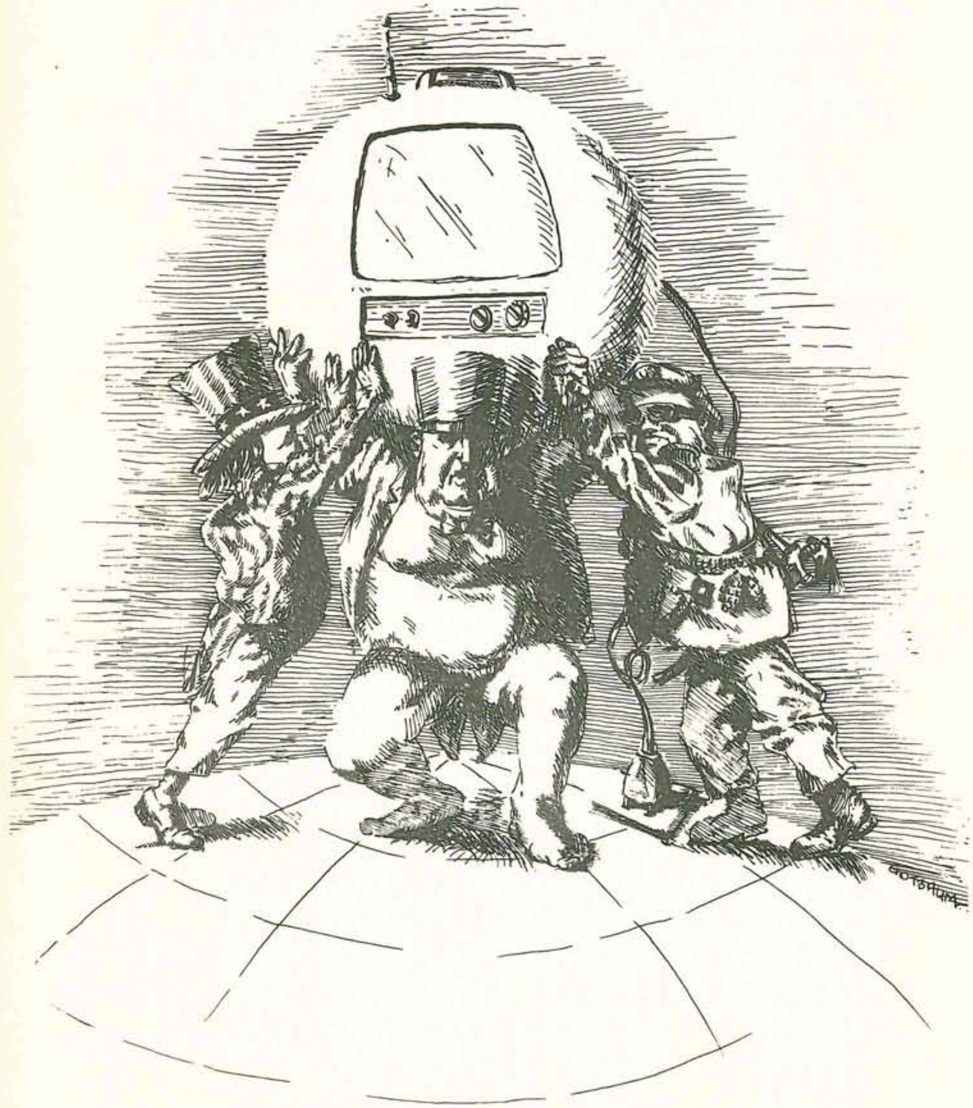


PREFACE

The purpose of this Notebook is to provide a Directory of the Networks, to serve as background information and a reference guide to some of the unpublicized, internal dealings of CBS, RCA(NBC), and ABC. This material presents a critical research project carried out within the areas of conglomeration, institutional ownership, and interlocking directorates - the impact of these concentrated forces, their effects on the flow of information in our society, and their political and economic domination over processes which directly affect our lives. Hopefully this material will be the seed for further research and ultimately action, to make the networks more vulnerable to the needs and interests of the citizenry, whom they are bound by Communications Law to serve.

For most American people television means network television. Each of the networks, beyond an enormous national influence through hundreds of affiliates, owns TV stations in several major cities, including the three most profitable markets, New York, Los Angeles, and Chicago. As Commissioner Nicholas Johnson of the Federal Communications Commission has reiterated, there are many implications of their power: "The basic point is simply that the national political power (i.e., control over the dissemination of information) involved in ownership of a group of major VHF television stations in, say, New York, Los Angeles, Philadelphia, and Washington, D.C., is greater than a democracy should unthinkingly repose in one man or corporation." Television is the predominant force in the American way of life. No other single factor has had more impact on the political, social, economic, cultural and moral life of the USA than television.

The network functions primarily as an economic enterprise - it is in the business of making money and increasing profits; secondly, it is an entertainment medium; and finally, it presumes to operate as a public service. The national media market is the network domain, out of which a mass audience is moulded for advertisers. Each network determines a program schedule for nationwide distribution; interconnecting facilities are rented from A.T.&T., which transmits simultaneously the advertising messages and programming (originating in New York and Hollywood) to affiliates.

Part 1, THE INTEGRATED CIRCUIT, presents a summary listing of the operations of each network. A diversity of non-broadcasting activities is carried on by CBS, NBC, and ABC; as such they are conglomerates. Increasingly, what would seem to be unrelated businesses have been integrated into the broadcasting structure. Power and earnings are thereby enhanced through exploitation of the communications media. Alternatively the high cash flow generated by broadcasting operations is put to work in non-broadcasting businesses. Conglomerate operations are important in determining profit-performance of the networks. By reducing the overall wide operating margins, they serve to defray corporate taxation while providing better returns on investment than would idle working-capital.[1] The interplay of broadcasting and non-broadcasting activities is the central point here. Co-existence of diverse activities side-by-side raises certain questions about the nature and quality of American over-the-air broadcasting in its private, oligopolistic form.

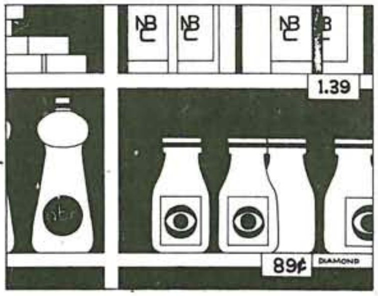
Dissemination of information through broadcast programming by a private monopolist or by a few oligopolists is not discernibly preferable to government control. Every increase in conglomeration, concentration of ownership, and interlocking relationships is a step away from individual responsibility and toward centralized control, monopoly, and destruction of a free enterprise system. "CBS/Cable" provides a sketch of financial dealings of Viacom International; while "TV Exports" deals with the role of a multinational television corporation.

Part 2, WHO OWNS THE NETWORKS?, examines the extreme concentration of ownership interests which operate to restrict a freely functioning system, through centralized financial ownership of the voting stock of CBS, RCA(NBC), and ABC. Analysis is concerned with the predominant role that banks, mutual and investment funds, and insurance companies play in the determination of management policy, mergers and acquisitions by the networks, and future technologies. These institutions' ability to control the future has devastating consequences for the public.

Part 3, BROADCAST TITANS, delineates the special interests which boards of directors serve. This is a compendium of information about each director and his relation to the power elite in America. The connections between banking, other interlocking corporations and related industries, governmental agencies and private research and policy organizations are made available in this section. For it is precisely the task of such policy groupings as the Council on Foreign Relations, the US Information Agency, Council of the Americas, Committee for Economic Development to maintain intact the privileges of US investors at home and abroad, in serving the corporate interests of the network oligopoly.

An appendix of unclassified war contracts is included for general reference to some additional activities carried on by CBS and RCA(NBC).

Finally, it is necessary to obtain more accurate information regarding the points of vulnerability and contradictions existing within the structure of network broadcasting. The demand is for in-depth information on the operations of particular corporations and institutions that serve them; and the new strategies and tactics (e.g., domestic satellites) being devised by the corporate elite. It is within such a context that this Notebook should be used. For it is a tool, to raise certain fundamental questions about the economic processes and structures of broadcasting.



FOOTNOTE

1 Value Line Investment Survey, Recreation Industry, "Broadcasting Stocks", April 3, 1970, p. 1423.

PART 1

THE INTEGRATED CIRCUIT

CBS

- NETWORK INFRASTRUCTURE/OPERATIONS

Columbia Broadcasting System was incorporated in New York January 27, 1927 as United Independent Broadcasters, Inc. Today CBS Broadcasting boasts of having maintained itself as "the world's largest advertising medium".[1] While CBS, Inc. claimed 1971 revenues exceeding $1.24 billion, it is significant that broadcasting operations represented only one-half of this amount - though they still accounted for the bulk of gross income (84 per cent in fiscal 1971).[2] Especially during the 1960's the US economy undertook a vigorous movement toward concentration and consolidation of diverse interests. The critical importance of conglomeration for the networks is exhibited in their corporate de-emphasis of broadcast activities and expansion into seemingly unrelated spheres of interest. The CBS corporate goal is to reduce broadcasting's share to less than 50 per cent of total revenues. By 1967 new trends were apparent. Exploitation of the "58 billion dollar educational establishment"[3], the information industry, acquisition of publishing houses, junior colleges and schools, and government defense contracting had become priorities. The corporate hierarchy breaks CBS down into four operations groups: BROADCASTING; MUSIC and RECREATION; EDUCATION and PUBLISHING; and OTHER.

BROADCASTING

	1971	1970	1969	1968	1967
Net Sales ($mns.)	$602.9	648.9	663.2	591.7	567.3
Net Income ($mns.)	$ 41.8	45.4	57.6	45.9	45.5

1. CBS NEWS, which produces and supplies all information and sports programming for CBS Radio and TV Networks.
2. CBS TELEVISION NETWORK DIVISION, consisting of nearly 250 affiliates.
3. CBS TELEVISION STATIONS DIVISION, with five owned and operated VHF outlets in New York (the largest individual profit-maker in all of broadcasting), Los Angeles, Chicago, Philadelphia, and St. Louis. Included in this division are CBS Television Stations National Sales.
4. CBS RADIO DIVISION, with 246 affiliated stations and seven owned outlets in New York, Los Angeles, Chicago, Philadelphia, Boston, St. Louis and San Francisco. This includes foreign affiliated stations.

MUSIC AND RECREATION

	1971	1970	1969	1968	1967
Net Sales ($mns.)	$499.0	434.3	359.6	277.6	250.4
Net Income ($mns.)	$ 18.2	15.2	10.0	6.7	3.3

1. CBS/RECORDS GROUP. Production of records and tapes reached nearly 400 million in 1971. CBS RECORDS INTERNATIONAL sold 125 million records in more than 100 countries; these were mainly produced by the Division's 25 foreign subsidiaries.

2. CBS/COLUMBIA GROUP. COLUMBIA HOUSE DIVISION includes the Columbia Record Club operations which sell records and tapes on a mail-order basis. CBS MUSICAL INSTRUMENTS DIVISION was formed following the acquisition in recent years of the FENDER GUITAR & AMPLIFIER COS., ELECTRA MUSIC and ROGERS DRUMS, the BUCHLA SYNTHESIZER, BLACKWOOD MUSIC INC. (Conn.), LESLIE SPEAKERS, the RHODES KEYBOARD TEACHING SYSTEM, and STEINWAY & SONS, pianos. CREATIVE PLAYTHINGS DIVISION is a leading marketer of educational toys, with more than 1300 retail outlets; toys designed to promote "communications, social understanding and adjustment".[4] Other business includes the NATIONAL HANDCRAFT INSTITUTE, offering handcraft kits by mail; X-ACTO, a maker of precision tools for hobbyists and industry; and art reproduction--including PERIODICAL LITHO ART CO., INC. (Minnesota); DONALD ART CO. (N.Y.) and its export organization, BONNIST INT'L. LTD.
3. CINEMA CENTER FILMS produces about ten theatrical motion pictures for domestic and foreign distribution.
4. NEW YORK YANKEES, INC.

EDUCATION AND PUBLISHING

	1971	1970	1969	1968	1967
Net Sales ($mns.)	$131.1	114.6	106.0	96.6	87.7
Net Income ($mns.)	7.0	5.6	5.6	6.2	5.9

Formed in 1967 as CBS/HOLT GROUP, this represents CBS' most active area of acquisition..."a broad-based organization which does not depend solely upon publishing skills, but is rapidly placing emphasis on educational systems, materials and services." Most recently the network has been buying up vocational and business schools and proprietary resident schools. Group acquired POPULAR LIBRARY, paperbacks, and Road & Track and Cycle World. Expansion into the international publishing area was highlighted by acquisition of EDITORIAL INTERAMERICANA, a leading Spanish-language medical publisher, and formation of another new profit center, CBS EDUCATION INTERNATIONAL DIVISION, with offices in Toronto, Montreal, London (1969 acquis. of ANTHONY BLOND CO.) and Sydney.

1. HOLT, RINEHART & WINSTON, INC. operates as a wholly-owned subsidiary; publishes textbooks, related educational materials, trade books and magazines (e.g., "Field & Stream", "Popular Gardening" and "Living Outdoors", "Home Modernizing Guide" and "New Homes Guide"). The text division reestablished the Dryden Press to publish 'quality' basic and intermediate college textbooks in behavioural and social sciences.
2. W. B. SAUNDERS CO.-the world's leading publisher of medical, mathematics, physics and scientific textbooks; supplemented by audio-visual learning aids. Latin American markets are the main overseas focus. European markets became accessible through the establishment of a separate publishing and editorial unit in London.
3. BAILEY FILM ASSOCIATES EDUCATIONAL MEDIA DIVISION, one of the nation's major educational film producers; industrial and commercial film business and the audio tape cassette field. BFA Films are standard tools for civic organizations; they also package CBS News Specials for a ready market in secondary schools. Relies heavily upon local and federal school funding.

4. CBS SCHOOLS INC. Expansion through internal development into proprietary resident and vocational schools, which provide instruction at post-high school level for a wide variety of vocations. The Group plans to acquire fifty to sixty of these schools during the next five years. Nucleus of four includes FRANKLIN SCHOOL OF SCIENCE AND ARTS (Philadelphia paramedical school); BUSINESS METHODS INSTITUTE (Chicago data processing school); KANSAS CITY BUSINESS COLLEGE; VALE TECHNICAL INSTITUTE of Blairsville, Pa. (automotive mechanics and body repair, damage estimates); BROWN INSTITUTE, Minneapolis (broadcasting school; electronics and data processing); and THOMPSON INSTITUTE, Harrisburg, Pa. (business and technical skills school). The addition of these institutes establishes a readily accessible market for the publishing division; while enabling CBS to expand its laboratory facilities.

OTHER

	1971	1970	1969	1968	1967
Net Sales ($mns.)	$15.0	13.0	14.0	14.7	9.1
Net Income ($mns.)	$(3.2)	(5.0)	(3.4)	(2.3)	(1.3)

1. CBS/COMTEC GROUP consolidates R&D operations in communications technology (viz., projects relating to space programs, federal and state agencies, electronics research, defense, and industry). CBS LABORATORIES DIVISION performs research and development, yet operates as a profit center. Its recent government projects include the Compass Link System of reconnaissance photography ("high resolution aerial photographs of ground activities transmitted via satellite from Vietnam to Washington") and the Laser Image Processing Scanner--both incorporating advanced laser technology and now in use by the Air Force. Linotron 1010, the world's first computer-based typesetting system, was delivered to the Air Force Logistics Command's worldwide headquarters at Wright-Patterson Air Force Base. Other projects include contracts for the Apollo program, NASA, "early warning systems", audio-visual educational aids (VIEWLEX INC.), the Government Printing Office, and Department of Defense. Exploitation of its global communications facilities has enabled CBS to expand marketing activities on an international scale, with distribution centers on most continents.

2. KLINGBEIL CO. is one of the nation's largest developers and managers of residential communities (with housing construction volume of $30 million in 1969). Other subsidiaries are RIVERFRONT REDEVELOPMENT CORP. (Missouri); SHER VENTURES, INC. (NY): FIVE-O FACILITIES (California).

3. Other GROUP business includes the development, manufacture and marketing of a random access video editor (RAVE), through the formation of CMX SYSTEMS, together with Memorex Corp. CBS has also formed a partnership with Savin Business Machines Corp., to produce and market high-speed, low-cost equipment for the business convenience facsimile market; to expedite this process CBS has acquired the resources and technology of DACOM, INC.

FOREIGN OPERATIONS OF CBS

CBS as a corporation is an operating company with more than one hundred subsidiaries. About three-quarters of these are foreign. As wholly-owned or majority-owned companies they serve CBS internationally. Licensees and affiliates that are not CBS subsidiaries perform other related operations.

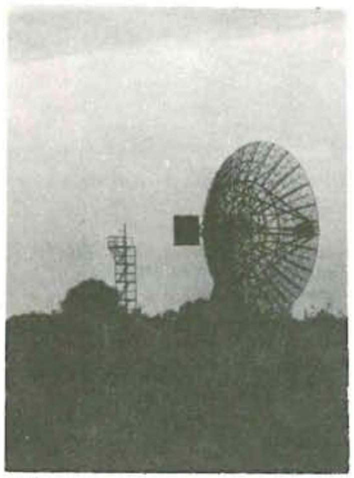
The CBS INTERNATIONAL DIVISION through twenty-one wholly-owned or partially-owned subsidiaries and twenty-five licensees has production, distribution, marketing and servicing facilities in 100 countries (e.g., CBS/Cupol, Sweden; CBS/Sony, Japan; CBS/Schallplatten, Germany; CBS Disques, France; April Music Pub. Co., Ltd., So. Africa; Cascade Electronics, Ltd., Canada; CBS UK, Ltd., England; CBS do Brasil Servico de Televiso Ltda., Brazil; CBS Latino Americana, Inc., NY; CBS Int'l. S.A. France; Discos CBS S.A.I.C.F., Argentina; Discos CBS S.A., Brazil; Discos CBS, S.A., Colombia; Columbia Records of Canada, Ltd. and many other subsidiaries) and sold 100 million records outside the USA in 1970. CBS ENTERPRISES INC. distributed CBS Newsfilm, television programs, and program series in every American city and in 100 foreign countries in 1970. CBS is part owner in several community antenna television (CATV) services in Canada. CBS has minority interests in offshore television operations (in program production) in Argentina, Peru, Venezuela, Trinidad-Tobago and Antigua. According to 1968 Annual Report, "the CBS Newsfilm service, using satellite delivery for major stories, expanded its penetration to 95% of the free world's television homes".

COMMAND, CONTROL, and COMMUNICATIONS

The role of CBS's recent acquisitions demonstrates an enormous expansion into non-broadcasting activities. Almost as part of a comprehensive cultural conspiracy, CBS has taken a foothold in the information industry; and publishing and educational firms - supplemented by the purchase of technical schools; real estate and redevelopment corporations; and numerous international subsidiaries. A vested interest in the educational market provides CBS with a source of funds from Federal and State grants-in-aid. Ownership of technical schools will enhance internal development of both CBS LABS DIVISION - in providing necessary laboratory, training and educational facilities - and CBS/COMTEC GROUP - through development of low-cost, risk-free technology for the 'information' industry.

The CBS/COMTEC GROUP is the research and development arm which makes CBS eligible for large government contracts. CBS LABS DIVISION produces innovations for industry and defense; it facilitates research and development for industry, the military and space technology. In the past five years there have been contracts with the U.S. Air Force, U.S. Army, NASA, U.S. Navy, and Department of Defense. The experience of CBS LABS DIVISION and CBS in general is similar to that of RCA INSTITUTES (with its enormous capacities for education, training and research) in diversifying operations and obtaining government contracts. Business Week reported in 1967, that:

"More than half the total R&D done by profit-making corporations this year will be concentrated in two industries - aerospace, and electrical machinery and communications. And these are the two industries in which the National Aeronautics and Space Administration and Defense Department sink huge sums of research and development money."



R&D

A variety of contracts has been carried out by CBS LABS DIVISION in the past four years - viz., in areas of defense, information systems, and space technology. CBS participates in several classified military and space programs. Though a great deal of defense and space work is classified and not made public, details of certain contracts made with the Air Force, Navy, Department of Interior, NASA, and the ARMY are available. These contracts - in their initial valuation (adjustments and increases in the contract are the rule) - are included in an appendix. These lists serve as indications, and are by no means comprehensive. As such, they are incomplete.

CBS/CABLE

- a brief Economic History of Viacom International, Inc.

The broadcasting industry was a sizable owner of cable television companies. Faced with a medium that could offer serious competition, it initially bought cable systems, or in some cases (RCA) built them from the start. Viacom International, Inc. (and its subsidiaries and affiliated companies) is a company that was created by CBS to operate its program distribution business and cable systems. Present operations consist of two divisions: Viacom Communications Division, accounting for 37 per cent of revenues in 1971; and Viacom Enterprises Division, with 63 per cent of revenues in 1971. Not only is Viacom the third largest CATV operator, with approximately 254,000 subscribers distributed mainly throughout the California, Northwest, San Francisco, Cleveland and recently, Long Island regions; but it is also one of the three largest television program distributors in the industry.

OPERATIONS

Since 1954 the CBS Enterprises Division (now Viacom Enterprises) engaged in program syndication and distribution services in the USA and abroad. Business is conducted directly or in conjunction with owned subsidiaries in major markets such as continental Europe, the UK, Canada, Australia, Japan, Brazil, and the whole of Latin America.

VIACOM PROGRAM DISTRIBUTION COMPANIES (Subsidiaries)	AREA SERVED/ STATE OF JURISDICTION
Viacom Video-Audio Communicacoes Limitada	Brazil
Viacom Canada Ltd.	Canada (Dominion)
Viacom International Pty Ltd.	Australia/ Middle East
Viacom International Ltd.	United Kingdom
Viacom Japan Inc.	Japan
Viacom Latino Americana Inc.	Latin America
Viacom S.A.	Europe/Africa/ South Africa

Viacom distributes programs from 16 overseas locations in more than 100 countries. It is estimated that every broadcast day, 53 million Americans and viewers in foreign countries watch Viacom distributed television programs. Organizations like the Ford Foundation and World Bank utilize film strips, educational films and other materials produced by Viacom in their international informational programming. Viacom markets a large number of television features in Latin America and has a good export trade in Brazil. "Hawaii Five-O" was dubbed into six languages and sold in 47 countries. Viacom also distributes such profitable shows as "Lucy", "Cannon", "Dick van Dyke", "Hogan's Heroes", "Mary Tyler Moore", "Petticoat Junction", "Gomer Pyle", "Perry Mason" and others. Foreign distribution of these series is so successful that 22 per cent of revenues (i.e., $4.4 million out of a total $19.8 million) were derived overseas in 1970.[5]

In 1971 the combined operations of domestic and foreign program syndication and distribution, and cable television business showed total revenues of $20.9 million, with net income of $1.7 million.

FINANCIAL SUMMARY[6]

	1971	1970	1969	1968	1967
Revenues ($mns.)	$ 20,974	18,539	15,300	10,386	7,345
Net Income ($mns.) ..	$ 1,674	1,803	1,275	1,006	926

SPIN-OFF

In response to an FCC ruling barring the networks from the CATV-field CBS announced it would spin-off that which constituted 'CBS Enterprises', to form a new company. Circumventing the FCC Order, Viacom International, Inc. was organized and incorporated by CBS on August 29, 1970. On June 4, 1971 CBS apparently distributed the capital stock of CBS Enterprises to Viacom in exchange for 3,789,836 additional shares of Viacom Common Stock, the number of additional shares being equal to the total number of shares of CBS Common Stock issued and outstanding at the close of business on December 17, 1970, divided by seven. The CBS stockholder would therefore receive on a pro rata basis one share of Viacom for every seven of CBS Common held. In this way 'CBS Enterprises' was merged into Viacom.[7]

Subsequent to the spin-off (as of May 10, 1972), more than 386,008 shares of Viacom common stock 'were transferred into the name of United States Corp. Co. (306 South St., Dover, Delaware) in its capacity as Voting Trustee under Voting trust Agreement among Viacom, US Corp. Co. and the successive holders of Voting Trust Certificates thereunder.'[8] This constitutes 10.1 per cent of the number of voting shares issued and outstanding (total = 3,835,844 shares) of Viacom Common Stock.[9] US Corp. Co. is no more than a beneficial trust/nominee enabling CBS management to exercise its voting rights. As such it is a vehicle which gives CBS management effective voting control of the so-called independent, Viacom. (See Part 2 of this Notebook for details of nominee accounts and network institutional ownership.)

OWNERSHIP

Like CBS, the largest Viacom shareholders are institutions - commercial banks own 22.4 per cent of voting shares and mutual funds own 18.5 per cent; and together with insurance companies they con-

trol 42.3 per cent of Viacom stock. The CBS board of directors owns 13 per cent of CBS outright - e.g., Paley owns 5.7 per cent of CBS common - giving them de facto control of the new concern. With the additional 10.1 per cent of Viacom held in beneficial trust (Voting Trust Certificates noted above), the same concentration of ownership is as visible in the federally-sanctioned and pseudo-independent company, as it is in CBS (with 60.1 per cent concentrated ownership.)

CUMULATIVE OWNERSHIP OF VIACOM
- out of 3,835,844 shares of Viacom common outstanding.

Number of shares	% of voting stock (Ownership)	Kind of institution
859,229	22.4%	Commercial Banks
709,853	18.5	Mutual/Investment Funds
386,008	10.1	US Corp. Co.
54,431	1.4	Insurance Companies
113,260	2.8	Dirs.' owned & options
498,659	13.0	CBS Directors
2,621,440	68.3%	TOTAL

Sources: Viacom, Notice of Annual Meeting, May 19,1972.
Vickers Invst. Co. Guide, August, 1972; and Ins. Co. Guide, July, 1972
FCC Ownership Form 323.

What was supposed to accomplish a divestiture of CBS's CATV-operations, and creation of a newly independent company amounts to no more than a contrivance initiated by CBS, with the full compliance of the FCC. CBS directors (13%), Viacom management and directors of Viacom International, Inc. "Divestiture", in this sense, means affiliation - in fact, control.

DIRECTORS

As if one means of control were not enough, the Viacom management and board of directors were themselves organized by CBS. Of these twelve appointments, four members - Ralph Baruch (director, president, chief executive), James Leahy (director, senior vp), George Castell (treasurer), James Hanlon (controller) - were formerly directors, officers and executives of CBS; they are the principal executive officers of Viacom. Needless to say, the remaining six directors are closely aligned with elite positions held by CBS directors. Najeeb Halaby, former chairman of the board and chief executive officer of Pan American World Airways, is also a director of the Bank of America, Aerospace Corp., Chrysler Corp., and Whirlpool Corp.; as well as member of both the Council on Foreign Relations and the Foreign Policy Association. Dr. George Harrar is president of the Rockefeller Foundation; Paul Norton, executive vice president of New York Life Insurance Co.; Burleigh Pattee, member of San Francisco law firm Chickering & Gregory; Richard Schall, president of Josten's Inc., Minneapolis; and John White, president of The Cooper Union, NYC, and former president of National Educational Television (NET).

RCA

\- NETWORK INFRASTRUCTURE/OPERATIONS

NBC is a wholly-owned subsidiary of RCA Corp. of America. Of the three network owners, the enormous conglomerate operations of RCA are the most ominous and formidable. RCA today is among the twenty largest industrial corporations anywhere, with 1971 sales of $3.5 billion. Its sixty-four manufacturing plants turn out more than 12,000 products for worldwide markets; and give RCA a grip on domestic and international communications and electronics technologies. A key economic institution in the globalization of American industry, RCA's multinational strategies have to do with the control of raw materials for vested manufacturing interests, and the control of markets, for which function television is admirably suited. RCA is a firmly entrenched leader in color TV set-manufacture, broadcasting (NBC), and defense electronics; and a significant factor in electronic information handling and other rapid-growth fields such as graphics, education, and medical electronics.

NBC in 1969 reported network revenues of $601,591,400 and was second only to CBS, with revenues of $651,000,000. The RCA sales total of $3.5 billion (1971) was comprised, like CBS, of four major groupings. Percentage of total (100%) sales for each operating segment is shown below.

	1971	1970	1969	1968	1967
Home products and oth. comm'l. products & services ($1.8 bn)	50%	47%	48%	48%	49%
Broadcasting, communications, publishing, and education ($754mn)	21%	23%	22%	22%	21%
Vehicle renting & related services ($597mn)	17%	17%	15%	14%	13%
Space, defense, and other government business ($423mn)	12%	13%	15%	16%	17%

Source: RCA Annual Report, 1970, 1971.
RCA, Notice of Special Meeting & Proxy Statement, Jan. 6, 1971, p 21.

Not unexpectedly, the broadcasting, communications, education and publishing sector was the most profitable, providing 50 per cent of net profit in 1971; with the broadcasting sector accounting for only 21% of revenues.[10] Consolidated sales and other revenues included $374,519,000 derived from overseas sources (about 11% 1970 sales; plus huge disguised profits). In addition, the foreign subsidiaries of RCA, whose accounts were not officially consolidated, reported combined net sales of $226,364,000--representing an additional 8% of revenues derived overseas 1970, for a combined total of 19% of sales. One can only imagine how profitable and exploitative overseas operations are, since these activities are virtually unrestricted, and disclosure of financial operations is not required. Recently RCA has been strengthening its extensive multinational operations. Now engaged in a parallel buildup of manufacturing capacity worldwide, it has built more than seventeen foreign facilities in strategic areas since 1967. Key moves include a joint

venture in Great Britain to make color tubes, a transistor plant in Belgium, computer venture in Germany with Siemens, and components plants in Taiwan, Puerto Rico and Mexico.[11] RCA products and services are available in 143 countries, and it has manufacturing, marketing, or research activities in thirty-seven countries, while subsidiaries and affiliates operate twenty-four plants in eleven countries and produce a variety of products ranging from records to solid-state components.

RCA, through NBC, has been able to provide technical and administrative 'assistance' to third world, developing, and some developed countries. NBC has had greatest impact on world television in the management-and-services area. NBC has been active for more than fourteen years in Saudi Arabia, "the largest single TV project undertaken by an American firm", South Vietnam, West Germany, Wales, Mexico, Lebanon, Sweden, Peru, the Philippines, Argentina, Yugoslavia, Barbados, Jamaica, Kenya, Nigeria ("the largest project except for Saudi Arabia") and Sierra Leone.[12] In June, 1972, TV stations in Brazil ordered $4.6 million in RCA studio and transmitting equipment to convert to color programming.[13]

RCA is engaged in the research, manufacture, distribution, sale, lease and servicing of electronic products including television, radios, phonographs and tape recorders; tubes and solid state devices; records and recorded tapes; commercial electronic equipment; computer systems, instructional systems, graphic systems, memory products and magnetic products; and space and military equipment. It also operates television and radio broadcasting networks and stations; maintains international communications facilities; licenses patents and provides technical training; rents and leases trucks and automobiles; publishes books; manufactures and sells frozen prepared foods; real estate brokerage; and conducts other related and unrelated activities.

The Corporation's principal domestic and wholly-owned subsidiaries are National Broadcasting Co., Inc., RCA Global Communications, Inc., RCA Sales Corp., RCA Distributing Corp., Random House, Inc., The Hertz Corp., Banquet Foods Corp., Coronet Industries and Cushman & Wakefield, Inc.

HOME PRODUCTS & OTHER COMMERCIAL PRODUCTS AND SERVICES

1. CONSUMER ELECTRONICS. RCA developed color and black-and-white television; produces and sells more color-tv sets than any other manufacturer. Sells extensive lines of radios, phonographs, tape recorders.

2. ELECTRONIC COMPONENTS. Manufactured electron tubes include devices such as receiving tubes, photomultipliers, television camera tubes, microwave & power tubes, television picture tubes. Also manufactures thermoelectric heat-to-electricity converters and gas lasers.

3. SOLID STATE PRODUCTS. Designs and sells transistors, rectifiers, thyristors, integrated circuits, electro-optical products & liquid crystal devices.

4. COMMERCIAL ELECTRONICS. Equipment for broadcasting, communications, education; includes transmitting & studio eqpt., tv-tape & film recording eqpt., closed-circuit systems, sound motion picture recording & reproducing apparatus, mobile communications eqpt., aviation eqpt. including radar systems, electronic test eqpt., gauging & inspection systems. RCA is also in the business of supplying equipment for CATV-transmission.

5. RECORDS. RCA RECORDS, div. of NBC, makes records, tapes, cassettes; operates record club; provides commercial record pressing, tape duplicating and recording services; and controls licenses outside USA.

6. DISTRIBUTION. Consumer electronic products are sold by RCA Sales Corp., chiefly to distributors who in turn sell products to retailers.

7. COMMERCIAL AND CONSUMER SERVICES. Service organization of technical specialists engaged primarily in installation, maintenance and servicing of RCA products and equipment. Sells and leases instruments and electronic systems to hotels, motels, schools, hospitals, nursing homes. Includes a Parts and Accessories Division.

8. FROZEN PREPARED FOODS. On March 31, 1970 BANQUET FOODS CORP. was acquired (formerly F. M. Stamper Co.); produces frozen prepared foods sold under trademark "Banquet". More than 500 million units of Banquet products are sold annually across the nation.

9. REAL ESTATE. CUSHMAN & WAKEFIELD INC. was acquired October 14, 1970--engaged primarily in real estate brokerage and development business and provides property management and consulting services. Cushman & Wakefield has leased a substantial part of all office space in New York City over the past 29 years. It has offices in New York metropolitan area, Midwest, South and Puerto Rico, as well as on West Coast.

10. CORONET INDUSTRIES INC. Recently acquired by RCA (with net sales in 1970 of $111 million and net income of $6.3mn.). In business of manufacturing and selling tufted carpets, rugs, carpet tiles, furniture and vinyl wall coverings for residential, commercial and institutionaluse.

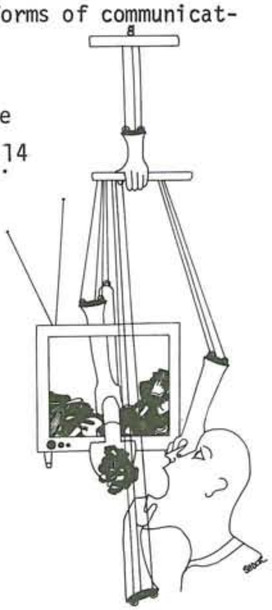
11. INTERNATIONAL OPERATIONS. RCA Ltd., wholly-owned subsidiary in Canada, is RCA's principal foreign operating subsidiary; designs and sells large range of consumer and other electronic products. RCA has one or more wholly-owned subsidiaries in Argentina, Australia, Belgium, Brazil, England, Italy, France, Germany, Mexico, Puerto Rico, and Taiwan; partially-owned subsidiaries in Britain, Spain, and Latin America; and minority interests elsewhere. RCA conducts a large export business.

12. PATENTS & TECHNICAL INFORMATION. In addition to using patents resulting from R & D in its own operations, RCA grants non-exclusive licenses at royalties, under any patent or patents to which it has the right to grant licenses and for any apparatus for which prospective licensee may desire a license. Corporation also sells technical information to foreign companies.

BROADCASTING, COMMUNICATIONS, PUBLISHING, EDUCATION

1. BROADCASTING. NBC, Inc. owns & operates under FCC license five television stations, six AM and six FM radio bdcstg. stations; sells network and radio services to 'independents'; distributes programs and licenses merchandising rights domestically and overseas; owns and provides management services for foreign broadcasters. NBC television network comprises 215 affiliates within the USA; it is estimated that NBC saturates 95 per cent of all homes in the USA. The Owned & Operated tv stations are located in New York City, Chicago, Cleveland, Pittsburgh, San Francisco, and Washington D.C.

2. COMMUNICATIONS. RCA GLOBAL COMMUNICATIONS, INC. is an international communications 'common carrier' operating a system of more than 2,650 cable, radio and satellite channels linking the continental United States with over 209 foreign countries and overseas points. One of RCA's most profitable operations, it has exclusive control of more than 200 satellite circuits. GLOBCOM also supplies international telephone and private line voice services (transmitting and receiving stations) in strategic foreign locations; marine communications services; computerized information processing services for private use in the Philippines (AIRCON Manila System); Executive Hot Lines (New York City, San Juan, P.R. and New York-Rio De Janeiro and Sao Paulo); and operates the Guam earth station, the major transit route link for all forms of communication to the Pacific and Orient.



3. RCA, NBC's parent company, is also one of the major shareholders, along with A.T.&T. and ITT, of COMSAT, the Communications Satellite Corp.; and plays therefore a considerable role in the international space consortium, INTELSAT.[14]

4. OVERSEAS. More critical than overseas broadcast holdings has been NBC's provision of technical and administrative 'assistance' to Third World, developing, and some developed countries. Now that the home market has been well saturated, RCA expects its extensive overseas operations to grow more than 150 per cent over the next five years.

5. VIETNAM. Through a contract made with the U.S. Information Agency, NBC agreed to supply the mechanical, technical, and engineering services in assisting the South Vietnamese Government to establish a four-system TV network with condition that TV facilities would be controlled by the government of South Vietnam. "The new TV system is to involve ground transmitters, replacing airplane transmitters. NBC

said the USA had formerly controlled the TV system; and that the transmitters will also be used by the armed service network, to be run by the Defense Department." The U.S. Agency for International Development paid all acquisition, equipment and installation costs to RCA (NBC); plus an additional $250,000 to NBC, for operating the system.[15]

6. RCA ALASCOM. The biggest coup of all was effected when RCA GLOBCOM arranged with the U.S. Government (USAF) for the purchase of and right to operate the entire Alaska Communications System (long line telephone service), strategically maintained by the U.S. Army and Air Force since 1900. Formal takeover was completed January 10, 1971, after transfer-approval by the FCC and the Alaska Public Utilities Commission. Alaska, the largest state and the nation's last frontier, has enormous raw material and mineral resources. The oil and tourist industries, together with Alaska's traditional businesses - lumbering, fishing and mining - will be a readily exploitable source of strategic raw materials for RCA's publishing and fabric output (Random House, Coronet Industries); its frozen prepared foods industry (Banquet Foods Corp.); and will serve all phases of the electronics, information, communications business. RCA GLOBCOM has already completed a microwave system, a tropospheric and microwave link, direct-distance dialing facilities. An earth station (for satellite communications) is being built at Tal Keetna, near Anchorage. In 1971 ALASCOM added a total of $28,129,000 to RCA's communications revenues.

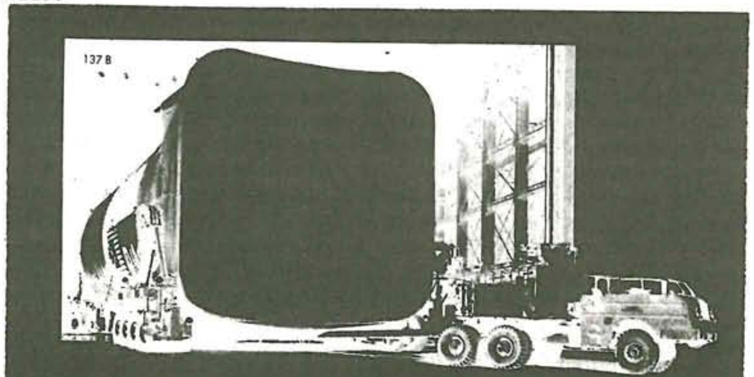


Fig. 137b. Video death-ray at California test site,1952. [USAF]

7. PUBLISHING AND EDUCATION. In 1966 RANDOM HOUSE, INC. became a wholly-owned subsidiary of RCA. RANDOM HOUSE publishes and distributes hardcover and paperback books, including trade books, juvenile books, textbooks and reference books. It manufactures books under the RANDOM HOUSE, ALFRED A. KNOPF, PANTHEON, L.W. SINGER and MODERN LIBRARY imprints (and others), and publishes the Random House Dictionary of the English Language.

8. Other major educational operations include training in electronics technology and related fields by RCA INSTITUTES, INC.; and the development, sale and application of learning adjustment devices and educational programs. Thus providing a ready outlet for government funding, in the supply of training facilities for tomorrow's technocrats.

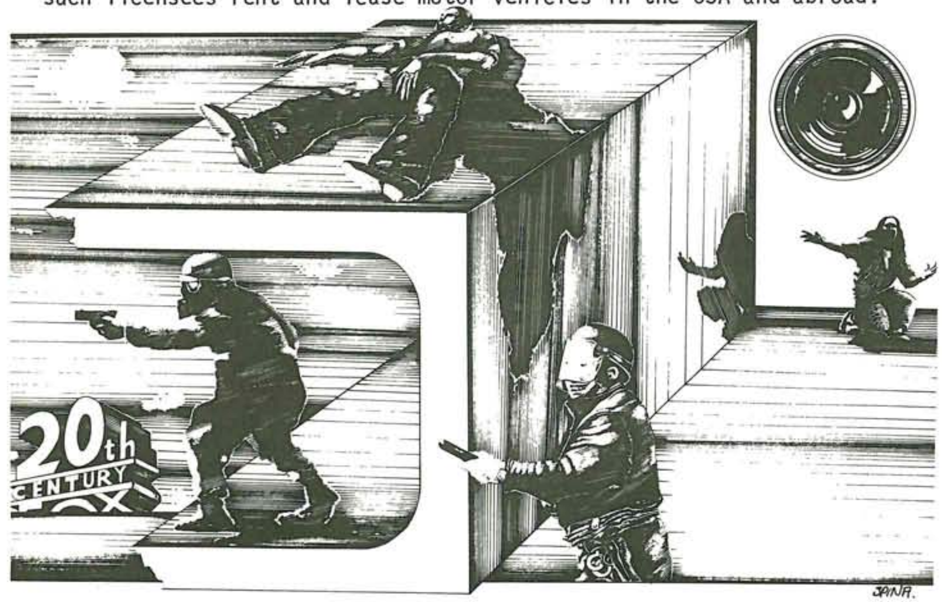
9. Through its EDUCATION AND SERVICES GROUP, RCA has established a mechanism for attracting government moneys - in the management and organization of training programs. In 1970 the U.S. Department of Labor awarded a contract to operate a residential Job Corps center for the training of underprivileged youth in New York City. Other federally funded centers run profitably by RCA are the Keystone Job Corps Center for Women in Penna. and the Choanoke Area Development Center for seasonal farm workers and their families in North Carolina.

10. RCA also operates state funded basic education, vocational training, and extracurricular programs for various Youth Development Centers (e.g., Cornwells Heights - through Penna. Dept. of Welfare; and in Delaware the Educational Management Systems Group; also packages education in Ohio; and directs migrant workers in Florida). Under the federal Manpower Development and Training Act, RCA's Four Cities Program in 1970 trained 350 unemployables and placed them in jobs in Camden, Chicago, Los Angeles, and New York.

VEHICLE RENTING AND RELATED SERVICES

1. HERTZ CORP. In 1967 The Hertz Corp. became a wholly-owned subsidiary of RCA. Hertz is, itself or through subsidiaries, mainly in the business of renting and leasing automobiles and trucks to customers in the USA and in most other countries. It is the largest enterprise of its kind. Hertz and its licensees operate approximately 150,000 automobiles and trucks from about 3,200 locations in the USA and more than 100 other foreign countries. Hertz owns more than 80% of these vehicles.

HERTZ is involved in many other activities--e.g., parking lots; trade shows, conventions, expositions, construction equipment; and airport terminal services (hotel, banking, recreational, transport. facilities). A wholly-owned subsidiary, Hertz Systems, Inc., issues franchises to licensees and sets standards and procedures by which such licensees rent and lease motor vehicles in the USA and abroad.



COMMAND, CONTROL, and COMMUNICATIONS

- A look at SPACE, DEFENSE, and OTHER GOVERNMENT BUSINESS

The government-industry alliance was never more apparent than in the case of RCA. RCA reported direct space, defense, and other government business at $423,000,000 for 1971, or 11.9 per cent of total sales and revenues. In addition to this, however, there are numerous other federal and state grants and trade-offs in the field of education (through RCA Institutes) and 'educational services'; global communications (RCA Globcom); overseas interests and affairs; and other government services. RCA also participates in several classified military, educational and space programs--details of which are not available to the public. Examples of some strategic contracts and services reported are included in this section; a detailed listing of R&D awards for 1971 is included in an appendix.

In 1971, RCA ranked eighth among industrial prime contractors to NASA and 21st among prime contractors to the Department of Defense. RCA's Government Business includes the sale and lease of electronic computers and commercial products for government use, and massive R&D work under contract.

RCA SERVICE CO. has facilitated many Federal programs in communications, electronics, and allied fields and is a leading supplier to America's Armed Forces and Space Programs, domestically and at more than 33 international locations. The SERVICE CO. operates and maintains all the Army's tracking radar systems at the White Sands Missile Range in New Mexico. It also operates and provides support for major military and space projects - e.g., Ballistic Missile Early Warning System (BMEWS) in the Arctic; Eastern Test Range, with strategic locations from Cape Kennedy to the Indian Ocean; Atlantic Fleet Weapons Range (AFWR) in the Caribbean; Alaskan White Alice Communications System; NASA's Aerodynamic Test Range in California and Wallops Island Station in Virginia, and centers at Huntsville, Ala., and Greenbelt, Md.; Apollo ground support team at Cape Kennedy; and tracking stations for NASA's Space Tracking and Data Acquisition Network, operating tracking stations around the world.

In 1969 the Navy awarded RCA a $253-million contract for development of the AEGIS advanced surface missile system. Designed to destroy enemy aircraft and surface-launched rockets (e.g., Russian Styx), it is to be the Navy's major defensive surface-to-air missile system for guided missile ships. This represents the largest defense contract RCA has received in ten years; it is eventually expected to exceed $1-billion. Main subcontractors aligned with RCA include Bendix Corp. for missile design, Gibbs & Cox, Inc. for naval architectural services, and Raytheon Co. for radar and weapons control equipment.[16] Early in 1971 the Navy increased its AEGIS missile contract with RCA by $100,000,000, and authorized work on the new Harpoon antiship missile.[17]

In 1970 RCA delivered to the Army a night-fire control system incorporating low light-level television developed expressly for the military. Navy navigation satellites are being built under contract. RCA leads in the development of meteorological satellites and principal equipment for observation satellites. More than 1.5 million television pictures have been returned by RCA-built spacecraft. During 1970, the first two in a series of RCA-built ITOS satellites were launched. Power and data storage systems were also manufactured for NASA's experimental NIMBUS weather satellites. NASA contracted with RCA to build high-resolution TV and data recording systems for the first Earth Resources Technology Satellites (ERTS), launched in 1972.

Other projects under Government contract include the TIROS and ESSA operational weather satellites; electronic switching systems, including AUTODIN; ground checkout computers and electronic systems for APOLLO/SATURN program, including Lunar Module Communications System; tactical communications; instrumentation and military radars; command and control systems; check-out and launch systems; navigational aids including navigational satellites; speech recognition devices; laser devices; low light-level television systems; automatic electronic test equipment for support of surface-to-surface missile systems; and related electronic equipment.

RCA DEFENSE ELECTRONIC PRODUCTS are supplied by Aerospace Systems Division, Astro-Electronics Division; Communications Systems Division; Missile and Surface Radar Division; Aerospace Communications and Control Division; Communications and Control Division.

RESEARCH AND DEVELOPMENT

In exploiting the predetermined "information revolution", the "educational establishment"; and in preparing the world for America's global electronic invasion, RCA conducts enormous R&D activities into methods and means. Principal research facility is the David Sarnoff Research Center at Princeton, N.J., which occupies 591,000 square feet on a 342-acre tract owned by the Corporation.
Research into electronics, physics, chemistry, optics, metallurgy, quantum electronics, semi-conductors, liquid crystals, active solids, electro-optics, psychological warfare, etc. finds its immediate application in communications, information handling and control, data processing, and consumer electronics. With regard to computer electronics, there are research projects on electronic memory systems, logic and programming concepts, lasers, and solid-state circuit devices.
The RCA consortium has about 118,000 paid employees, 20,000 of whom are employed abroad.

Though a great deal of defense and space research is classified and not made public, details of certain contracts made with the Department of Defense, USIA, NASA, etc. are available. Ranked 21st out of the top 100 defense contractors, RCA's defense awards for 1971 amounted to $262,805,000 - equivalent to .84 per cent of the US total defense budget. A list (with subtotals) comprising most of these unclassified awards for 1971 appears in an appendix.

DEFENSE CONTRACTING	RCA Corp.	$244,413,000	
	RCA Global Communics., Inc.	18,289,000	
	Three other subsidiaries	103,000	%US Total
	TOTAL	$262,805,000	.84%

Source: The Almanac of American Politics, 1972 - by M. Barone, G. Ujifusa, D. Matthews. Gambit Press.

abc

- NETWORK INFRASTRUCTURE/OPERATIONS

ABC, a diversified entertainment complex, operates the third television network and the largest motion picture theatre distribution chain in the USA. Since its merger with giant United Paramount Theatres, Inc. on Feb. 9, 1953, American Broadcasting-Paramount Theatres, Inc. (present name ABC adopted July 2, 1965) has continued to diversify and expand operations principally in 'entertainment' and leisure-time activities. Not only does ABC own and operate radio and television stations, but it is also engaged in record production and distribution, motion picture production, publishing, merchandise sales, and amusement centers. Its large international television facilities relay profitable advertising messages to 'developing' countries and the Third World.

Broadcasting accounts for 70 per cent of corporate revenues (1971) and constitutes ABC's most profitable operation, the equivalent of 83 per cent of gross income. Except for the ill-fated attempted merger with ITT in the mid-1960's, ABC's conglomerate expansion has not been as bold as that of RCA or CBS. ABC has concentrated its domestic acquisition policies in the entertainment/leisure-time industries - e.g., with its enormous theatre chain, and ownership of amusement parks. Radio broadcasting is significant; at the end of 1971 no less than 1,254 stations were affiliated with the four ABC radio network services. Theatre operations accounted for 13 per cent of revenues in 1971; while records, motion pictures, merchandise sales, publishing and other activities were 17 per cent of revenues.

REVENUES ($mns.)	1971	1970	1969	1968	1967
Broadcasting	$528 (70%)	$523.2	$507.8	$454.7	$431.3 (75%)
Theatres	96 (13%)	99.9	94.8	97.6	84.9 (15%)
Records, picts., publ., others	132 (17%)	125.1	118.3	81.6	58.9 (10%)
TOTAL...	$756	$748.2	$720.8	$633.9	$574.9(100%)

Source: ABC 1968, 1970, 1971 Annual Reports

BROADCASTING

1. TELEVISION. Network interconnects 168 primary affiliates; owned and operated television stations in five of the top seven markets in USA--New York, Chicago, San Francisco, Los Angeles, Detroit--all broadcast on channel number 7 in VHF band. ABC NEWS markets and distributes taped and filmed news stories to one hundred domestic and twenty foreign TV stations subscribing to its syndication service. ABC Television Spot Sales, representing the five owned TV stations, have posted record sales in each of the last nine years. ABC Films, the television program distribution subsidiary, sells programming to advertisers and television stations around the world.

2. RADIO. ABC owns and operates AM and FM radio stations in seven of the top eight markets in USA--in New York, Pittsburgh, Detroit, Chicago, San Francisco, Houston, and Los Angeles. The four radio network services (279 Contemporary, 447 Information, 314 Entertainment, 214 FM) include 1254 affiliated stations, which afford 'demographic targeting' to advertisers. ABC owned AM stations have the largest audience of any owned radio group in the country; each station is the number 1 network owned station in its market. ABC Radio-News is the country's largest radio-only news gathering organization.

3. ABC INTERNATIONAL. Has held controlling interests in sixteen foreign companies operating television stations in thirteen countries, principally in Latin America and the Far East (also Australia, Canada, Lebanon, Japan, the Netherlands, Okinawa, and Philippines); and has associations with TV stations in twenty-three foreign production companies in Europe and Latin America. ABC INTERNATIONAL is program purchasing agent and/or sales representative for all of the above-designated companies. Earth stations (mainly operated by RCA) capable of transmitting and receiving satellite signals began servicing areas in Panama, Chile, Mexico, and Australia, where ABC associated stations are located.

THEATRES

Through various subsidiaries ABC operates 431 theatres; it also determines management, film rights and distribution procedures. Movie houses are run on a decentralized basis in at least thirty-two states and include both first run and subsequent run theatres as well as drive-in theatres. Approximately twenty-seven additional theatres are under construction, mainly as part of suburban shopping facilities, including two motion picture houses in ABC ENTERTAINMENT CENTER in Century City, Los Angeles.

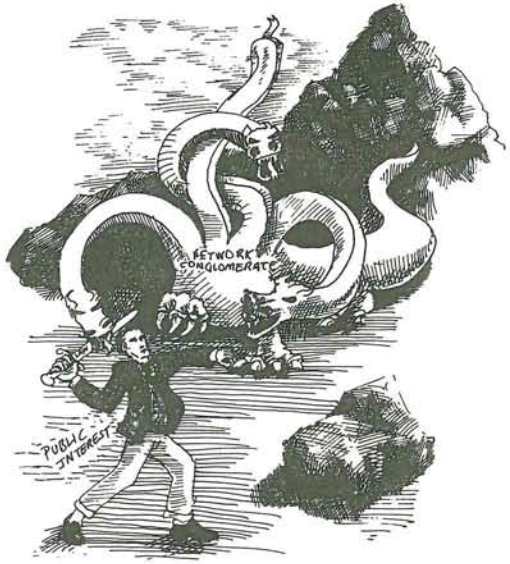
RECORDS, MOTION PICTURES, PUBLISHING, AND OTHER ACTIVITIES

1. RECORDS. ABC RECORDS, INC., a wholly-owned subsidiary, manufactures and distributes phonograph records, tapes, cassettes, and audio-visual products throughout the USA and worldwide. Major labels are ABC, DUNHILL, IMPULSE, COMMAND, WESTMINSTER, PROBE, BLUESWAY. Also engages in music publishing.

2. MOTION PICTURES. ABC Picture Holdings, Inc. produces feature films for distribution by Cinerama Releasing Corp. This was not a 'profitable' operation in 1970, in spite of monopoly distribution facilities (through extensive theatre holdings), which provide a ready outlet for multi-million dollar features.

3. PUBLISHING. ABC subsidiaries publish Prairie Farmer (publ. Chicago), Wallaces Farmer (Des Moines) and Wisconsin Agriculturist (Racine), three leading agricultural papers - in terms of advertising lineage and editorial coverage - servicing the Midwest for more than a hundred years, and having a combined circulation exceeding 700,000.

4. OTHER ACTIVITIES. Wholly owned subsidiaries operate tourist attraction centers in Florida: WEEKI WACHEE SPRING, near St. Petersburg, and SILVER SPRINGS, near Ocala. With glass-bottom boat rides, underwater mermaid shows (e.g., WW's underwater show, "Mermaids on the Moon"), and natural springs, these sites draw large numbers of tourists and spectators.



One man, this sword, and the F.C.C. are ineffectual against the beast.

TV EXPORTS

- The role of ABC INTERNATIONAL

"TV is not an art form or a culture channel;
it is an advertising medium."[18]

The pattern of overseas advertising expansion correlates with the worldwide expansion of U.S. business, growth of the multinational corporation, and the international thrust of American state monopoly capitalism. Television is obviously the preferred medium of the advertiser. Through the promotion of exclusively U.S. symbols, images and brand loyalties, markets have been created and won for consumer goods producers. The continuing siege of U.S. ad-men has forced consumer products into Third World countries. American program producers have long been aware of the lucrative secondary markets to be had in Latin America. Countries of low-income areas (e.g., Africa, Asia, Latin America) bear the mark of old U.S. films and shows, which are 'dumped' at low prices to secure a hold on emerging markets - regardless of any relevance or necessity for the type of 'entertainment' provided. The limited variety of programming which originates in American production centers is tailored to the needs and interests of the global advertiser: "The right program is matched to the special requirements of the client."[19] Then, through a unified marketing approach, a form of cultural imperialism is forced on the life systems of another people.[20]

"For the advertiser, television means a fantastically powerful communications tool, a personal, demonstrating salesman who actually lives with his best potential customers."[21]

Of the three major TV networks in the USA, ABC has been the most active in penetrating the overseas market, somehow compensating for its historically weaker position in the domestic market, behind CBS and NBC. ABC INTERNATIONAL was formed as a subsidiary to ABC, Inc. in 1960. Through ABC INTERNATIONAL the group organization of independent stations, known as Worldvision network, came into existence.

ABC INTERNATIONAL has been the world's leading organization for centralizing the operations of global commercial television, in servicing the international advertiser and promoting multinational corporate growth. Over the past decade this division of ABC has continued to grow. In 1968 it had direct investment-interests in sixty-four TV stations. As such it links twenty-seven countries (sixteen of them in Latin America) in a worldwide contract providing member stations with three major services: program buying, sales representation and networking.[22] These facilities enable ABC to reach more than 23 million homes. "Trade, after all, is communication."[23]

The standard procedure of television invasion and takeover is direct investment in an already-existing broadcast facility abroad. This investment is determined by services which ABC can offer - e.g., financial support, technical and administrative services (often in cooperation with RCA), personnel training programs, program buying and syndication service, and sales representation. In unifying the operations of an international advertising agency, ABC INTERNATIONAL has been creating a 'single world-wide medium that an international advertiser can buy in a centralized way'.[24] ABC reported in 1966, that "its programs were sold in over eighty foreign markets" (ABC Inc., Annual Report 1966, p. 11).

Policies pursued by ABC INTERNATIONAL reflect U.S. Government priorities in forming economic common markets in Central and Latin America. Formed in 1960, CATVN (Central American Television Network) pioneered the world's largest international commercial network, in the ABC INTERNATIONAL organization. Operating in Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama, this common advertising market serves more than 517,000 TV sets (1966 figures), with audience potential exceeding 2,400,000 viewers.

"To ignore the huge Central American market is to ignore a potential bonanza. To ignore the power of television is to ignore the most powerful sales tool in a market that imported well over a billion dollars worth of products."[25]

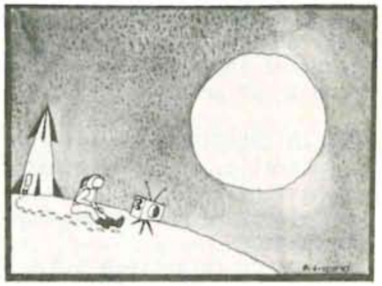
The ABC INTERNATIONAL market functions in Central and Latin America, Asia, Australia, the Middle East, and Canada. Specific subsidiaries and operations include:

- Cia. Televisora Hondurean, S.A. Tegucigalpa, Honduras - operates a TV station.
- Circuitos de Television S.A., Caracas, Venezuela - holds stock in corp. owning TV network, originating Caracas.

Corporation Venezolana de Television, C.A., Caracas, Venezuela - operates TV network in Venezuela.
Inversiones Everest C.A., Caracas, Venez. - holds stock in corp. owning TV network in Venezuela.
Producciones Technicas, S.A., Columbia - operates TV station.
Radio-TV Guatemala, S.A., Guatemala City - operates TV station.
Primera TV Ecuatoriana, S.A., Guayaquil, Ecuador - operates TV stations in Quito and Guayaquil, Ecuador.
Teleinversiones, C.A., Caracas, Venez. - owns stock in corporation operating TV network originating Valencia, Venez.
Televisora De Costa Rica Ltda., San Jose, Costa Rica - operates TV station in San Jose, Costa Rica.
Televisora Nacional, S.A., Panama - operates TV station, Panama.
ABC Films de Venezuela, S.R.L., Caracas, Venez. - syndicates TV programming in Latin America (except Brazil).
ABC Films Do Brasil Ltda., Sao Paulo, Brazil - syndicates TV programs in Brazil.
ABC Films Latinoamericana, S.A., Panama City, R.P. - syndicates TV programming in Latin America (except Brazil).
Gibbs Investment Corp., NYC - owns stock in TV production & time sales co. in Buenos Aires, Argentina.
Inversiones Golick, S.A., Panama, R.P. - co. holding minority interest in co. operating two TV stations in El Salvador.
ABC Films GmbH, Munich, W.Germany - syndicates TV programming in Western Europe.
Middle East Network, S.A.L., Beirut, Lebanon - owns stock in corp. operating TV station in Beirut, Lebanon.
Compagnie de Television du Liban et du Proche-Orient, Beirut, Lebanon - operates TV station.
Loreto F. De Hamedes, Inc., Manila, Philippines - owns & operates TV stations in the Philippines.
Manichi Broadcasting System, Inc., Osaka, Japan - owns & operates TV stations in Osaka, Japan.
Nippon Educational TV Co. Ltd., Tokyo - owns & oper. TV stn., Tokyo.
Ryukyus Broadcasting Corp., Naha, Okinawa - operates TV station in Okinawa.
Programs Distribution, Inc., Panama - engaged in distribution & sale of programs for TV.

Source: FCC License Renewal Application Forms, WABC-TV, 1972.

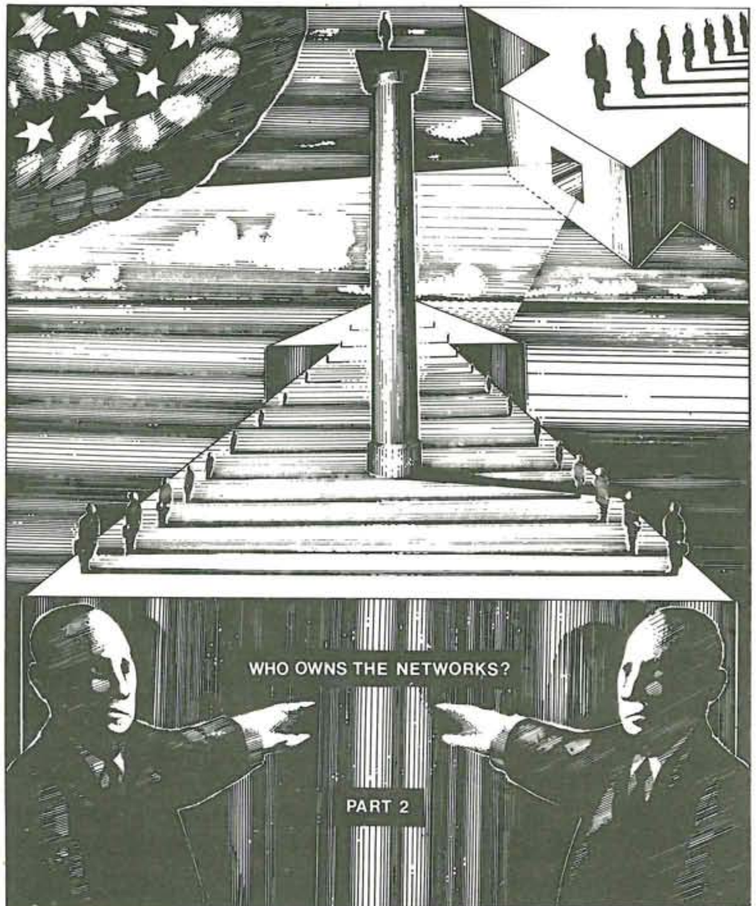
While CBS's and NBC's overseas investments are not as extensive as ABC's, their facilities and operations are concentrated in strategic areas - Latin America, Asia, the Middle East. Different sets of priorities do exist for each network; taken together they complement one another nicely. CBS's overseas role is by and large concerned with commercial penetration and distribution of various consumer goods (non-broadcasting) products, and of course, programming; its primary target area is Latin America.



On the other hand NBC(RCA)'s primary concern is with technical/technological penetration. It will establish an entire TV system for a country - functioning in the administration, construction, design, and provision of programming, management services and technical/electronics/TV equipment. NBC's interests are tied to the corporate goals of RCA; and television activities abroad help to stimulate the demand for other RCA products. The triadic structure of America's broadcasting empire is thus complete.

FOOTNOTES

1 CBS, Annual Report, 1970, p.4
2 See Broadcasting, "Conglomerates' Bright Penny", Aug. 2, 1971, p. 10 - for further details.
3 CBS, Annual Report, 1968, p. 36. As quoted: "The challenge has never been greater - if only because of the sheer immensity of our $58 billion educational establishment...Nowhere are the changes in education more visible than in the billion dollar learning materials industry." (emphasis added)
4 "CBS Enters the 70s", CBS, Feb. 18, 1970.
5 Securities and Exchange Commission (SEC) Form 8, "Amendment to Application or Report", Viacom International Inc., Amendment no. 4, June 9, 1971, p.2.
6 Viacom International Inc., 1971 Annual Report, Mar. 20, 1972, p.6.
7 Supplement to Listing Application to the New York Stock Exchange, Inc. Viacom International Inc., Form A-30137 (Supplement), June 9, 1971, "Description of Transaction", p. 1.
8 SEC Form 8, op. cit., Amendment no. 4, p. 17.
9 Viacom, Notice of Annual Meeting & Proxy Statement, May 19, 1972, p.1. 1972, p.1.
10 See Broadcasting, "Conglomerates' Bright Penny", Aug. 2, 1971, p. 10 - for further explanation of profit potential of broadcasting.
11 Business Week, "Bob Sarnoff Runs a New Game", Jan. 24, 1970, p.84.
12 R. Tyler, "Television Around the World", Television Magazine, Oct. 1966, pp. 32 and 59.
13 Standard & Poor's Daily News, RCA, June 21, 1972, p. 5782.
14 Schiller, H.I., Mass Communications and American Empire, Beacon Press, 1971, p. 83.
15 Wall Street Journal, "NBC Agrees to Help South Vietnam Build a TV Network", July 1, 1966, p. 18.
16 Wall Street Journal, "RCA is Awarded a $252.9 million Job for Aegis Missile", Dec. 24, 1969, p. 5.
17 Business Week, "Navy Gets More of Budget", Feb. 6, 1971, p. 64.
18 Daniel Karp, New York Times Magazine, "TV Shows Are Not Supposed To Be Good", Jan. 23, 1966.
19 "The Known and the New", Worldvision, ABC International TV Inc., 1966.
20 See Network Project radio series: FEEDBACK 3 (transcript printed in Performance, Sept./Oct., 1972) for details of the Ford Foundation television 'experiment' in American Samoa.
21 "The Known and the New", Worldvision, ABC Int'l. TV Inc., 1966.
22 R. Tyler, "Television Around the World", op. cit., p. 33.
23 New York Times, "Advertising: A Glimpse at Global TV"; quote of Don W. Coyle, president of ABC International TV, May 15, 1966, Sec. 3, p. 17.
24 R. Tyler, op. cit., p. 61.
25 "The Official El Medioso Report", CATVN, ABC International TV Inc., 1966.



THE INSTITUTIONS

Banking and finance institutions are the controllers of modern capitalism. Their investment decisions and loan activities influence the nature and direction of corporate expansion and industrial development. These institutions determine the flow and distribution of credit in our society. They are the primary repositories of intelligence about the nation's economy and power structure; they have key information on ownership patterns, debt and long-term economic planning. Their loan decisions determine, to great extent, which projects will be undertaken, a company's acquisition policy, and the thrust of multi-national expansion.

The principal institutional forms of U.S. banking include insurance companies, commercial banks, investment banks and mutual funds - which offer a variety of services suited to the peculiar needs of investors, family trusts, foundations, etc.

COMMERCIAL BANKS accept deposits and make loans. Through their large trust funds (equity investments held in trust and managed by the bank for individual or institutional investors), major New York banks - e.g., Chase Manhattan Bank, Bankers Trust Co., Bank of New York - hold controlling interests in major non-banking industries (viz., the networks), and this, together with loans to certain corporation, gives the banks decisive influence over institutional affairs. such as management, merger policy, conglomerate development. Commercial Banks, for example, own 6,609,004 voting shares of CBS - equivalent to 22.4% of all investment holdings in the corporation.

INVESTMENT BANKS act as intermediaries in raising money for corporations and governments, usually by undersriting stocks, bonds or other forms of debentures, and then selling these to the public or placing them with wealthy clients or financial institutions such as banks, pension funds, insurance companies or investment funds. They do not accept deposits or offer regular commercial banking services. The First Boston Corp. is an investment bank which conducts the highest volume of underwriting in the United States. CBS's new president, Arthur Taylor (see Part 3), is a director and former vice-president of First Boston Corp., in which the Rockefeller financial group has a strong interest. Chairman of the board William Paley is also a director of First Boston Corp.

INSURANCE COMPANIES not only engage in the business of insuring and reinsuring (life, casualty, trade, commercial, etc.), but also function as sources of long term loans.

MUTUAL and INVESTMENT FUNDS are often run by or closely linked with commercial banking interests. They gather money into nominee or beneficial ("front") accounts, and invest this money in stocks, real estate, etc. These funds maintain voting rights for the stocks which are held in beneficial trust. Massachusetts Investors Growth Stock Fund and Massachusetts Investors Trust are mutual funds which together control 3.4% of CBS stock. They both share the same address and the same chairman of the board (c/o Massachusetts Financial Services), and were both organized by Brown Brothers Harriman & Co. CBS director Robert Lovett is a general partner of Brown Brothers Harriman. Investment funds control an additional 5,766,281 shares of CBS stock, or 19.9 per cent of cumulative ownership.

For effective control of a large corporation, it is by no means necessary for an individual, family or group of families to own 51 per cent of the stock. Representative Wright Patmam, Chairman of the House Banking and Currency Committee uses stock ownership of 5 per cent as sufficient indicator of great influence if not outright control. Financial control is the relevant factor where power is concerned.

The Temporary National Economic Committee Report (TNEC), published 1940-41 by the SEC,[1] noted the concentrated political economic power of institutions and family holdings:

1 The largest holdings of officers are in the hands of those who represent dominant or controlling family groups.
2 The twenty largest shareholdings in each of the 200

> corporations account, on the average, for nearly one-third of the total value of all outstanding stock.
> 3 In the average corporation the majority of the voting power is concentrated in the hands of not over 1 per cent of the stockholders.[2]

"The ownership of the stock of all American corporations is highly concentrated. For example, 10,000 persons (.008 per cent of the population) own one-fourth, and 75,000 persons (.06 per cent of the population) own fully one-half of all corporate stock held by individuals in this country."[3] These figures were cited more than thirty years ago. The ownership patterns of CBS, RCA, and ABC in 1972 confirm this trend toward concentrated ownership. The belief that stock ownership is public and widespread and the further thesis that large numbers of small share owners hold a great deal of stock is, like "free enterprise" itself, a myth.

CBS

CBS is supposedly a widely held stock - with 29,468,159 shares of common and preferred shares outstanding (as of Feb., 1972) reportedly owned by about 70,000 shareholders. Most of these accounts have very small record holdings. "Only a very few people own stock in significant quantities."[4]

> In fact, the diversity of stock ownership is only a context in which a small number of interests and the management are able to control most of the enterprise. The general stockholder has very little to do with the policy of the corporation. The problem of the corporation and its responsibility to the community is a very pressing problem at times because of the fact that the stockholder is not a sufficient representative of the ownership interest in the corporation. So that when it's applied to broadcasting, it's clear that a relatively small number of people have a very important role in the large corporations in broadcasting.[5]

Institutional investors, such as insurance companies, commercial banks and investment funds completely dominate the market-place, and demand performance. The central power of institutional leverage is colossal. According to official New York Stock Exchange estimates, more than 40 per cent of all listed securities are in institutional hands. Finally, with regard to annual shareholder meetings, the business of which is to re-elect directors (1 vote common stock = 1 vote, effectively): since most stockholders vote by proxy (i.e., surrender their voting rights to management), the myth of democratic stockholder power is repudiated.

The obvious control exercised by institutional lenders over the decision-making process was demonstrated in a pilot study made of a minor broadcasting company, Fuqua Industries, Inc., by the FCC. The case study concluded that a broadcast station's journalistic policy and operations were being determined by the increasing concentration of media ownership, combined with the effects of other conglomerate interests. The study took note of a revolving credit agreement, which was entered into with nine banks, by Fuqua Industries, for a $16 million loan - later increased to $23 million. The accord between banks and

broadcaster contained a clause giving the banks veto power over the election of any new Fuqua chief executive unless he was filling a vacancy caused by disability or death.[6] To gain financial leverage, generate an easy cash flow and maintain cash reserves, a corporation surrenders ownership and voting control to the credit institution.

WHERE ARE THE OWNERS?

According to monthly ownership reports filed with the FCC for CBS (required 'public' ownership Form 323), and Vickers Investment Co. and Insurance Co. Guides, the combined stock ownership - voting control - of institutional investment-accounts amounts to 47.1 per cent, the total reported for 1972. Now the bank, insurance company or mutual fund often files its holdings in cumulative investment accounts, called 'nominees' or 'beneficial trusts' - as opposed to 'street' or trading accounts. A nominee account is basically a convenience technique. It is a discretionary agreement with an underlying owner. Unlike the 'street' account, a trust account is a discretionary account whereby the trustee (e. g., bank, investment fund) votes the stock assigned to the trust, thereby exercising control by virtue of the fact that it holds the shares in trust agreement. Nominee or "front" accounts are fabricated to serve large money interests of wealthy individuals or institutions. As such they are 'discretionary' or secret accounts, maintained for the purpose of disguising ownership.

This arrangement shields private investors from public scrutiny by not publicizing ownership. For example, the bank may assign a nominee (see Chase Manhattan: Kane & Co., Cudd & Co.) in which the stock of one or even ten or more accounts is grouped. Chase Manhattan may have any number of nominee accounts in which stock is filed; Kane & Co. and Cudd & Co. (each with 4.6% control of CBS stock) are the largest broadcast nominees for Chase, but there are many more. The FCC has only required that a bank file an ownership report if the holdings of an underlying nominee account exceed 1 per cent. If the combined amounts of each trust (nominee) account do not exceed 1 per cent of stock ownership, the broadcast corporation is not required to file with the FCC. In the case of CBS, 47.3 per cent of the stock issued and outstanding - 13,782,957 shares - is controlled by a minority of large record holders. It is difficult to determine how much more stock is closely controlled, since this information is classified, and not available to the public.

To sum up, since banks, mutual funds, etc., are not allowed to own/participate directly in stock ownership - which gives voting control - a company has to be fabricated to serve this purpose. Hence the existence of convenience techniques known as nominee ("front") accounts. Investments are placed by the institutional investor in a nominee account. The bank or institutional holder then votes the stock for its beneficiary/nominee. The nominees which have been set up as trust companies - such as Kane & Co. and Cudd & Co. - are no more than vehicles for institutions or certain individuals who desire discretion and wish to remain secret.

CBS COMPOSITE OWNERSHIP

Common shares issued & outstanding	27,662,849
Preferred shs. " " "	1,805,310
TOTAL VOTING SHARES	29,468,159

Nominee/benefic.	COMMERCIAL BANK	Record hldgs. CM & PF #voting shares	% OWNERSHIP	date
Kane & Co.		1,359,359	4.61	12/71
Cudd & Co.	Chase Manhattan	1,360,036	4.62	"
-	Bankers Trust Co.	828,284	2.81	2/72
Agree;Cust;Freer Milo;Trude; &Co.	Continental Ill. Nat'l. Bank&Trust Co.	746,112	2.53	"
-	Bank of New York	512,329	1.74	"
-	Morgan Guaranty	494,115	1.65	"
Anderson & Co.	Fidelity-Phila. Trust	487,721	1.65	12/71
-	State St. Bank&Trust	453,148	1.54	2/72
-	Bank of Delaware	367,900	1.25	12/71
	TOTAL	6,609,004	22.4%	
	MUTUAL & INVST. FUNDS			
Lerche&Co/Bk.NY	Dreyfus Fund	938,843	3.18	6/72
Bark & Co.	Mass. Invstrs. Trust	566,100	1.92	12/71
Peak & Co.	Mass. Invstrs. Gr.Stk	447,750	1.52	"
Firjer & Co.	Fund. Invstrs., Inc.	525,614	1.79	"
-	Fidelity Mg't.& Res.	495,700	1.68	6/72
AMCAP;Wash.Mut.	/Invst. Co. of Amer	198,900	.67	2/72
-	Arthur Judson, Inc.	382,074	1.29	"
Atwell & Co.	United States Tr. Co.	315,324	1.07	12/71
-	Hamilton Funds	204,589	.69	8/72
-	Technology Fund	170,120	.58	"
-	Tri-Continental Cap.	127,500		"
-	Ivest Fund	114,100	1.57	"
-	Nat'l. Growth Fund	112,200		"
+49	add.accts.of funds reported Vickers Invst.Co.Guide	1,167,467	3.95	8/72
	TOTAL	5,766,281	19.9%	
	INSURANCE COMPANIES			
	Prudential Ins. Co.	235,620	.79	7/72
	Bankers Life Co.	160,038	.54	"
	Conn. Gen. Life Ins.	158,455	.54	"
	John Hancock Mut.Life	153,000	.52	"
	Equitable Life Assur.	112,640		"
	Teachers Ins.&Annuity	86,700	.68	"
+52	add.accts.of ins.cos. acc. to Vickers Ins. Co.Guide	501,219	1.70	7/72
	TOTAL	1,407,672	4.8%	

Sources: FCC Ownership Form 323, 1971 & 1972.
Vickers Investment Co. Guide, August, 1972.
Vickers Insurance Co. Guide, July, 1972.

CBS DIRECTORS	#voting shs	% 1972 OWNERSHIP
Paley	1,687,742	5.73
Levy	339,356	1.15
Stanton	330,070	1.12
Iglehart	47,500	
Lieberson	44,194	
Schneider	18,249	
Lovett	12,835	
Briscoe	8,500	
Sackett	6,744	
Schein	4,730	
Burden	4,399	
Davis	2,459	
Anderson	1,060	
Brown	1,041	
Gilpatric	412	
Schacht	100	
Thomas	25	
subTOTAL	2,509,416	8.51%
+add.shs.held by officers	51,422	.18%
	2,560,838	8.7%
+CBS Found'n, Paley Found'n trust funds, ptnrshps.,etc	1,267,124	4.3%
TOTAL hldgs. (reported) of Board[8]	3,827,962	13.0%

Sources: FCC Form 323
CBS, Notice of Annual Meeting and Proxy Statement, March 9, 1972.
Value Line Investment Survey, CBS, April 2, 1971, p. 1431.

INSTITUTION	#voting shs	OWNERSHIP
COMM'L. BANKS	6,609,004	22.4%
MUTUAL FUNDS	5,766,281	19.9%
INSURANCE COS	1,407,672	4.8%
BD. DIRECTORS	3,827,962	13.0%
GRAND TOTAL	17,610,919	60.1%

An additional 13 per cent of CBS voting stock (common & preferred) is owned outright by the Board of Directors of CBS, which gives them a controlling interest. Taken together with the 47.1 per cent figure for all institutions (see table), this means that 60.1 per cent of all CBS voting stock is controlled by a very few powerful individuals.

Of the institutions which own stock in CBS, Chase Manhattan Bank (controlled by the Rockefeller family; David Rockefeller is chairman of the board)[7] merits special notice. Chase owns 9.2 per cent of CBS stock - reported to the FCC. CBS director Robert Anderson also sits on the board of Chase Manhattan Bank.

Of the directors, William Paley is by far the largest stockholder; he owns 1,687,742 shares of common outright. Leon Levy also owns a notable amount of stock (he is married to Paley's sister). The CBS board of directors also have positions of power in other institutions. The directors control, through direct ownership, foundation holdings and trust funds, 13 per cent of CBS stock. Their major interlocks with the power structure will be detailed in Part 3.

RCA

"You really have to go to bed with the big investors, in order to understand their changing concept of portfolio management and what it can mean for your company. One man in my office does nothing all year long but deal with the many institutions that hold RCA stock."
- George Morris, Corp. Sec'y. of RCA - quoted in Dun's Review, July 1971.

INVESTMENT CLIMATE

As a wholly-owned subsidiary and operating group, NBC is very much dominated by conglomerate RCA. Not only is the centralized power of the network oligopolistic structure nearly overwhelming, but also the growth of an institutionalized relationship between financial corporations and the networks has been ignored by 'regulatory' agencies. The FCC has turned a blind eye to the harmful effects of institutional control, especially the impact of such concentrated ownership on broadcast policy and management decisions. RCS, CBS, and ABC have enjoyed an almost unbroken record of increasing revenues. Because of their high-profit potential, they have become a very attractive investment vehicle for banking, insurance, and finance companies; and are a source of ready cash. To facilitate the free flow of capital to and from broadcasting, a favorable investment climate is needed. This presupposes:

1 A minimum of government intervention in, or regulation of the broadcasting sector and its diverse non-broadcasting activities; also, the mechanisms through which investment and control may be exercised (incl. the operation of nominee ("front") accounts as a convenience technique), and the FCC's recent 5% rule for bank holdings.[8]
2 The existence of powerful, consolidated private sector institutions (to facilitate credit, conglomeration, etc.), and the predominance of private monopolistic or oligopolistic interests over the public free enterprise sector in controlling existing and future institutions, and technological developments.
3 A symbiotic relationship between government and industry - one that will ensure and stimulate the flow of funds and investment (e.g., through space and defense contracts) to strategically-based industries, such as electronics, telecommunications.

RCA officially purports to be a widely-owned stock, with 318,000 share-holders. A total of 87 per cent of these are small holders (owning less than 200 shares). In fact, no more than 125 institutions and large individual record holders represent 51 per cent of RCA's ownership.[9]

Inspection of FCC Ownership Form 323 proved misleading; it disclosed that the only record holders of RCA (NBC) voting stock with shares greater than 1 per cent were Chase Manhattan Bank, Continental Illinois National Bank & Trust Co., Bankers Trust Co., and Merrill, Lynch. According to FCC Form 109 (which details the 30 largest record holders of RCA stock, and is not publicly available) and Vickers Insurance Co. and Investment Co. Guides, 30 per cent of RCA voting stock is controlled by eleven banks, and a handful of investment funds and insurance companies, whose ownership is spread over a large number of accounts.

RCA COMPOSITE OWNERSHIP

Common shares issued & outstanding	74,356,476
Preferred$3.50 " " "	168,695
Preferred$4.00 " " "	1,235,947
TOTAL VOTING SHARES	75,761,118

Nominee/benefic.	COMMERCIAL BANK	Record hldgs. CM & PF #voting shares	% OWNERSHIP	date
Kane & Co.		1,398,021	1.84	
Cudd & Co.		1,459,162	1.92	
Egger & Co.	Chase Manhattan	307,971	.41	3/72
Pitt & Co.	Bankers Trust Co.	877,692	1.16	"
Trude & Co.	Cont.Ill.Nat'l.Bk.&Tr	751,720	.99	"
Olen; Finat; Eagle; & Co.	1st Nat'l. Bank of Chicago	1,540,253	2.03	"
Gunther;Rush;&Co	Swiss Bank Corp.	870,067	1.15	"
Gerlach;Hurl;&Co	1st Nat'l. City Bank	811,262	1.07	"
Bark;Harwood;&Co	State St. Bank&Tr.Co.	679,700	.89	"
Leslie & Co.	Irving Trust Co.	299,729		""
Perc & Co.	Northwestern Nat'l. Bank of Minn.	228,200		"
Firjer & Co.	1st Nat'l. Bank of Jersey City	253,200	1.37	"
England & Co.	Chemical Bank	245,669		"
	TOTAL	9,722,646	12.8%	

MUTUAL & INVST. FUNDS			
Merrill, Lynch	2,407,350	3.17	3/72
Invst. Co. of Amer.	1,520,000	2.00	8/72
Invstrs. Mutual & Invstrs. Stock Fund	1,000,000	1.32	"
Mass. Invstrs.Growth& Mass.Invstrs. Trust	800,000	1.06	"
Fidelity Capital Fund &Fidelity Trend Fd.	440,700	.58	"
Brown Bros. Harriman	306,555		3/72
Enterprise Fund	250,000		8/72
Bache & Co., Inc.	244,322	1.87	3/72
Technology Fund	193,000		8/72
Founders Mutual Fund	169,762		"
+74 add.accts.of funds reported Vickers Invst.Co. Guide	2,583,540	3.41	8/72
TOTAL	9,915,229	13.1%	

INSURANCE COMPANIES			
Prudential Ins. Co.	710,915	.94	7/72
Lubermans Mut.Cas.Co.	400,000	.53	"
Mutual Life Ins.Co.NY	307,100		"
Hartford Ins. Co.	182,000	.86	"
Bankers Life Co.	169,400		"
+140 add.accts.of ins.cos. acc. to Vickers Ins. Co.Guide	1,322,331	1.75	7/72
TOTAL	3,091,746	4.1%	

Sources(for above): Vickers Investment Co. Guide, August, 1972.
FCC Form 109 ("Thirty Largest Shareholders"), March 3, 1972.
Vickers Insurance Co. Guide, July, 1972.

RCA DIRECTORS	#voting shs	% 1972 OWNERSHIP
Sarnoff(incl. trust of Dav. Sarnoff)	254,425	.33
Seretean	1,445,639	1.91
Stamper	1,386,772	1.83
Odorizzi	37,486	
Werner	30,000	
Brown	19,045	
Conrad	6,753	
Goodman	5,696	
Hawkins	1,179	
DuBrul	1,000	
Hagerty	363	
Morsey	200	
Bradshaw	100	
Fouraker	100	
Smiley	100	
Petty	100	
Selby	30	
Griffiths	7	
subTOTAL*	3,188,995	4.21%
+add.shs.held by officers	107,363	.15%
TOTAL hldgs. (reported) of Board	3,296,358	4.4%
Lge. individ-ual stkhldrs.		
Burl Bandy	962,260	1.27
Dean Martin	388,701	.51
Park Lockwood	229,761	.61
C.&M. Bright	228,220	
subTOTAL	1,808,942	2.4%
TOTAL of the above	5,105,300	6.8%

*held individually, and in family & beneficial trusts.

Sources: FCC Form 109, March 3,1972
RCA, Notice of Annual Meeting and Proxy Statement, March 13, 1972.
FCC License Renewal Application Forms, WNBC-TV, 1972.

INSTITUTION	#voting shs	OWNERSHIP
COMM'L. BANKS	9,722,646	12.8%
MUTUAL FUNDS	9,915,229	13.1%
INSURANCE COS	3,091,746	4.1%
DIRECTORS,etc	5,105,300	6.8%
GRAND TOTAL	27,834,921	36.8%

Chase Manhattan Bank reportedly owns 4.2 per cent of RCA stock - 3,165,154 shares - through nominees Kane & Co., Cudd & Co., and Egger & Co. There seems little doubt that this represents a skeletal figure for Chase, since individual nominee accounts holding less than 1 per cent of voting stock are not reported to the FCC. By 'spreading' ownership over a wide variety of these trust accounts, Chase avoids the legal requirement of having to reveal its true stock interests in RCA, and maintains "discretion" for these unnamed investors. Notably Chase, through its principal broadcast nominees Kane & Co. and Cudd & Co. exercises 9.2 per cent control of CBS and at least 5.8 per cent of ABC common. As was noted earlier, Chase Manhattan Bank is controlled by the Rockefeller Family (RCA Corp. has headquarters at Rockefeller Center, on Rockefeller Plaza), which has considerable oil and other valuable raw material interests in Latin America - which the networks actively exploit as an important secondary media market.

The combined total of institutional and directors' stock holdings listed here amounts to 36.8 per cent. Of the directors, Martin Seretean and Howard Stamper gained seats on the board when their companies (Coronet Industries and Banquet Foods, respectively) were acquired by RCA through stock floatations. They each received large blocks of stock in exchange for their companies, and together own 3.7 per cent of voting stock. Reported direct ownership by the Board of Directors amounts to 4.4 per cent.

abc

The stock of ABC is heavily subscribed by a small group of institutional owners. Since ABC stock is considered a particularly interesting speculative vehicle for 'large accounts seeking investment participation in a broad range of leisure-time activities,' and since it is a 'well-managed firm in an industry with above average growth rates',[10] ABC provides attractive investment value for banks, insurance companies, and mutual funds. According to Value Line Investment Survey:

> Broadcast company earnings have been a great beneficiary of the nation's economic recovery. Television revenues have scored impressive gains along all fronts - network, national and local spot . . . The strong performance by network television has been a very significant swing factor in ABC's spectacular bottom line showing.[11]

Institutional holding of ABC stock is extensive. In fact this network reported to the FCC that 4,887,530 common shares (out of issued 8,425,953 shares) were owned by eighteen institutions. This represents 58 per cent of stock outstanding, tightly held by financial institutions. Obviously there is a trade-off between controlling ownership rights and a source of funds and liquidity.

Metropolitan Life Insurance Co. holds 4.55% convertible, subordinated debentures in the principal amount of $53,000,000 payable semi-annually to 1985; a 6 3/8% Note for $2,500,000 to 1976; and 7.5% Leasehold Secured Notes for $12,000,000 to 1996.[12] George Jenkins, ABC director, is vice-chairman of the board and chairman of the finance committee of Metropolitan Life Insurance Co. In fact, the entire ABC board is heavily populated with bank and insurance company trustees, directors, and executive. ABC is additionally capitalized with long-term debt of $125,232,000.[13]

An incredible total of 76.0 per cent of ABC common stock (voting rights) is held by a handful of powerful interests, which determine policy. These men, through interconnecting directorates, realize the value of having direct access to the world television market through overseas advertising facilities afforded by ABC International. State St. Bank & Trust Co. (9.9%) and Bankers Trust Co. (8.8%) each own considerable amounts of ABC common; while Chase Manhattan Bank controls at least 5.8 per cent of ABC stock (Kane & Co. = 3.5%). ABC tentatively has 15,065 shareholders.

The cumulative holdings of directors were reported to be 7 per cent.[14] An additional 2 per cent (165,240 shares) was held by ABC subsidiaries, and in voting trust certificates, for management and directors. The Edward John Noble Foundation holds 4 per cent of ABC common (339,334 shares) in beneficial trust; Alger Chapman, ABC director, is trustee of this foundation and executor of the estate.

ABC COMPOSITE OWNERSHIP

Common shares issued & outstanding	8,425,953
TOTAL VOTING SHARES	8,425,953

Nominee/benefic.	COMM'L. BK/INVST. CO.	Record hldgs. COMMON #voting shares	% OWNERSHIP	date
Frawley;Transom;	State St. Bank &			
Kaytoo;Peak;&Co.	Trust Co. (various)	836,900	9.94	6/72
Barnett;Pitt;&Co	Bankers Trust Co.	737,400	8.75	"
O'Neill & Co.				
Lerche/DreyfusFd	Bank of New York	513,400	6.09	5/72
Kane & Co.(3.5%)				
Cudd & Co.(2.0%)	Chase Manhattan(var.)	484,500	5.75	8/72
Loco & Co.	Chemical Bank	247,235	2.93	"
Gilmet & Co.	Irving Trust Co.	222,123	2.75	"
Bishop & Co.	First Nat'l. Bank of			
	Boston	213,887	2.54	3/72
Firjer & Co.	1st Jersey Nat'l. Bk.	205,300	2.43	11/71
Tef;Amfo; & Co.	City Nat'l. Bk.& Tr.	200,126	2.37	6/72
-	Nat'l. Shawmut (Bos.)	200,600	2.38	3/72
Ingen-;Amexfund	Bank of California	162,402	1.92	"
-	Merrill, Lynch	184,000	2.18	"
-	First Nat'l. City Bk.	143,803	1.71	8/72
Hamilton Mg't.	First Nat'l.Bk-Denver	126,900	1.51	"
Pace & Co.	Mellon Nat'l. Bk.&Tr.	115,242	1.37	"
-	Continental Bank (var)	107,700	1.28	"
-	Bessemer Trust (var)	114,612	1.36	3/72
-	Firestone Bank	71,400	.85	11/71
	subTOTAL	4,887,530	58.0%	
+30 add.accts.of funds re-				
ported Vickers Invst.Co. Guide		405,603	4.81	8/72
	TOTAL	5,293,133	62.8%	

	INSURANCE COMPANIES			
	Mass. Mut. Life Ins.	80,000	.95	7/72
	St. Paul Cos.	22,000		"
	St. Paul Fire&Marine	37,500		"
	Allendale Mut. Ins.Co	19,500	1.29	"
+5	add.accts. of ins.cos.			
acc. to	Vickers Ins.Co. Guide	29,750		"
	TOTAL	188,750	2.2%	

Sources: FCC Ownership Form 323, 1971 & 1972.
Vickers Investment Co. Guide, August, 1972.
Vickers Insurance Co. Guide, July, 1972.

ABC DIRECTORS	#voting shs	% OWNERSHIP
Goldenson	131,254	1.56
Siegel	17,906	.21
Rule	15,053	
Clark	4,670	
Hausman	4,500	
Coleman	1,626	
Erlick	1,144	
Schlesinger	523	
Cook	500	
Jenkins	173	
Chapman*	165	
Hansberger	150	
Hess	150	
Schwab	100	
subTOTAL	177,914	2.1%
+add.stk.optns., vot.tr.certifs.& officers' hldgs.	165,240	2.0%
	343,154	4.1%
*E.J.Noble Found., of which Chapman is exec. director & trustee	339,334	4.0%
	682,488	8.1%
add.found'n.hldgs, ptnrshps., trust fds.,subsid.& family hldgs., etc.	238,264	2.9%
TOTAL hldgs. (reported) of Board	920,752	11.0%

Sources: FCC Form 323.
ABC, Notice of Annual Meeting and Proxy Statement, April 14, 1972.
Value Line Investment Survey, ABC, April 2, 1971, p. 1424.

INSTITUTION	#voting shs	OWNERSHIP
COMM'L. BANKS &INVST.FUNDS	5,293,133	62.8%
INSURANCE COS	188,750	2.2%
BD. DIRECTORS	920,752	11.0%
GRAND TOTAL	6,402,635	76.0%

FOOTNOTES

1 Temporary National Economic Committee (TNEC), United States Securities and Exchange Commission, Investigation of Concentration of Economic Power, U.S. Senate, 76th Congress, 3rd session, Monograph No. 29, 1940-41, 1557 pp. Though somewhat dated, these data have great contemporary relevance.

2 Summarized by Sumner T. Pike, chairman of SEC, Sept. 24, 1940.

3 TNEC, Investigation, op. cit., pp. xvi-xvii.

4 Lundberg, F., The Rich and the Super Rich, Lyle Stuart, 1968,p.268

5 See Performance, July/Aug., 1972, p. 38. From a taped interview with Hyman Goldin (Asst. Prof. of Communication, Boston U. Schl. of Public Communication) for the Network Project radio series: FEEDBACK 2.

6 Case described in Wall Street Journal, "Conglomerate Broadcasters are Faulted in FCC Pilot Study", August 11, 1970, p. 32.

7 See NACLA(North American Congress on Latin America)Newsletter for add. details of Rockefeller holdings, titled "The Rockefeller Empire: Latin America",Vol. 111, Nos. 2&3, April/May & May/June 1969

8 Value Line Invst. Survey, CBS, April 2, 1971, p. 1431.

9 See Broadcasting, "FCC Raises Ceiling on Banks' Investment in Broadcasting", May 15, 1972, p.36 - for further explanation of new ownership requirements.

10 From an interview with RCA Corp. Secretary, George Morris.

11 Wall Street Transcript, "ABC Inc.", Aug. 17, 1970, p. 21500.

12 Value Line Invst. Survey, Recreation Industry, "Broadcasting Stocks", Sept. 29, 1972, p. 1533.

13 ABC, Notice of Annual Meeting of Stockholders, April 14, 1972; footnote 4, p. 4.

14 Moody's Industrial Manual, "ABC Inc.", vol. 1, 1972.

15 Value Line Invst. Survey, Recreation Industry, "American Broadcasting", April 2, 1971, p. 1424.

PART 3

BROADCAST TITANS

CBS

- Directors and the Power Structure

Part 3 gives profiles of the CBS, RCA and ABC boards of directors and their alignments with other institutions forming the power elite in America. As constituted, the broadcasting leadership is dominated by financiers, tradesmen, salesmen, lawyers, government agents and technicians. In the communications establishment, some obvious conflicts-of-interest concerning the preparation and transmission of information in the best 'public interest' are ignored.

In the following synopses of individual board members, we witness an extreme centralization of economic resources and decision-making powers among a few men.

...Interlocks among our great corporations are especially inimical to competition because the economy has become increasingly concentrated among a few hundred corporations. The largest corporations occupy leading positions in many of the Nation's major industries.[1]

Interlocks inhibit the realization of opportunities for entry into a given market, and they operate to destroy existing competition and the free enterprise system. What is of crucial interest here is the confluence of interests, represented in the boards of directors, interlocking several major industrial and commercial corporations with banks, insurance companies, or other financial institutions.

Certain choices have been made regarding the classification of interrelated activities. FINANCIAL INSTITUTIONS, REAL ESTATE FIRMS, and LIFE INSURANCE COMPANIES are grouped together since they provide easy accessibility to sources of liquidity, property and credit. This financial grouping correlates closely with the list of institutional stockholders presented in the preceding section. Of the eighteen men who sit on CBS's board, twelve are directors of fourteen major financial and real estate corporations: Investment bank - First Boston Corp. (directors Paley, Taylor); commercial banks - Chase Manhattan (Anderson), Manufacturers Hanover (Burden), First National City Bank (Thomas), Chemical Bank (Briscoe, Brown), Glen Ridge Savings & Loan (Sackett); The Federal Reserve Bank of New York (Gilpatric); insurance companies - New York Life Insurance Co. (Stanton, Lovett), Royal Globe Insurance Cos. (Lovett); real estate corporations - Uris Buildings Corp. (Brown), Bedford-Stuyvesant D & S Corp. (Paley, Gilpatric, Thomas); investment brokerage houses - Brown Brothers Harriman & Co. (Lovett), W.E. Hutton & Co. (Iglehart), Wm.A.M. Burden & Co. (Burden).

INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS (companies with major overseas investments) show the extent of a national and international corporate network run by the same group of men and institutions within the military-industrial complex. Some of the strategically-based corporations represented here are Lockheed Aircraft Corp., North American Aviation Inc., Cummins Engine Co., Pan American World Airways Inc., Aerospace Corp., Eastern Air Lines, Allied Chemical Corp., Smith, Kline and French Labs, American Metal Climax Inc., Atlantic Richfield Co. (also RCA), Freeport Mineral Co., North American Rockwell Corp., Fairchild Camera & Instrument Corp., American Electric Power Co. (also ABC).

Participation in ELITE POLICY GROUPINGS; GOVERNMENT SERVICE indicates the interlocking nature existing between federal policies and vested monopoly interests. The prestigious CBS Board is well represented on the Council on Foreign Relations (with Messrs. Burden, Gilpatric, Schacht, Stanton), one of the most influential semi-public organizations in the field of foreign policy; Committee for Economic Development (Schneider, Anderson, Lovett); Institute for Defense Analysis (Burden); Radio Free Europe and USIA (Stanton); Military Assistance Advisory Group in Saigon (Schacht).

The ROCKEFELLER NEXUS includes major institutions in which the Rockefeller family has controlling interests. Seven of CBS's eighteen board members are enmeshed in the Rockefeller web (Paley, Stanton, Anderson, Briscoe, Brown, Gilpatric, Lovett). The defense contracts held by CBS are related to the positions which CBS directors hold or have held in the DEFENSE NEXUS; MILITARY SERVICE. CAREER POSITIONS gives historical information about previous activities. PROFESSIONAL/OTHER ASSOCIATIONS legitimize corporate operations, aspirations and expectations, and lend necessary credibility. NON-PROFIT INSTITUTIONS; EDUCATIONAL ESTABLISHMENT; TAX-EXEMPT FOUNDATIONS is self-explanatory. SOCIAL CLUBS is the signature of respectability. The information contained in the following pages records the central points about each director, and is as complete as possible.

FOOTNOTE

1 Federal Trade Commission, Committee on the Judiciary, "Hearings Before the Subcommittee on Antitrust and Monopoly: Economic Concentration"; U.S. Senate, 91st Congress, Part 8A, Staff Report of the FTC, Economic Report on Corporate Mergers, Washington, GPO, 1969, p.27.

KEY to ABBREVIATIONS used in BIOGRAPHIES of DIRECTORS:
acad.-academy; admin.-administrative; adv.,advis.-advisory; Am.,Amer.-American; asst.-assistant; ass'n.,assoc.-association; Ath.-Athletic; atty.-attorney; auth.-author; BBB-Better Business Bureau; bd.-board; bks.-books; bus.-business; chg.-charge; chmb.-chamber; chmn.-chairman; chtr.-charter; coll.-college; comm.-committee; commn.-commission; commnr., cmmnr.-commissioner; commun.-community; comp.-composer; conf.-conference; coun.-council,counsel; Crs.-Cross; ct.-court; ctr.-center; deleg.-delegation; dep.-deputy; dir.-director; div.-division; distrib.-distribution; econ.-economic; ed.,edit.-editor; edn.,educ.-education; eng.,engr.-engineer; ex.,exec.-executive; fed.-federal; fin.-finance; fmr.-former; fndr.-founder; for.-foreign; found.,found'n.,fd'n.-foundation; gen.-general; grad.-graduate; grp.-group; hon.-honorary; indsl.-industrial; inst.-institute; invst.-investment; jnl.- journal; jnr.-junior; leg.-legislative; lib.-library; ltrs.-letters; mem.-member; mem'l.-memorial; Met.-Metropolitan; mktg.-marketing; mus.-museum; off.-officer; outs.-outstanding; perf.-performing; pgm.-program; pol.-policy; popl.-population; pred.-predecessor; prj.-project; prod.,prodn.-production; prof.-professor,professional; ptnr.-partner; pub.-public; pubs.,publs.-publications; res.-research; resp.-responsibility; schl.-school; sm.-small; soc.-society; spl.-special; sq.-square; stns.-stations; subsid.-subsidiary; suppl.-supply; trnee.-trainee; twd.-toward; var.-various; wld.-world.

William PALEY b. 9/28/01. Kiluna Farm, Manhasset, L.I. 11031, NY.
Educ: West. Mil. Acad.(Alton, Ill.), 1918; B.S., U.of Pa, 1922
FINANCE, REAL ESTATE, INSURANCE
Bedford-Stuyvesant Develop't. and Services Corp., director.
First Boston Corp., dir.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
Committee for White House Conf. on Educ.,Mem. 1954-56.
Chmn. of President's Materials Policy Commission which produced report, "Resources for Freedom", 1951-52.
Urban Design Council, NYC, Chmn. 1968-71.
ROCKEFELLER NEXUS
Resources for the Future, Inc., dir., fmr. chmn.
Intl. Executive Service Corps, dir.
DEFENSE NEXUS, MILITARY SERVICE
Dep. Chief of Psychological Warfare Division, SHAEF, WW II
Dep. Chief of Information Control Div. of U.S. Grp. Control Coun.
CAREER POSITIONS
Sec. Congress Cigar Co., Phila., 1922-28; owner.
CBS, Pres. 1928-46; Chmn. of Bd. Dirs., 1946-.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
Columbia U. life trustee; Museum of Mod. Art, pres. and trustee
Wm. S. Paley Found'n, Inc., pres; Greenpark Found'n,Inc., dir.
SOCIAL CLUBS
River, Turf&Field; Bald Peak Col.; Lyford Cay(Nassau); Bucks(Lon)

Frank STANTON b. 1908.
Educ: Ph.D. Ohio State University, 1935.
FINANCE, REAL ESTATE, INSURANCE
New York Life Insurance Co., dir.
Diebold Venture Fund, dir.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
American Electric Power Co., dir.
CBS, pres. 1946-; exec. 1935-46.
Pan Am World Airways Inc., dir.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
The RAND Corp. trustee; fmr. chmn.
Ctr. for Advanced Study in Behavioral Sciences,trustee(Fdg.chmn)
U.S. Advisory Commission on Information(USIA), chmn.
NY-RAND Institute, trustee.
The Business Council, member.
Council on Foreign Relations, member.
Radio Free Europe (CIA conduit), chmn., exec. comm.
ROCKEFELLER NEXUS
Rockefeller Foundation, trustee.
PROFESSIONAL/OTHER ASSOCIATIONS
Am.Ass'n. for Advance't. of Sci.,Am. Psycholog. Ass'n., fellow.
I.E.E.E., NY State Council for the Arts, member.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
CBS Found'n, Wash. U., St. Louis, Linc. Ctr. for Perf.Arts, dir.
Carnegie Inst(Wash),trustee;Stanford Inst, dir; Am. Natl.Red Crs
SOCIAL CLUBS
Century Ass'n, Harvard(NYC), Cosmos, Int'l., Nat'l. Press(Wash).

Leon LEVY b. 6/8/95. 3250 School House Lane, Phila. 44, Pa.
Educ: D.D.S., U. of Pa., 1915; D. Sci., Pa.Mil.Coll., 1933.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
Del. River Terminal & Warehouse Co., Chmn. of Bd.
Atlantic Racing Ass'n., chmn., dir.
Oppenheimer Mgmt. Corp. NYC, chmn. of bd.
CAREER POSITIONS
Married Blanche Paley Sept. 22, 1927. Practiced dentistry'15-25.
Pres., gen. mgr. radio bdcst. stn. WCAU(Phila.) 1925-49, dir. 1925-
CBS, one of orig. owners&dirs. 1927-;sec.&treas., 1927-35.
Atlantic Racing Ass'n, one of orig. owners&dirs., chmn.; entered bus. of thoroughbred breeding of horses, 1947.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
Albert Einstein Medical Center, trustee.
SOCIAL CLUBS
Thoroughbred Club Am. (Lex, Ky); Cavendish Variety, Squires.

Wm.A.M. BURDEN b. 4/18/06. 820 5th Ave., NYC 10020, NY.
Educ: A.B., Harvard, 1927.
FINANCE, REAL ESTATE, INSURANCE
Wm.A.M. Burden & Co, partner.
Manufacturers Hanover Trust Co., director.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
Allied Chemical Corp., dir.
Aerospace Corp., trustee.
American Metal Climax Inc., dir.
Lockheed Aircraft Corp., dir.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
Council on Foreign Relations, Inc., director.
Civil Aviation Conf., US del., 1944.
Provisional Intl. Civil Aviation Orgn., chmn US deleg., 1946.
Nat'l. Aeronautics and Space Council, mem., 1958-59.
US Ambassador to Belgium 1959-61.
US Citizens Comm. for NATO, mem., 1961-62.
Am. Inst. Aerospace and Astronautics, dir.
DEFENSE NEXUS: MILITARY SERVICE
Institute for Defense Analysis, chmn. of bd.
Spl. Aviation Asst., Sec. of Commerce 1942-43.
NACA, member, 1942-47.
Asst. Sec'y. Commerce for Air 1943-47.
Spl. Asst. for Res.&Develop. to Sec'y. of Air Force 1950-52.
CAREER POSITIONS
Brown Bros. Harriman&Co., analyst aviation securities,1928-32; Scudder, Stevens&Clark, aviation res., 1932-39. Nat'l. Aviat. Corp., VP&dir, 1939-41. Defense Suppl. Corp(RFC), VP, '41-42.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
Columbia U.; Museum of Mod. Art, trustee; Soc. of NY Hosp, gov.
Atlantic Inst.; Atlantic Coun. of US; French Inst. in US, dir.
Smithsonian Inst. regent; For. Svce. Edn. Found., dir.
SOCIAL CLUBS
Somerset(Bos.); Brook,River, Century(NYC); Buck's, White's(Lon)
MISCELLANEOUS
Author: The Struggle for Airways in Latin America, 1943.

Courtney BROWN b. 10/15/04. 4 Kent Rd., Scarsdale, NY 10583.
Educ: B.S., Dartmouth, 1926; Ph.D. Columbia U., 1940.
FINANCE, REAL ESTATE, INSURANCE
Chemical Bank, mem. adv. bd.
NY Stock Exchange, mem. bd. govs. 1959-62.
Uris Building Corp., dir.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
American Electric Power Co., dir.
Assoc. Dry Goods Corp., dir.
Borden Co., dir.
Union Pacific RR Co., dir. & mem. ex. comm. LA&Salt Lake RR Co., Oregon Short Line RR Co., Oregon-Wash. RR&Navig. Co., dir.
Standard Oil Co. (NJ), economist, asst. chmn. of bd. 1946-54.
Esso Std. Oil Co., dir. 1952-54.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
Dept. of Agr., VP CCC, 1942-43.
Eqpt. Bur., WPA, dep. dir., 1943-44.
President Truman's Famine Emerg. Com., vice chmn., 1946.
Gov's. Com. on Min. Wage in NY State, chmn.
American Assembly, chmn. of board.
President Nixon's Com. on Int'l. Trade & Invst. Policy, mem.
Int'l. Chamber of Commerce, mem. exec. com. US council.
ROCKEFELLER NEXUS
International Executive Service Corps., dir.
DEFENSE NEXUS; MILITARY SERVICE
Chief of Div. of War Supply & Resources, Dept of State 1943-45.
CAREER POSITIONS
Bankers Trust Co., invsts. 1930-35. Chas. Manh. Bank, dir. res. 1941-42. Col. Grad. Schl. of Bus. Dean, 1954-69, prof.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
Columbia U., Garrett Prof. of Pub. Pol. & Bus. Resp.; Col. Jnl. of Wld. Bus.,chmn. edit. bd.; Acad. of Pol. Sci., trustee
SOCIAL CLUBS
Scarsdale Golf (NY); Century Ass'n.
MISCELLANEOUS
Auth: Liquidity & Instability,'40; Symbols & Values,'54; Pol. Econ. of Am. Foreign Policy,'55; Journey Twd. Und'standing,'58.

Harvey SCHEIN b. 9/15/27. 45 E. 85 St., NYC 10028
Educ: A.B., NYU, 1949; LI.B., Harvard, 1952.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
CBS UK Ltd.; CBS Int'l. S.A.(France); CBS/SONY Records of Japan; CBS/Col. Intl S.A.(Mexico), dir.; CBS Int'l. Div.pres. 1967-.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
Partners of the Americas Advisory Council, mem.
CAREER POSITIONS
Adm. NY bar 1953; Assoc. law firm Rosenman Colin Kaye Retschek Freund & Emil, 1952-58. Col. Records Div. CBS, gen. atty. & asst. secy. CBS, 1958-60; vp Int'l. Division, 1961-67.
PROFESSIONAL/OTHER ASSOCIATIONS
Int'l. Fed. of Phonographic Ind., vp & dir.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
Franklin D. Roosevelt Found., asst. secy.

J.A.W. IGLEHART b. 11/15/91. 15 E. 69 St., NYC 10021.
Educ: C.E., Cornell University, 1914.
FINANCE, REAL ESTATE, INSURANCE
W.E. Hutton & Co., assoc. partner.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
National Gypsum Co., consultant and director.
City Stores Co., dir.
Nat'l. Wire Products Corp., dir.
Safe-T-Ways Corp. (Bel Air, Md.), chmn. of bd.
CAREER POSITIONS
Brooks, Stokes & Co. (Phila.), assoc., 1914, ptnr. 1920-65.
Field, Glore & Co., 1932-35. W.E. Hutton & Co., ptnr., 1935.
Iglehart & Co., owner 1921-31;NY Yankees, CBS, 1932-, dir.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
Cornell Univ. Plantations, trustee.
Boys' Latin School, Md., pres. bd. of trustees.
SOCIAL CLUBS
Links, Grn. Spring Valley Hunt, River; Racquet & Tennis(NY).

Ross SACKETT b. 3/26/30. 78 Ridgewood Ave., Glen Ridge, NJ 07028.
Educ: B.A., Lawrence College, 1951.
FINANCE, REAL ESTATE, INSURANCE
Glen Ridge Savings & Loans (NJ), dir.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
Mine Publications Inc., dir.
CBS Educ. & Publ. Grp., pres.; Holt, Inc., pres. & dir.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
US State Dept. Advis. Com. on Int'l. Book & Lib. Pgms.,chmn.
Nat'l. Found. for the Improvement of Education, trustee.
CAREER POSITIONS
Container Corp. of Am., supt. & salesman 1951-57. Prentice Hall Inc.,sales '57-59; Chas.Merrill Bks. Inc.,ed-in-chief '59-61.
PROFESSIONAL/OTHER ASSOCIATIONS
NJ Public Bdcstg. Auth.,trustee;Am. Soc. for Engrg. Edn.,mem.
Am. Ednl. Pubs. Inst., dir.; Am. Textbk. Pubs. Inst., mem.

Goddard LIEBERSON b. 4/5/11
Educ: U. of Wash., Eastman Schl. Music; var. hon. doctorates.
CAREER POSITIONS
Joined CBS 1939; Col. Records Div. exec. vp,1949-56, pres. until 1966; CBS vp, dir.,1956-; CBS/Columbia Group, pres.
PROFESSIONAL/OTHER ASSOCIATIONS
Am. Comp.'s Alliance, one of founders. Int'l. Inst. of Arts & Ltrs., Life fellow; Record Ind. Ass'n. of Am. pres. & dir.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
CBS Found'n.,Ballet Theatre Found., Linc. Ctr. Perf. Arts,dir.
Yale U. Lib. Com.,chmn. U. of Pa. Advis. Coun. Perf. Arts, mem.
Harlem Theatre & Wkshp.,chmn. Prof. Children's Schl., trustee.
MISCELLANEOUS
Auth: (novel) 3 for Bedroom C; Col. Bk.of Musical Masterworks.

John SCHNEIDER b. 12/4/26. Indian Harbor, Greenwich, Conn.
Educ: University of Notre Dame.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
Committee for Economic Development, trustee.
CAREER POSITIONS
Exec. assigns. with CBS-TV Chgo. & NYC,1950-58; vp, gen. mgr. of Stns. Nat'l. Sales,WCAU-TV 1958-64,WCBS-TV 1964-65. CBS-TV netwk.pres. 1965-66;Bdcst. Grp. pres.'66-69;vp CBS,exec.vp'69
PROFESSIONAL/OTHER ASSOCIATIONS
American Film Institute, trustee.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
CBS Foundation, dir. Univ. of Notre Dame, trustee,mem.exec.com.
SOCIAL CLUBS
Phila. Country; Greenwich Country; Indian Harbor Yacht.

Robert ANDERSON b. 4/13/17. 612 N. Ky. Ave., Roswell, N.M. 88201.
Educ: B.A., U. of Chicago, 1939.
FINANCE, REAL ESTATE, INSURANCE
Federal Reserve Bank of Dallas, served as chmn. bd. 1961-65.
Chase Manhattan Bank, dir.;Chase Manhattan Corp., dir.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
Atlantic Richfield Co., chmn. of bd. & chief exec. off.
Smith, Kline & French Labs., dir.
Pan American World Airways, dir.
Lincoln County Livestock Co. (Roswell, N.M.), owner.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
Committee for Economic Development, mem.
ROCKEFELLER NEXUS
Resources for the Future, Inc., dir.
CAREER POSITIONS
Am. Mineral Spirits Co., 1939-41. Hondo Oil & Gas Co.(Roswell, N.M.),pres. 1941-63. Atlantic Rich. Co.,dir. 1963,chmn. 1964.
PROFESSIONAL/OTHER ASSOCIATIONS
Nat'l. Petrol Coun.;Bus.Com.for Arts;chmn.Am.Petrol.Inst.,dir.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
Calif. Inst. of Tech.;U. of Chgo.,trustee. Lovelace Found., chmn., Anderson Found.,trustee, Eisenhower Exch. Fellowships; Aspen Inst. for Humanistic Studies; Nat'l. Merit Schol Corp., chmn.bd.;Inst.for Int'l.Edn.(Denver),adv.bd.
SOCIAL CLUBS
Century (NYC); California (LA); Phila.

Ralph BRISCOE b. 11/15/27. 5 Suncliff Dr., Tarrytown, NY 10591.
Educ: B.A., Kenyon Coll.,1950; M.B.A. Harvard 1952.
FINANCE, REAL ESTATE, INSURANCE
Chemical Bank, Rockefeller Center adv. bd.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
Curtiss-Wright Corp., exec. 1956-57.
Ford Motor Co., fin. staff 1953-56.
Data Dimensions Inc., dir.
CBS cont.,1963-65, vp fin. 1965-;dir; CBS Comtec Grp.,pres.
ROCKEFELLER NEXUS
Rockefeller Center Advisory Board.

Robert LOVETT b. 9/14/95. Locust Valley, Long Island, NY 11560
Educ: B.A. Yale 1918; assorted hon. Ll.D.'s.
FINANCE, REAL ESTATE, INSURANCE
Brown Bros. Harriman & Co., partner, 1953-.
Royal-Globe Ins. Cos., mem. of NY Invst. Com.
NY Life Insurance Co., dir.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
Freeport Mineral Co., dir.
Union Pacific Corp. & RR Co. & subsids., mem. exec. com.& dir.
Ore. Short Line RR Co., Ore-Wash. RR & Navig. Co. exec.com.&dir
North American Rockwell Corp., dir.
North American Aviation, Inc., dir.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
Committee for Economic Development, hon. trustee.
Undersecretary for State 1947-49.
ROCKEFELLER NEXUS
Long a trustee of Rockefeller Found'n (mandatorily retired).
DEFENCE NEXUS; MILITARY SERVICE
Special asst. to Secretary of War, 1940-41.
Asst. Secretary of War for Air 1941-45.
Deputy Secretary of Defense 1950-51.
US Secretary of Defense 1951-53.
CAREER POSITIONS
Brown Bros.Harriman & Co.,ptnr. 1926-40, 1953-.CBS dir.,1953-.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
Carnegie Inst. (Wash),trustee. MIT, life mem. of corp.
SOCIAL CLUBS
Century Ass'n., Creek(Loc. Val.); Metrop.(Wash.), Links (NYC).

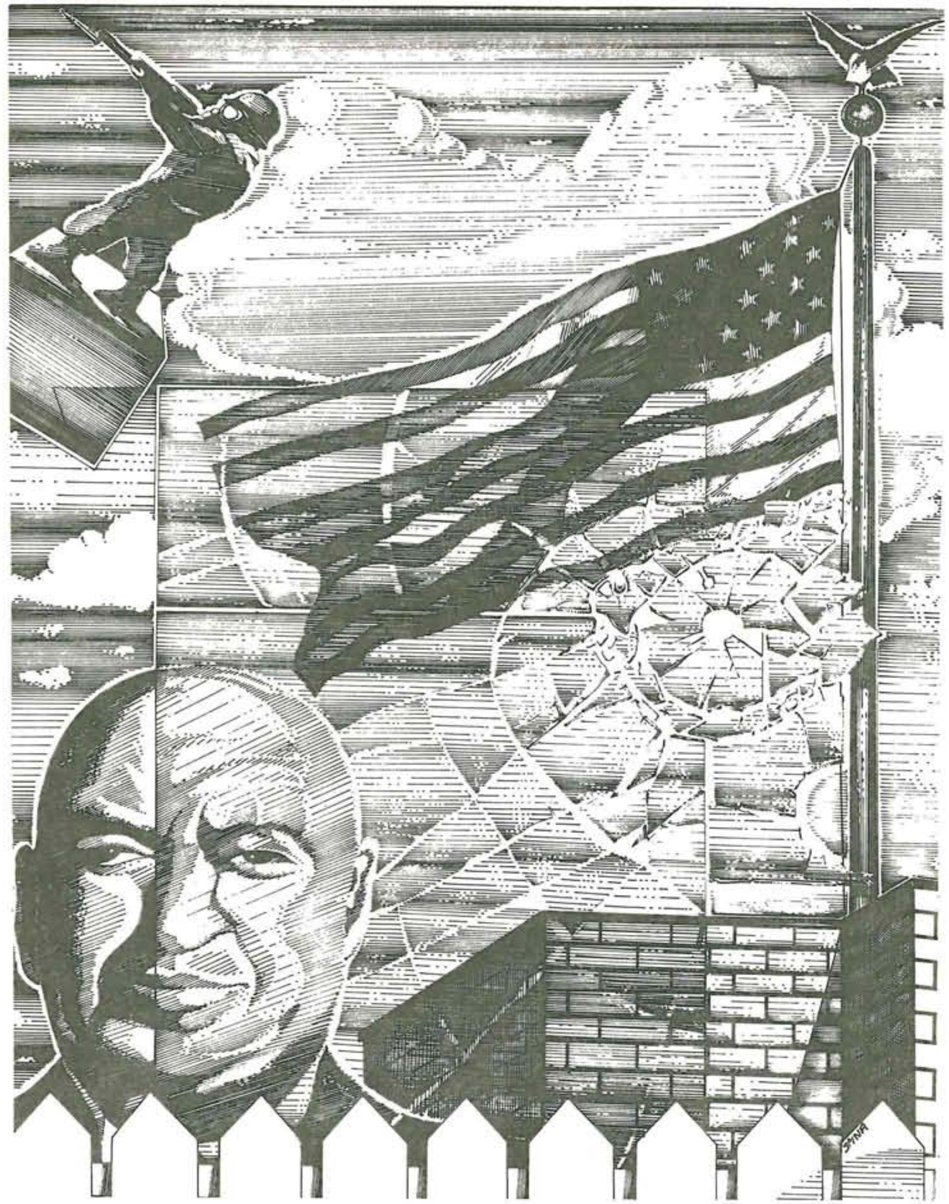
Arthur TAYLOR b. 1935.
Educ: B.A., Brown University.
FINANCE, REAL ESTATE, INSURANCE
First Boston Corp., fmr. vp & dir.; vp specializing in new business and int'l. invsts., 1961-70; dir.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
CBS, Inc., pres. & dir.
Int'l. Paper Co., dir., fmr. exec. vp and chief fin. officer.

Henry SCHACHT b. 10/16/34. 3648 Deerfield Pl.,Columbus,Ind. 47201.
Educ: B.Sc., Yale, 1956; M.B.A., Harvard Grad. Schl. Bus.,1962.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
Cummins Eng. Co., Inc., pres. & dir. subsids.;Cummins Ltd.,Darlington Engring.,Cummins Diesel Sales Corp.,Cummins Eng. Co., Ltd.(Lon), Kirlosker-Cummins Ltd.(Poona, India).
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
Council on Foreign Relations, mem.
DEFENSE NEXUS; MILITARY SERVICE
Assigned to Military Assistance Advisory Group in Saigon.
CAREER POSITIONS
Am. Brake Shoe Co., sales trnee. 1956-57; Irwin Mg't. Co.,staff 1962-64. Cummins Engine Co., Inc.,fmr. vp fin., 1964; vp & int'l. area mgr. London,1966; grp. vp int'l. & subsids.,1967.

Roswell GILPATRIC b. 11/4/06. 79 E. 79th St., NYC 10021.
Educ: A.B., Yale U., 1928; Ll.D. 1931; var. honorary Ll.D.'s
FINANCE, REAL ESTATE, INSURANCE
Federal Reserve Bank of NY, chmn of bd.
Bedford-Stuyvesant D and S Corp., dir.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
Cravath, Swaine & Moore, presiding partner.
Corning Glass Works, dir.
Eastern Air Lines, dir.
Fairchild Camera and Instrument Corp., dir.
Aerospace Corp., chmn. of bd. 1960-61.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
Council on Foreign Relations, mem.
ROCKEFELLER NEXUS
Rockefeller Bros. Special Studies Prj., mem. 1956-57.
DEFENSE NEXUS; MILITARY SERVICE
Asst. Secretary of Air Force Materiel, 1951.
Undersecretary of Air Force, 1951-53.
Deputy Secretary of Defense, 1961-64.
CAREER POSITIONS
Adm. NY Bar 1932; US Supreme Ct. Bar 1935; Federal Ct. 1936.
Partner of Cravath, Swaine & Moore, 1931-51, 1953-61.
PROFESSIONAL/OTHER ASSOCIATIONS
Ass'n.Bar City NY; NYS Bar Ass'ns.;NY Co.Lawyers Ass'n.,mem.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
Woodrow Wilson Found. 1956-61; Yale U. Coun., mem. 1957-63.
NYU; Popl. Coun.;NY Publ. Lib.;Met. Mus. of Art; trustee.
SOCIAL CLUBS
River, Century Ass'n. (NYC); Yacht (Essex, Conn.)

Clive DAVIS
Educ: B.A., NYU, 1953; grad. Harvard Law School, 1956.
CAREER POSITIONS
Asso. law firm Rosenman Colin Kaye Petschek Freund & Emil.
CBS Records, atty., 1960; gen. atty., 1961; admin. vp, 1965;
CBS Records Div., vp & gen. mgr., 1966; pres., 1967-.

Franklin THOMAS. 268 Ashland Place, Brooklyn, NY 11217.
Educ: B.A., Columbia U., 1956; LI.B., Columbia Law School.
FINANCE, REAL ESTATE, INSURANCE
Bedford-Stuyvesant Restoration Corp., pres.
First National City Bank, dir.
Federal Housing and Home Finance Agency 1963-64, attorney.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
New York Urban Coalition, dir.
CAREER POSITIONS
Fed. Housing & Home Fin. Agency, atty, 1963-64.
NYC Deputy Police Cmmnr. in chg. legal matters 1965-67.
PROFESSIONAL/OTHER ASSOCIATIONS
One of Outs. Young Men of Am., chosen '67 US Jnr. Chmb.of Comm.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
Columbia U.; J.H. Whitney Found.; Carnegie Corp., trustee.
Lincoln Ctr. for Perf. Arts, dir.;Robt. F. Kennedy Mem'l.,trustee



"In its short life so far, television has demonstrated a power more compelling than the written or spoken word alone to hold men fascinated, to influence their minds and shape their conduct. Its impact upon society has been enormous - on culture, politics and the economy; on the way in which scores of millions of individuals order their daily lives."
- Robert Sarnoff in a 1962 speech.

RCA

- Directors and the Power Structure

The working alliance of interests in terms of industrial and military leadership and objectives is well documented in the organization of RCA's board of directors. The voluntary mutual relationship existing between electronics industry and military establishment involves the necessary cooperation and alignment of the financial community, government contracting channels, electronics research, corporate and multinational goals, and space technology, institutional education and training, and the communications establishment. The cause is then united, evolved and sustained in the market-place. The organic fusion of electronics and the military provides the supreme example of state momopoly capitalism in action. Evidence for this alliance is illustrated in the interchangeability of RCA's directors between government service and industry.

RCA has long been associated with and served by such government offices as Coordinator of Information; Armed Forces Communications and Electronics Association (AFCEA); Overseas Development Council; the CIA and USIA; Peace Corps; the F.B.I.; Departments of Commerce and Defense; US Atomic Energy Commission; Supreme Court; etc. Communications through commerce have been serving the developing world in an American century.

Like CBS, RCA has eighteen directors. Interlocking directorates of FINANCE, REAL ESTATE, INSURANCE corporations represented on RCA's Board include: Seven commercial banks - Manufacturers Hanover Corp. (chairman Sarnoff), First National City Bank (Fouraker), First Pennsylvania Bank & Trust Co. (Bradshaw), First National Bank of Hamilton Square (Brown), Peoples National Bank of Naples, Fla. (Odorizzi), St. Louis Union Trust Co. and National Stockyards National Bank (Stamper); three insurance companies - Metropolitan Life Insurance Co. (Smiley, Hagerty), Penn Mutual Life Insurance Co. (Bradshaw), New England Mutual Life Insurance Co. (Fouraker); investment bank - Lehman Brothers (duBrul).

Important corporations appearing in the category INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS are Texas Gulf Sulphur Co., Atlantic Richfield Co. (also CBS), Whirlpool-Seeger Corp., Amerada Hess Oil Corp. (also ABC), Atlas Chemical Industries, ICI America, Continental Can Co.

Robert SARNOFF b. 8/2/18.
Educ: Andover Acad. 1935; B.A. Harvard 1939; assorted hon.degrees
FINANCE, REAL ESTATE, INSURANCE
Manufacturers Hanover Corp., dir.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
RCA, chief exec. off. & chmn bd.; NBC, RCA Global Communics., Herts, Random House, Banquet Foods, Corp., Coronet Inds.,dir.
American Home Products Corp., dir.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
Office of Coordinator of Information 1941.
American Arbitration Association, director.
NY World's Fair Corp., dir.
National Urban League 1963, mem. com.
Amer. Red Cross, member board of directors.
Committee for Economic Development, mem. fin. com.
CAREER POSITIONS
Cowles Publs. & Bdcstg. enterprises 1945-48, dir.
NBC acct. exec.,sales dept.; TV Netwk, asst. nat'l. program dir. TV-prodn. mgr.,head film div.; pres. 1955-58; chmn. bd.1958-66; RCA pres. 1966.
PROFESSIONAL/OTHER ASSOCIATIONS
Nat'l. Fund, co-chmn. ARC, 1964-66; JFK Adv. Com. on Arts, mem.
Bus. Com. for Arts, governor; US Olympic Businessmen's Com.
Advt. Council, dir. Am. Mgt. Assn.; Assn. Advt. Men&Women, mem.
N. Am. Motion Pic. Acad. of Arts & Scis.; TV Pioneers,chtr. mem.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
Whitney Mus. of Am. Art; JFK Lib. Corp.,trustee. NY BBB, dir.
F&M Coll., chmn. bd.;Roper Pub. Opinion Res.Ctr.,Wms. Coll.,dir.
SOCIAL CLUBS
Economic;Rock. Ctr. Lunch.;Hemisphere;Palm Bay, White Elephant.

Harry HAGERTY. 79 Park Ave., NYC 10021,NY
FINANCE, REAL ESTATE, INSURANCE
Metropolitan Life Ins. Co., dir. & v-chmn.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
(Amerada) Hess Oil Corp., dir.
Brinks, Inc., dir.
Clupack, Inc., dir.
John P. Maguire & Co., dir.

Anthony CONRAD b. 1921. 528 W. Moreland Ave., Phila., Pa. 19118.
Educ: B.A., Lafayette College, 1943.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
Atlas Chemical Inds., Inc., dir.
Cheesebrough - Pond's, Inc., dir.
ICI America. Inc., dir.
CAREER POSITIONS
RCA, joined 1946; Services Co. dir. 1956, pres. dir.,1960-68; Resps. incl. supervis. RCA Svce. Co., RCA Globcom,chmn.RCA Insts. Hertz Corp., Banquet Foods Corp., Random House; chmn RCA Int'l. Svce. Corp.; RCA pres.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
Lafayette College, trustee.

Stephen DuBRUL b. 3/18/29. 171 E. 73 St., NYC 10021.
Educ: B.A, Un. of Mich.; M.B.A. Harvard, 1956.
FINANCE, REAL ESTATE, INSURANCE
Lehman Bros. Inc., gen. partner, dir., off.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
Acme Cleveland Corp., dir.
Archon Pure Products, dir.
Jewel Cos., Inc., dir.
Systems, Science & Software, Inc., dir.
Leesona Corp., dir.
May Dept. Stores Co., dir.
Weatherhead Co., dir.
Midland-Ross Corp., dir.
Continental Can Co., Inc., dir.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
CIA (Wash.) 1950-52.
PROFESSIONAL/OTHER ASSOCIATIONS
US Consumer adv. Council, pres. 1962-64.

Chas. ODORIZZI b. 11/17/08. 4 Lake Ave., & Close Rd., Green. Conn.
FINANCE, REAL ESTATE, INSURANCE
Peoples Nat'l. Bank of Naples, Fla., dir.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
Whirpool-Seeger Corp., dir.
RCA Globcom, chmn. bd.; RCA GB Ltd.,RCA Int'l. Svce. Corp,RCA Ltd., Canada, RCA Italiana, RCA Ltd., Thailand, dir.
CAREER POSITIONS
Iron Exch. Bank, Hurley, teller, 1925-28; R.Cooper Inc.,svce. mgr. 1928-34; Rex Cole Inc. nat'l. prod. mgr. 1934-37; Montgomery Ward & Co, Nat'l. svce. mgr. 1937-41; gen. mgr. mail order div. 1941-49; vp, 1945-49.
RCA vp oper. 1949-50; RCA Victor div. vp, 1950-54, exec. vp, 1954-58, grp. exec. vp for consumer prods. & svces. 1958-; RCA Svce. Co. Inc., chmn. bd. 1949-; RCA Victor Distrib. Corp. 1954-; RCA Insts. Inc. 1955-, chmn. bd.

Lawrence FOURAKER b. 10/28/23. Abbott Rd., Lexington, Mass.
Educ: B.A. Texas A&M Univ.,1947; Ph.D., U. of Col., 1951.
FINANCE, REAL ESTATE, INSURANCE
First Nat'l. City Bank; First Nat'l. City Corp., dir.
New England Mutual Life Ins. Co., dir.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
Committee for Economic Development, trustee.
CAREER POSITIONS
Harvard Bus. Schl., Prof. of Bus. Admin. 1963-68; Edsel Bryant Ford Prof. of Bus. Admin., Dir. of Div. of Res. & chmn. Int'l. Bus. Area 1968-70; Pa. State U., Prof. of Econs., 1951-61.
Nat'l. Science Found'n., acting pgm. dir., Econ. Pgr. 1960-62.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
Dean of Harvard Bus. Schl. since 1970.
MISCELLANEOUS
Author: Bargaining & Grp. Decision Making, 1960 (with Siegel).

George BROWN b. 11/14/08. 117 Hunt Dr., Princeton, NJ 08540
Educ: B.S., U. of Wisc., 1930, M.S. 1931, Ph.D., 1933.
FINANCE, REAL ESTATE, INSURANCE
First Nat'l. Bank of Hamilton Sq., NJ, dir.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
The Trane Co., dir.
RCA, exec. vp, Patents & Licencing, 1968-
CAREER POSITIONS
RCA res. engr., dir. Sys. Res. Lab., chief engr. Comml. Elec. Prods. Div., chief engr. indsl. elec. prods. 1933-59;vp engr. 1959-61; vp of res. & engrg. 1961-65; exec. vp 1965-68.
PROFESSIONAL/OTHER ASSOCIATIONS
I.E.E.E., Fellow; A.A.A.S.; Nat'l. Acad. Engrg. mem;Am.Mgt.Assn.dir.
MISCELLANEOUS
Auth: (w/h Bierwirth & Hoyler) Radio Freq. Heating,1947.Patentee

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Martin SERETEAN b. 5/13/24. 627 Brookfield St.,Chattanooga,Tenn.
Educ: B.S., Okla. State Univ. 1949; M.S. in Retailing,NYU 1950.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
RCA, dir. Coronet Ind. chmn. bd. & chief exec. off.
CAREER POSITIONS
Abraham & Strauss Bklyn. asst. to buyer flr. coverings,1950-51; Allied Stores Corp. NYC, flr. coverings buyer,1951-53; Katherine Rug Mills,(Dalton,Ga.)sales mgr. 1953-56.
Coronet Inds., Inc., pres. 1956-; founder & principal shrhldr.
PROFESSIONAL/OTHER ASSOCIATIONS
Outs. Sm. Bus. Man of Yr., Nat'l. Coun. Sm. Bus. Mgt. Devel 1965.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
M.B. Seretean Found., pres.

Howard STAMPER
Educ: B.S., Univ. of Missouri, 1953.
FINANCE, REAL ESTATE, INSURANCE
Nat'l. Stockyards Nat'l. Bank, dir.
St. Louis Union Trust Co., dir.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
RCA,dir. Banquet Foods Corp.,chmn. bd. & chief exec. off.
Meyer Blanke Co., dir.
Seven-Up Co., dir.
NON-PROFIT INSTITUTIONS; EDUC.ESTABLISHMENT; TAX-EXEMPT FOUND'NS
Washington Un., (St. Louis), trustee.
CAREER POSITIONS
F.M. Stamper Co., pred. Banquet Foods Corp. 1935,dir. 1941.

Chase MORSEY, Jr. b. 1919
Educ: A.B., Amherst College, 1941.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
RCA, exec. com. bd. dir. subsids.- Banquet Foods, Coronet Inds. Cushman & Wakefield, Hertz.
CAREER POSITIONS
RCA, vp Mktg. & exec. vp Opers. Staff, 1968. Fmr. pres. & owner Paradise Ford Sales, Inc. (Scottsdale, Ariz.); also Ford Motor Co., gen. mktg. mgr.

Robert WERNER b. 2/28/13. 116 E. 68 St., NYC 10021.
Educ: A.B., Yale, 1933; Ll.B., Harvard, 1936.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
RCA Globcom, Hertz Corp., Random House, Banquet Foods, Cushman & Wakefield, Coronet Inds.,dir. RCA Belg.;Puerto Rico;del Caribe; Int'l. Develop't.Corp.; Int'l. Ltd.(Bermuda);Taiwan; dir.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
Supreme Court, USA.
Asst. US Attorney 1937-40, confidential asst. 1940-42.
1st asst. civil div. Department of Justice, Wash. 1946.
Special asst. to Attorney General USA 1946-47.
International Chamber of Commerce.
DEFENSE NEXUS; MILITARY SERVICE
Served to maj. AUS 1942-45; to lt. col. USAAF 1944-45.
US Naval Institute, mem.
CAREER POSITIONS
Admitted NY Bar, var. fed. Bars, US Supreme Court Bar, 1936.
Special asst. to US Attorney, So. District of NY, 1936.
RCA law dept.1947; vp,gen. atty.1951-66;exec. vp, gen. coun.'66
PROFESSIONAL/OTHER ASSOCIATIONS
Fed., Am., NY State, City of NY & FCC Bar assns., mem. SW Legal Found.; Practicing Law Inst.; Harvard Law School Assn.; mem. Int'l. & Comparative Law Center, mem. adv. bd. US Council, com. on restrictive business practices.
Inst. of Radio Engineers, sr. mem.; I.E.E.E.
Am.Judicature Soc.;NY Co. Lawyers' Soc.,mem.; Am. Soc. Int'l.Law
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
Ithaca College, trustee.
SOCIAL CLUBS
Army-Navy(Wash.);Coral Beach(Bermuda);Rock. Ctr. Lunch.;Lotos.

Thornton BRADSHAW b. 8/4/17. River House - 435 E. 52 St., NYC 10022
Educ: A.B. Harvard,1940; M.B.A.,1943;D.C.S.,Grad.Schl. Bus.1950
FINANCE, REAL ESTATE, INSURANCE
Penn Mutual Life Ins. Co., dir.
First Pennsylvania Bank & Trust Co., dir.
Diebold Venture Capital Corp., dir.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
Atlantic Richfield Co., pres. & dir.
Atlas Chemical Inds., dir.
US Plywood-Champion Papers, Inc., dir.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
Foreign Policy Association, dir.
CAREER POSITIONS
Harvard Grad. School of Bus. Admin., assoc. prof., 1942-52.
Cresap McCormick & Paget, partner, 1952-56.
Atlantic Richfield Co., vp & dir., 1956-62.
PROFESSIONAL/OTHER ASSOCIATIONS
American Petroleum Inst.; Nat'l. Indsl. Conf. Board; dir.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
Harvard Bus. Schl. Assn., exec. council. Pomfret School, dir.
MISCELLANEOUS
Author: Controllership in Modern Management, 1949.

Julian GOODMAN b. 5/1/22. 15 Greystone Rd., Larchmont, NY 10538.
Educ: A.B., G. Wash. U., 1948; Ll.D., Wm. Jewell Coll., 1967
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
NBC, Inc., chief exec. off. & dir.
CAREER POSITIONS
NBC newswrtr. 1945-50; mgr. news Wash., 1950-59; dir. news & pub. aff. 1959-61; vp news, 1961-65; NBC Inc., sr. exec. vp, 1965, pres., 1966.
PROFESSIONAL/OTHER ASSOCIATIONS
Radio-TV Corrs.' Galleries, US Capitol, past chmn. exec. com.
Radio-TV Corrs.' Assn., mem.
Bdcst. Pioneers; IRTS; Radio-TV News Dirs. Assn., mem.
SOCIAL CLUBS
Players; Federal City (Wash.); Winged Foot Golf (Mamaroneck, NY)

Howard HAWKINS b. 2/11/16. Meadow Croft Lane, Greenwich, Conn. 06832
Educ: B.S., U. of Ind., 1938; J.D., 1941.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
J.H. Foley Corp., dir.
Marconi Telegraph Cable Co., Inc., pres. & dir.
RCA Alascom, Globcom, Philippines Communics. Corp., pres. & dir.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
Federal Bureau of Investig., Dept. Justice, spl. agent, 1941-46
DEFENSE NEXUS; MILITARY SERVICE
Armed Forces Communics. & Elec. Assn., mem. (pres. NY chpt.).
CAREER POSITIONS
RCA Communics., Inc., asst. gen. atty. 1946-48, gen. atty. 1948-65, vp 1951-64, exec. vp bd. dirs. 1964-66, pres. 1966-.
PROFESSIONAL/OTHER ASSOCIATIONS
Society of Former Spl. Agents, F.B.I., Inc., mem.
Bar NY; Assn. Bar, City of NY; Am. Bar Assn.; Federal Communications Bar Assn.; Inter-Am. Bar Assn.; mem.

Donald SMILEY b. 8/6/15. 68 Spruce Lane, Chappaqua, NY 10514.
Educ: B.A., Augustana Coll., 1936; J.D., Northwestern U.,1940.
FINANCE, REAL ESTATE, INSURANCE
Metropolitan Life Ins. Co., dir.
Charter New York Corp., dir.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
R.H. Macy & Co., Inc., chmn. bd., treas. & chief exec. off.
Ralston Purina Co., dir.
Texas Gulf Sulphur Co., dir.
CAREER POSITIONS
Adm. NY Bar 1940; Breed Abbott & Morgan (NYC), assoc., 1940-41; Bar US Supreme Court 1945. R.H.Macy & Co., Inc. 1945-; exec. vp, treas. 1964-66; v-chmn., treas. 1966-68;chmn., treas.1968-
SOCIAL CLUBS
Union League, Blind Brook, Indian Harbor Yacht.

N.B. Edgar Griffiths, John Petty, and Cecily Selby are recently-appointed RCA directors.

abc

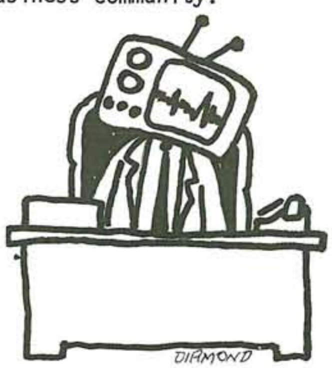
- Directors and the Power Structure

Though less distinguished than its companion networks CBS and NBC, in terms of socio-political elitism, ABC's board of directors comprises a similar class of financiers and merchant tradesmen. Certain members of the board have chaired the SEC, sat on the Committee for Economic Development, and directed the New York Stock Exchange; but their 'elitism' is more confined to narrow financial and corporate interests. Anatomy of ABC stock ownership attests to the huge influence of institutional operators; and the board profile supports this conclusion.

Board representation in the subheading FINANCE, REAL ESTATE, INSURANCE includes no less than eighteen institutions: Eleven commercial banks - Empire City Savings Bank, Bowery Savings Bank, Bank of New York (director Chapman), Manufacturers Hanover Trust Co. (Hansberger, Coleman), Bankers Trust Co. (Goldenson), First National City Bank, Bloomfield Savings Bank (Jenkins), Marine Midland Bank (Schlesinger), Chemical Bank (Siegel), New Jersey National Bank (Hess), East River Savings Bank (Coleman); three of the most significant insurance companies - Metropolitan Life Insurance Co. (Jenkins), Penn Mutual Life Insurance Co. (Jenkins), Penn Mutual Life Insurance Co. (Hansberger), Mutual Life Insurance Co. (Schlesinger); six mutual and investment funds, investment brokerage houses, and a real estate corporation - First Charter Finance Corp. (Hansberger), General American Investors (Cook), Gibbs Investment Corp. (Rule), Lincoln National Corp. (Cook), First Security Corp. (Hansberger), Adler, Coleman & Co. (Coleman), and Belruth Realty Corp. (Clark).

Major corporate interlocks, applicable in ABC's case, are General Dynamics Corp., American Electric Power Co. (also CBS), Western Union Telegraph Co., Amerada Hess Oil Corp. (also RCA), Bethlehem Steel Corp., Chrysler Corp., Belding Hemingway Co.

It is important to stress that ABC's role overseas is primarily that of an international advertising agency, concerned with the buying and selling of prepackaged programming and commercial advertising space. A further characteristic of ABC directors is that their interests lie especially in the fulfillment of vested corporate and multinational goals. Their prime concern is with merchandise, sales, and trade, making extensive use of television's unique ability and availability to serve the needs of the business community.



Alger CHAPMAN b. 11/2/04. 525 E. 86 St., NYC 10028.
Educ: A.B., Williams Coll.,1926; Ll.B., Columbia 1930.

FINANCE, REAL ESTATE, INSURANCE
- Empire City Savings Bank, fmr. trustee.
- Bowery Savings Bank, trustee.
- Bank of New York, trustee.
- Adams Express Co., NY, dir.
- NYSE, mem. staff, 1959-66.

INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
- Squibb Beech-Nut, Inc., chmn. bd. & chief exec.
- Shearson-Hammill Corp., pres.
- ABC Inc., & ABC-Paramount Theatres Inc., dir.

ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
- Republican campaign mgr. of gov's campaign,1946,1950; senatorial 1949;presid. 1948,1952,1956.NY Rep. Commn. treas. 1949-59.

CAREER POSITIONS
- US Senate, atty.leg.couns.off. 1930-32. Adm. D.C. bar 1932,NY Bar 1940. Alvord & Alvord,Wash. 1932-45; State Tax Commn. NY 1945-48; Chapman Walsh & O'Connell 1948-. SEC, atty. 1957-8, legal asst. to commnr., 1958-59.

PROFESSIONAL/OTHER ASSOCIATIONS
- Police Ath. League, dir., treas.
- Am.,NYS Bar Assns.;Tax Inst.,mem.;Assn.Stock Exch. Firms, dir.

NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
- Adelphi coll., trustee
- E.J.Noble Found'n., trustee (executor Noble estate).

John COLEMAN b. 12/24/01. 812 Park Ave., NYC.
Educ: Holy Trinity Schl. 1907-15;Regis H.S. Assorted hon.Ll.D.'s

FINANCE, REAL ESTATE, INSURANCE
- Adler, Coleman & Co., sr. partner.
- Manufacturers Hanover Trust Co., fmr. dir.
- E. River Savings Bank, trustee.

INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
- Chrysler Corp., dir.
- NY Telephone Co., dir.
- General Aniline & Film Corp., fmr. dir.
- ABC Inc., ABC-Paramount Theatres Inc., dir.
- GAF Corp., dir.

ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
- NY Stock Exchange, governor, 1938-43, 1948-.

CAREER POSITIONS
- NYSE flr. page,1916; NY Curb Exch.,mem. 1923-24. NYSE mem., 1924-; v-chmn., 1941-43; chmn. bd., 1943-47.

PROFESSIONAL/OTHER ASSOCIATIONS
- Papal Chamberlain 1957. Cardinal's Com. of Laity, exec.chmn.
- Catholic Charities Inc., trustee.

NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
- NY Foundling Hospital; Catholic Univ. of Amer., trustee.
- Altman foundation; Alfred E. Smith Memorial Found.; trustee.

SOCIAL CLUBS
- Manhattan (NYC); Spring Lake Golf & Country (NJ).

Donald COOK b. 4/14/09. 988 Fifth Ave., NYC 10021, NY.
Educ: A.B., U. of Mich., M.B.A. 1935; Ll.M., Wash. U.,1940.
FINANCE, REAL ESTATE, INSURANCE
Lincoln Nat'l. Corp. (Ft. Wayne, Ind.), dir.
General American Investors Co., Inc., dir.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
Diebold Computer Leasing, Inc., dir.
American Electric Power Co., chmn.,pres. & chief exec.off. Pres. & dir. subsids.: Appalach. Power Co.; Ind. & Mich. Elec. Co.; Ky. Power Co.; Kingsport Power Co.; Ohio Power Co.; Wheeling Elec. Co.; Central Appalachian Coal Co.; Franklin Real Estate Co.; Ind. Franklin Realty Inc.; Cardinal Oper. Co.; Twin Branch RR Co.; W. Va. Power Co.; Amer. Elec. Power Svce. Corp.;Beech Bottom Power Co.; Central Oper. Co.; Kanawha Valley Power Co.; Captina Oper. Co.; Central Coal Co.; Central O. Coal Co.; Downtown-Lower Manhattan Assn.;Ind.-Ky. Elec. Corp.; Mich. Power Co.; O. Valley Elec. Corp.; So. Bend Mfg. Co.; Windsor Power House Coal Co.; Wheeling Electric Co.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
SEC, asst. dir., 1943-45, commnr., 1949-53, & chmn., 1951-53.
Office of Alien Property, Dept. of Justice, dir., 1946-47.
Executive asst. to Attorney General of USA, 1945-46.
DEFENSE NEXUS; MILITARY SERVICE
Senate Armed Services Commn., chief coun., preparedness investigation subcommittee, 1950-52.
US House of Representatives, Com. Naval Affairs,spl. coun.,'43-45
CAREER POSITIONS
SEC, fin. examiner, reg. div., 1935-36; analyst, pub. utils.div. 1937-42. Cook & Berger law offices, ptnr., 1947-49.
Am. Elec. Power Svce. Corp. 1953-, exec. vp 1954-61, pres.1961-; Am. Elec. Power Co., dir., exec. com. 1960-.
PROFESSIONAL/OTHER ASSOCIATIONS
Office of Econ. Opps.,bus. leadership adv.coun. Ind. Advis. Comm.,Def. Elec.Power Admin.;Comm. on Ind.,Tech. & Soc.; mem. Am., Mich. Bar Assns.;Am. Acctg. Assn.;Am. Inst. CPA's;AAAS;mem. Am. Judicature Soc., mem. Nat'l. Coal Policy Conf., dir.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
Eisenhower Exchange Fellowships; G. Wash. U.; U. of Va. Grad. Schl. Bus. Admin.; Center for Advanced Study in Behavioral Sciences (Stanford); trustee.
SOCIAL CLUBS
Harbor View Mining, National Capital Democratic (Wash.).

Everett ERLICK b. 9/12/21. 22 Chester Drive, Rye, NY.
Educ: A.B., Vanderbilt U., 1942; Ll.B., Yale U., 1948.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
ABC, Inc., sr. vp, gen. counsel. MSG-ABC Prodns., Inc., fmr. dir. WLS, Inc., dir.
CAREER POSITIONS
Adm. NY Bar 1948; Engel Judge & Miller(NYC), asso. atty., 1948-51; Young & Rubicam, asst. gen. coun. 1951-55, vp & asso. dir. media rels. dept. 1955-58, vp radio-tv dept. 1959-61.
ABC-Paramount Theatres, Inc., vp & gen. coun. 1961-; dir. 1962-.

Simon SIEGEL b. 3/16/06. 72 Lake Shore Drive, Eastchester, NY.
FINANCE, REAL ESTATE, INSURANCE
Chemical Bank NY Trust Co., mem. West Side adv. com.
Pacpar, Inc. (NYC), fmr. dir. & vp.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
ABC Inc., exec. vp & dir.; Central Am. TV Netwk. Co., Ltd.,dir. & treas.; Prairie Farmer Publ. Co., dir.
Marion Advt. Agency, Inc.(Fla.), dir. & asst. treas.
CAREER POSITIONS
Paramount Picts.,1929, compt. theater dept. 1949; compt. United Paramount Theatres Inc. 1950-53; Am. Bdcstg.-Par. Theatres Inc. 1953-60, exec. vp 1961-, fin. vp parent co. 1957-61, dir. 1958-, exec. com. bd. 1959-; ABC, vp & treas. 1960-61, exec. vp 1961.

Robert HANSBERGER b. 6/1/20. 1305 Harrison Blvd., Boise,Idaho 83702
Educ: B.M.E., U. of Minn. 1942; M.B.A., Harvard 1947.
FINANCE, REAL ESTATE, INSURANCE
1st Charter Finance Corp.,(Beverly Hills), dir.
First Security Corp., (SLC, Utah), dir.
Penn Mutual Life Ins. Co., fmr. mem. bd. trustees.
Mfrs. Hanover Trust Co.; Mfrs. Hanover Corp., dir.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
Boise Cascade Corp., pres. & chmn. bd.
RAM Corp., chmn. bd.
Futura Industries, chmn. bd.
Albertson's Inc., dir.
Gould National Batteries, dir.
Idaho Power Co., dir.
VSI Corp., dir.
Castle & Cooke Inc., dir.
Western Pacific RR Co., dir.
General Dynamics Corp., fmr. dir.
MacKay Bar Corp., chmn. bd.
ELITE POLICY GROUPINGS; GOVERNMENT SERVICE
Committee for Economic Development, trustee.
President's Commission on White House Fellows, mem.
US Chamber of Commerce, dir.
CAREER POSITIONS
Container Corp. Amer., vp 1947-50, div. chief engr. 1950-53, budget dir. 1953-54; Sportsman Golf Corp.,chmn. 1948-; Western Kraft Corp., Ore., exec. vp 1954-56; Western Corrugated Inc., exec. com.&dir. 1955-56; Western Sales Co., pres.&dir. 1956; Boise Payette Lumber Co., exec. com., dir. 1956-57.
PROFESSIONAL/OTHER ASSOCIATIONS
Business Council; Bus. Com. for Arts; N.A.M. (dir.); mem. Ida. Chmbr. of Comm.,dir.;Ida. Citizens Com. State Legis.,chmn.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
Coll. of Ida.; Calif. Inst. of Tech.; Aspen Inst. for Humanist. Studies; trustee. Brigham Young U.; Stanford U. Grad. Schl. Bus.;Ida. State U. Coll. Bus. Admin.;mem. adv. coun. Carnegie Inst. Tech.,adv.com.schl. Indsl.Admin. Whitman Coll.,overseer.
St. Luke's Hosp., trustee. Pacific NW Ballet Assn., mem.

Leonard GOLDENSON b. 12/7/05. 803 The Parkway, Mamaroneck, NY.
Educ: Harvard College, 1927; Harvard Law School, 1930.
FINANCE, REAL ESTATE
Bankers Trust Co., mem. uptown advisory committee.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
Western Union Telegraph Co., fmr. dir.
Allied Stores Corp., dir.
NY World's Fair Corp., dir., 1964-65.
ABC Inc., chmn.bd. & chief exec.off.; Central Am. TV Netwk.Co., Ltd.; Prairie Farmer Publ. Co.; MSG-ABC Prodns., Inc.; dir.
CAREER POSITIONS
Adm. to NY, Pa. Bars, 1930; pvt. prac. NYC, 1930-33. Asst. to man in chg. theatre opers. Paramount Picts., Inc., 1944-50; United Paramount Theatres, Inc., pres. & dir., 1950-52; ABC-Paramount Theatres, Inc., pres. & dir., 1953-.
PROFESSIONAL/OTHER ASSOCIATIONS
Advt. Coun., dir. Nat'l. Citizens' Commn. on Int'l. Coop.,mem. IRTS, mem. Nat'l. Citizens' Com. for Commun. Relations, mem.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
United Cerebral Palsy Assn.,Inc.,fndr.,pres.,dir.,1948-53;chmn. bd.,1954-60;v-chmn.bd.,1960-. Children's Cancer Res.of Childn's Med. Ctr.(Bos), dir. Will Rogers Mem'l. Hosp., trustee.
Nat'l. Cult. Ctr., adv. com. Advis. Council for Perf. Arts, U. of Pa., mem. coun. & assoc. trustee. JFK Center for Perf. Arts; JFK Library Corp., trustee.
SOCIAL CLUBS
Harvard, Economic (NYC).

Samuel CLARK b. 1/10/14. 19 Abbey Close, Scarsdale, NY
FINANCE, REAL ESTATE, INSURANCE
Belruth Realty Corp., fmr. dir. & pres.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
ABC, head Paramount Records Div., 1955-65; grp. vp & dir.,1966-. Mars Prods. S.A.; Amerbroco Films Ltd.; Ambro West.Hemisphere Releasing Corp.; dir. & pres. Selmur Picts. Corp.; 1933. Features Corp.,; dir. & vp.
Mid-State Distrib. Co., dir.
Silver Springs, Inc. (Fla.), dir.

George JENKINS b. 2/14/15. 485 Ridgewood Ave., Glen Ridge, NJ
Educ: A.B., Princeton 1936; M.B.A., Harvard 1938.
FINANCE, REAL ESTATE, INSURANCE
Metropolitan Life Ins. Co., v-chmn. bd. & chmn. fin. com.
First Nat'l. City Bank of NY, dir.
Bloomfield (NJ) Savings Bank, dir.
INTERCONECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
St. Regis Paper Co., dir.
Bethleham Steel Corp., dir.
CAREER POSITIONS
Metropolitan Life Ins. Co., 1938-, vp 1956-62, fin. vp 1962-65, chmn. fin. com. 1965-, v-chmn. 1969-.

Jack HAUSMAN b. 1/4/02. 247 Kings Point Rd., Kings Point, NY.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
Belding Hemingway Co., dir.,v-chmn.bd.,chmn.fin.com.;fmr.pres. subsid., Belding Hausman Fabrics Inc. (textile & thread mfr.)
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
United Cerebral Palsy Assn. Inc. NYC,hon.chmn.bd.,1959-,v-chmn, 1955. United Cerebral Palsy Res. & Ednl. Found. chmn. bd.
SOCIAL CLUBS
City Athletic (NYC); Fresh Meadow Country (Gt. Neck, NY).

Leon HESS b. 3/13/14. 625 Park Ave., NYC
FINANCE, REAL ESTATE, INSURANCE
NJ Nat'l. Bank (Trenton), dir.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
(Amerada)Hess Corp.,chmn. exec. com.,fmr. chmn. bd.
Erie-Lackawanna Railway Co., fmr. dir.
NY Jets Football Club, Inc., vp & treasurer.
Monmouth Park Jockey Club, dir.
NON-PROFIT INSTITUTIONS; EDUC. ESTABLISHMENT; TAX-EXEMPT FOUND'NS
College of Virgin Islands, mem. bd. overseers.

Elton RULE b. 6/13/07. 1 Taunton Rd., Scarsdale, NY
FINANCE, REAL ESTATE, INSURANCE
Gibbs Invst. Corp. (NYC), dir.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
ABC Inc., chief oper. off. ABC Int'l. TV; ABC Worldvision Int'l.; Inversiones Golick, S.A.; Selmur Prodns.; ABC Films of Canada Ltd.; ABC Films of Latino Americana S.A.; ABC Films of Australia Pty. Ltd.; ABC Films de Venezuela SRL;dir.

Theodore SCHLESINGER b. 11/27/08. 150 Central Park So., NYC
Educ: A.B.,City Coll. NY 1928; Ll.D., Fordham U., 1931.
FINANCE, REAL ESTATE, INSURANCE
Mutual Life Ins. Co. of NY, trustee
Marine Midland Bank, NY, dir.
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
Allied Stores Corp., chmn. exec. com. & dir.;dir. subsid. corps; Allied Stores Mktg. Corp., dir.
Lily-Tulip Cup Corp., fmr. dir.
CAREER POSITIONS
Allied Stores Corp.,1929-; asst. to pres. 1939-45; vp 1945-49, pres., chief exec. off. & chmn. bd., 1959-.

Martin SCHWAB
INTERCONNECTING DIRECTORATES; MULTINATIONAL CORPORATIONS
United Merchants & Manufacturers, Inc.(textiles), pres., dir., treas., and chief fin. officer.
PROFESSIONAL/OTHER ASSOCIATIONS
Commerce and Industry Ass'n. of NY, Inc., dir.

APPENDIX

WAR CONTRACTS

CBS

CBS, Inc., CBS Labs Division, 227 High Ridge Rd., Stamford, Conn.

For 1967 CBS had contracts totalling $941,725 for the research and development of similar types of military instruments (such as laser detectors and radar targetting) as are indicated in the contracts specified below for 1968, 1969, 1970, 1971.

YEAR	DEPT	DESCRIPTION	$AMOUNT
1968	Army	Develp'tl.work to incorp. des.concept of mutual stiffness coupling into aud.transducer assembly	27,043
		Feas. study on voice ampl. devices for protective masks	33,418
		Eng. develop.Models of Ear Protector electro-accoustic mx	70,286
		Des.,Fabr.,& Test of models of audio transducer-helmet assembly & noise cancelling mic.	98,756
	USAF	Non-conventional exploitation techniques	35,000
		Imaging P-N Junction photocathodes	45,000
		Sys. design study for radar land mass transparency preparation	48,600
		Design study for radar & land mass sim. system	49,700
		Investig.& study for Ediophor Reliae study	99,469
		TOTAL	507,272
1969	USN	Image dissection camera	78,000
	NASA	Design study & high resolution display & film recorder	153,860
	USAF	Short range communic.system for CB protective mask	15,000
		Detection & Imaging Technology	55,000
		Wideband Analog recorder & readout sys.	65.000
		Laser scanning recording system-digital recorder	91.062
		Wideband analog recorder & readout sys.	150.000
		Laser image processing scanner	211,023
		Contr. for display controller processor	250,000
		Contr. for Group Display Projector	725,000
	Interior	Develop't of hands free wireless intercom	64,792
		TOTAL	1,858,737
1970	USN	Gradient Hydrophone calibrator	28,679
	Army	Feas. study of voice ampl. devices for protective masks	84,000
	USAF	Multi-dimensional storage technique	81,650
		Investig.&study for "Select. address ediophor"	91,000
		Graphic plotter	304,013
		TOTAL	589,342
1971	USN	Develop't. of vertical gradient hydrophone	81,338
	USAF	Technique for storing 10.6 micon co_2 laser emission to provide target area illumination	50,000
		TOTAL	131,338

Source: Research and Development Directory, Government Data Publications (1967, 1968, 1969, 1970, 1971).

RCA Government Systems

1971

USN

DESCRIPTION	$AMOUNT
Total for war contracts valued at $50,000 and under...	484,562
Reduction analysis & reporting of data from RAM C-B mission	52,307
Res. on application of laser tech. to naval comm.	57,331
Research on optically pumped masers	57,596
Writing svces. for ship trials prog. publications	58,523
Gunfire control & shaff rocket launching systems	59,020
Representative svcs. in anti-submarine warfare sys.	61,000
Feas. install. studies of ship fleet maint. reqs.	67,473
Add. develop. of high gain feed assembly	70,019
Develop, maintain & provide combat sys. documentation	73,452
Investig. dielectric films for semi-cond. applics.	74,322
Extend-period of performance, level of effort & update contract schedule	75,000
Representative svcs. in avionics support eqpt.	80,000
Sys. eng. assis. for French Tartar missile ships	82,020
Two hermetically sealed 80 watt linear broad band amplifier prototypes	82,700
Investig. & demonstr. of multicolor maps & charts in holographic form in crystals	85,000
Svcs. for sonar & sonar related electronic sys.	91,156
To provide advice & assistance in planning for use, operation, maint., repair & modif. of AN/TRC-97E	91,979
Marine battalion combat electronic sys. study	97,403
Develop. microwave parametric amplifier using coaxial varactor	97,582
Develop. of thin film active devices	98,000
Weapons system in the F-4 Aircraft	98,500
Res. to df. performance char. & eqpt. req. of proposed medium altitude	99,066
Eng. support to develop improvements for Terrier & TALOS weapon control eqpt. & systems	115,000
Electromagnetic/electronic studies	115,537
Inc. scope of contract & total est. cost	140,000
Cond. atmospheric noise meas.& dev. atmos. noise stats.	169,818
R&D study & anal. for ELF/VLF propagation satellite	197.598
Infantry combat electronic system study	211,197
Devel. & provide combat sys. doc. for DXGM contr.	217,402
R&D illuminator & LLTV camera	221,386
Sys. eng. for interface design integration of doc.	287,637
Conduct initial test & exploratory develop. fault isolation	298,978
To test & evaluate pulse doppler radar modifications	335,583
Eng. svcs.; equipments; sonar, radar, ECM & comm.	365,999
Support of systems & eqpt.; particularly sonar sys.	400,000
Res. on APADAS III systems	589,352
Fabr., test & deliv. aux. external storage units	606,312
Repair & mod. of hydrostatic bearings	692,714
Phase C extension, modif. to contr.NOQ017-69-C-2403	800,000
Des., devel., fabr., & furn. 18 radio frequency amplifier/oscillators	1,388,880
Radio amplification	1,900,000
Maint. & oper. of Atlantic Undersea Test & Eval. Ctr.	3,500,000

Aircraft radio sets	4,100,000
Satellite contract	4,400,000
Contract for 3 Navy navigation satellites	5,111,281
Advanced surface systems engineering develop.	25,000,000
Increase for Aegis anti-aircraft missile & contract for Harpoon antiship missile	100,000,000
TOTAL	153,358,685

USAF

DESCRIPTION	AMOUNT
Total for war contracts valued at $50,000 and under...	527,666
Antenna and terminal maintenance	60,000
Eng. svcs.to signal processing test facility radar at Floyd, NY.	63,700
Develop. GAAS 1-X P X thin film bipolar transistors	65,215
Modif. kit data & eng. svcs. in support of BMEWS	67,500
Investig. of crystal gallium arsenide on crystal magnesium-aluminum substrates	70,000
Speech controlled radio channel selector	75,000
Speech analysis-synthesis sys. at signalling rates approaching teletype links	75,000
Fabrication of Al O Mos circuit	77,600
Development of microwave power transistor technology	83,000
Improved optical receivers to achieve high perform. laser illuminator sys. req. for night vision	95,938
Airbase peripheral area control study	96,500
Solid state digital scanning of mosaic sensors	99,000
Devel. in field of silicon on sapphire transistor	99,548
High power solid state amplification	100,000
Airborne computer augmented communications complex	100,000
Field support for Project Deep Look	109,644
Eng. svcs. for ADC/Norad Cheyenne Mountain complex	150,000
Foreign language speaker identification	151,600
Res. for CAMEL digital signal processing study	172,912
Airborne computer augmented communications complex	245,000
Fabr. of high resolution electronic camera	299,375
Airborne computer augmented communications complex	351,560
Complete config. management of BMEWS	361,400
Field support for Project Tela	630,571
Input/output textual console subsystems	785,525
Prov. pulse doppler modification to AN/RPQ-6 radar	992,850
Radar site reactivation contract	1,300,000
Prod. of satellite to be used in classified space pgm.	4,400,000
Maintenance of radar systems on Eastern Test Range	4,500,000
RDT&E program for land combat support systems	4,648,666
TOTAL	20,919,770

NASA

DESCRIPTION	AMOUNT
Total for war contracts valued at $50,000 and under...	276,998
Low altitude satellite interaction study	58,850
Design & develop. of N-P-N silicon overlay transistor	78,480
Res.in Vapor deposition G111-V compound semiconductors	89,552
Radio research instrument	90,000
C-Mos array design techniques	90,245
A/99 Photomultiplier units	99,990
Phase B/C (Def./design) studies,atmosphere explorer	249,200
Ret. beam vidicon multi-spectral 3 camera subsys.-ERTS	435,000

Programmable command generator	600,000
ERTS Video tape recorder system	727,000
Laser altimeter	1,483,500
Develop. fabr. & deliv. register & multiplexer units	1,920,000
Lunar Communications relay units	8,500,000
To build 3 scientific satellites	12,000,000
TOTAL	26,698,815

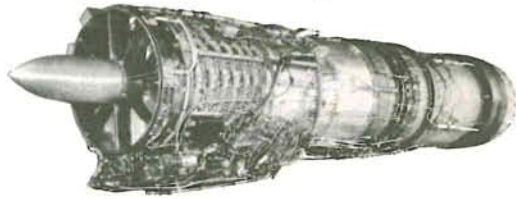
ARMY

DESCRIPTION	AMOUNT
Total for war contracts valued at $50,000 and under...	531,812
Res. in UHF Metal-Oxide-Silicon integrated circuits	54,983
Engineering services	55,707
Eng. svces. to perform TACSAT II terminal parameter study	59,836
Research on maser saturation pit	61,930
Direct support facilities for maint.,advice, repair & on-the-job training for TACSATCOM terminals	62,840
Field eng. svces. for integrated observation device	66,098
Res. for dual-mode single sensor develop.&optimiz. pgm.	70,000
Initial spare parts in support of Tacsatcom terminals	74,100
Study & develop. of model of high dynamic range front end tuner techniques	74,965
Feas. model of IR mosaic mortar flash detector	77,683
Field eng. svces. to support USAECOM tests of 3-D surveillance laser system.	79,507
Electronic instructor services	81,137
R&D work on integrated solid-state microwave sources	81,644
Design, develop. & test hip pack control unit	82,815
VM Hot Gas Cooler	89,527
Automatic spkr. authentic. egpt.&deliv.of devel. model	95,700
Fabr. & test of S & A devices for mortar fuze	95,965
TACSAT airborne-converter-signal processor	96,000
Prelim. data processing test for adv. ballistic missile defense agency	99,435
Mfg. method & tech. meas. for integ. circuit masks	119,200
Res. on new materials for electroluminescence	120,990
Supply, install & test visual data communications sys.	121,616
Electronic heads for proximity fuze	133,061
Pulsed gallium arsenide illuminator systems	174,987
Spare parts for integrated observ. system	181,000
Eng. measure for 25 MM microchannel image intensifier	182,112
Communications-electronics support svces.	188,892
Production eng. measure contr. for traveling wave tubes	250,000
Eng.meas. for multistage solid state power amplifiers	277,000
COBRA night fire control sys. low light level TV camera & display	330,000
Research effort for tactical warning study	340,147
Integrated observation device	648,000
Add. Tow test prog. on land combat support system (LCSS)	1,141,350
Integrated observation system (laser)	1,500,000
R&D on CAMEL radar for Safeguard System Command	1,700,000
To build 6 prototype models of AN/URC-78 VHF radio transceivers for use in aircraft from Elec. Command	2,000,000
Combat system test station	3,500,000
Radar eqpt. order for missile tracking radar eqpt.	4,600,000
RDT&E program for land combat support system	4,648,666
Eng. svces. for land combat support system (LCSS)	5,324,227
3-range instr. radars for White Sands,N.M. range	7,300,000
EDP Computer systems	11,700,000
TOTAL	48,472,932

Totals of awards listed according to Department

US Navy	$153,358,685
USAF	20,919,770
US Army	48,472,932
NASA	26,698,815
DoD(oth.)	118,000
TOTAL	$249,568,202

Source: Research and Development Directory, Government Data Publications, 1971.



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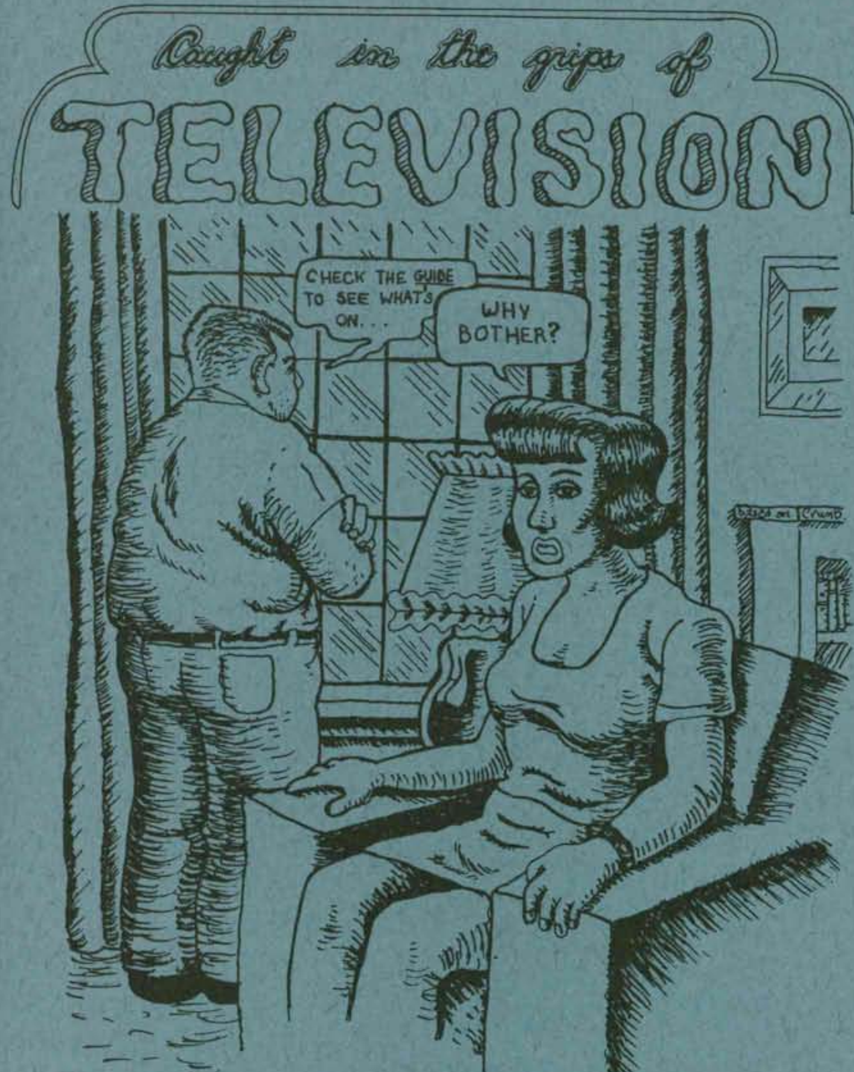

THE NETWORK PROJECT

The Network Project is an independent, voluntary non-profit organization conducting a research-and-action project on American telecommunications. Its members investigate an area of particular interest and importance, and this research forms the basis of actions which, in the past, have included the publication of reports, the production of radio programs, litigation and participation in legal proceedings, and testimony before Congressional committees and the Federal Communications Commission. Members of the Project have also conducted seminars and spoken to community groups and at campuses in the United States and Mexico; this has been a particularly useful way of disseminating information, and we welcome such opportunities.

The survival of the Notebooks is dependent upon your support; consequently we ask your help in publicizing the Notebooks, and hope you will spread the word to friends who might find them useful.

The Network Project
104 Earl Hall
Columbia University
New York, N.Y. 10027

The Network Project

CONTROL OF INFORMATION

Notebook Number Three
March 1973

This Notebook is a primer on censorship. In conjunction with the preceding *Directory of the Networks*, it provides an introduction to the conflict between exclusive control of information and the needs of democratic society.

Control of Information was written as a complement to two of the radio programs in the Network Project's FEEDBACK series: No. 4, which dealt with broadcast journalism and the myth of objectivity; and No. 5, which examined television entertainment programming and the values it communicates. These programs, aired by the Pacifica system's stations, are now being distributed on tape by Radio Free People. Transcripts of the programs were published in *Performance Magazine*.

NOTEBOOK NUMBER THREE

CONTROL OF INFORMATION

CONTENTS

The Network Project
104 Earl Hall
Columbia University
New York City, New York

INTRODUCTION

The previous Notebook[1] showed television broadcasting itself to be a business heeding the imperative of profit-maximization, and at the same time dependent for income on its diversified subsidiaries, on the contracts it receives from the Department of Defense, and on the industries which use it as a marketing vehicle. In short, it is an adjunct to the institutions it serves.[2] By inference, information which cannot be easily incorporated into the standard images of American economic society is unwelcome. The broadcaster could hardly be expected to tolerate truths which contradict his closed universe or threaten his power to control it, whether these truths are in the form of a peace-symbol formed during a football half-time show (cut by ABC), an American flag shirt worn by Jerry Rubin during his appearance on a talk-show (NBC), or are presented in a more subtle communication.

Anything that departs from the planned conditioning of the television audience allows a separation, a critical distance, between the viewer and the set. The television no longer provides a safe and comforting shelter, when its enveloping image of reality has been broken by the admission of alternatives. The viewer may then appraise or judge critically what the reality is; he is, moreover, able to reject -- or even imagine what other alternatives might be. Once this happens, he is no longer the student of a corporate advertiser, but the student of a world which, with its myriad truths and manifold realities, is not always kind to General Motors or the United Fruit Company.

The psychological process which enables television to be a successful merchandiser can be described easily: desirable human emotions are detached from their proper objects and clustered around the object to be consumed, as with "Have a box of will-power" (Chiclets chewing gum). This process, however, is only effective if the transfer of emotions is sustained. Its success requires the creation of a highly structured and ordered reality of which the commercial is only a part. When network time salesmen describe to a prospective client the "favorable environment" television will supply for their message, they are alluding to this climate of support, where programs reflect the images presented in the commercial. The housewife's concern over the whiteness of her wash, the husband's concern over the purchase of a new car...these are figures of both the 30-second commercial and the 60-minute drama with whom the viewer is well acquainted, whose concerns the viewer is asked to share. Indeed, such values and assumptions must be shared if the viewer is to make sense of the programming.

Television thus becomes, by its essence and its application, a wholly educational medium. Values are inculcated and the viewer becomes acculturated, not directly as in the case of a teacher making declarative statements in the lecture hall, but indirectly. Television not only teaches a particular reality, but also conditions its viewer's ability to perceive reality. The viewer's life is redefined, situated in a proper context for the commercial sponsor. The screen is filled with seemingly real situations -- the visual image is there, an impression calculated to resemble the viewer's own life, with the constant simulation of the live broadcast. (In fact, only 9% of programming is live. See Appendix B: Television Programming.)

When a person perceives images in a context which gives them real and emotional values, he is being taught. What makes the television education fraudulent, however, is that the viewer is not being led out to the world (as the roots of the word education would have it), but rather into a predetermined social structure, his political society. The pervasiveness of this mis-education (properly, induction) is suggested by some statistics: the average American child has spent more hours watching television by the time he enters kindergarten than he will have spent in college classrooms getting a bachelor's degree;[3] the aggregate of waking time spent by all individuals in the United States at their various occupations is 2.8-billion hours per week, at watching television (the second largest time-consumer), 1.5-billion hours.[4] The viewer's induction into the lifestyle of the consumer is accomplished by presenting a well-regulated base of information in a well-regulated process. The "electronic classroom" offers a framework eminently suited to both forms of regulation.

How effective is the television education? Whenever broadcasters are criticized for their negative influence on the quality of American life (as, for example, by the excessive violence in entertainment programs), their response is that television has no demonstrable impact on its audience. Yet the basis of television's advertising value is its ability to persuade and move its viewers; this

is the reason American industry annually pays broadcasters about $3-billion to have its products presented on the screen. Cases confirming television's forceful impact abound; one of the first was the experience of a cosmetics firm, Hazel Bishop, which sold $50,000 worth of products in 1950, when it began an advertising campaign on the new television medium. By 1952, the company had sales of $4.5-million, an increase of 9,000%; there had been no change in the products themselves, and no advertising other than on television.[5]

Television's educational value consistently demonstrated an economic impact which manufacturers did not ignore. Nor could they, according to J. Kenneth Galbraith, who designated television a prime instrument for the management of consumer demand, and concluded, "The industrial system is profoundly dependent on commercial television and could not exist in its present form without it."[6] The close bond between commerce and communication has made of broadcasting an information monopoly, with control over both messages and the means of transmission wielded by entrepreneurs whose concerns are rarely consonant with those of the general public.

What follows is an examination of the myths which broadcasters propagate in order to retain this power, the origins of such control, and the way it is exercised in the present commercial television system.

> 97% of our people have one or more radios, 95% have one or more television sets. Every day an estimated one hundred million people watch television. No other communication medium in the history of man can come close to those figures.[7]

The words above were offered by Vincent Wasilewski, President of the National Association of Broadcasters (NAB), as proof that broadcasting served the public. In fact, they do little but blur the distinction between the physical nature of television as an appliance and the creative enterprise of broadcast programming; one could just as well say that because nearly everyone has a telephone and uses it, AT&T is satisfactorily serving its customers. That television sets are widely distributed throughout the society is not debatable; that they are a popular and satisfactory answer to certain human needs is probable; but that they are a medium of effective communication is, at best, questionable.

The broadcasters' poor defense of their public service extends, with a similar confusion, to their claim to popularity for their programming. Based for the most part on the evidence turned up by various ratings agencies, such as the A.C. Nielsen Company, and the probability samples produced by surveys like the Arbitron (done by the American Research Bureau -- ARB), which are sponsored by the broadcasting industry to produce information appropriately framed to reflect its interest,[8] the claim is little more than presumption. Ratings indicate the number of sets which are on, and the stations to which they are tuned, at the time of the survey; they cannot gauge the critical reception of a particular program. If anything, the ratings consolidate the closed world of television broadcasting, for they give the viewer no opportunity to respond positively or to supply any personal "feedback" to the source of transmission. That a set is turned on is no measure of program popularity; it merely suggests the degree of passive acceptance within a limited universe of choices, in which one program is not much different from another and the viewer merely selects what one former network programming director (Paul Klein of NBC) has called the "least objectionable program."

Broadcasters so often respond to criticism of the quality of their programs with the statement, "We give the public what it wants," that it has become something of an industry slogan. In a study entitled <u>Television and Society</u>, Harry Skornia explained in detail the fallacy of that statement; his argument, summarized, was that the broadcasters' apology implies, first, that the public knows what it wants, second, that the public is an <u>it</u> instead of a <u>they</u>, and, third, that the public has some clear and accurate method for transmitting its wants to the broadcasters.

The second of these implications gives a useful insight to the broadcasters' practice of quantifying their audience. It ceases to be a collection of separate individuals to be offered as much diversity as possible to satisfy myriad needs, and becomes a quantum which can be subdivided and sold in lots (e.g. women 24-49, men 18-35, etc.) to advertisers at $2-$10 per thousand. Since there is competition among the networks for a limited audience, the principle of public service is submerged in economic concern for securing the largest share of sponsor dollars.

The business of broadcasting hints at the extraordinary irony of the television process in the United States: that the audiences which are bought and sold as consumers are themselves consumed. What television sells is not programs or the time for programs; it sells viewers, in bulk, to the advertiser. People buy television sets and the products which are advertised on them. At the same time, people are being bought and sold themselves by the very system to which they have contributed. What the television viewer pays for is the privilege of being sold.

Nor is the viewer's financial support of the broadcasting industry insubstantial. Despite such pronouncements as were made when the broadcasters were threatened by the introduction of "subscription-tv" by industry leaders Frank Stanton (CBS: "Viewers will have to pay for what they now receive free.") and David Sarnoff (RCA/NBC: "My earnest plea to the Federal Communications Commission is: Keep American radio and television broadcasting free to the public"),[9] it is estimated that a "hidden tax" viewers pay for broadcasting reaches $150 per year, per family.

A study prepared for the Rand Corporation by Ben Bagdikian[10] arrived at a figure for 1969 of $102 in the following way:

1) Advertising revenues for the year amounted to $3.2-billion; the number of television households in that year was 58.5-million. Since the expense of advertising is added to the price of any product purchased by a consumer, the average cost of television advertising per household was $55 in 1969.
2) Over the last 10 years, consumer expenditures for television sets, antennas, and repairs averaged $2.6-billion per year. Divided by the average number of households with television during the same period, the cost per household was $47 per year.

The Rand study also determined that the total investment in television sets by the American public from 1946 to 1969 was $35.3-billion, and the total investment in plant and facilities by the broadcasters for the same period was $1.4-billion (original), $762.9-million (depreciated, in 1969); consequently, that for every net dollar spent by the broadcaster to send a message, it cost $48 for the consumer to receive it.

Not included in this rendering of the viewer's annual fee for television are such items as the cost of electricity required for reception (probably not minimal, considering the average television set in the United States is on 6 hours and 20 minutes each day,[11] and is a high-voltage appliance), and the viewer's indirect contribution through federal income tax write-offs by the broadcaster and other subsidies in the form of deductions (as, for example, of expenses incurred in lobbying). Nor could the cost of the viewer's largest subsidy to the broadcaster even be reckoned: the value of the airwaves, a limited natural resource -- hence by legal definition a public property[12]-- which has in effect been usurped by the broadcaster for his own corporate use and private profit.

So another part of the broadcaster's slogan about giving the public what it wants proves false: whatever the public gets is not being given. That viewers pay more for television than either the broadcasting industry itself, or the advertisers as well, and do so while surrendering all control over their own money and its allocation, makes a mockery of the traditional market process and the consumer's basic right to decide what goods his money will buy. It makes nonsensical the broadcaster's final defense,

that the displeased viewer always has the option of turning the television off; hardly a consoling freedom, since the viewer will still be paying for television advertising through the increased prices of the goods he purchases.

The process does, on the other hand, make eminent business sense, and it was this, perhaps, that NAB President Wasilewski contemplated when he concluded the statement quoted earlier with the words, "Broadcasting stands as the most successful and universally accepted business enterprise in history." Television's "universal acceptance" can hardly be questioned, for its audience has not merely bought the medium but has, if perhaps unconsciously, consumed the myths of the business interests behind it.

Even when discontent with television exists, there is a tendency just to dismiss its trivial content as unworthy of serious concern. Yet this fails to mitigate television's wide-ranging effects, for television has projected a myth of American life which is echoed, indeed, which creates the viewer's environment. This means a good deal more than that the average American is bombarded by 1,600 commercials each day,[13] for these are only the commercial messages which have an identifiable form. The most effective part of the television commercial is its affirmation of, and by, the implicit values and unquestioned standards of behavior which form the contextual reality which surrounds it. This accommodation was described by Edward R. Murrow as early as 1958: "The sponsor of an hour's television program is not buying merely the six minutes devoted to his commercial message. He is determining, within broad limits, the sum total of the impact of the entire hour."[14]

While the reliance of commercial broadcasters on advertising is generally understood, the identity of interests between the broadcasting industry and the industries which purchase its audience is not. Generally, the television industry is considered distinct from its commercial sponsors and, to the degree that is possible for any enterprise, autonomous; whatever concessions it may make to advertisers in selling them the public's time and airspace are dictated by economic necessity rather than common interest. This belief is mistaken. The ethic of corporate America is as much an integral part of broadcasting as it is of advertising; it is this ethic which determines the content of television's programming fare.

This ethic contradicts the notion of television as a mass medium, for it is an ethic tightly bound by highly specialized interests. Like the notion of "mass audience," it suggests a commonality of purpose and a collective group consciousness on the part of the American people which does not exist. All that large number of isolated, fragmented audiences share is the fact that at any given time they are watching the same program over an apparatus they have bought, but whose contents they are without power to determine or affect. The medium is "mass" only to the extent that it distributes (rather than communicates) to large numbers of people various myths which constitute the only ideology they may be said to share, one predicated upon ill-defined goals like "getting ahead" and attaining "the good life."

Television carries this ideology and inculcates these goals. In a speech before the Association of National Advertisers, James Duffy, President of the ABC Television Network, asked, "How effective is television today?" His answer: "It is not only serving the so-called affluent masses, but has become a pace-setter for their aspirations. This, of course, is caused by your commercials and our programs -- probably in that order."[15]

The electromagnetic spectrum over which broadcasts are transmitted is a limited resource. The television broadcast signal, because it must transmit both sound and picture, requires a large segment of that spectrum. While a standard AM signal can be transmitted over a channel of 10 kilocycles, a television signal needs the far broader channel of 6,000 kilocycles (6 megacycles). Thus the number of television stations that can operate effectively is severely diminished.

This technical obstacle to diversified television was compounded from the start by commercial greed and self-interest within the broadcast industry, characteristics which have been consistently ignored by the Federal agency charged with regulating communications for the public good. Indeed, in 1945, when the Federal Communications Commission (FCC) was considering various plans for establishing the framework of a national commercial television broadcast system, it immediately became a willing tool of the industry it was created to regulate. The decision faced by the Commission was which portion of the available electromagnetic spectrum to allocate for commercial television broadcasting -- the limited VHF (Very High Frequency between 44 and 216 megacycles) with its 13 channels, or the broader UHF (Ultra High Frequency between 470 and 890 megacycles) spectrum of 70 channels. Although its decision noted that there was not enough space in the VHF range to provide for an adequate nationwide service, the FCC, upon the urging of RCA whose stake in the development of VHF equipment was predominant, nonetheless decided upon the 13 channels in that band. This decision effectively ensured the domination of television broadcasting by existing interests, by limiting the number of stations that could operate in a given broadcast area.[16]

In 1946 there were 12 commercial television stations operating. Immediately following the Commission's frequency allocation decision, there began a frenzied rush for broadcast licenses. In the space of two years, the number of licensed stations had grown to 46, construction had begun on another 78, and over 300 applications for station licenses awaited the Commission's approval. By 1948 the inadequacy of the VHF band had become glaringly apparent, and the FCC imposed a freeze on the processing of license applications which would last four years. During this period the Commission expanded its earlier decision to allow for use of the UHF band by television broadcasters. When the freeze was lifted, on April 14, 1952, the FCC was deluged with applications, and within a year, the number of stations had almost doubled, from 108 to 198. There are now some 922 television stations on the air: 602 VHF and 320 UHF.[17]

The number of television sets sold increased similarly. In 1948, a few more than one million television sets had been purchased; at the end of the freeze, there were more than 17.3-million homes with television. By September, 1971, this figure approached 62.1-million, or 95.8% of all homes in the United States.[18]

The numerical growth of both licensed stations and purchased receivers did not, however, induce diversity, for broadcasting had been under the tight control and direction of commercial networks formed during the early days of radio. (See Appendix A: Television Chronology) Economic imperatives continued to determine the character of broadcasting, and their constraints were applied quickly to television.

The identification of commercial interests with the transmission of broadcast signals had occurred before airing of the first advertising message. The Agreement of 1919 and the consequent formation of the Radio Corporation of America (RCA)[19] were decisive historical events which determined that the future development of electronic media would be inextricably bound to the industrial concerns of component manufacture. Little consideration was given to the social benefits made possible by the "miraculous" technology of broadcasting. The primary concern was to profit by the growing consumer demand of an awed and admiring public. Broadcasting itself was considered a secondary, albeit necessary, adjunct to the business of moving receivers out of the factory and into the homes of the public. "The founders of the Radio Corporation of America," wrote one observer in 1947, "had been less concerned with what would come out of the magic receiving sets than with who would sell them."[20]

The obvious manifestation of commercial interests in broadcasting followed shortly. Although Herbert Hoover, as Secretary of Commerce, had thought it "inconceivable that we should allow so great a possibility for service, for news, for entertainment, for education and for vital commercial purposes to be drowned in advertising chatter," it was not long before interests beyond those of the manufacturers of radio receivers and parts noted the value of the new medium as an effective marketing device. Nor were broadcasters any slower to view paid advertising as the source of a comfortable financial base for their operations. On August 28, 1922, American Telephone and Telegraph (AT&T) broadcast the first commercial message on its New York station WEAF-AM. In 1927, the Federal Radio Commission (predecessor of the FCC) gave the practise legitimacy and government sanction by holding that "advertising must be accepted for the present as the sole means of support of broadcasting, and regulation must be relied upon to prevent the abuse and over-use of the privilege."[21]

The parity of interests between commerce and communications was reflected in, if not responsible for, the creation of the network system. The birth of networking can be fixed on January 4, 1923, when AT&T connected its New York station with its station in Boston, WNAC-AM. With the addition of a station in Washington (D.C.), AT&T began its rapid development into a national network, which consisted of 23 stations by 1924. Advantages of networking soon became evident to RCA, which began forming its own network until AT&T interfered by not making interconnection lines available to its former corporate ally. Ultimately the two giants realized it would be to their benefit to resolve difficulties amicably: AT&T agreed to surrender its network operation in return for the guarantee of an exclusive monopoly over connecting lines between stations, and RCA was allowed to resume building its network of broadcast stations. In September 1926, RCA formed its broadcast subsidiary, the National Broadcasting Company (NBC), which two months later aired its first network broadcast, transmitted simultaneously on 21 affiliates and four independent stations.

NBC expanded quickly into a national operation consisting, at one point, of four separate radio networks. By the end of 1928, NBC instituted regular coast-to-coast network programming over 58 stations; it continued growing through outright acquisition of stations or through affiliation contracts which provided stations with network programs in return for a percentage of their advertising revenues.

Unaffiliated ("independent") stations soon found competition with NBC's affiliates extremely difficult. As a result, many of them affiliated with a rival network formed in 1927, United Independent Broadcasters, Inc. This network, following purchase of a controlling stock interest by the Paley family, became the Columbia Broadcasting System (CBS).

By 1941, control exercised by the networks over the national broadcasting system so effectively stifled emerging stations, that the FCC was forced to act. Dismissing the two networks' claims of fair and unselfish dealings, the Commission held in its "Report on Chain Broadcasting" that:

> Solicitude for the smaller stations is not easy to reconcile with the NBC and CBS policy of tying up the best possible stations in a city and refusing their programs to the smaller stations. The contention comes with little grace, too, from network organizations whose restrictive practices have tended to prevent the rise of new networks which might supply these less-favored stations with programs.[22]

The consequence of the Commission's findings was a divestiture proceeding against NBC, which was forced to give up one of the two chains its four broadcasting networks now comprised. NBC retained the more profitable "Red Chain", and sold the other in 1943; it became the American Broadcasting Company (ABC), the third major commercial network. Thus the corporate configuration of radio broadcasting became the unhappy inheritance of a new medium, television.

The first simultaneous hook-up was arranged in 1945 by NBC for a speech by President Truman televised over the network's stations in New York City, Schenectady, and Philadelphia. By 1948, television was offering programs which would become its classics: "Howdy Doody," "The Milton Berle Show," the Kraft and Philco "Television Theatres," and the "Voice of Firestone." To those stations which were not linked into the network for simultaneous transmission, tapes were flown by airplane for delayed broadcast. Three years later, AT&T combined coaxial cable lines and microwave relay stations to provide the apparatus for a national networking system; when NBC transmitted the first coast-to-coast telecast (of the Japanese Peace Convention) on September 1 of that year, it had 52 affiliates -- almost half of the total 107 television stations then in operation.

CBS and ABC were not far behind.

The advantages of communication networking were obvious to commercial sponsors. Prior to network broadcasting, there had existed no single medium by which advertisers could reach a national audience so uniformly, immediately, and easily. While newspapers were still the medium offering advertisers the largest markets for their messages, the development of a unified national market through them meant complicated and bothersome negotiation with many local outlets. With the broadcasting network, an advertiser could reach the national audience directly, at a fixed price, and with a single purchase.

The manufacturer's advertising need was thus a powerful impetus to the trend toward broadcasting oligopoly. At the same time, the commercial broadcaster, whose advertising revenues increased with the number of people he could deliver to the sponsor, enthusiastically embraced a policy of maximizing audience. Furthermore, broadcasters enjoy a phenomenon described by economists as "zero marginal costs" -- a program costs the same to produce whether it is seen by 100 viewers or by 100-million. While the production cost of a glossy network program is high (a single episode of "Marcus Welby, M.D." is $750,000), the cost of its distribution is minimal, so it is in the economic interest of the network to maximize advertising revenues by increasing the number of affiliated stations, hence, viewers.

Such stimuli and direction contradict, indeed, subvert the spirit of the Communications Act of 1934. That legislation, for all its inadequacies, had nonetheless been designed with a particular philosophy regarding national communications. The Act contemplated creation of a system as diverse and pluralistic as the cultural and social communities which comprised the nation. Consequently, the Act makes local television stations responsible as a licensee to their local audience -- while neglecting to stipulate licensing for the networks or to hold them responsible under communications law to any regulation whatsoever, whether by the local community of a network affiliate or by the Federal Communications Commission. The national networks, as a result, are free to exploit their virtual monopoly of the airwaves, which provides -- ironically enough in terms of the Communications Act -- an effective means of conditioning their audiences to precisely the type of homogeneous programming without alternative which the Act's authors sought to avoid.

The cash nexus joining the needs of the broadcaster with those of the commercial sponsor make the broadcaster's concern not just a single sponsor or a given program, but the entire schedule from sign-on to sign-off. The matter of viewer carry-over from one program to the next becomes one of crucial importance in planning a day's programming; introducing a controversial program which might offend segments of the population risks a diminished audience for the next scheduled program. For the network broadcaster, who caters to a large-scale audience, the financial reward for shunning such risks is considerable.

The economic potential of broadcasting was recognized early by its chief beneficiaries, the network organizations and their 15 owned-and-operated stations (no one entity may own more than 5 VHF television stations). Indeed, both CBS and ABC willingly took considerable losses in their first years of operation, when there were comparatively few television sets in American homes; as late as 1948, when there were 46 stations and about 1-million sets, broadcast revenues amounted to only $8-million, compared to $23-million in expenses.[23] History has since justified their faith. In a recent year, 1969, broadcasting revenues and profits were characteristically high; some $2.8-billion and $553.6-million respectively.[24] They were not, however, equally distributed among the 673 television stations in the United States at that time, nor are they ever. A disproportionate share goes to the networks and their 15 stations; in 1969, they grossed more than $1.1-billion and $323.3-million, for a total-to-networks of about $1.5-billion. With respect to profits, the three networks' share surpassed 40% of the entire television industry's pre-tax profits totaling $553.6-million (the three networks shared $92.7-million of this, their 15 stations some $133.4-million). (See Appendix F: Television Financial Data)

These profits gain even greater significance compared with the investment in tangible broadcast property, which for the three networks and their stations amounted, at the end of 1969, to about $294-million (original), $168-million (depreciated). Thus the 1969 network/stations total of $226.1-million represents a profit-rate of no less than 77% on original investment for an annual return of 134% on the depreciated value of the initial investment.

Others beside the network corporations and

their 15 stations are economic beneficiaries of the networking system. Despite occasional complaints of ill-treatment, stations with contractual affiliations to one or more of the networks are considerably more successful financially than "independent" stations. Profit figures for 1969 show that 84.6% of the VHF stations with network affiliation were profitable; only 61.8% of the independent VHF stations were. Of the UHF stations with network affiliation, more than half (51.1%) made a profit, while 95.8% of the independents showed losses. Nor are the advantages which accrue to network affiliates limited merely to reimbursement they receive for the sale of their audiences; affiliation with a network also means exemption from program production costs which the local stations would otherwise have to assume. In 1969, of the total broadcast expenses incurred by 500 VHF and UHF affiliates, 38.7% went to program production ($301.6-million); 77 VHF and UHF independents spent 51.1% of their total expenditure for program production ($105.9-million). The more expensively produced network program offers an added advantage to the local affiliate by attracting audiences away from the poorer productions of independents competing in the same area.

The limiting effect of network dominance over programming is extensive since, for most Americans, television means network television. The 50 largest markets, where the network stations and affiliates are clustered, reach 41,680,000 television homes, or about 65% of all U.S. households; in the top 60 markets, the reach of the networks extends to some 73% of the American population. According to FCC Commissioner Bartley, who based his statement on program ratings, the three networks draw fully 94% of the audience in the top 50 markets.[25] The three networks, then, determine what some 65% of all the television homes in the country have on their screens; with television itself extending to 92% of the population in an average day, and 98% in an average week,[26] the networks' reach goes to more than modest proportions.

Moreover, the amount of network programming steadily increased.[27] In June 1960, affiliates reported that network programming accounted for 63.1% of their total schedule; ten years later, in 1970, that figure had risen to 66.2%. In the 1971-72 season, the networks broadcast a total of 3,225 hours of prime-time programming, of which "reruns" comprised 41% or 1,321 hours.[28] When network programs are not available, or when the station chooses to turn them down -- as they often do in the case of less profitable network public affairs, news, and documentary programs -- the affiliates most often turn to inexpensive films. By 1960, network and film programs together had already filled 88.3% of the average affiliate's broadcast schedule.

The effect of this on the amount of local program production is noteworthy. While locally-produced programming comprised 32.2% of the 1960 schedules on the independent stations (30.6% live, 1.6% videotape), the network affiliates' average schedule consisted of only 11.4% locally-originated programming. Ten years later, local live programming on independent stations had dropped to 14%; the same type of programming for network affiliates in 1970 amounted to 10.4% of the average schedule. (See Appendix B)

The survey which supplies the above figures lists 66.2% as the amount of network-originated programming broadcast by the average affiliate during a sample week of 1970. Though this figure in itself represents a considerable amount of programming from a single central source, it does not reveal the full extent of network influence on programming and on the television audience. The bulk of viewing for most Americans takes place during "prime time," from 7:00 to 11:00 PM. According to the Nielsen Television Index (NTI), some 64.3% of all television homes are using their sets during these hours on any given night of the week; and it is during these hours that the greatest amount of network fare is transmitted by affiliated stations. In an earlier period during March of 1963 and 1964, for example, three affiliate stations in three-station markets gave more than 95% of their prime time to network programming;[29] and in markets with four stations, the affiliates gave more than 97% of their prime time to network productions.

The FCC has made several attempts to break the hold that networks exercise on local stations and their programming. One such attempt was directed at an arrangement the networks had imposed on their affiliates since 1945, known as "option time." This consisted of an agreement written into the station's affiliation contract that gave the network a specified portion of the station's airtime to use in any way the network wished. Abolition of "option time" arrangements was recommended as far back as 1954 by a Senate Committee chaired by Sen. Charles Potter, and again in the Barrow Report to the FCC in 1957. Finally, three years later, the FCC reduced the amount of allow-

able option time from 3 to 2.5 hours; and in 1963, at the insistence of the Justice Department's Antitrust Division, finally outlawed such agreements entirely. The Commission's prohibition, however, was barely felt. Although it prohibited the imposition of this form of control on the local affiliate by the network, it neglected to consider the willingness of local stations, which did not consider the higher profits resulting from their surrender of airtime to the networks to be an imposition, and were unenthusiastic about the prospect of having to produce their own programs. Nor did the FCC take into account the pressures exerted on local stations by networks when affiliation contracts came up for renewal each two years. In its "Statement of Criteria Governing Affiliation and Disaffiliation Policy of the CBS Television Network," for example, that network states:

> Where a station is affiliated with the CBS Television Network, the CBS Television Network in normal course reviews the station's record for delayed and non-cleared Network programs and the result of such review is an important factor in determining whether it is in the interest of the CBS Television Network to affiliate with another available station. If an affiliate's pattern of clearance of CBS Television Network programs evidences a disinterest in those programs or unreasonably impairs the ability of the Network effectively to serve national advertisers and the public, the Network's need to effect substantial clearance may outweigh the disadvantage of disrupting an existing relationship.[30]

Until 1970, additional control exercised by the networks over programming derived from their rights as syndicators to the domestic and foreign market of programs produced elsewhere. The success of any television program depends upon a breadth of exposure which only the national networks can offer. A program's value is established by broadcast over the networks and then syndication to the domestic and foreign markets. Independent producers soon discovered that in return for having their programs shown on network television, they had to agree to assign the networks a large part of their rights to subsequent syndication -- or face an alternative which involved competing against the networks by trying to sell programs directly through the domestic syndication market, already largely controlled by the networks.

In 1970, the FCC acted to diminish the networks' control over programs and their monopoly on the prime time of local stations. In its ruling, the Commission claimed that the three networks "for all practical purposes control the entire network television process from idea through exhibition."[31] It found, in addition, that independent (i.e. outside-produced) programming carried by the networks had dropped from 33.3% of their schedules in 1957 to 5% in 1968. The Commission prohibited the networks from

1) securing after October 1, 1970 "any financial or proprietary right or interest in the exhibition, distribution, or the commercial use of any television program produced wholly or in part by a person other than such television network, except the license or other exclusive right to network exhibition...,"
2) engaging in domestic syndication activities after October 1, 1971, and
3) showing in the 50 largest markets on any given night more than three hours of network programming between the hours of 7:00 and 11:00 PM local time.

The broadcasters' compliance with this order might best be described as subtle. CBS set up a separate company, Viacom, which it claimed was entirely independent of CBS, to handle the syndication interests of the parent corporation. It was clear, however, that the separation existed more in name than in fact.[32] At the station end, although given a year of grace to adapt to the new rules and locate sources of programming for the 3.5 hours of their weekly schedules which must now be locally originated, the failure of the local stations to make any significant move to acquire new types of programming has been uniform. The CBS Vice-President in charge of programming, Fred Silverman, described the FCC's move to encourage local programming more responsive to community needs as a "farce." He elaborated, "What the local stations are mainly buying to fill those hours are cheap Canadian and British variety shows and reruns and syndicated crap."[33]

Though the networks were far from happy over the Commission's ruling, it was difficult to determine

whether louder protests came from them or their affiliates. When ABC, for example, supported the Commission's action (because its implementation would save the network money),[34] its affiliates responded angrily, creating a serious rift in their relations. It was these same ABC affiliates which repeatedly failed to clear the network's evening newscast and public affairs programming -- although the reason for both this assertion of local prerogative and its seemingly contrary demand for more network programs was pure economic concern for higher revenues.[35]

The ruling on network syndication and prime-time access, if anything, encouraged a return to the old system by which advertising agencies supplied television programs to the networks or stations in return for a specified number of commercial spots. Known as "bartering," this arrangement had been prevalent until the early 1960's when, in the wake of the quiz-show and other scandals, the networks assumed "full control" of their programming. Advertisers purchased "participation spots" on programs which the networks supplied; except for specials or documentaries, a program was rarely sponsored by one advertiser. The growing tendency, however, is for agencies to supervise the production of programs for the companies they serve, retaining complete control over program content. During the 1971 season, for example, the William Esty Agency, representing Chesebrough-Pond's in the bartered series, "Joyce and Barbara: For Adults Only," had a direct hand in selecting guests for the programs, and barred Ralph Nader among others.[36] (See Appendix E: Advertising Agencies)

Nonetheless, it is the network which remains the single most identifiable source of both programming and constraint in the television communications process. So little did the FCC's 1970 ruling improve this situation that the Justice Department two years later initiated antitrust proceedings against the three networks which would prohibit them from producing programs for distribution and syndication through their own offices and facilities. The networks' objection to this was perhaps best articulated by one President, who exclaimed, "We would lose cultural control." [37]

In an address to the International Communications Association in 1967, President Robert Sarnoff of RCA predicted that in the near future, "information will become a basic commodity equivalent to energy in the world economy. ...it will function as a form of currency in world trade, convertible into goods and services everywhere."[38] Whether measured in quanta of energy or currency, information is already a source of power for those who control it. The electronic gadgetry produced by technological progress is of little use to a citizenry -- and to the survival of any nation which depends on an informed citizenry -- when that technology provides only a system for the distribution of incomplete, stagnant, or misleading information manipulated by narrow self-interest.

The crucial question, then, is not concerned with the nature of technological advances, but, rather, 'Whose hand is on the switch?' The control exercised by the three networks over the physical communications plant has been described earlier in this Notebook, and in the issue which preceded it; it remains to examine the forces exerted on the substance of communication, on the shaping of information. The difficulty in identifying these forces derives not from their rarity or paucity; to the contrary, it is difficult because the messages communicated through a system are inevitably and inextricably bound to the institutional structure within which the communications process occurs. This unity has been noted by communications scholar Herbert I. Schiller:

> The mass media's compulsion to reinforce the status quo is understandable. The radio-TV establishments, in their character and structures, are microcosms of the larger social organism. They could hardly not be committed to its survival. If monolithic corporate enterprises command the informational apparatus, this is in keeping with the distribution of power in the economy at large. If the "tube" presents an unending parade of violence and triviality, are these not apt reflections of the wider social environment?[39]

The ultimate effects of these institutions on the message is far greater than the sum of their individual parts, for they operate not as discrete and easily defined entities, but rather blend with and reinforce one another's mutual interests and ultimately the social myth which pervades American life. The matter of information control and management can nonetheless be viewed in three broad institutional categories: commercial sponsorship, corporate broadcasting, and government.

SPONSOR

The broadcasting industry receives about 85% of its total revenues from advertising.[40] Because of the advantages to the advertiser which have been described earlier, most television advertising is national. In 1969, the FCC reported[41] revenues of $3.2-billion, of which 83% was national (48% network, 35% national "spot"). Interestingly, newspapers, which are the largest advertising medium (29.9% of the total $19.6-billion spent annually in all media) have the reverse breakdown between national and local advertising, the latter supplying 81% of their revenues. (See Appendices C & D: Network & Spot Advertisers)

Furthermore, a large portion of the broadcasters' revenues come from a comparatively small number of advertisers: in 1970, the top 100 advertisers spent $2.3-billion for television audiences, which comprised 65.4% of the total amount spent by all television advertisers.[42] The five largest advertisers (See Appendix E), moreover, spent fully 13.7% of the total, amounting to $504-million. This annual expenditure results in 20-25% of the daily broadcast schedule being commercial time.[43] The amount of commercial time per hour varies; in a survey of childrens' programming, commercials occurred on an average of once every 2.8 minutes.[44]

The criteria which govern an advertiser's choice of sponsorship are revealing of the influence of commerce in communication. Its genesis can be traced back to the infancy of television, for the experience of Elmer Rice in 1954 accurately predicted the medium's future cast. Having just won a Pulitzer Prize for his play Street Scenes, Rice received a letter from the advertising agency which rejected his suggestion of adapting the play into a television series, explaining:

> We know of no advertiser or advertising agency of any importance in this country who would knowingly allow the products which he is trying to advertise to the public to become associated with the squalor...and general "down" character ...of Street Scene...
>
> On the contrary, it is the general policy of advertisers to glamorize their products, the people who buy them, and the whole American social and economic scene. ...The American consuming public as presented by the advertising industry today is middle class, not lower class; happy in general, not miserable and frustrated. ...[45]

Soon afterward, the broadcasting industry's largest sponsor, Procter & Gamble, imposed the following policy on its programs:

> There will be no material that may give offense, either directly or by inference, to any organized minority group, lodge, or other organizations, institutions, residents of any State or section of the country, or a commercial organization of any sort. This will be taken to include political organizations, religious orders, civic clubs, memorial and patriotic societies, philanthropic and reform societies ..., athletic organizations, women's groups, etc., which are in good standing.[46]

This formula for insipid programming is hardly confined to productions sponsored by a single agency; the same scrutiny applies where the advertiser only participates in sponsorship. Official company statements of program policy vary, but the assertion of control is constant: The Ford Motor Company[47] carefully reviews "story lines, characterization and dialogue for every program we sponsor;" General Motors eliminates "anything of a controversial nature concerning any national or regional issue;" and DuPont avoids anything that approaches "involvement in

domestic or international subjects." An Armour & Company representative warned, "You must not assume that we do not pay any attention to the contents of the shows into which we buy. On the contrary, we carefully consider the atmosphere of the shows into which we buy."[48]

Such scrupulousness has resulted in innumerable incidents like the deletion of all references to gas (chambers) in a Playhouse 90 production dealing with the Nuremberg Trials and sponsored by a gas company,[49] or like the foresight of one of Chrysler's competitors who cut a shot of the New York skyline from a program because it showed the Chrysler Building. More serious consequences, however, result from the withholding or manipulation of information related to personal and communal welfare: Bryce Rucker cited the sparse network coverage of 1966 Senate hearings on the "truth in packaging" bill, and asked, "Could it be that such behavior reflects a concern for the best interests of, say, the top 50 grocery-products advertisers who spent $1,314,983,000 in television in 1965, 52.3% of television's total advertising income?"[50]

Not limited to entertainment programs, sponsor control extends to -- and may well be more pernicious in -- news programming, specials, and documentaries. Indeed, the decrease of such non-fiction is closely related to the advertiser's reluctance to become involved with real problems or discontents: the Columbia-DuPont Survey of Broadcast Journalism (1968-1969) found that of the top 30 television sponsors, representing broadcast revenues of more than $1.3-billion, none chose to sponsor a network news documentary. ABC-News Producer Stephen Fleischman described the production cycle quite simply: "You can't get a documentary on the air unless you get a sponsor, and if you get a sponsor, you've got to do a bland show."[51]

His employer's ingenious method of securing advertiser support for news documentaries was reported by Variety in 1969. ABC began by selecting 30 possible subjects for documentary presentation from about 120 suggestions. The process then involved a meeting between the ABC news executives and members of the advertising agency, Batten, Barton, Durstine & Osborn (BBD&O), which represented the network's chief documentary sponsors: Minnesota Mining & Manufacturing (3M), B.F. Goodrich, and North American Rockwell. The meeting, an annual summer event, took place at a fishing lodge in the Midwest; a decisive role was played by Loomis C. Irish, a BBD&O executive with the curious title, Vice-President and Director of News and Public Affairs. The process was summarized thus:

> The sponsors of ABC News documentaries have been able to select their subjects from among lists provided by ABC. They have been free to alter the concepts of documentaries from the ideas presented to them in ABC sales presentations, and have submitted their own ideas for documentaries which ABC has adopted. Moreover, after subjects have been selected, the documentary sponsors have kept in close touch during production, and at times have examined rough cuts and seen scripts. Further, the sponsor involvement has on occasion led to alteration of a program's content.[52]

One of the motivations for sponsorship of any kind of program is the creation of "corporate image." This is as appropriate to companies with a particular commodity to sell as it is to those huge manufacturing conglomerates whose products service only the industrial, governmental, and military arms of the corporate state. With the latter, there is perhaps a more important need to convince the public of their right to exist and popularize an interpretation of the capitalist free enterprise system which best suits their interests. Without Ronald Reagan's warm smile and sincere perorations on the unequivocal benefits of progress-as-product, viewers of the General Electric series might have asked some sobering or even embarrassing questions about that company's policy towards organized labor, or its generous share of military contracts. So the media are used to create goodwill, while at the same time obfuscating the primary corporate enterprise. A good example of this approach, and its consequent 'objective, enlightened programming in the public interest,' was the North American Rockwell series "Man and His Universe", aired by ABC in 1969. An ABC press release announcing the series quoted an NAR executive who explained, "Since we are a new kind of corporation, we felt a new medium -- television -- and a new kind of specials utilizing that medium, were the most effective and dramatic way to project North American Rockwell's corporate story."[53] Also quoted in the release was ABC-News President Elmer Lower, saying NAR's sponsorship was "indicative of an increasing trend of major corporations to recognize the importance of non-fiction

television programming to their corporate identity."[54] Reviewing one of the programs in the NAR/ABC series in The New York Post, Harriet Van Horne wrote, "The commercials seemed to fill up half the program. And the nature of the sponsorship -- in truth, an unvarnished bit of special pleading -- seemed to be highly dubious."[55]

Agency regard for the television medium, and predictions for its future, are best described by advertisers themselves. The following are statements by Leonard S. Matthews, executive vice-president of the Leo Burnett Company of Chicago, and August Priemer, director of media, marketing, and advertising administration for the S.C. Johnson Company:[56]

> What does television mean to us?... Television is an attractive medium because it is a mass medium in quantity and frequency. It talks to a lot of people. It talks to them often. The medium is extremely suited to low-interest products because it is an intrusive medium. Products can be injected where they are not wanted -- which doesn't sound very moral but which is a fact of life with television. (Priemer)
>
> We think that television is a business -- profit-intended and profit motivated. ... Television is not a public service and, in our view, it does not have to provide programming for every single intellectual splinter of our population. As a business, television cannot avoid its interbusiness responsibility of providing a fair return not only to its investors and itself, but to its users as well. (Matthews)
>
> Here is a list of some evolutionary, or perhaps revolutionary, changes that could happen in television's accelerating and expanding future. Research will become more and more essential. It is terribly important to find out what television does to people and how they react. Why do people watch one program and not another? What emotional satisfactions do they seek in television, and which of these are fulfilled? ...The basic point is that when we

know more about what's happening to the audience and why, we will be able to employ television as a more effective marketing tool. I predict that creative people will fashion new programs that will select the viewer, in contrast to the present gross method in which the viewer selects the program. (Matthews)

With a television system that is wired and national we could evolve the ultimate in distribution of commercial messages by 1984. Family purchase patterns, rates, and brand profiles for all products would be automatically tabulated with any and every purchase, and this information would be programmed and available to an advertiser for a fee. In turn an advertising campaign using perhaps entirely different commercials might be beamed to each group of prospects depending upon their use of the product. We might allot 10% of our advertising dollar to the lowest quintile and 35% to the highest quintile. We would be paid for our advertising in direct proportion to the number of customers exposed to the advertising message. The instant coffee population, for example, would be known. We could locate these people and we would know specifically what television programs would reach them and we would charge on the basis of our specific market delivery. (Matthews)

The simple commercial purports to sell a physical commodity. This attempt appears innocent, for the viewer does have real needs for information about commodities. But the commercial seldom presents information about the product as its main message. Rather, it attempts to create an emotional need for the product. The commercial establishes a mystique for its products which in turn plays upon subconscious associations and affiliations. The detergent commercial sells concern for whiter clothes; besides covertly playing on the symbolic appeal of "whiteness," it implies that concern for laundry is a universal one. The viewer who resists this forced acculturation is a rare and lonely one.

The medium exploits not just psychological

and cultural biases, but actual perception as well. The viewer is accustomed to trusting whatever visual evidence appears real -- and what could appear more real than the carefully constructed settings of familiar kitchens and laundromats? What could induce more trust than the intimacy which exists for the viewer who relaxes before a television set in the living room? The television and the viewer comprise a closed world; and because the illusory nature of the medium is lost in the creation of this closure, all distinction between this new world and reality is obliterated.

The closed world is sustained, and the sponsor's message reinforced, by programs in which commercially-raised expectations are readily accepted as common desires. Like the commercial, a television program raises dramatic questions and problems, however mild, and resolves them with a neat denouement in a matter of minutes. Quickly raised, familiar conflicts are incisively solved, to the psychic gratification of the viewer, whose expectations have likewise been constantly raised and fulfilled within the closed world. Thus the viewer is subjected to the full cycle of classic conditioning, no longer an independent agent who changes or even questions facts presented, or the conditions they represent.

CORPORATE BROADCASTER

As Notebook No. 2 showed, the three networks -- by virtue of their monopoly over communications and their extensive and diverse non-broadcast holdings -- are little different in economic character and orientation from the corporate advertisers they serve.

This was exemplified recently by CBS' retainer of Lippincott & Margulies, a public relations firm describing itself as "communications consultants," with the purpose of revising the manner in which CBS communicated its image to its "various audiences."[57] That CBS, by its own designation in the business of communications, would have to bring in consultants to help it communicate (RCA, incidentally, had done the same thing some months earlier), might induce an observer to ask what CBS is communicating.

Lippincott & Margulies, according to a source cited in the Variety article reporting CBS' move, produces a sameness in image for many of their clients, seldom introducing innovations because few corporations would risk novelty. How familiar this sounds. Is it not consonant with the broadcast industry's hostile attitude toward innovative programming and its insistence on the tried and proven formula, resulting in the duplication of every success by its imitators until one network's fare is barely discernible from another's? Is it not in keeping with the networks' reliance on the services of a handful of Hollywood production studios to fill their schedules with such homogenized offerings?[58] The networks' posture and its effect on the amount, diversity, and type of information broadcast by the television "communications" system can be detected by any viewer.

The two general categories of programming, entertainment and non-fiction, become indistinct. The television camera assumes a function of predigestion, imparting no more contrast to the content of messages it conveys than can be found among the soft, blurry, visual images projected on the screen. It is a filter which cannot discriminate between objects and ideas, presenting a one-dimensional world which cannot tolerate conflict between contradictory points of view. It is little more than a utensil of industrial management, where "the corporate structure, like the human body, rejects irritants."[59] Certain types of information are as much a part of entertainment programming as are certain show-business values a part of news and documentary presentations.

This blurring of distinctions and discrimination within television programming inevitably blunts the the critical faculties of its audience. Robert Shayon, of the Annenberg School of Communications, has written:

> I don't have to tell you that most people in the United States are media illiterates. They have little or no knowledge of the structure of the media in this country, who runs it, for what purpose and how. People still see television and radio broadcasting as entertainment vehicles provided for them free by generous advertisers! They have no understanding of the fact that their views of life and society are being cultivated and maintained and sold. They think of themselves as free, selective agents who can tune in or tune out as they will or not, and take from the stream of communications what pleases their own interests. They don't realize that what they consider to be their tastes and preferences have been conditioned into them from the cradle on upward... .[60]

Speaking at a conference in 1970 on the subject of television and politics, Shayon claimed that to treat the two as separate categories was mistaken. "Television is politics," he remarked: "Television makes us naturally aspire to the social and political conduct which those who run society require us to exhibit."[61] The uniformly middle-class settings, characters, values or aspirations found in situation-comedies is proof enough of that contention. In a speech at the affiliates convention in the same year, ABC President Elton Rule explained the television approach:

> If we are to be effective as broadcasters, we must present contemporary problems and their possible solutions to the largest possible audience. ...To be sure, we must exercise "good judgment" and "good taste" in the presentation of these issues, but this is only a matter of professionalism in broadcasting. ...We must create production values that give these themes entertainment value along with enlightenment and, if you will, moralistic value.

Praising the "relevance" of ABC's 1969 programming, Rule cited problems introduced in the entertainment format but said little of the treatment given them there, except that it consisted of "social comment presented within the framework of a comedy." His network's new schedule of prime-time programming was analysed by Variety in the following table:[62]

PROGRAM TYPES BY NETWORK (1970-1971)

	Number of half-hours		
	NBC	CBS	ABC
Adventure/Drama	14	12	21
Westerns	7	2	0
Variety	13	12	6
Situation-Comedy	3	13	11
Movies	12	8	4
Other	0	2	6*
Total:	49	49	48

(* includes 4 half-hours of football)

In short, television continues to be, though with some longer hair here and a few blacks there, what one writer described as "the omnipresent voices of Hugh Downs... so nearly classless, regionless, moderate, well-modulated, no sharps, no flats, no tricky chords, no tears, no fits, not even anger, ...a perfect middle-C once struck and now reverberating gently and genteelly into time and space."[63] It is a voice of corporate America, that urges the purchase of a detergent because it gets clothes whiter but doesn't complete the comparison, or explain that family wash may not be a problem in the future because there won't be any clean water left in which to do it.

When network spokesmen claim that censorship is a word best left to cases of interference in broadcast operation by external agents (e.g. the government), and that what is termed "network censorship" is really the "process of editorial discrimination," they are only resorting to semantic gymnastics. While a network employee might possibly never encounter an incident of overt censorship, the system has its own built-in checks and balances, and establishes, like any hierarchically-arranged corporate bureaucracy, the route by which personal and professional advancement is possible. The censor's hand may remain hidden, for the process becomes internalized, a process dictated by survival in the corporate environment, in those who have come to identify their own values and objectives with those of the organization for which they work. In reviewing his years with CBS News, Fred Friendly described the advanced closed-circuit screenings for affiliate stations of segments of CBS Reports, and its effect on his independence as a journalist:[64]

> (Prior screenings) put the choice of programming a particular broadcast to each station, but it also applied certain conditioning restraints on our producers and reporters... . I must admit that this system tempered our broadcasts. The station didn't try to influence our choice of subjects any more than the management did, but I found myself subconsciously applying a new kind of conformity to our documentaries. Looking back now, I suppose that I was subtly influenced to do controversial subjects in a noncontroversial manner.

The commercial broadcasting system long ago assumed a life apart from that of its human components, who either fit neatly into its pre-existing slots, or choose to preserve a degree of personal autonomy or judgment and are as a consequence forced out of the process. Once an individual makes the identification, personal choices are predetermined. The system's momentum does not permit the luxury of self-reflection, of turning a critical and serious eye on its own processes, goals, and values; for to do so is to risk the introduction of uncertainty, and the commercial television establishment -- like the programming it produces -- cannot leave problems unresolved. Embodied is a form of censorship and control all the more pernicious for its concealment.

GOVERNMENT

Perhaps the broadcasting industry and the political establishment are inevitable partners, for both respond to many of the same needs. First, it is expedient for each to reach a national audience, political parties for the largest share of the national vote, broadcasters for mass constituencies which fit the financial requirements of network sponsorship. Second, each requires that a uniform, bland message be sent to this audience, one for political palatability and acceptance, the other for economic persuasion and acceptance; neither can afford to offer controversial or provocative fare for each necessarily seeks to avoid politicizing and hence fragmenting its audience. Third, and in consequence of the first two imperatives, neither politicians nor broadcasters can afford "localism," in the sense of topics which might provoke adverse response from local communities by touching on diverse and special interests. The consequence of this commonality of interest is to render the communications media mere tools of the national political establishment, while at the same time corrupting the democratic political process itself.

The political manipulation of broadcasting by the executive branch is possibly the most extensive and visible of the many forms of government pressure on the electronic press. Chief executives have used the public airwaves since before the time of Roosevelt and the "Fireside Chats." More recently, Presidential access to network facilities has been abused to "engineer consent," to propagandize the party line rather than to inform the electorate.

The problem is compounded by the high degree of liaison between government officials and network executives. President Johnson, himself a broadcaster with controlling interests in nine stations in the Southwest[65] (all CBS affiliates), appointed many broadcasters to key advisory and quasi-governmental positions within his administration. General David Sarnoff, Chairman of RCA sat on the National Citizens' Commission on International Cooperation, an ad hoc group of five members whose responsibility was "to review and report on the role of communications in international cooperation."[66] NBC President Robert Kintner became a White House aide and speech-writer, and CBS President Frank Stanton was retained on a number of agencies and commissions: as Chairman of the United States Advisory Commission on Information (which oversees USIA funding and operations), and as Chairman of the Executive Committee of Radio Free Europe (which manages the CIA broadcast facility).[67]

Herbert I. Schiller, one of the first to note the growth of the broadcasting-government alliance during the Johnson years, recognized the dangerous directions to which it pointed but found actual consequences hard to document. Evidence suggests, nonetheless, significant effects. CBS' neglect of the national debate on American involvement

in Indochina could be traced to President Stanton's belief that "too much dove-hawk talk unsteadied the hand of the Commander-in-Chief."[68] An NBC documentary by Ted Yates examined the 1965 American invasion of the Dominican Republic, purportedly undertaken to protect American lives; President Johnson met with NBC News executives, following which "the film was re-edited, the controversial parts replaced by a long interview with Dean Rusk."[69]

One estimate of the government's 1967 expenditure for internal public relations and propaganda operations was $400-million: "more than double the combined costs of news gathering by the two major U.S. wire services, the three major television networks, and the ten largest American newspapers."[70] Such extravagance only compounds the reporter's difficulty in accumulating original news, as opposed to the self-serving matter distributed by the press relations arms of various federal bureaucracies. Newsman Dale Minor considered at some length[71] the purposes served by such institutionalized gimmicks as news releases, and "leaks" used to plant information, and "off-the-record" remarks, a tactical device to silence reporters about to break stories obtained through independent investigation. Confronted by this barrage of words, journalists -- either willingly or for the sake of professional self-preservation (which depends on not antagonizing and losing regular sources of information) -- often become "mouthpieces for the organization they are assigned to cover."[72]

Beyond this, television and other media are often confronted with government officials whose respect for the function of a free press in a free society is obscure. At one point during the Johnson administration, Assistant Secretary of Defense Sylvester explained, "It's inherent in Government's right, if necessary, to lie to save itself when it's going up into nuclear war." In a later meeting with the press, he added that "American correspondents had a patriotic duty to disseminate only information that made the United States look good." Responding to one reporter who asked if the press was to serve as "handmaidens of the Government," Sylvester said, "That's exactly what I expect." When asked about the credibility of American officials, Sylvester replied, "Look, if you think any American official is going to tell you the truth, then you're stupid. Did you hear that? Stupid." Angered by another journalist's comment on his rudeness, the Assistant Secretary concluded, "Look, I don't even have to talk to you people. I know how to deal with you through your editors and publishers back in the States."[73]

An added obstacle for the television reporters is their employer's active complicity with the administration and identification with its objectives -- all subsumed by the myth of journalistic objectivity. When A. Ernest Fitzgerald, a former Pentagon efficiency expert, claimed knowledge of "several instances where networks have declined to run well-documented Pentagon horror stories that have been handed them on a silver platter,"[74] he specified CBS. The network's own Pentagon correspondent had killed a report which closely resembled "The Selling of the Pentagon," just as he had numerous others, on the grounds that such news constituted "lobbying the public." Interestingly, the CBS documentary producer Gene DePoris, who worked on the report, had been prevented from doing a piece in 1968 on the military-industrial complex. His superior informed the producer that no such complex existed.[75]

The present Administration poses perhaps a greater threat to the integrity of the communications system, for the President and his advisors comprise a political force that both understands the power of politicking by television and has no hesitancy in exploiting it.[76] The use of television in controlled situations during Nixon's 1968 campaign, coupled with sophisticated advertising techniques, contributed largely to the success of the Nixon image.[77] Those techniques, and many of the people who implemented them, became a part of the White House operation: Frank Shakespeare, a former CBS executive, headed the USIA until 1973; Herbert Klein became White House communications director; and Leonard Garment, a special advisor to the President on civil rights and the arts. Other advisors with backgrounds in television serve the President in various capacities: former ABC-TV President Thomas Moore, who was Vice-President Agnew's tv-radio consultant during the 1968 campaign, served a special liaison to the networks for the 1970 Honor America Day Committee, pressing them for live coverage, and is now a Director of the Corporation for Public Broadcasting; ABC's John Scali, former special consultant to the President, has been appointed Ambassador to the United Nations.

Notable too is the Nixon administration's abuse of the right of Presidential access to network facilities to engineer popular consent for national policy; prime-time pre-emptions during the first 18 months of term were greater than the combined totals of all three predecessors in the office during the same period.[78] Moreover, this network time has not been used to encourage debate but to stifle dissent. When the Vice-President attacked the networks in his Des Moines speech of November 13, 1969 for the same centralization and concentration of control that has characterized the New Administration, behind his words lay the White House's displeasure that access to such communications facilities be granted to a substantial dissenting voice (presumably that of former peace negotiator Harriman). Important testimony delivered before the Senate Foreign Relations Committee following the Cambodian invasion was given no live or special coverage by the same networks which had given the President virtually unlimited access during that period, but on this inequity the Administration remained silent.

While it is true that propagandizing and manipulating have long been distinctive features of political maneuvering, television has accorded them a dimension of impact which presents new danger to the political process and the public at large. Moreover, television, which with its national reach provides the politician with virtually complete access to the public, does not at the same time provide the public with access to the politician. Insulated from the public by layers of bureaucracy and by the communications system itself, governmental authority is exercised in a vacuum. Senator Fulbright has observed, further, that the executive branch, using television as a one-way pipeline to the public, tends to bypass the response from Congress, thus upsetting the traditional system of checks and balances which ensures democratic practise on the federal level. In the end, conditions of American political life are altered, and the constitutional guarantees and legacy threatened.

That the television picture is called an image, just as the industry which produces it has been called an "image empire,"[79] is not a fanciful metaphor. The picture is indeed an image, a fleeting, superficial, electronic, two-dimensional visual representation of a three-dimensional event.

For the individual, images are a reflection of personal hopes, dreams, and ideals, which give a coherence to daily life. For the society, images incorporate the manifold disjointed experiences and events which would otherwise have a disintegrating effect, and supply a structure for continuation from day to day.

Each individual or group, class, society, or state, chooses certain images and groups of images which enable it to stabilize and function. Each group of images can be called a myth. Its purpose is to enable the individuals who share it to see themselves with aggregated powers and a unity of purpose which would not otherwise exist. Thus, the myth is dependent upon a commonality of interests which can be found among the myth-makers, the myth transmitters, and/or those who accept and adhere to the myth.

Those who make the myth set the principle of reality for the individuals who follow it; those who communicate the myth mark the limits of the world of commonly shared images and the limits of the world of those who share them. Communication, then, is a carrier of the prevailing reality principle; it determines the qualities and characters of the receivers' universe of discourse, and sets the limits of their experience. The cycle of myth-maker to transmitter to recipient, like the group of images itself, is exclusive.

The 1968 National Democratic Convention in Chicago provided a useful paradigm of the television communications process: the event took place within a building heavily guarded and surrounded with barbed wire and troops, and was transmitted via "closed circuits" to individual receivers in homes which were similarly isolated, locked, and sequestered, ...while beyond those insulated components, in the streets and world outside the Convention and the homes, a veritable war raged. The crisis (i.e. period in which control has disintegrated) at the scene finally afflicted the communications process, when reporters and crews, in angry response to their own mistreatment, allowed the communications cycle to flood receivers with evidence of social incoherence and political instability, a reality which was at perfect odds with the myths which supported the very existence of the broadcasters and their audience.

That such an accident could occur, however briefly, indicates the vulnerability of television's imagistic world; indeed, the aesthetics and mechanics of the medium make it uniquely, and pre-eminently, suitable for the communication of reality rather than myth. Television's "claim to truth," as media critic and psychologist Rudolf Arnheim has noted,[80] rests on its ability to transmit an event simultaneously with its occurrence (i.e. "live").

It was precisely this quality -- the liveness of the event -- which made the Convention coverage so appalling to its audience. Unlike the 91%[81] of television programming which is meticulously planned, prepared, edited and reviewed prior to broadcast, the crisis event was transmitted without the mediation which makes the television screen an effective barrier against the intrusion of harsh realities, and without the necessary framework of insulating images. The view it offered was inevitably a shock to an audience conditioned for almost two decades to programming decided by formula on the basis of its ability to put the viewer in a frame of mind most conducive to the purchase of commercial products.

The broadcaster's control extends far beyond, is far deeper and far more ingrained, than the mere suppression of certain program content. His control over the flow of information, by designating what is to be included or omitted, is complete. As this Notebook has shown, the operative principle in telecommunications is not censorship, but the management of information. What consequence this management has on the life of the public can only be guessed. As Dale Minor asked, referring to the police genre of programs:

> How are the millions who regularly view these television dramatizations and are emotionally and intellectually affected by them to view an objective study of, say, the basic disputes between the police and

ghetto dwellers? They have seen, time and again, every variety of police critic -- demonstrator, reporter, reformist politician -- not only portrayed in consistently unflattering and unsavory roles but also, with equal consistency, linked to the causes of rising crime rates, disrespect for authority, and the general dissolution of American society.[82]

The impact of this ideology, of the commercialism which provides industry, government, and communications with their nexus, is documented daily, and everywhere. Televeision's service to consumerism begins with its failure to inform the audience that for every consumer society, there is a consumed society. It ends with its failure to ask the question, who is consumed? Answering that question would point the television camera at its audience.

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42. , TV Basics: Report etc., loc cit, 1970.
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48. For additional statements and examples, see Barnouw, Johnson, Brown, etc. (opera citata)
49. Brown, Les. op cit, p. 65.
50. Rucker, Bryce. op cit, p. 106.
51. Fleischman, Stephen, Interview on "All About TV" (WNYC-TV, NY), reported in Variety, 11/18/70.
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53. Idem.
54. Idem.
55. Idem. For an expanded discussion of the pressures on broadcast journalism, see the Network Project, FEEDBACK #4 (transcript), in Performance Magazine, Vol. 1, No. 3, New York: NY Shakespeare Festival Public Theatre, July 1972, pp. 57-70.
56. Donner, Stanley T. (ed.) The Meaning of Commercial Television, (Texas-Stanford Seminar at Asilomar, California, 1966), Austin: Univ. of Texas Press, 1967, pp. 26, 30, 35-36, 39-40, ser.
57. Stanton, Frank. Intracompany memorandum quoted in Variety, 7/7/71.
58. Brown, Les. op cit, pp. 131-136.
59. Kendrick, Alexander. Interview in Variety, 10/1/69. See also Kendrick, Alexander. Prime Time, Boston: Little, Brown & Co., 1969.
60. Shayon, Robert L., in Amplify (magazine), August 1969, p. 5.
61. Shayon, Robert L. Speech delivered at the annual conference of the National Citizens Committee for Broadcasting (NCCB), 1970. reported in Variety, 10/21/70.
62. Variety, 9/16/70.
63. Arlen, Michael. The Living Room War, New York: Viking Press, 1969, p. 24.
64. Friendly, Fred. op cit, p. 135.
65. Johnson owned the Texas Broadcast Company, which held KTBC-AM-FM-TV (Austin), 75% of KNAL-AM (Victoria), and 29% of KWTX-AM-TV (Waco), which owns 50% of KBYX-TV (Bryan); and 23% of KXII-TV (Ardmore, Okla.) and KLFY-TV (Lafayette, La.). (source: Broadcasting Yearbook, 1971).
66. Schiller, Herbert I. op cit p. 54. Other members were the Chairmen of the Boards of both ITT and AT&T.
67. Ibid., p. 55. Stanton was also, until 1967, Chairman of the Rand Corporation.
68. Friendly, Fred. op cit, p. 217; also Schiller, op cit, p. 56.
69. MacNeil, Robert. The People Machine, New York: Harper & Row, 1968, p. 317.
70. Rivers, William and Schramm, Wilbur. Responsibility in Mass Communication, (rev. ed.), New York: Harper & Row, 1969. Quoted in Minow, op cit, n. 12-13.
71. Minor, Dale. The Information War, New York: Hawthorne Books, 1970, pp. 190 et seq.
72. Ibid., p. 192.
73. All quotes from The New York Times, 8/31/65, p. 4.
74. Reported in Variety, 6/30/70.
75. Reported in Variety, 2/4/70; discussed in Johnson, op cit, pp. 80-83.

76. Aronson, James. Deadline for the Media, New York: Bobbs-Merrill, 1973. For examination of Nixon Administration's use of media, see esp. pp. 12-16.
77. See McGinniss, Joe. The Selling of the President, New York: Trident Press, 1969.
78. At the same time, press conferences which allowed spontaneous questioning were curtailed; there were 9 in 1971, compared to an average of 30 per year over the last 25 years. See Frankel, Max: "Presidential News Conferences Quietly Dying of Nixon Disuse," in The New York Times, 6/19/72.
79. Barnouw, Erik. op cit.
80. Arnheim, Rudolf. Interview recorded by the Network Project and broadcast in FEEDBACK #1; see published transcript, Performance Magazine, Vol. 1, No. 3, loc cit, July 1972, pp. 9-20.
81. ______, "TV Programming: Live, Film, Video Tape," in Broadcasting Yearbook, Vol. 82, YB 37, loc cit, 1972, p. 75.
82. Minor, Dale. op cit, p. 59.

APPENDIX A

A TELEVISION CHRONOLOGY

1895
1st wireless message transmitted (by Marconi, in Italy).

1901
1st transatlantic wireless transmission (by Marconi, England to Newfoundland).

1920
1st regular radio broadcast (WWJ-AM/Detroit, 8/20; KDKA-AM/Pittsburgh, 11/2).

1922
1st commercial program (WEAF-AM/New York, 9/7).

1923
1st 'chain' broadcast (WEAF/NYC to WNAC/Boston, by telephone line, 1/4).

1926
Enactment of Dill-White Radio Bill, basis for the Communications Act of 1934; establishment of the Federal Radio Commission, later becoming the Federal Communicatinns Commission (DC, 2/23).
National Broadcasting Company organized (NYC, 11/1).

1927
Columbia Broadcasting System begins operation with 16 station network (NYC, 9/18).

1928
1st experimental dramatic television broadcast (W2XAD-picture/WG7-AM-sound, Schenectady).

1929
Cathode-ray television receiver demonstrated by its inventor (D.V. Zworykin, USA, 11/18).

1930
NBC opens experimental tv transmitter (W2XBS/NYC, 7/30).

1931
CBS opens experimental tv transmitter (W2XAB/NYC, 7/21).
NBC forms 2 Pacific Coast AM Networks: "Orange" & "Gold" (Oct.)

1932
William Paley et al. buy Paramount-Publix' 50% interest in CBS. (Mar)
Government forces General Electric and Westinghouse to divest stock in RCA, which becomes independent. (Nov.)

1933
NBC dissolves "Gold" Network to cut costs; some stations absorbed by "Orange" Network. (Mar.)

1934
Frank Stanton (graduate student, Psychology Dept., Ohio State Univ.) conducts test proving that students remember advertising they have heard better than advertising they have read. (Jan.)
Communications Act becomes law. (June)
FRC becomes FCC. (July)
Ford Motor Company buys broadcast rights to World Series for $100,000; combines 3 networks and independent stations into 180 station outlet. (Oct.)
Federal Broadcasting Corp. becomes American Broadcasting Company and begins operations with 18 stations. (Oct.)
Federal Court establishes property right in broadcast material, and enjoins Boston publisher from printing scripts in pamphlet form. (Oct.)
Federal Court establishes right of broadcaster to use news printed in papers without restriction, dismisses Seattle suit (AP v. KVOS-AM) brought to protest "pirating" of printed material. (Decision reversed by Circuit Court of Appeals, 12/35) (Dec.)

1935
Broadcast Code Authority rules against accepting "propaganda" except on commercial basis. (Feb.)
RCA announces $1-million program to field-test television. (May)
NBC now has 2 national radio networks, "Red" and "Blue". (Dec.)

1936
1st public demonstration of (300 line) cathode-ray tube, by Don Lee Broadcasting System. (June)
FM broadcast technique presented to FCC. (June)
RCA transmits experimental tv (343 lines) from Empire State Bldg. (2 hours per day, seen by 150 viewers selected by RCA) (July)
Philco Corp. demonstrates 7 mile tv transmission (345 lines, received on 9.5x7.5" screens). (Aug.)
Tv transmission begins in England. (Sep.)

1937
Bell Telephone Co. demonstrates intercity tv transmission (NYC-Phila. -- 90 miles, via coaxial cable) (Nov.)

1938
Broadcast industry's average weekly salary ($45.12) is the highest of all American industries (Bur. of Labor Statistics) (June)
CBS buys American Record Corporation for $700,000; ARC subsidiary, Columbia Phonograph Co., was the network's former owner. (Dec.)

1939
RCA/NBC begins 1st regular daily television broadcast schedule, from N.Y. World's Fair; 1st Presidential appearance on tv. (Apr.)
Pennsylvania Supreme Court sets precedent that broadcaster is not liable for remarks spoken without warning by an artist using facilities. (Sep.)

1939 (cont.)
1st sponsorship of international broadcasts (daily newscasts to Latin America via NBC International, by United Fruit Company). (Nov.)

1940
FCC approves "limited commercialization" of tv, effective 9/1/40. (Feb.)
Sun Oil Company becomes 1st sponsor of regular tv programming. (Mar)
W2XBS (NBC-NYC) begins experimental regular news program. (Mar)
RCA cuts tv set prices, starts drive to put 25,000 NYC homes in service. (Mar.)
FCC suspends order for "limited commercial" operation of tv: censures RCA for sales efforts "which are seen as an attempt to freeze tv standards at present level."[1] (Mar.)
FCC authorizes commercial FM operation, halts tv transmission. (May)
CBS demonstrates color tv system, developed by Peter Goldmark (Chief Television Engineer, CBS). (Aug.)
CBS announces formation of Latin American Network of 64 stations in 18 countries. (Dec.)

1941
FCC authorizes full commercial tv operation, effective 7/1/41; standard fixed at 525 lines, 30 frames per second, FM sound. (May)
1st sponsorship of commercial tv broadcast, by Procter & Gamble, Lever Bros. Co., Sun Oil Co., and Bulova Watch Co. (June)
NBC's W2XBS (NYC) becomes WNBT-TV; commercial base rate = $120/min. (June)
FCC adopts ban on multiple ownership of stations in the same area. (Aug.)
NBC announces formation of 92 station Pan American Network, for rebroadcasting programs to Latin America. (Sep.)
NBC separates "Red" and "Blue" networks, sets up 'independent' Blue Network Company. (Dec.)

1942
Justice Department files antitrust suits against NBC and CBS. (Jan.)
Selective Service System declares broadcasting an "essential industry" for national military mobilization. (July)
U.S. Supreme Court upholds FCC power to regulate broadcast industry. (May)
Networks work out new contracts with affiliates. (May)

1943
Blue Network sold by RCA to E.J. Noble for $8-million, becomes American Broadcasting Company. (July)
Justice Department drops antitrust suits against NBC and CBS. (Oct.)

1944
Chester La Roche, former Chairman of Young & Rubicam Advertising Agency, becomes Vice-Chairman and chief executive officer of The Blue Network. (Sep.)
FCC ratifies change making the Blue Network the American Broadcasting Company. (Dec.)

1945

Radio's largest client, Procter & Gamble, spends $11-million for advertising time during the year. (June)

1946

William Paley becomes Chairman of CBS; Frank Stanton assumes Presidency. (Jan.)

1st Washington-New York telecast, via AT&T coaxial cable. (Feb.)

FCC breaks wartime freeze on broadcast permits. (Mar.)

1st color tv telecast between New York and Washington, 450 miles, by CBS. (Apr.)

4-city telecast attains audience of 100,000. (June)

RCA demonstrates electronic color tv system. (Nov.)

Bristol-Myers becomes 1st sponsor of tv network program, begun 10/27 on NBC-TV's 2-station system.

1947

FCC denies CBS petition for color-tv operation on grounds that the system is unsatisfactory. (Mar.)

Brig. Gen. David Sarnoff becomes Chairman and President of RCA upon retirement of former Chairman, Gen. James Harbord. (July)

National Association of Broadcasters (NAB) survey of member stations shows 66% commercialization of broadcast time. (Aug.)

1st White House telecast to nation. (Oct.)

1948

RCA announces development of 16" picture tube. (Feb.)

ABC makes public offering of 500,000 shares of voting stock at $9 per share; it is sold out in 2 hours. (May)

1st regularly sponsored simulcast series, on CBS-TV and Radio: "We The People," by Gulf Oil Corporation. (June)

FCC begins tv license and hearing freeze. (Oct.)

1949

AT&T cable links East coast with Midwest tv stations. (Jan.)

Longest direct tv transmission is 129 miles (KTLA-TV/LA to KFMB-TV/San Diego). (May)

FCC announces tv allocations plan to provide for 2,245 tv stations (VHF and UHF) in 1,400 communities. (July)

1950

CBS begins experimental colorcasts in Washington. (Jan.)

Penna. Federal District Court holds broadcasters not liable for defamatory remarks in political broadcasts. (Mar.)

CBS and its owned and operated ('o&o') stations pull out of NAB.(May)

ABC and its o-and-o's pull out of NAB. (June)

FCC approves CBS color tv system, effective 11/20 (approval restrained by Chicago Federal Court on RCA complaint). (Oct.)

CBS requires all employees to sign loyalty oaths, as NBC has done since 1944. (Dec.)

1951

FCC proposes allocation plan making full use of UHF band, reserving indefinitely about 10% of channels for ETV. (Mar.)

1951 (cont.)

US Supreme Court allows lower court ruling that Communications Act of 1934 does not prohibit station censorship of non-candidate political broadcasts. (Apr.)

ABC and United Paramount Theaters agree on $25-million merger; Leonard Goldenson becomes ABC President. (May)

US Supreme Court upholds FCC approval of CBS color system. (June)

1st commercial colorcast (1 hour on 5-station East coast CBS-TV network) sponsored by 16 advertisers. (July)

1st coast-to-coast tv broadcast, via $40-million AT&T networking facilities. (Sep.)

RCA demonstrates its improved color tv system, in New York and DC. (Oct.)

Justice Department starts court effort to force pro-football to allow broadcast coverage. (Oct.)

Prototype videotape recorder (VTR) demonstrated by Bing Crosby Enterprises. (Nov.)

Westinghouse Corporation buys $3-million campaign package on CBS-TV/Radio: deal includes both conventions, 13-week 'get-out-the-vote' drive, plus election-night coverage. A few months later, Westinghouse also purchases national election coverage by the Dumont Network. (Dec.)

1952

Philco Corp. buys NBC-TV/Radio coverage of conventions and elections for $3.8-million. (Jan.)

Admiral Corp. buys ABC-TV/Radio coverage of conventions and elections for $2-million. (Jan.)

FCC ends tv allocation freeze, effective 7/1/52: provides for 2,053 stations in 1,291 cities -- 617 VHF (inc. 80 ETV), 1,436 UHF (inc. 162 ETV). (Apr.)

Justice Department sues 12 movie producers/distributors, charging conspiracy to restrain interstate commerce in 16mm films in violation of Sherman Act, "in move to free films for use in television".[2] (July)

1st commercial UHF tv station on the air (KPTV-TV/Portland). (Sep.)

Batten, Barten, Durstin & Osborne (BBD&O) is top tv/radio customer for year, with $40-million in billings. (Dec.)

1953

Joseph McConnell resigns NBC Presidency to become President of Colgate-Palmolive-Peet Company. (Jan.)

FCC approves ABC/United Paramount Theaters merger. (Feb.)

WJZ, owned by ABC, becomes WABC-AM-FM-TV. (Mar.)

According to survey by Broadcasting Magazine, independent film programs occupy:

25% of airtime on tv network interconnected affiliates;
50% " " " nonconnected affiliates;
60% " on nonaffiliated stations. (July)

FCC proposes extension in tv license-term from 1 to 3 years. (July)

FCC limits single ownership to total of 5 VHF and 2 UHF, 7 AM and 7 FM stations. (Nov.)

BBD&O and Young & Rubicam are biggest agency buyers of tv/radio audience. (Dec.)

1953

Procter & Gamble is largest tv/radio advertiser ($36-million for year); Colgate-Palmolive is second ($19-million). (Dec.)

1954

RCA begins 1st color tv set manufacture. (Mar.)

1955

1st color VTR*demonstrated, by Bing Crosby Enterprises. (Feb.)

Audience for "Peter Pan," on NBC-TV network is 65-million persons (it would take 65 years for this audience to be accommodated on Broadway). (Mar.)

Film accounts for more than 33% of total tv broadcast time, according to survey by Broadcasting Magazine.(Apr.)

1st transmission of color tv over commercial network, on magnetic tape (sponsored by RCA/NBC and 3M Corp.) (May)

ABC-TV billings for fiscal year amount to 68% increase over total gross income for previous year. (June)

HUAC announces hearings on alleged communist infiltration of broadcasting. (July)

Westinghouse Electric Corp. buys 1956 campaign/election on CBS/TV and Radio for $5-million. (Aug.)

67% of all US households (32-million homes) have tv (U.S. Census Bureau). (Aug.)

Republic Pictures signs government consent decree to sell 16mm movie prints to tv. (Sep.)

Commercial tv broadcasting begins in England. (Sep.)

USSC upholds New Mexico Supreme Court state (school) tax on broadcast station gross income. (Oct.)

Film accounts for almost half of total tv airtime, according to survey by Broadcasting Magazine. (Nov.)

US District Court upholds movie-company right to withhold films from tv. (Dec.)

Broadcast revenues for year pass $1-billion mark (total tv/radio income: $1,042,500. (Dec.)

Tv income surpasses radio (tv revenue: $595-million.). (Dec.)

J. Arthur Rank sells 100 films to ABC-TV. (Dec.)

Selznick Productions sells 10 feature films to National Telefilm Associates (NTA). (Dec.)

1956

RKO sells 740 feature films and 1,000 shorts to C&C Super Corp. for tv release. (Jan.)

Columbia Pictures sells 104 feature films to tv through subsidiary Screen Gems. (Jan.)

Paramount Pictures negotiates sale of 1,600 shorts to tv. (Jan.)

Ampex Corp. demonstrates VTR at NARTB Convention, receives $4-million in orders. (Apr.)

20th Century-Fox Film Corp. sells 390 features to NTA. (Nov.)

Political advertisement billings for period 9/1 - 11/6/56 top $9.907-million. (Nov.)

Justice Department files antitrust suit against RCA/NBC. (Dec.)

*Video-tape Recorder

1957

Justice Department files suit against Loews for selling M-G-M films to tv in blocks. (Apr.)

Tv is the prime source for public information concerning politics (print is 2nd, radio 3rd), according to survey by University of Michigan. (Sep.)

RCA demonstrates color VTR. (Oct.)

1958

Tv employees who are uncooperative with HUAC hearings are fired. (June)

RCA signs government consent decree concerning color tv, is fined $100,000, resolving antitrust suit. (Nov.)

20th Century-Fox allocates $15-million for production of special 'films for tv.' (Dec.)

Atlas missile in orbit; relays Presidential "peace on earth" message to ground stations. (Dec.)

1959

Young & Rubicam combines program production and media advertising operations. (Jan.)

Newswire services (AP, UPI) report more broadcast than print subscribers. (Apr.)

NBC signs government consent decree concerning station acquisition. (Sep.)

Quiz-show rigging described to House Legislative Oversight Subcommittee. (Oct.)

1960

Minnesota Mining & Manufacturing Corp. (3M) buys the Mutual Broadcasting System (MBS). (Apr.)

Weather reports received from satellite in 400-mile high orbit.(Apr.)

1st demonstration of light amplification by stimulated emission of radiation (LASER) beam, by Hughes Aircraft Corp. (July)

Echo I satellite relays broadcast signal from 1,000-mile orbit.(Aug.)

ABC-TV gives seminars on 'tv technique' to political candidates. (Aug.)

Kennedy-Nixon debate has largest tv audience to date: 70-million people in 89.9% of US homes. (Oct.)

FCC receives testimony from tv producers that they control programs but accede to sponsor dictation of policy. (Oct.)

Sponsors begin production of their own tv series pilots. (Oct.)

James Hagerty, Eisenhower's Press Secretary, becomes President of ABC News. (Nov.)

AT&T submits application to FCC for commercial satellite service. (Dec.)

Political billings for 1960 tv/radio campaign: $14-million. (Dec.)

1961

CBS-TV signs 2-year contract with NFL for $9.3-million. (May)

FCC Chairman Newton Minow, presently CBS attorney in Chicago, describes tv as "vast wasteland" at NAB Convention. (May)

FCC announces new policy of matching broadcaster's promise against performance, in license renewal requests. (July)

1961 (cont.)
FCC hears sponsors testify that they "guide program content to protect image."[3]
Average US family can receive 4 tv and 9 radio stations, according to report by A.C. Nielsen Co. (Dec.)

1962
FTC describes Colgate-Palmolive/Ted Bates Agency commercial as "deliberate fraud." (Jan.)
Baseball-time advertising revenue for season is $83-million. (Mar.)
FCC overlooks convictions of Westinghouse corporate officers for antitrust violations, renews Corporation's 14 station licenses on the basis of "unusually good" programming. (Mar.)
Surgeon General's report on connection between smoking and cancer, like the report by the American Cancer Society in 1958, has no effect on television's $114.6-million annual tobacco billings. (June)
1st global tv transmission, via AT&T's Telstar satellite. (July)
Comsat (Communications Satellite Corporation) established by Presidential act. (Sep.)
NASA puts RCA-built relay satellite in orbit. (Dec.)

1963
1st stationary satellite, Syncom, orbitted, fails to operate. (Feb.)
Telstar II in orbit. (May)
1st television pictures originated from space. (May)
NAACP describes broadcast employment practises as "flagrantly discriminatory." (Aug.)
1st trans-Pacific live broadcast via satellite (Preview of Tokyo Olympic Games). (Nov.)
NCAA sells 1964 football season to NBC-TV for $13-million. (Dec.)
In calendar 1963, institutional control of broadcasting through stock ownership increased 73%. (Dec.)

1964
U.S. Surgeon General's report on smoking formally issued. (Jan.)
CBS buys NFL rights for 2-years for $28.2-million. (Jan.)
Tv is now the population's major news source, according to Roper survey done for Television Information Office (TIO). (Jan.)
United Church of Christ brings petition to deny the license renewals of WJTV-TV and WLBT-TV (Jackson, Miss.) on the basis of racial discrimination. (Apr.)
1st offering of Comsat stock; AT&T, IT&T, RCA, and General Telephone buy 5-million shares. (May)
FTC orders cancer warning on all tobacco packages and advertising. (June)
Ranger VII transmits close-up pictures of moon. (Aug.)
Federal government supplies more than 300 stations with fallout shelters for their transmitter-engineers. (Aug.)
FCC rules Presidential news conferences are subject to equal time demands. (Oct.)
Tv/radio political campaign budget for year: $40-million. (Nov.)

1965
1st live Presidential news conference from White House television studio. (Feb.)
Rights to major league baseball coverage sold for $25-million. (Feb.)
Film accounts for 84.1% of scheduled tv network prime-time programming. (Apr.)
1st commercial communications satellite (Early Bird) in stationary orbit for trans-Atlantic 2-way tv relay. (Apr.)
FCC asserts authority over cable-television (CATV). (Apr.)
IT&T subsidiaries request CATV franchises for 26 states. (May)
FCC decides to allow tv-CATV cross-ownership. (July)
Football rights sold to broadcasters for $37-million; television audience sold to sponsors for $92-million. (Aug.)
NBC buys '67-'68 World Series, All-Star Game, and Game of the Week for $30-million. (Oct.)
CBS begins color tv broadcasting. (Oct.)
FCC approves WLBT transfer to new commercial owner, despite United Church of Christ petition. (Dec.)
ABC/IT&T merger planned. (Dec.)
New York City awards 3 CATV franchises, for service in Manhattan and Riverdale. (Dec.)

1966
NFL rights for '66-'67 sold to CBS for $37.6-million; CBS audience for games sold to sponsors at rate of $70,000 per minute. (Jan.)
Baseball rights sold to broadcasters for $27.5-million; broadcasters plan sale of viewers' time for $95-million. (Feb.)
Court upholds NLRB ruling under National Labor Act that broadcaster is producer of the goods advertised on his station (re: KXTV-TV/Sacramento). (Feb.)
District of Columbia Court of Appeals orders FCC rehearing of WLBT-TV license denial sought by United Church of Christ. (Mar.)
ABC and IT&T file merger application with FCC. (Apr.)
Domestic communications satellite system is now technically feasible; estimated to cut network long-lines (AT&T) transmission charges ($55-million per year) by 50%. (Apr.)
Broadcasters buy football rights for $44-million, expect to sell audience for $100-million. (Apr.)
Justice Department requests FCC delay ABC/IT&T merger pending study. (Nov.)
FCC ignores JD request, approves ABC/IT&T merger.
John Banzhaf requests free time from WCBS-TV/NYC to make anti-smoking announcements. (Dec.)

1967
Banzhaf request rejected by WCBS-TV/NYC, filed with FCC. (Jan.)
CBS-News admits financing attempted invasion of Haiti in order to film documentary about it.
NAB abolishes limit of 18 minutes of commercials per hour, if commercials are for "good cause" in "special circumstance." (Jan.)
Justice Department brings USA v. FCC suit to force reopening of ABC/IT&T merger case. (Jan.).
IT&T lends ABC $25-million. (Feb.)
Baseball rights sold for $29-million; audience rights for $105-million. (Feb.)

1967 (cont.)

FCC reopens ABC/IT&T merger case. (Mar.)

Tv is the major news source for 64% of American adults, according to TIO survey. (Apr.)

FCC accepts the spirit of Banzhaf's request, forcing networks to broadcast anti-smoking messages. (June)

John Daly, ABC Vice-President in charge of News, becomes Director of USIA-financed "Voice of America;" former Director, John Chancellor, returns to NBC News. (June)

FCC re-approves ABC/IT&T merger, effective 7/67. (June)

U.S. Justice Dept. appeals FCC approval of ABC/IT&T merger. (July)

CBS introduces electronic video recording and playback system (EVR). (Aug.)

FCC approves ABC plan for simultaneous operation of 4 radio networks (ignoring rule which forced RCA/NBC to divest one of its 2 networks -- which then became ABC). (Sep.)

NAB revises Television Code, restricting program interruptions to 2 per 1/2 hour in prime-time, 4 per 1/2 hour at other times, limiting commercial minutes to 10 per hour in prime-time, 16 per hour at other times. (Oct.)

Corp. for Public Broadcasting created. (Nov.)

1968

IT&T cancels ABC merger, under threat of Justice Dept. monopoly investigation. (Jan.)

ABC, in $53-million debt, plans $73-million stock offering. (Feb.)

ABC requests FCC help to prevent its affiliates from switching to NBC. (Apr.)

U.S. Supreme Court gives FCC total jurisdiction over CATV. (June)

FCC gives WLBT-TV full renewal, ignoring United Church of Christ petition. (June)

Frank Shakespeare, President of CBS-TV Services Division, becomes director of Nixon presidential media campaign. (June)

AT&T gives Corp. for Public Broadcasting lower rates for long-lines transmission, but reserves right to pre-empt. (Aug.)

FCC rejects ABC request for help. (Sep.)

Screen Actors Guild (SAG) reports that tv commercials account for 40% of its members combined total earnings. (Nov.)

Presidential Task Force on Communications Policy submits recommendations, including: use of single carrier for all types of international communications, and creation of 'super' federal agency to control frequency allocations. (Dec.)

CBS demonstrates EVR. (Dec.)

Intelsat III-A, 5th global communications satellite, in synchronous orbit over east coast of Brazil. (Dec.)

TWA underwrites $150,000 cost of nightly news program ("Newsfront") for 6 months on 17 CPB station Eastern Educational Network; is mentioned on the air 4,550 times. (Dec.)

Color tv set sales surpass black-and-white sales, according to Electronic Industries Assoc. (EIA); 6-million color and 5.5-million b&w sets sold in 1968. (Dec.)

Cigarette commercial billings increase to $236-million for 1968. (Dec.)

Radio/tv campaign spending for 1968 is $59-million, 70% higher than previous election. (Dec.)

1969

Justice Department requests FCC to break media monopoly in Cheyenne, Wyo. and order divestiture of KFBC-TV by Frontier Broadcasting Company, which also owns city's only full-time AM station, only CATV system, and only morning, evening, and Sunday newspapers. FCC recently awarded the company a Construction Permit for the city's second FM station. (Jan.)

Frank Shakespeare, director of Nixon media campaign, becomes head of United States Information Agency (USIA). (Jan.)

Comsat cuts trans-Atlantic tv satellite-transmission rates by 40%; also cuts trans-Pacific rates and drops extra color transmission charges. (Feb.)

Highest commercial cost in prime-time network programming is $65,000 per minute (for "Mayberry RFD" and "Mission: Impossible" -- CBS; and "Laugh-In" -- NBC). (Mar.)

Civic Communication Corp. petitions FCC to deny WLBT-TV/Jackson license renewal. (Mar.)

1972 Summer Olympics rights sold to ABC for $12-million. (Apr.)

1st color tv transmission from the moon, via Apollo X. (June)

District of Columbia Court of Appeals strips WLBT-TV of license, orders FCC to invite new applicants for channel, and scolds Commission for irresponsibility. (June)

FCC Chairman (Hyde) cited by House Commerce Committee for contempt of Congress for refusing to surrender documents in pending case. (Nov.)

1970

President (Nixon) explains veto of Health and Education Bill via network tv, and vetoes bill during broadcast. (Feb.)

President requests Congressional permission for establishment of White House 'Office of Telecommunications Policy.' (Feb.)

Highest asking price for 1 minute on prime-time network program is $69,000 (CBS: "Mayberry RFD"). (Mar.)

CBS-News denies financing invasion of Haiti in 1966. (Mar.)

US House and Senate agree on legislation to ban tv cigarette advertising, effective 1/2/71. (Mar.)

59.3-million homes in US with television, according to ARB. (May)

25.3-million homes in US with color tv, according to ARB. (May)

3.7-million homes in US with CATV, according to A.C. Nielsen. (June)

House Investigations Subcommittee censures CBS for its role in Haitian invasion; network charged with 'staging' scenes for documentary, and encouraging crime. (June)

President names his Special Assistant, Clay T. Whitehead as first Director of Office of Telecommunications Policy. (June)

FCC approves quasi-laser airlink system for CATV program delivery. (July)

FCC approves Teleprompter/H&B American Corp. merger; Teleprompter becomes largest US cable system. (Aug.)

Non-profit group gets temporary allocation of WLBT-TV channel. (Sep.)

1971

Appeals Court (D.C.) overturns FCC Statement of Policy; rules that all competitors for broadcast license have right to full FCC hearing. (June)

1971 (cont.)

Public access (community program origination) begins on CATV in New York City (rates: Teleprompter, free; Sterling, $25/hour). (July)

Appeals Court (D.C.) overturns FCC ruling of no right of public access; rules public has right of access to present paid editorials on controversial issues. (Aug.)

Appeals Court (D.C.) overturns FCC; rules that automobile advertising falls under Fairness Doctrine. (Sep.)

Teleprompter Corp., largest U.S. CATV operator, convicted on 4 counts of conspiracy and bribery; Pres. Irving Kahn found guilty on 5 counts of conspiracy, bribery, and perjury. (Oct.)

White House Office of Telecommunications Policy Director Clay Whitehead urges virtual abolition of the Communications Act, repeal of the Fairness Doctrine, and end of government radio regulation, in speech to International Radio and Television Society. In later interview by WTVJ-TV, Miami, Whitehead includes termination of FCC multiple ownership rule. (Oct.)

1972

U.S. Justice Dept. announces suit against 3 major networks, charging entertainment monopoly. (Apr.)

FCC announces policy on establishment of domestic communications satellite systems. (June)

FCC authorizes policy on domestic satellites, and awards license for 1st system to Western Union (Dec.)

FOOTNOTES

1. "A Play-by-Play Retrospective," in Broadcasting Magazine, Vol. 79, No. 18, Washington: Broadcasting Publications, Inc., 11/2/70, Special Report, p. 90.
2. Ibid., p. 113.
3. Ibid., p. 132.

Note: For a more extensive history of broadcasting, see issue cited above, pps. 74-154. Although there are both additions and deletions, this Appendix is largely based on this Special Report.

APPENDIX B

TELEVISION PROGRAMMING

Film/Tape/Live Programing on Television Stations

	Survey Date	NETWORK AFFILIATES Average Hrs-Per Week	NETWORK AFFILIATES % of Total Schedule	NON-NET STATIONS Average Hrs-Per Week	NON-NET STATIONS % of Total Schedule	ALL STATIONS Average Hrs Per Week	ALL STATIONS % of Total Schedule
1. Total non-network film	June 1971	19:35	16.1%	42:18	54.8%	23:19	16.5%
	June 1961	27:18	25.2%	59:47	66:1%	28:31	26:5%
1a. Film specially made for TV	June 1971	07:49	06.3%	21:39	28.0%	10:17	07.3%
	June 1961	13:04	12.1%	35:45	39.5%	13:45	12.9%
1b. Film made for theatrical showing	June 1971	11:46	09.7%	20:39	26.7%	13:02	09.3%
	June 1961	14:14	13.1%	24:02	26.6%	14:36	13.7%
2. Syndicated video-tape programs	June 1971	07:38	05.7%	16:42	21.6%	09:26	07.0%
	June 1961	00:44	00.7%	04:22	04.8%	00:53	00.8%
3. Local live programs	June 1971	12:45	10.5%	11:19	15.1%	12:37	08.9%
	June 1961	11:21	10.4%	22:47	25.1%	11:45	10.9%
4. Local video-tape programs	June 1971	03:18	02.7%	05:09	06.7%	03:57	02.3%
	June 1961	01:41	01.5%	03:23	03.7%	01:45	01.6%
5.‡ Local film programs	June 1971	03:44	03.1%	00:39	00.8%	03:30	02.5%
	June 1970	03:30	02.8%	00:25	00.5%	02:42	02.3%
6. Total network programs	June 1971	74:26	61.3%			64:10	45.7%
	June 1961	67:14	62.1%			64:50	60.2%

1972 Broadcasting Yearbook

‡ *Local film shows not compiled prior to 1968.*

Film/Tape/Live Programing on Television Networks

	Dates	FILM Weekly Hrs.	FILM % of Total Schedule	VIDEO TAPE Weekly Hrs.	VIDEO TAPE % of Total Schedule	LIVE Weekly Hrs.	LIVE % of Total Schedule	Total Weekly Hrs.
ABC-TV	June 1971	26:30	41.7%	34:00	53.6%	03:00	04.7%	63:30
	June 1970	36:00	40.0%	46:30	51.7%	07:30	08.3%	90:00
	June 1966	36:10	57.1%	25:02	39.6%	02:10	03.3%	63:25
	June 1961	32:00	52.0%	21:00	33.5%	09:00	14.5%	62:00
CBS-TV	June 1971	36:45	39.5%	42:05	45.3%	14:10	15.2%	93:00
	June 1970	35:55	39.2%	42:30	46.4%	13:15	14.4%	91:40
	June 1966	32:05	39.6%	25:50	31.8%	23:14	28.6%	81:09
	June 1961	24:50	31.7%	28:25	31.9%	24:45	36.4%	78:00
NBC-TV	June 1971	21:00	24.1%	46:35	53.5%	19:25	22.4%	87:00
	June 1970	26:15	29.6%	44:25	50.1%	18:05	20.3%	88:45
	June 1966	24:30	26.9%	37:30	41.2%	29:00	31.9%	91:00
	June 1961	22:30	25.8%	38:05	43.8%	26:25	30.4%	87:00
Total for all TV networks	June 1971	84:15	34.6%	122:40	50.3%	36:35	14.9%	243:30
	June 1970	98:10	36.3%	133:25	49.3%	38:50	14.3%	270:25
	June 1966	90:45	39.4%	88:25	37.5%	54:24	23.1%	235:34
	June 1961	79:20	34.9%	87:30	38.5%	60:10	26.5%	227:00

1972 Broadcasting Yearbook

NETWORK SPONSORS

Network TV's largest spenders

		1971 Investment
1.	Procter & Gamble Co.	$120,900,300
2.	American Home Products Corp.	48,794,200
3.	Bristol-Myers Co.	48,607,000
4.	Sterling Drug, Inc.	46,353,600
5.	Warner-Lambert Pharmaceutical Co.	44,876,300
6.	General Foods Corp.	40,699,600
7.	General Motors Corp.	39,982,100
8.	Lever Brothers Co.	36,144,900
9.	Colgate-Palmolive Co.	34,455,900
10.	Ford Motor Co.	29,660,600
11.	Gillette Co.	29,198,100
12.	S.C. Johnson & Son Inc.	27,709,500
13.	Miles Laboratories Inc.	23,594,500
14.	Ralston Purina Co.	23,243,700
15.	Kellogg Co.	23,051,900
16.	Sears, Roebuck & Co.	22,885,100
17.	General Mills Inc.	22,352,300
18.	Chrysler Corp.	20,529,400
19.	J. B. Williams Co. Inc.	17,815,200
20.	Kraftco Corp.	17,564,500

The biggest spenders among newcomers

Rank	Company	TV Investments
1.	United States Armed Forces	$3,712,000
2.	Great Atlantic & Pacific Tea Co.	1,734,400
3.	Eaton Corp.	1,222,900
4.	Memorex Corp.	1,208,900
5.	Amstar Corp.	1,120,100
6.	Fiat Motor Co.	706,600
7.	Coca-Cola Bottling Co. of New York	629,700
8.	Transamerica Corp.	471,100
9.	Jeffrey Martin Inc.	441,000
10.	Nicholson File Co.	309,900

BROADCASTING, March 13, 1972

APPENDIX D

SPOT ADVERTISERS

The top-100 spot buyers

	Company	Expenditure
1.	Procter & Gamble	$18,689,500
2.	American Home Products	12,053,700
3.	General Foods	12,029,200
4.	Lever Brothers	7,238,600
5.	Colgate-Palmolive	7,027,100
6.	General Mills	6,382,000
7.	Ronco Teleproducts	6,164,300
8.	General Motors	5,887,100
9.	Bristol-Myers	5,659,000
10.	Imperial Products	5,628,200
11.	Popeil Brothers	5,622,600
12.	Warner-Lambert Pharmaceutical	4,931,600
13.	Kraftco Corp.	4,500,700
14.	William Wrigley Jr. Co.	4,307,700
15.	Alberto-Culver	4,240,000
16.	Sterling Drug, Inc.	3,736,200
17.	Quaker Oats	3,573,600
18.	Toyota Motor Distributors	3,376,900
19.	Deluxe Topper	3,239,600
20.	Ford Motor	3,127,100
21.	Miles Laboratories	3,111,200
22.	Pepsico	2,998,500
23.	Nabisco	2,928,300
24.	Coca-Cola	2,862,700
25.	E. & J. Gallo Winery	2,704,100
26.	Campbell Soup	2,646,400
27.	Standard Oil Co. of Indiana	2,621,500
28.	Noxell Corp.	2,528,600
29.	Heublein	2,440,800
30.	Ideal Toy Corp.	2,429,900
31.	Nestle Co.	2,370,300
32.	Scott's Liquid Gold	2,334,900
33.	Seven-Up	2,326,800
34.	Schering-Plough	2,230,600
35.	Triangle Publications	2,143,400
36.	International Tel. & Tel.	2,119,200
37.	Squibb	2,065,000
38.	Westinghouse Electric	2,055,100
39.	Mattel	2,012,000
40.	Anheuser-Busch	1,971,200
41.	Chesebrough-Ponds	1,763,600
42.	Ralston Purina	1,743,600
43.	Scott Paper	1,696,500
44.	American Airlines	1,651,400
45.	H. J. Heinz Co.	1,647,700
46.	Gillette	1,586,300
47.	Mennen Co.	1,484,100
48.	Norton Simon	1,480,400
49.	American Tel & Tel.	1,476,800
50.	Eastman Kodak	1,472,100
51.	Magnavox	1,469,100
52.	Jos. Schlitz Brewing	1,457,900
53.	Libby McNeill & Libby	1,448,900
54.	General Electric	1,443,800
55.	General Tel. & Elec. Corp.	1,436,200
56.	Atlantic-Richfield	1,430,000
57.	RCA Corp.	1,405,600
58.	Smith Kline & French Labs	1,391,500
59.	Morton-Norwich Products	1,389,800
60.	Dennison Mfg.	1,374,000
61.	Consolidated Foods	1,358,000
62.	Totes	1,344,500
63.	UAL	1,339,100
64.	Columbia Broadcasting System	1,331,900
65.	Kellogg	1,320,900
66.	Standard Brands	1,311,600
67.	Milton Bradley	1,307,000
68.	S.C.M. Corp.	1,279,300
69.	Volkswagenwerk A.G.	1,265,400
70.	Carter-Wallace	1,261,900
71.	Royal Crown Cola	1,258,400
72.	Maytag	1,253,200
73.	Frawley Enterprises	1,250,600
74.	Datson Auto Dealers Assn.	1,241,500
75.	Standard Oil Co. of New Jersey	1,238,500
76.	Standard Oil Co. of Ohio	1,237,100
77.	Sperry-Rand	1,212,500
78.	Dow Chemical	1,206,600
79.	Carnation	1,200,700
80.	Chrysler Corp.	1,195,900
81.	Hoffman-La Roche	1,173,900
82.	American Dairy Assn.	1,168,700
83.	Hanes	1,159,700
84.	North American Philips	1,151,600
85.	Mars	1,135,900
86.	Chanel	1,120,000
87.	Hoover Co.	1,105,500
88.	Trans World Airlines	1,104,300
89.	Johnson & Johnson	1,098,100
90.	Remco Industries	1,044,300
91.	Beatrice Foods.	1,029,300
92.	Nissan Motor Corp. USA	1,020,100
93.	Sunbeam Corp.	1,019,100
94.	GAF Corp.	968,400
95.	Block Drug Co.	966,300
96.	Standard Oil Co. of Calif.	951,300
97.	U.S. Steel	949,800
98.	Borden Co.	948,500
99.	American Cyanamid	947,100
100.	C. F. Mueller	928,800

Spot television expenditures by product classification

	4th Q. '71	Jan.-Dec. '71
Agriculture and Farming	**$ 305,800**	**$ 4,285,300**
Apparel, Footwear and Accessories	**16,045,300**	**41,667,800**
Automotive	**23,866,000**	**100,694,600**
Beer & Wine	**21,553,200**	**78,377,600**
Building Materials, Equipment & Fixtures	**2,449,500**	**10,343,900**
Confectionery and Soft Drinks	**21,599,100**	**106,136,500**
Consumer Services	**1,879,900**	**7,804,500**
Drugs and Remedies	**28,197,000**	**96,352,400**
Food and Food Products	**83,391,200**	**303,696,600**
Gasoline, Lubricants and Other Fuels	**13,184,600**	**57,932,100**
Horticulture	**560,500**	**4,326,500**
Household Equipment and Supplies	**37,764,800**	**100,760,500**
Household Furnishings	**2,820,000**	**10,038,700**
Insurance	**4,312,800**	**14,251,300**
Jewelry, Optical Goods and Cameras	**5,535,500**	**9,390,500**
Office Equipment, Stationery and Writing Supplies	**414,700**	**2,051,100**
Pets and Pet Supplies	**7,600,100**	**35,777,200**
Publishing and Media	**5,361,700**	**19,957,100**
Radios, Television Sets and Musical Instruments	**14,259,100**	**32,363,500**
Smoking Materials	**1,469,500**	**5,130,300**
Soaps, Cleansers and Polishes	**25,993,200**	**100,263,000**
Sporting Goods and Toys	**23,204,100**	**48,581,300**
Toiletries and Toilet Goods	**42,987,700**	**154,370,400**
Travel, Hotels and Resorts	**9,718,900**	**37,920,100**
Miscellaneous	**1,566,800**	**5,237,800**
Total	**$396,041,000**	**$1,397,710,600**

BROADCASTING, March 20, 1972

APPENDIX E

ADVERTISING AGENCIES

These agencies led in these categories

In . . .	Agency	Billings
. . . Total broadcast billings	J. Walter Thompson	$222.3 million
. . . Total television billings	J. Walter Thompson	$197.3 million
. . . TV-network billings	J. Walter Thompson	$137.2 million
. . . TV-spot billings	Young & Rubicam	$61.1 million
. . . Total radio billings	BBDO	$27.5 million
. . . Radio network billings	Needham, Harper & Steers	$5.5 million
. . . Radio spot billings	BBDO	$23 million
. . . Biggest broadcast gain	Foote, Cone & Belding	$30.7 million

Top-15 agencies and their 1972 radio-TV billings

(All dollar figures are in millions)

	Combined Broadcast Billings	Total TV	TV Network	TV Spot	Total Radio	Radio Network	Radio Spot	Broadcast Share of Agency's Total Billings	Broadcast Billings Change ($) From 1971	Agency's Rank in 1971
1. J. Walter Thompson	$222.3	$197.3	$137.2	$ 60.1	$ 25.0	$ 4.3	$ 20.7	52%	—37.0	1
2. Young & Rubicam	187.4	163.3	102.2	61.1	24.1	2.3	21.8	58.2%	+25.0	5
3. Leo Burnett	176.9	164.2	110.6	53.6	12.7	2.9	9.8	58.5%	— 7.6	2
4. BBDO	172.8	145.3	90.2	55.1	27.5	4.5	23.0	61%	+ 5.2	4
5. Ted Bates & Co.	166.1	157.5	102.5	55.0	8.6	2.2	6.4	67.8%	—18.4	2
6. Dancer-Fitzgerald-Sample	148.0	140.0	90.0	50.0	8.0	5.0	3.0	85%	+13.0	7
7. Benton & Bowles	137.6	129.5	97.0	32.5	8.1	3.6	4.5	82.8%	— 1.1	6
8. Ogilvy & Mather	130.4	118.7	59.7	59.0	11.7	2.9	8.8	65.2%	+21.3	10
9. Grey Advertising	129.0	112.0	74.0	38.0	17.0	3.0	14.0	58%	+24.0	11
10. McCann-Erickson	127.0	109.0	64.0	45.0	18.0	2.0	16.0	59%	+ 3.0	8
11. Doyle Dane Bernbach	116.2	97.7	51.8	45.9	18.5	2.3	16.2	60%	0	9
12. William Esty	111	97.0	62.0	35.0	14.2	2.0	12.0	65%	+11.0	12
13. Foote, Cone & Belding	101	95.6	75.6	20.0	5.4	1.0	4.4	54.3%	+30.7	16
14. SSC&B	98.8	89.4	59.9	29.5	9.4	2.8	6.6	72.9%	+ 9.0	13
15. Needham, Harper & Steers	77.4	66.0	50.8	15.2	11.4	5.5	5.9	55.7%	+ 2.7	15

BROADCASTING Nov 27 1972

APPENDIX F

FINANCIAL STATISTICS

BROADCASTING Aug 21 1972

Broadcast revenues, expenses and income of television networks and stations, 1970-1971 (in millions of dollars)

	1971	*1970*	*% Change 1970-1971*
Broadcast revenues			
3 networks	$1,094.1	$1,144.6	— 4.4
15 network owned-and-operated stations	284.8	312.5	— 8.9
All other stations			
491 VHF	1,223.3	1,226.6	— 0.3
182 UHF	148.2	124.5	+19.0
Subtotal	1,371.4	1,351.1	+ 1.5
INDUSTRY TOTAL	$2,750.3	$2,808.2	— 2.1
Broadcast expenses			
3 networks	$1,040.5	$1,094.5	— 4.9
15 network owned-and-operated stations	193.6	195.1	— 0.8
All other stations			
491 VHF	946.3	894.7	+ 5.8
182 UHF	180.8	170.0	+ 6.4
Subtotal	1,127.2	1,064.7	+ 5.9
INDUSTRY TOTAL	$2,361.2	$2,354.4	+ 0.3
Broadcast income (before federal income tax)			
3 networks	$ 53.7	$ 50.1	+ 7.2
15 network owned-and-operated stations	91.2	117.3	—22.3
All other stations			
491 VHF	277.0	331.9	—16.6
182 UHF	(32.7)	(45.5)	—
Subtotal	244.3	286.4	—14.7
INDUSTRY TOTAL	$ 389.2	$ 453.8	—14.2

Broadcast expenses of three networks and TV stations in 1971 (in thousands of dollars)

Item	*Technical*	*Program*	*Technical plus program*	*Selling*	*General and administrative*	*Total broadcast expenses*
3 Networks			$ 925,031	$27,645	$ 87,784	$1,040,460
15 Network owned-and-operated stations	$ 33,000	$ 98,758	131,758	23,840	37,957	193,555
407 VHF network-affiliated stations	103,471	309,453	412,924	96,322	273,390	782,636
100 UHF network-affiliated stations	14,493	28,021	42,514	12,052	31,504	86,071
Total, 507 network-affiliated stations	150,964	436,232	587,196	132,214	342,851	1,062,262
31 VHF independent stations	17,185	87,121	104,306	15,499	36,124	155,930
45 UHF independent stations	11,400	35,802	47,202	12,413	25,933	85,548
Total, 76 independent stations	28,586	122,924	151,508	27,912	62,057	241,478
Total 598 stations	179,550	559,156	738,704	160,126	404,908	1,303,740
Total three networks and 598 stations	—	—	$1,663,735	$187,771	$492,692	$2,344,200

The following list is provided in response to requests for information on prices of earlier publications. Checks should be made payable to The Network Project Notebooks.

1. The Notebooks (annual subscription)
   - all past issues sent to late subscribers
   $10/individual $25/institution

2. Individual Notebooks
   No. 1: Domestic Communications Satellites
   No. 2: Directory of the Networks
   No. 3: Control of Information
   $2/individual $5/institution

3. The Fourth Network (study of public television) $3

4. FEEDBACK (radio programs on tape)
   - for brochure, contact Radio Free People, 133 Mercer Street, New York City, 10012

5. FEEDBACK (transcripts)
   Nos. 1, 2, 4, 5: Performance, July 1972 $2
   No. 3: Performance, September 1972 $2
   - for issues, contact Performance Magazine, 249 West 13 Street, New York City, 10011

One of the members of The Network Project will be speaking on government influence in broadcasting at the Spring Colloquium of the Annenberg School of Communications, University of Pennsylvania. Friends in the Philadelphia area are invited to attend, at 4 PM on March 19.

Such meetings, either on campus or with a community group, are an important part of the Project's work. If you would be interested in having a speaker from The Network Project visit, please do not hesitate to contact us.

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The Network Project

OTP

Notebook Number Four

April 1973

The command and control community has a pretty good grasp of this problem [centralizing control of communications management], and I think Dave Packard* understood it very well when he issued the new directive on the Worldwide Military Command and Control System. If I read that new directive correctly, somebody is going to be responsible for designing the system from top to bottom. He is not just going to be concerned with hardware, but with everything that determines whether the necessary facts get into the hands of the national command authorities -- personnel and procedures included. I think that's a tremendous concept.[1]

-- Clay T. Whitehead

... those with leadership and decision-making responsibilities must consider information as a major industry, a national resource, and a source of economic and political power.[2]

-- Clay T. Whitehead

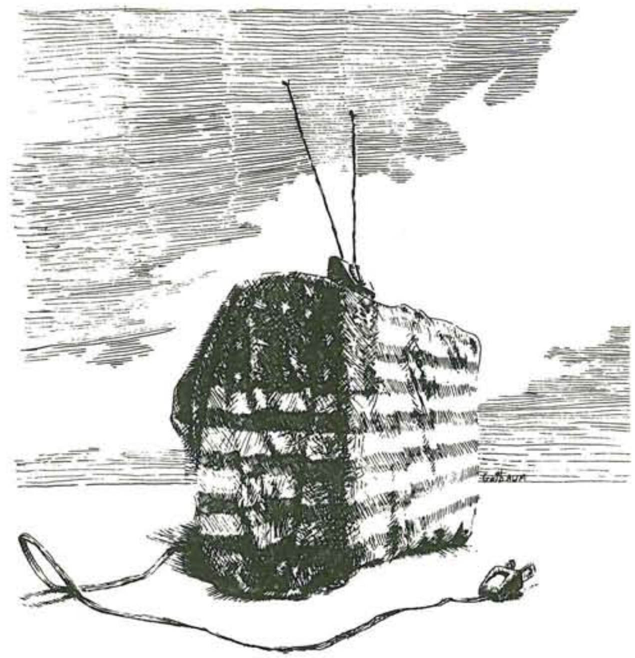
This Notebook, the fourth in a series of bimonthly reports by The Network Project, examines the historical role of the White House in domestic communication. In documenting current activities of the Executive Branch, and particularly its new Office of Telecommunications Policy, the study proceeds from the introduction to government influence in broadcasting provided in Notebook No. 3, Control of Information.

*Assistant Secretary of Defense

NOTEBOOK NUMBER FOUR

OFFICE OF TELECOMMUNICATIONS POLICY

(THE WHITE HOUSE ROLE IN DOMESTIC COMMUNICATION)



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The Network Project
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INTRODUCTION

On September 4, 1970 President Nixon signed Executive Order 11556 creating an agency in the White House known as the Office of Telecommunications Policy (OTP). Under the guidance of its M.I.T. educated and RAND trained Director, Clay T. Whitehead, the OTP has since become the nucleus of a powerful communications planning unit within a growing White House staff. It is perhaps best known for its attack upon so-called "liberal" programming and "Eastern Establishment" control of the nation's public television system, and its subsequent condemnation of an "ideological bias" in commercial network news programs. Yet the political importance of the OTP is its centralization within the White House of decision-making control over the future development of American communication. The OTP's impact has been indicated by the Federal Communications Commission's surrender of control of domestic satellites to private industry, its deregulation of radio broadcasting on an experimental basis, and its adoption of a cable television policy first approved by the White House office. This process has jeopardized the independence of the public's custodian in the communications field (FCC). It also suggests the highly specialized interests served by the OTP's intervention, as this Notebook documents, into an area of public policy reserved for the Commission by the Communications Act of 1934.

The problems associated with the OTP's influence over the FCC, however, extend beyond the office's success in forging communication policy. Its significance is, in part, revealed by the power it gives the Presidency over the legislative branch of government. Although the FCC was created by Congress and is legally responsible to it, the legislature has been ill-equipped to offer the Commission guidance on technical matters such as domestic satellites or computer interconnection. The Executive has sought to assume this role.

The creation of the OTP continues a trend that began following World War II: the accumulation of administrative and technical resources within a burgeoning White House bureaucracy. In 1937, President Roosevelt maintained a staff of 37 political advisers; by 1970, President Nixon's White House staff numbered 576, 150 more than the previous Administration, and a total greater than the composition of Congress.[3] Although President Nixon had pledged to reduce the size of this Executive apparatus and decentralize its powers, the opposite has occurred. Since assuming power, Mr. Nixon has more than doubled the White House budget, from $31-million in 1969 to over $70-million by 1972;[4] and, in addition to the OTP, has added eight major offices and councils to the Executive Office.

The establishment of the OTP, further, blurs the distinction between public and private power in the communications field, a most important political development for the future. NASA and COMSAT represent good examples of the form this government-corporate interlock has taken in the present. In both cases government acted dynamically only in consonance with, and in support of, existing corporate interests. Neither organization questioned the monopolistic tendencies of the cooperating aerospace companies and communications common carriers. In each case the barrier between public and private has been eroded both by extensive federal contracting and by the flow of personnel between industry and government. (See Appendices A and C)

The OTP weakens this dichotomy by fusing public and private administrative power within the Executive Office of the President, with the purpose of determining structure, finance, control and operation of the nation's $19-billion-a-year telecommunications industry. This development indicates a derangement of presidential and legislative power. Its circumstance is made more disturbing by the current Republican Administration's acknowledgement of the importance of control of communications as means to political power and as forces affecting the ideological and material bases of society.

> It is believed to be one of the chief merits of the American system of written constitutional law that all powers entrusted to the government, whether state or national, are divided into the three grand departments, the executive, the legislative, and judicial; that the functions appropriate to each of these branches of government shall be vested in a separate body of servants, and the perfection of the system requires that the lines which separate and divide these departments shall be broadly and clearly defined. It is also essential to the successful working of the system that the persons entrusted with the power in any one of these branches shall not be permitted to encroach upon the powers confided to the others, but that each shall by the law of its creation be limited to the exercise of the powers appropriate to its department and no others.[5]
>
> --Supreme Court Justice Miller

> The White House has no qualms about seeking to influence the Commission [FCC] or other so-called independent agencies.[6]
>
> --Clay T. Whitehead

That the Office of Telecommunications Policy would become the most powerful voice in the formulation of national communication policy could not have been guessed from the most careful reading of Reorganization Plan No. 1 of 1970, which proposed its creation and listed its duties. The plan delegated to the office responsibilities vested in the President by the Communications Act of 1934 and the Communications Satellite Act of 1962. It did not indicate the influence that the office would assert upon the FCC, the agency entrusted by law to regulate all forms of non-governmental telecommunications in this country for the public good.[7] That the OTP would inherit this and other functions was, however, suggested in a White House report prepared by Peter Flanigan, the Administration's liaison to the corporate community, and his special assistant for telecommunications affairs at the time, Clay T. Whitehead. Noting the numerous attempts by earlier Presidents to centralize communication policy control within the executive branch, the report explained that the OTP "would have primary executive branch responsibility for both national telecommunications policies and Federal administrative telecommunications operations."[8] Its duties would include:

> -- economic, technical, and systems analysis of telecommunications policies and opportunities in support of national policy formulation and U.S. participation in international telecommunications activities.
>
> -- developing executive branch policy on telecommunications matters including, but not limited to, industry organization and practices, regulatory policies, and the allocation and use of the electromagnetic spectrum for both Government and non-Government use.
>
> -- advocating executive branch policies to the FCC, and through the President to Congress; and representing the executive branch in FCC proceedings.

The leverage that the OTP would provide the President was examined in March, 1970 by the House Subcommittee on Legislative and Executive Reorganization.[9] The Subcommittee was particularly concerned that the new office, by its substantial technical and research capability, would exert undue influence over the Federal Communications Commission. A White House memorandum sent to the Subcommittee (also prepared by Flanigan and Whitehead) noted that the office would be staffed by thirty-five professionals (engineers, lawyers, and systems analysts (See Appendix A); and that approximately $800,000 of its anticipated $3.3-million budget would be allocated for research. Moreover, the communications research facilities and personnel located in the Department of Commerce* would also be placed at the disposal of the new office.[10] Reviewing this concentration of technical expertise in the OTP, Representative Clarence Brown (R-Ohio) warned:

> ...the method by which the [White House could influence the FCC] is establish this Office, give it the muscle of direct association with the Presidency and the executive branch, provide it with the wherewithall to do the scientific research or evaluate the scientific research that is being done so that it speaks with scientific authority in this area, deny the FCC some of the resources through the Bureau of the Budget* to provide similar scientific research or the accumulation of scientific research, and pretty soon you have muscle in the Office of Telecommunications and the FCC becomes a function of the OTP.[11]

Although Mr. Whitehead was unavailable for these hearings, the Administration was, it might be said, represented by the FCC's newly appointed Chairman, Dean Burch, earlier Senator Goldwater's presidential campaign manager and Chairman of the Republican National Committee. (See Appendix D) The Chairman welcomed the establishment of the OTP: "We have consistently favored a strong, centralized entity to deal with telecommunications issues within the Executive."[12] Mr. Burch hoped the OTP would help fill a vacuum that had developed in the FCC, in the assessment of broad policy guidelines that could be adopted by the Commission. Representative Rosenthal (D-N.Y.) informed the Chairman that that was precisely the decision-making authority the Communications Act of 1934 had intended for the FCC, not the White House. Although Mr. Burch responded that "there is absolutely no fear of either an actual or possible undue influence by the White House on the Commission by virtue of this office,"[13] the Subcommittee was unimpressed and unconvinced. Its sentiment was conveyed by Rep. Rosenthal's re-

*The memorandum noted that a Telecommunications Research and Analysis Center (TRAC) would be established in the Department of Commerce to 1) conduct research and analysis in general fields of telecommunication sciences under directives from the OTP; 2) develop and operate a national electromagnetic compatability analysis facility under OTP guidance; and 3) provide the administrative and technical support required by the Interdepartmental Radio Advisory Committee, itself responsible to the OTP.

*Now known as the Office of Management and Budget.

joinder to Chairman Burch:

> If I am not mistaken, the Commission is really a creature of Congress and your definition of undue influence might be different than my definition of undue influence. I don't know that the Congress intended the White House to have any influence of any kind."[14]

BACKGROUND

COMMUNICATIONS MANAGEMENT BY THE EXECUTIVE

The need for greater Executive control in the area of national communications affairs has been expressed repeatedly by Administrations during the past two decades. Even before the widespread application of television and the subsequent military development of satellite, computer and related electronic communications technologies, the strategic importance of communications had closely paralleled efforts to harness its control within an executive agency.

President Truman was the first President to take a broad look at the nation's communications requirements. His Executive Order 10110, issued in February, 1950, created the President's Communications Policy Board to cope with the competition between government and non-government users for radio frequencies.[15]

A major policy shift took place in 1953 under the Eisenhower Administration. In that year the President issued Executive Order 10460 abolishing the Office of Telecommunications Adviser to the President, and transferring its functions to the Director of the Office of Defense Mobilization in the Defense Department.[16] The ODM was authorized to coordinate government activities in telecommunications and report to the National Security Council on policies articulated, or approved, by the Council. Since the Defense Department was the government's largest user and procurer of communications services,[17] it was a likely choice to assume policy guidance in this area.

A second Eisenhower directive, Executive Order 10773, issued on July 1, 1958, merged the ODM with the Federal Civil Defense Administration to form one office, the Office of Civil and Defense Mobilization (OCDM).[18] In November, 1958, the OCDM Director, Leo H. Hoegh, established a Special Advisory Committee on Telecommunications which recommended establishment of a board in the Executive Office of the President that would undertake policy studies and carry out the President's telecommunications responsibilities. In light of studies undertaken by the Truman Administration, it recommended that further legislation be introduced to establish a National Telecommunications Board, which would perform the following tasks:

1. Review the national table of frequency allocations, in consultation with the FCC, to insure appropriate division of spectrum space between government and non-government users.

2. Study the role of government management over its telecommunications system as defined by the Communications Act of 1934.

3. Act as the President's spokesman to Congress for needed changes in the structure of telecommunications.

4. Assume responsibility for mobilization planning for telecommunications resources.[19]

This plan, submitted to Congress in 1958, was never reported out of the House Committee on Interstate and Foreign Commerce.

Upon assuming office in 1960, President Kennedy commissioned Mr. James Landis, an authority on government organization, to examine the federal structure for the management of telecommunications. The Landis committee reiterated the need for strong executive coordination of both international and national communications.[20] President Kennedy responded with his Executive Order 10995 in February, 1962, establishing the Office of the Director of Telecommunications Management (ODTM) in the Office of Emergency Preparedness.[21] The ODTM was created to carry out functions comparable to Truman's Communications Policy Board and Eisenhower's OCDM; in addition, it was given responsibility to coordinate telecommunications research-and-development.

Though the ODTM was submerged within the OEP with a modest budget of less than $2-million, it became the focal point for government communications policy. The Communications Satellite Act of 1962* placed additional responsibilities on the President, which he in turn delegated to the ODTM. The ODTM was not able to perform the enormous tasks assigned to it, for they were beyond its budgetary and staff capabilities. Yet it was significant that the policy apparatus for telecommunications had been wrested away from the Department of Defense and placed into a White House agency.

The search for new government machinery continued into the Johnson Administration under a Presidential Task Force headed by Eugene V. Rostow, then Under Secretary of State for Political Affairs. The Rostow Report stressed a theme which had been previously underplayed. Encouraging the need for enabling the private communications sector to reach its full potential, the Task Force called for strengthening the total policy-making capability throughout government, both in the FCC and in the Presidency.[22] Noting the failure of the ODTM, the report recommended the establishment of a new executive entity to assist the FCC in gathering and up-dating operational expertise, and to provide the President with the latest problem solving and forecasting techniques based upon economic, technological, and communication systems analysis.

Thus, when the Nixon Administration assumed control of government, much of the policy groundwork for centralizing and coordinating telecommunications policy had been laid. The Executive's initial concern for the efficient management of its own facilities and proper spectrum utilization under President Truman had mushroomed into a concern of a much larger magnitude by the time President Nixon took office in 1969.

The trend toward more centralized telecommunications control by the Executive is explained, in part,

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*The Communications Satellite Act of 1962 created a quasi-public entity, the Communications Satellite Corporation, to establish a commercial, international satellite system. The Act authorized the President to 1) coordinate activities of government agencies with responsibilities in the field of telecommunications; 2) insure the availability and appropriate utilization of the satellite system for general government purposes except where a separate system was required to meet unique needs (e.g. military); 3) coordinate the efficient use of the electromagnetic spectrum and the technical compatibility of the system with existing communications facilities both in the United States and abroad.

by the federal government's increased reliance upon, and demand for, sophisticated communications techniques to service its foreign and domestic operations. The government's total investment in telecommunications is more than $60-billion, and its annual expenditure for communications equipment, research, development and services exceeds $4-billion.[23] Of this total, approximately $1-billion goes for equipment not generally considered in traditional summaries (e.g. electronic communications required for ballistic missiles), $2-billion for specialized systems (e.g. reconnaissance and surveillance satellites), and $1-billion for conventional systems. Although the major portion of these funds is consumed by the Defense Department* (60%), seventeen major departments and agencies operating more than 50 separately organized communications systems comprise the government's complex network.**

The government's dependence upon the communications industry as supplier of hardware and services is matched by the industry's reliance upon government as financier of telecommunications advances. In recent years, the federal government, largely through the Pentagon and NASA, has spent well over $50-billion for communications equipment and billions more on research-and-development. The beneficiaries have been the new corporations in aerospace and electronics. Federal subsidies to these companies have so dramatically affected the economic ascendance of America's communications establishment that by 1971, 19 electronics and aerospace firms were represented among the top 20 defense contractors. (See Appendix C) Their dependence upon the government's military and space establishment indicates a symbiotic arrangement[24] which has had as great an impact

*The Defense Communications System in the DOD includes an automatic voice network (AUTOVON) and an automatic digital network (AUTODIN) which interconnect military bases and other installations both domestically and internationally. AT&T leases to and operates these systems for the government overseas, while the domestic portion of AUTODIN is leased from and operated by Western Union.

**Next to the DCS, the largest government communications system is the Federal Telecommunications System which consists of a voice-grade switched network leased from Western Union; the FTS is under the jurisdiction of the General Services Administration.

upon the shape of the country's communications environment as have the regulatory proceedings of the FCC. It is not surprising that Administrations have moved to centralize management of this telecommunications structure, and sought to influence FCC policy to coincide with government's own requirements and objectives.

EXECUTIVE INTERVENTION IN FCC AFFAIRS

Fear of Executive intervention into affairs of the Federal Communications Commission had been an early concern. During the passage of the Radio Act of 1927, Senator Dill, Chairman of the Senate Interstate Commerce Committee, argued that the influence of electronic communications on the social, political and economic life of the American people

> ...demand that Congress establish an entirely independent body to take charge of the regulation of radio communications in all its forms. The exercise of this power is fraught with such possibilities that it should not be entrusted to any one man nor to any administrative department of the government. This regulatory power should be as free from political interference or arbitrary control as possible.[25]

At the continued insistence of prescient legislators like Senator Dill, Congress passed the Communications Act of 1934. It created the Federal Communications Commission and vested it with authority to regulate

> ...interstate and foreign commerce in communication by wire and radio so as to make available...to all the people of the United States a rapid, efficient, nationwide, and worldwide wire and radio service with adequate facilities at reasonable charges...[26]

The Act delegated to the President responsibility only for coordinating the government's portion of the radio spectrum and managing its telecommunications services. The President's jurisdiction over the non-government operation of communications was restricted to its power to appoint the seven FCC Commissioners. The purpose of the Communications Act was clear: to insulate as much as possible the formation of national communications policy from political interference.

The President's power to appoint Commissioners has conflicted with this ideal. (See Appendix D for review of President Nixon's FCC appointments) More damaging is a provision in the Communications Act (Section 606) authorizing the President to assume command of the nation's communications facilities in times of national emergency. Misuse of this authorization has been indicated by the allocation of radio spectrum space between government and private users. Although the Communications Act established a dual system for distributing space (the President empowered to assign frequencies to government agencies, the FCC to private users), Administrations have made repeated efforts to usurp the FCC's authority. Following the Korean War, President Truman declared a state of continuing national emergency and extended executive control over the entire radio spectrum.[27] During the Eisenhower Administration, the Director of Defense Mobilization in 1958 instructed the FCC to reallocate specific frequencies previously reserved for private use, which the Commission did without question.[28] Examples of Executive intervention occurred in the Kennedy Administration, but it was President Johnson's Task Force on Communications Policy that directly challenged this authority of the FCC. It recommended that legislation be considered which would give the Executive complete responsibility for spectrum use, and concluded:

> To the extent that the FCC operates independently in its regulatory and policy-making activities, the Federal Government's ability to formulate and implement overall national communications policies is fragmented.[29]

Rather than recommend that Congress supply the Commission with the necessary financial resources and personnel to manage the spectrum efficiently, the Task Force recommended that the Communications Act be amended.

Administrations have argued that their authority is not broad enough to allow them to make best use of modern technology. By establishing the OTP, President Nixon has joined the trend of broadening the statutory powers of the President to shape telecommunications policy beyond immediate concerns of national security. Recent cases demonstrate the OTP's decisive force in public communications. The following case studies indicate the nature, method and scope of its activities.

CHRONOLOGY 1: DOMESTIC COMMUNICATIONS SATELLITES

> ...the form the domestic satellite system takes will provide a precedent for other forms of communications. We ought to structure it right.[30]
>
> --Clay T. Whitehead

Notebook No. 1[31] described the manifold problems inherent in the FCC's June 16 (1972) domestic satellite policy, which called for almost no government regulation of satellite systems. The Commission's ruling represented a major triumph for those corporations which already command this country's communications apparatus, providing them a public subsidy of well over $20-billion, control of yet another medium, and authority to determine how this awesome technology will affect the American public. It signified an important political victory for the Nixon Administration, and particularly for Mr. Whitehead, who had formulated the White House "deregulation" policy for domestic satellites and, with the subsequent assistance of FCC Chairman Dean Burch, engineered its acceptance by the FCC.

August 14, 1967. President Johnson establishes Task Force on Communications Policy to consider, among other matters, policy guidelines for establishment of domestic satellite system.

December 7, 1968. President Johnson's Task Force on Communications Policy recommends that COMSAT initiate experimental-pilot domestic satellite program. Report notes prematurity of fixing domestic satellites into particular institutional framework and states: "There is not yet sufficient understanding of the potential role of satellites domestically to warrant approval of full-scale domestic satellite system or systems; to do so might well create an irreversible pattern and foreclose valuable options."[32] The report refers to the potentially enormous social impact of satellites and suggests some form of public regulation necessary.

February 10, 1969(ca.) President Nixon requests that the FCC hold off on the COMSAT-directed experiment (scheduled for the early months of 1969) until the White House can study the satellite question and submit its own plan. The Commission complies. Clay T. Whitehead, special assistant to the President, is named to head the Administration's satellite study soon thereafter

HOW MR. WHITEHEAD OPERATES

The OTP did not exist when Mr. Whitehead was asked by President Nixon to study the domestic satellite question. Nonetheless, the manner in which Whitehead dealt with the domestic satellite issue illustrates the way the office tends to operate.

A Whitehead directed study, after its acceptance by President Nixon, was released on January 23, 1970.[33] The White House proposed an "open skies" policy, recommending that the FCC permit "any financially qualified public or private entity, including government corporations"[34] to launch and operate communications satellites for their own exclusive use or for general or specialized common-carrier service. The Administration's view was that the "public interest" would be best served by a policy of "deregulation" in this area.

After the Administration's "open skies" concept was publicly announced, the White House turned its attention to the FCC. A memorandum, prepared by Whitehead and signed by Peter Flanigan, was sent to FCC Chairman Burch stating the position of the President.[35] Mr. Burch, who had been sworn in as the Commission's new Chairman only 2 1/2 months earlier, reacted favorably to the "deregulation" proposal and promised rapid Commission action. On March 20, 1970, the FCC discarded the COMSAT pilot project, and issued its First Report and Order requesting applications from all parties interested in establishing and operating domestic satellite facilities.

March, 1971. Final date for submitting domestic satellite proposals is March 20. Applications are received from AT&T, GTE, RCA Globcom, COMSAT, Western Union Telegraph, Hughes Aircraft, Fairchild Industries, MCI Lockheed, Western Tele-Communications.

October 28, 1971. Whitehead sends memorandum to FCC Chairman Burch stating that "prompt authorization of domestic satellite systems would aid substantially in the effort [to alleviate the problems of our nation's economy] by stimulating up to $450-million in investments, and associated employment, in the aerospace and electronics industries;" urges Commission "to adopt an open entry policy as promptly as possible."[36]

March 15, 1972. FCC staff releases Second Report and Order, summarizing each proposal submitted and presenting two structural alternatives for the satellite system, one a model of free and open competition as suggested by the OTP (Open Entry Option I), the other a modified (i.e. regulated) competition model (Open Entry Option II). Staff urges adoption of Option II, and recommends some form of public control be exercised over structure and operation of satellite systems.[37]

May 1-2, 1972. OTP General Counsel, Antonin Scalia, objects to staff's recommendation in testimony at the FCC: "Our disagreement pertains to the nature and extent of the restrictions...necessary to protect the public interest."[38] He reiterates OTP's position that the forces of the market place, not the regulatory arm of the FCC, determine the implementation and use of satellite systems and calls for FCC acceptance of White House "open skies" policy (Option I).

June 16, 1972. FCC announces "open skies" domestic satellite policy.

The National Journal referred to the FCC's policy reversal on domestic satellites as Mr. Whitehead's first triumph. In an interview with the Journal, Mr. Walter R. Hinchman who had assisted Whitehead in drafting the memorandum on domestic satellites while at the OTP, recalled the influence Whitehead had on the FCC's domestic satellite decision. Hinchman noted, "That's the best single example of the kind of thing this office was set up to do."[39] (Mr.

Hinchman is now Director of FCC's Office of Policy and Planning.)

Mr. Hinchman's enthusiasm for OTP's influence was not shared by all. Mr. Kenneth A. Cox, whose seven-year term as an FCC Commissioner terminated in September, 1970, expressed concern over the power of the White House office on FCC affairs. Admitting that the White House memorandum on domestic satellites had changed the thinking of both the FCC staff and commissioners, Mr. Cox said, "I'm hoping that the satellite situation was kind of unique."[40] He noted that had it not been for two Nixon appointees to the FCC who supported the White House position, the Commission probably would have respected its earlier decision to maintain strict regulation over domestic satellites.

CHRONOLOGY 2: PUBLIC TELEVISION

> No, it's not an intervention. It's simply an exercise of our responsibility to see how federal funds are used and to play a role in developing the federal funding for public television.[41]
>
> --Clay T. Whitehead

With passage in 1967 of the Public Broadcasting Act, Congress created the Corporation for Public Broadcasting as the core of a national network of over 200 television and 500 radio stations.[42] The legislation expressed a number of Congressional concerns: that the system be insulated from government control and influence; that local station autonomy and independence be preserved; and that fair and balanced news and public affairs programming be presented on the broadcasting system.

White House scrutiny of the network was first manifested by Mr. Whitehead's charge on October 18, 1971, of "North-east liberal media establishment"[43] control of public television. Executive discontent was confirmed by its veto of long-range funding* in June, 1972. Presidential appoint-

*After promising legislation, in the January 29, 1971 budget ments to the Corporation's Board of Directors and consequent changes in the CPB staff suggest a political direction intended for public broadcasting. The OTP's task has been to ensure this future.

February 2, 1972. Whitehead appears on PBS news-program This Week, warns:

> There is, ...an increasing tendency on the part of the Corporation to concentrate on precisely those areas of programming in which the objection to Establishment is strongest and in which the danger of provoking control through the political process is most clear. ...There are some, I think, serious questions of principle as to whether federal funds should be involved in funding public affairs [programs], because here you're taking the taxpayer's money and using it to express controversial points of views, ...[44]

February 6, 1972. Whitehead advocates 1-year $45-million appropriation for PTV in House Communications Subcommittee hearings on extended CPB funding.

February 12, 1972. PBS cancels "The Politics and Humor of Woody Allen," which includes satirical sketch of Nixon Administration, from PTV program schedule for February 21, 1972.

February 13, 1972. US Senate Commerce Committee confirms four Nixon appointees to CPB Board of Directors (now comprised of eight Republicans, six Democrats, one Independent). Following nominations, OTP Asst. Director Brian Lamb explains his office and PTV are "thinking much more along the same lines;" says of the nominees, "We would hope they would reflect our feelings."[45]

June 1, 1972. US House of Representatives passes 2-year $155-million extension of CPB funding bill, by 254-69 vote.

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message to Congress, "to provide an improved financing arrangement for the Corporation [for Public Broadcasting]."

June 22, 1972. US Senate passes 2-year $155-million extension of CPB funding bill, by 82-1 vote.

June 26, 1972 (ca.). Whitehead assures National (PTV) Programming Council that "the President will go along" with Congressional action on CPB funding. Within hours, Whitehead instructs OTP staff to draft recommendation for Presidential veto of House/Senate CPB funding bill.[46]

June 30, 1972. President Nixon vetoes House/Senate CPB funding bill.

July 21, 1972. US Senate passes White House bill for 1-year $45-million extension in CPB funding.

August 3, 1972. US House passes White House bill for 1-year $45-million extension in CPB funding.

August 11, 1972. John Macy, first CPB President, resigns.

September 4, 1972. Ralph Nicholson, CPB Vice-President, resigns.

September 12, 1972. Thomas B. Curtis (former U.S. Representative, R-Mo.) appointed CPB Board of Directors Chairman by Nixon.

September 15, 1972. Frank Pace, first CPB Board Chairman, resigns.

September 18, 1972. Henry W. Loomis (former Director, Voice of America and Deputy Director, U.S.I.A.) appointed CPB President by CPB Board of Directors.

On a public affairs program distributed by PBS in February of 1972, Mr. Whitehead identified the problem of concentrated power in public broadcasting:

> Now that we have a few year's experience under this new system, we see a strong tendency...towards the centralization of practical power and authority over all the programming developed and distributed with federal funds. ...We have, in fact, witnessed the development of precisely that

> which Congress sought to avoid: a fourth network... .[47]

Following Congressional acceptance of the Whitehead bill on CPB funding, and the replacement of 5 directors of the Corporation by President Nixon, the structure of public television changed. In November 1972, the Corporation bypassed its own distribution service (PBS) and offered NASA coverage (21 programming hours) of the Apollo-17 mission directly to local stations. On January 5, 1973, the Board of the Public Broadcasting Service stated:

> There have been some public statements, personal contracts, and official actions which indicate to the PBS Board that the Corporation for Public Broadcasting may be moving rapidly in the direction of assuming total control of public television's National Program Service.[48]

On January 11, the Corporation's Board announced "...the Board has today adopted a policy expanding their access to virtually every stage of CPB decision-making,"[49] and assumed certain program-related functions, including:

> a. The decision-making process, and ultimate responsibility for decisions, on program production support or acquisition.
>
> b. The pre-broadcast acceptance and post-broadcast review of...programs or series of programs of a controversial nature.[50]

CHRONOLOGY 3: CABLE TELEVISION

> I think it is safe to say that we all view the development of cable as the most important single policy issue on the communications front -- perhaps one of the most significant domestic issues of this decade.[51]
>
> --Clay T. Whitehead

Although the process of transmitting television programs by coaxial cable was devised in the late 1950's, development of the medium has been slow. Because the cable can carry a theoretically unlimited number of channels (some now provide over 100), the broadcast industry has opposed its widespread use. The multiplicity of cablecast channels is a threat to the economics-of-scarcity which keep over-the-air television profits high.

For almost a decade the FCC, in deference to the financial interests of the television industry, had placed severe restrictions upon the growth of cable in large cities. In August of 1971, the Commission was about to establish rules which would have removed a major impediment to the medium's expansion: its ban on the importation of out-of-town signals to urban subscribers. The FCC's long deliberations, however, became an exercise of futility when the OTP interceded to compel the Commission to reformulate its cable policy.

<u>March, 1966</u>. The FCC adopts cable television rules restricting cable operators from importing distant signals into the 100 largest television markets without prior Commission authorization, thus eliminating cable's ability to compete with over-the-air broadcasting in markets which contain 87% of the country's television audience.

<u>December, 1968</u>. The FCC announces new cable rules abolishing restrictions upon importation of distant signals provided that cable systems obtain "transmission consent" on a program-by-program basis from originating television station.

<u>June 23, 1971</u>. President Nixon announces formation of a cabinet level committee to formulate comprehensive policy for cable television. Mr. Whitehead is designated Chairman of the committee, whose members include HEW Secretary Elliot Richardson, HUD Secretary George Romney, and Commerce Secretary Maurice Stans; Robert Finch, counselor to the President; Leonard Garment, special consultant to the President; and Herbert Klein, director of communications for Executive Office of the President. Mr. Whitehead assures Congress that this committee will not impinge upon regulatory proceedings of the FCC, noting that White House will be concerned with "long term structure" of cable policy, not year-to-year regulation.[52]

July 8, 1971. Mr. Whitehead, in an address to National Cable Television Association in Washington, D.C., reiterates that the OTP is concerned only with long-range cable television policy, not with short-range rules and regulations which are the responsibility of the FCC. "We [Whitehead and the eight OTP staff aides assigned to the study of cable] would hope to formulate the policy framework within which the FCC, the states, or the courts might regulate -- or not regulate -- cable," he states. "A sound cable policy framework must specify such matters as industry structure; common carrier or limited common carrier status; the degree and type of regulation; jurisdiction; copyright in the broadcast sense; access; ownership; public service uses; and the effect on broadcasters and on special classes of viewers."[53]

July 22, 1971. FCC Chairman Burch addresses House Communications Subcommittee, affirming Commission's determination to present its cable proposals to the Senate and House Commerce Committees by first week of August, 1971.

August 5, 1971. Against the objection of the television industry, the FCC (in a six-to-one vote) decides to remove restrictions upon cable-use in the nation's major cities by allowing all cable operators to transmit at least two out-of-town signals to their subscribers; sends to Congress preliminary draft of new cable rules, and informs Congress that they will take effect on March 1, 1972.

August 11, 1971. In response to broadcast industry protest over proposed FCC cable rules, Mr. Whitehead initiates series of negotiating sessions with the affected parties. Meetings are held at the OTP into the middle of November with broadcasters, cable operators, copyright owners, FCC Chairman Burch, and White House aide Peter Flanigan, for the purpose of reaching a mutual agreement that will supercede the FCC's proposed cable rules.[54]

November 15, 1971. A new compromise is agreed upon at the OTP meetings, extending the restrictions on cable's importation of distant signals into the largest 100 markets.[55] Subsequent to this "consensus agreement," Chairman Burch returns to initiate a re-draft of the Commission's cable policy.

February 2, 1971. The FCC strikes down its August 5 cable policy and announces new regulations which embody the compromise resulting from the OTP meetings.

The process which led to the FCC's February 2 cable rulings substantiates the claim that the Commission has succombed to outside influence. FCC Commissioner Nicholas Johnson referred to the Commission's independence from White House interference as a "mockery". In his statement on the cable policy, Johnson said:

> ...for FCC Chairman Burch to engage in secret bargaining sessions designed to bind his fellow Commissioners to policies in which they have had no participation is an affront to a multi-man Commission.[56]

Commissioner Johnson later added:

> In future years, when students of law or government wish to study the decision - making process at its worst, when they look for examples of industry domination of government, when they look for Presidential interference in the operation of an agency responsible to Congress, they will look to the FCC handling of the never-ending saga of cable television as a classic study. It is unfortunate, if not fatal, that the decision must be described in these terms, for of the national communications policy questions before us, none is more important to the country's future than cable television.[57]

CONCLUSION

> I do not know if anyone has pointed out yet that the fiftieth anniversary of the Communications Act of 1934 is 1984.[58]
> --Clay T. Whitehead

While the OTP has moved more cautiously in the highly visible area of commercial broadcasting than it has with satellites, cable, and public television, the White House has already initiated a design which would drastically "redefine the relationship in the Communications Act triangle of government, private industry, and the public."[59] The Administration's first major move in its commercial broadcasting strategy was a speech delivered on October 6, 1971 to radio and television executives by OTP Director Whitehead. It contained proposals which Mr. Whitehead later characterized as "overtures to the broadcasting industry;"[60] the trade publication Broadcasting Magazine considered the proposals "revolutionary," and praised Mr. Whitehead as "sympathetic to broadcasters who feel bewildered by FCC regulation and citizen-group pressures."[61] Mr. Whitehead's own words revealed such sympathy:

> Once the public discovered its opportunity to participate in the [Federal Communications] Commission's processes, it became inevitable that the rusty tools of program content control -- license renewal and the Fairness Doctrine -- would be taken from the FCC's hands and used by the Public and the courts to make you perform to their idea of the public interest.[62]

His words, which confuse the public's valid control of its airwaves with an implication of censorship (program content control) and portray the FCC as something other than the public's representative, were offered to justify major revision of the Communications Act of 1934. Mr. Whitehead proposed that radio no longer be regulated by the FCC; that the FCC's Fairness Doctrine (requiring broadcasters to air differing views of controversial issues) be replaced by access predicated on the commentator's ability to pay for it; and that the Commission's role in station licensing be limited. The proposals echoed, indeed expanded, the hopes of the broadcast lobby since the first allegation of a station's failure to serve adequately the "public convenience, interest, and necessity," as all broadcasters are bound by the Communications Act to do.

Less than a week after his speech, Mr. Whitehead wrote to FCC Chairman Burch suggesting that the Commission and the OTP jointly develop an experiment "to deregulate commercial radio,"[63] which the Commission began a year later. Two months after the Whitehead speech, the FCC initiated hearings on the dis-continuation of the Fairness Doctrine.

Apparently unsatisfied by the Commission's progress, the OTP Director, in late December 1972, openly challenged the FCC's mandate to regulate broadcasting. Mr. Whitehead announced that the Administration was prepared to introduce broadcast license-renewal legislation that would virtually dissolve the FCC's authority in this area. The White House bill would extend the license duration from 3 to 5 years, abolish FCC requirements that stations devote airtime to specific categories of programs (e.g. news and public affairs), and adapt license-renewal procedures to eliminate practically all grounds for challenge.[64]

In return for this protection of the broadcasters' extremely valuable 'property' (since airwaves are a public resource, the license is technically a temporary franchise allowing the broadcaster to serve as steward of a community trust), the Administration bill would require local stations to monitor network news and public affairs programming, and challenge what Mr. Whitehead alleged to be its liberal and elitist bias. The importance of this stipulation is suggested by evidence that television news programming is the major source of information about current affairs for some 65% of the American population.[65]

The OTP strategy with respect to commercial broadcasting is not unfamiliar. As with public television, White House moves have been veiled with a concern for "localism" and stated opposition to centralized power. In both cases, this veil was pierced by the observation, in a report on public television by the American Civil Liberties Union, that

> ...the purported "bedrock of localism" that would remain, once national coverage was gone, would actually be a bedrock of conservatism, given the local stations' general levels of competence and their close ties to such fundamentally conservative institutions as state governments, ...and individuals who are at least as much a part of the local establishment as those who direct commercial television affiliates.[66]

In the case of domestic telecommunications satellites, as in cable television, the OTP's activities were confined to a developing technology which embodies certain potential for communication. With public television, the OTP has acted in an area of similarly evolving importance, since relatively few Americans presently view the stations' programming. Commercial broadcasting is quite another matter: television alone reaches some 97% of the U.S. population, more than can be reached by telephone. It is the medium of communication in contemporary society. As the electronic press, television's first Amendment freedom has been curtailed by the industry's own economic imperatives;[67] encouragement of such restraint is redundant. Coming from the White House, it clashes with the views of an earlier President, Thomas Jefferson, who wrote:

> The functionaries of every government have propensities to command at will the liberty and property of their constituents. There is no safe deposit for these but with the people themselves; nor can they be safe with them without information. Where the press is free, ...all is safe.[68]

Clearly, Mr. Whitehead's perspective is different:

Moyers:	How does it feel to be called the White House communications czar?
Whitehead:	Well, I must confess I don't feel very much like a czar.
Moyers:	It's not the end of the revolution, is it?
Whitehead:	No, it's not.[69]

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34. Ibid.
35. Flanigan, Peter. Memorandum to FCC Chairman Burch, January 23, 1970.
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37. Federal Communications Commission, "Domestic Communications - Satellite Facilities," Federal Registrar, Vol. 37, No. 56, March 22, 1972.
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APPENDIX A

OFFICE OF TELECOMMUNICATIONS POLICY: PERSONNEL & BACKGROUNDS
(Levels GS-13 through GS-18; valid January 1972)

DIRECTOR: Clay T. Whitehead

At 34, Mr. Whitehead is one of the youngest directors of an executive agency. He brought to his post impressive academic credentials; at M.I.T. from 1956 to 1967, he earned B.S. and M.S. degrees in electrical engineering and a PH.D. in management. As an undergraduate, he worked at the Bell Telephone Laboratories in New Jersey; from 1961 to 1967, he taught electronics and political science courses at M.I.T., and did consulting for the RAND Corporation and the Bureau of the Budget.

Mr. Whitehead's political career began after leaving M.I.T., when he went to RAND to study management research. In 1968, he was hired by Richard Nixon to conduct studies on the use of presidential budget as an instrument of national policy.

As President, Nixon assigned Whitehead to be his special assistant for space, atomic energy, maritime affairs, communications, and serve as liaison with regulatory agencies. On September 22, 1970, Mr. Whitehead was sworn in as OTP Director.

DEPUTY DIRECTOR: George F. Mansur, Jr.

Director	Collins Radio - Microwave and Space Systems Division

GENERAL COUNSEL: Antonin Scalia

Partner	Jones, Day, Cockley & Reavis
Professor	Univ. of Virginia - Law School
Member	Ohio and Virginia Bar Assocs.
Consultant	Private industry and Federal agencies

ASSISTANT DIRECTOR FOR FREQUENCY MANAGEMENT: Wilfred Dean, Jr.

Assoc. Director	Office of Emergency Preparedness (OEP) - Frequency Management
Director	Office of the Chief of Naval Operations - U.S. Navy Radio Frequency Spectrum Division

ASSISTANT DIRECTOR: Bromley Smith

Exec. Secretary	National Security Council(NSC)
Spl. Assistant	Secretary of State
Exec. Officer	Executive Office of the President - Operations Coordinating Board
Officer	U.S. Delegation to Intelsat Conference - International Relations

ASSISTANT DIRECTOR: Charles C. Joyce, Jr.

Director	Office of the Asst. Sec. of Defense - Command, Control & Communications
Member	National Security Council - Staff

ASSISTANT DIRECTOR: Walter R. Hinchman

Chief	U.S. Department of Commerce - Institute for Telecommunication Sciences - Spectrum Utilization and Satellite Systems Group
Member	President's Task Force on Communications Policy - Staff

SENIOR PROGRAM/POLICY MANAGER: David B. Colby

Tech. Assistant	Office of Chief of Naval Operations
Physical Scientist	Naval Weapons Laboratory - Office of Technical Director and Commander

SENIOR PROGRAM/POLICY MANAGER: David B. Hall

Assoc. Director	National Communications Directorate (ODTM)
Assistant	General Services Administration (GSA) - Emergency Plans and Mobilization

PROGRAM MANAGER: Jack M. Thornell

Asst. Director	Collins Radio Company - Space Systems

ASSISTANT TO THE DIRECTOR: Brian P. Lamb

Press Secretary	Senator Peter H. Dominick (R.-Colo.)
Correspondent	UPI
Asst. Gen. Manager	WLFI-TV (Indiana)

EXECUTIVE ASSISTANT: Michael J. McCrudden

Consultant	Booz, Allen & Hamilton - Management

SYSTEMS ANALYST: Charles H. Culpepper

Assistant	OEP - Staff

SYSTEMS ANALYST: Francis Urbany

Assistant	OEP - Office of the Director
Assistant	ODTM - Office of the Director

SENIOR ATTORNEY: Henry Goldberg

Partner	Covington & Burling

SENIOR ATTORNEY: Stephan E. Doyle

Officer	Department of State - Foreign Affairs
Attorney-Adviser	FCC - Common Carrier Bureau
Partner	Haley, Bader & Potts

ECONOMIST: Bruce M. Owen

Asst. Professor	Stanford University - Economics

OPERATIONS RESEARCH ANALYST: William W. Hardgrave

Supervisor	Bell Labs - Economic Systems Studies

ENGINEER: Arthur R. Cooke

Assistant	National Telecommunications Standards
Assistant	Government Satellite Systems (OEP)

ENGINEER: Donald M. Jansky

Engineer	Atlantic Research Corporation - Electronics

DIRECTOR OF INFORMATION RESEARCH: William N. Lyons

Reserve Officer	U.S. Information Agency - Foreign Service

TELECOMMUNICATIONS SPECIALIST: Dalton C. Ward

Task Manager	ITT Communications Systems
Director	Office of Commander-in-Chief (Naval Forces, Europe) Plans & Policies, Telecommunications

TELECOMMUNICATIONS SPECIALIST: Lyman G. Hailey

Special Agent	FBI - Electronics Section

TELECOMMUNICATIONS SPECIALIST: Leo A. Buss

Chief	USAF HQ - Frequency Management Group
Chairman	ODTM - Spectrum Planning Subcommittee

OTP CONSULTANTS (Partial List):

Abbott M. Washburn

Chairman	U.S. Delegation to Intelsat Conference
Dep. Director	U.S. Information Agency (USIA)

Leonard Robert Raish

Asst. Chief	Commander-in-Chief, U.S. Naval Forces, Europe Communications Staff
Director	Joint Chiefs of Staff - Communications Directorate - Frequency Support Division

Janet Healer

Manager	Allied Research Associates - Bioscience
Consultant	RAND Corporation

Norman C. Lerner

Dep. Director	Command Systems Division
Manager	Computer Sciences Corporation - Economic Dept.

Thomas B. Moore

Senior Economist	President's Council of Economic Advisers - Staff
Professor	Michigan State University - Economics

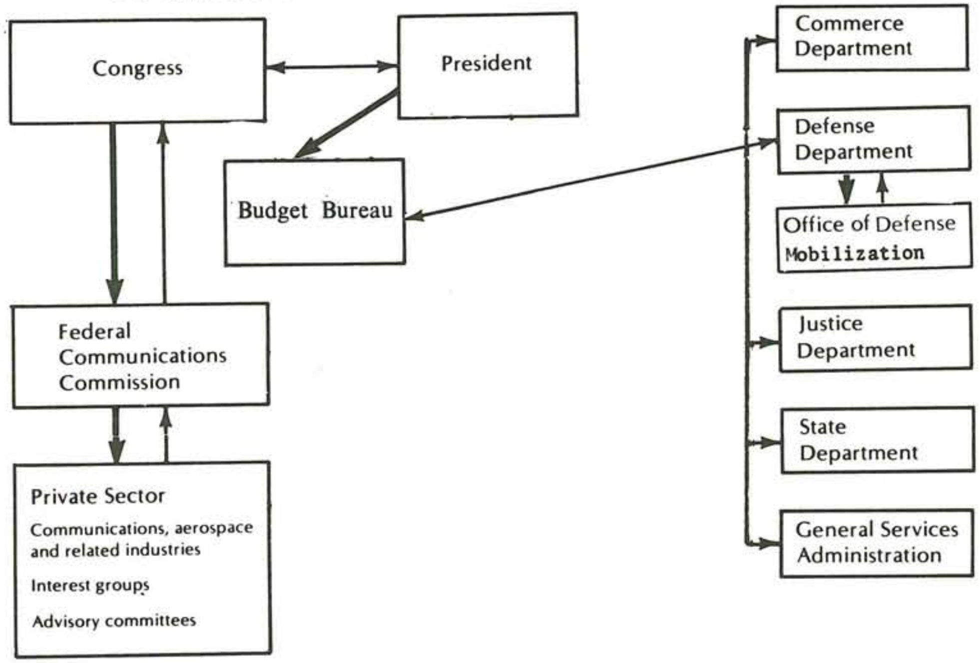
Theodore S. Ledbetter

President	Urban Communications Group, Inc.
Gen. Manager	American Tape Duplicators.

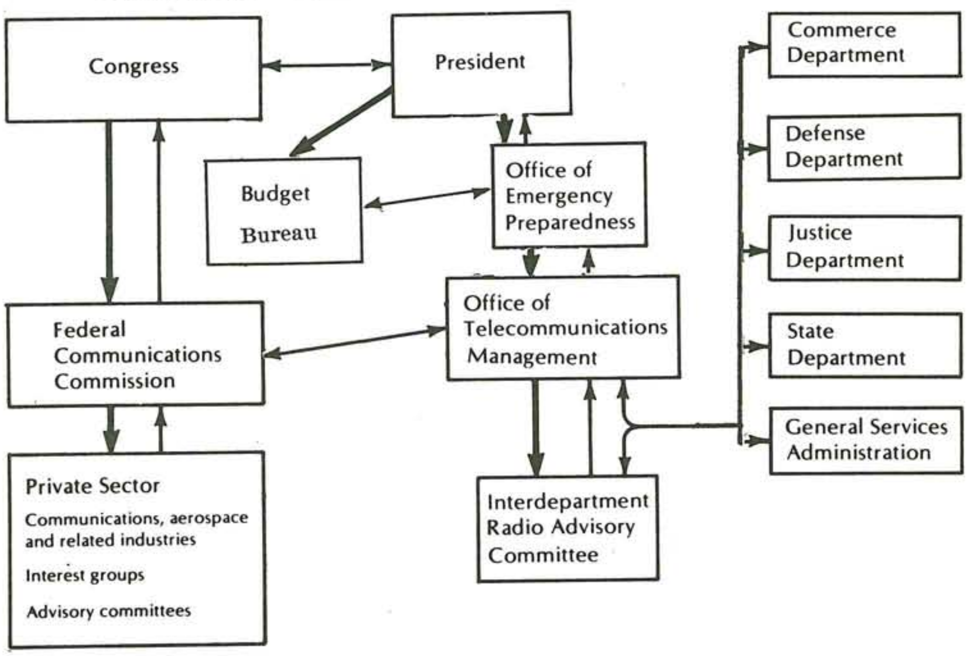
Source: Office of Telecommunications Policy: Professional Personnel Listing, Washington D.C.: Office of Telecommunications Policy, January, 1972.

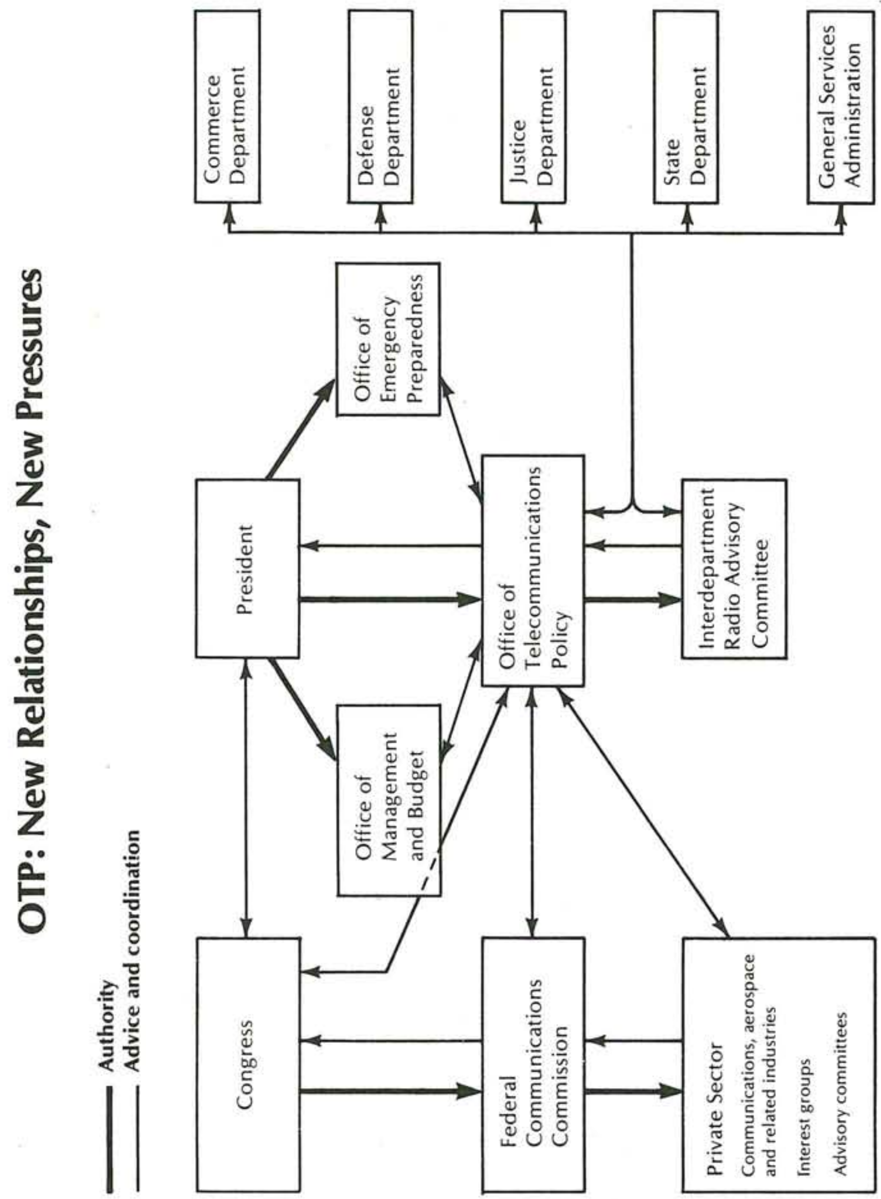
APPENDIX B: OTP EVOLUTION

Government Communications Structure: 1953 - 1962



Government Communications Structure: 1962 - 1970





Source: The National Journal, III-7, February 13, 1971 (Washington, D.C.), p. 341.

APPENDIX C

50 Parent Companies Which With Their Subsidiaries Received The Largest Dollar Volume Of Military Prime Contract Awards in 1970. (Aerospace, Communications And Electronics Firms In Capital Letters)

		(In Millions)
1.	LOCKHEED AIRCRAFT CORP.	$1,848
2.	GENERAL DYNAMICS CORP.	1,183
3.	GENERAL ELECTRIC CO.	1,000
4.	AT&T	931
5.	MCDONNELL DOUGLAS CORP.	883
6.	UNITED AIRCRAFT CORP.	874
7.	NORTH AMERICAN ROCKWELL CORP.	707
8.	GRUMMAN CORP.	661
9.	LITTON INDUSTRIES, INC.	543
10.	HUGHES AIRCRAFT CO.	497
11.	LING TEMCO VOUGHT, INC.	479
12.	BOEING CO.	474
13.	TEXTRON, INC.	430
14.	WESTINGHOUSE ELECTRIC CO.	418
15.	SPERRY RAND CORP.	399
16.	HONEYWELL, INC.	397
17.	General Motors Corp.	385
18.	RAYTHEON CO.	379
19.	FORD MOTOR CO. (PHILCO FORD)	346
20.	AVCO CORP.	269
21.	American Motors Corp.	266
22.	R C A CORP.	263
23.	GENERAL TIRE & RUBBER CO.	262
24.	IBM	256
25.	Raymond, Morrison, Knudsen	256
26.	MARTIN MARIETTA CORP.	251
27.	TENNECO, INC.	249
28.	Olin Corp.	248
29.	TELEDYNE, INC.	238
30.	Standard Oil Co. (New Jersey)	229
31.	ITT	217
32.	TEXAS INSTRUMENTS	191
33.	NORTHROP CORP.	184
34.	TRW, INC.	179
35.	BENDIX CORP.	168
36.	Mobil Oil Corp.	166
37.	DuPont E.I. De Nemours & Co.	162
38.	SINGER CO.	154
39.	COLLINS RADIO CO.	146
40.	Pan American World Airways	143

		(In Millions)
41.	FMC Corp.	$140
42.	Standard Oil Co. of Calif.	140
43.	Morrison-Knudsen Co. & Assocs.	138
44.	National Presto Industries	132
45.	Hercules, Inc.	127
46.	Asiatic Petroleum Corp.	126
47.	Pacific Architects & Engineers	116
48.	Uniroyal, Inc.	115
49.	GT&E CORP.	108
50.	R.J. Reynolds Industries, Inc.	107

Source: Barone, Michael; Ujifusa, Grant; and Matthews, Douglas. The Almanac of American Politics, N.Y.: Gambit, 1972, pp. 1013-1018.

APPENDIX D

PRESIDENT NIXON'S FCC APPOINTMENTS

DEAN BURCH -- Republican (Nominated 9/16/69)

Assistant	Senator Barry Goldwater (Legis./Admin. Affairs)	1955-1959
Manager	Barry Goldwater Presidential Camp.	1964
Chairman	Republican National Committee	1965
Attorney	Private practise (Tucson)	1959-1969
Chairman	FCC (10/31/69 - pres.)	

RICHARD E. WILEY -- Republican (Nominated 11/30/71)

Chairman	United Citizens for Nixon/Agnew	1968
Chairman	Young Lawyers Section (ABA)	1969
Professor	John Marshall Law School (Chicago)	1963-1970
Asst. Gen. Counsel	Bell & Howell Company	1963-1970
Partner	Burditt, Calkins & Wiley	1969-1970
Gen. Counsel	FCC	1970-1971
Commissioner	FCC (10/8/71 - pres.)	

CHARLOTTE T. REID -- Republican (Nominated 7/21/71)

Singer	National Broadcasting Company (NBC)	1936-1939
Representative	U.S. Congress (R.-Ill.)*	1962-1971
Chairwoman	FCC (10/8/71 - pres.)**	

BENJAMIN L. HOOKS -- Independent (Nominated 4/12/72)

Attorney	Private practise (Memphis)	1949-1965
Pastor	Middle Baptist Church (Memphis)	1955-1965
Judge	Criminal Court (Memphis)***	1965-1969
President	Mahalia Jackson Fried Chicken, Inc.	1969-1971
Treasurer	Mutual Federal Savings and Loan Assoc.	
Director	Southern Christian Leadership Conf. (SCLC)	
Commissioner	FCC (7/5/72 - pres.)	

* Americans for Constitutional Action, which rates Members of Congress on the conservative nature of their voting, gave Representative Reid a cumulative score of 93%.

** Commissioner Reid replaced THOMAS J. HOUSER, a Republican who managed Senator Percy's campaign; he replaced ROBERT WELLS, a Kansas broadcaster who had been instrumental in FCC acceptance of the White House domestic satellite position.

*** Judge Hooks' best-known decision was his ruling in September 1968 to prohibit a theater from showing the film Mondo Freudo.

Sources: Barone, Ujifusa, et al., op. cit., see App. C.
Who's Who in America, Chicago: The Marquis Co., bi-ennial.
FCC Annual Report, Washington: The FCC, annual.
Jet (magazine), Chicago: Johnson Pub. Co., XLII-13,12/21/72.

The Network Project is a group of people doing research on areas of telecommunication. Information is disseminated in various ways. The Project has produced a series of radio documentaries about television, broadcast on the Pacifica stations and now distributed on tape by Radio Free People (133 Mercer Street, New York 10012). Members of the Project have also testified in Congress and before the FCC, and have spoken on campuses and with community groups.

In December 1971, The Network Project initiated a suit in New York's Federal District Court charging the Corporation for Public Broadcasting (and PBS) with excessive centralization of control over programming, and consequent infringement of First Amendment freedoms. The case is pending. Other legal actions by the Project have dealt with fairness in broadcasting, media cross-ownership, and the structure of domestic satellite systems.

The Network Project
104 Earl Hall
Columbia University
New York, N.Y. 10027

The Network Project

CABLE TELEVISION

Notebook Number Five

June 1973

Cable technology, in concert with other allied technologies, seems to promise a communications revolution.

The Sloan Commission Report on Cable

While I do not believe that information technology will achieve the utopian ideal, neither do I think that machines necessarily destroy human values. Information technology is a tool that we have placed in our own hands.

Clay T. Whitehead, Speech (2/15/72)

Power is no longer measured in land, labor or capital but by access to information and the means to disseminate it. As long as the most powerful tools (not weapons) are in the hands of those who would hoard them, no alternative cultural vision can succeed. Unless we design and implement alternative information structures which transcend and reconfigure the existing ones, other alternative systems and life styles will be no more than products of the existing process.

Radical Software, vol. 1, no. 3

NOTEBOOK NUMBER FIVE

CABLE TELEVISION

CONTENTS

The Network Project
104 Earl Hall
Columbia University
New York City, New York

INTRODUCTION

The communications revolution has become a part of the contemporary mythology; the term is itself an emblem used by telecommunications industrialists to mask their economic interests, and accepted in ignorance by many prophets of the counterculture. Like other innovations since wireless telegraphy, cable has been introduced to the public with the vision of a better life for a slight additional charge, and projected with a litany of claims ranging from household security to universal education and improved medical care. For cable, such advertisements began to proliferate in the late 1960's -- at which time, the three major commercial television networks and AT&T already owned approximately 70% of the extant cable systems in the United States. They have only increased following the shift in cable ownership to newer media conglomerates. The public is asked to believe that those same entrepreneurs who have done a questionable job of applying older media to social improvement and mass enlightenment are now going to do something entirely different.

To be sure, cable technology can offer an alternative to the "politics of scarcity" which characterizes over-the-air broadcasting. For years, it has been argued that the finite electromagnetic spectrum which broadcasters use limited the flow of information to the public. The coaxial cable's ability to carry an abundance of channels renders "scarcity" obsolete. Theoretically, cable technology can provide greater fulfillment of the First Amendment right of free speech in a society that has come to rely upon the electronic mass media for its information about national and current affairs. Yet neither the history of mass communications, nor the present state of cable television, warrant such optimism.

Cable technology was developed, and is currently maintained by the nation's largest electronic firms; marketed by management specialists like Arthur Little Co. and MITRE; and supported by banks, insurance companies, and other institutional investors (e.g. Chase Manhattan, Aetna). Government agencies, foundations, and "think-tanks" have reinforced the traditional profit ethos in corporate exploitation of the cable.

The new technology is being sold to its subscribers on the basis of "revolutionary" potential; yet cable's history, evolving structure, and present operation suggest quite a different prospect.

CONGLOMERATION

The trend toward the conglomerate control of American economy has been documented.[1] As it has been shown in previous Notebooks,[2] this trend is evidenced throughout the communications field and cable is no exception. Its development, argue the new cable entrepreneurs, is necessitated by the problem of introducing hardware -- the cost of laying cable (this can be as high as $100,000 per mile in urban areas),[3] the need to raise initial capital, and the lack of financial return on programming. These entrepreneurs are motivated not by public interest, but by the enormous profits their cable systems will realize after initial investments have been recouped.

Large cable system owners are buying up small systems in an attempt to become leaders in what promises to become a multi-billion dollar industry.(See page 4) Such mergers and acquisitions are increasing in speed and number. In 1970, Teleprompter completed a major transaction by acquiring the H & B Corporation, originally a textile manufacturer that had become a large owner of cable and microwave systems. Teleprompter has continued to acquire systems and has entered allied fields. (In March 1973, it created an Office of Satellite Development -- the first cable company to do so).[4] (See Appendix A for complete list of Teleprompter holdings).

Other communications firms have followed Teleprompter's example. In July 1972, Cox Cable Communications Corporation agreed to merge with the American Television and Communications Corporation (ATC) to form what will be the third largest cable complex in the country, with 360,000 subscribers.[5*] Cox Broadcasting, which owns 56.3% of Cox Cable stock, would retain a 30% interest in the new firm.

Perhaps the most dramatic case of this conglomerate trend is represented by Warner Communications, a leading entertainment/communications corporation whose cable

*An anti-trust suit brought by the U.S. Justice Dept. has caused the companies to drop the agreement. See Wall Street Journal, April 20, 1973 and Broadcasting, April 28, 1973.

CHANGES IN CONCENTRATION OF CONTROL AND OWNERSHIP OF CABLE SYSTEMS (March 1972-February 1973)

Top 25 Multiple System Owners March 1972	No. of Subscribers	Top 25 Multiple System Owners February 1973	No. of Subscribers
1. Teleprompter	230,000	1. Teleprompter	740,000
2. American Television and Communications Corp.	264,000	2. TeleVision Communications Corp.	400,000
3. Viacom	255,000	3. Telecommunications, Inc.	326,000
4. Cox Cable	230,000	4. American Television and Communications Corp.	300,000
5. Telecommunications, Inc.	225,000	5. Cox Cable	230,000
6. Warner Communications Corp.	215,000	6. Viacom	228,000
7. Communications Properties	207,000	7. Sammons Communications	221,000
8. Sammons Communications	200,000	8. Communications Properties	182,000
9. Cypress Communications	162,000	9. Cablecom General	178,000
10. Cablecom General Inc.	150,000	10. United Artists-Columbia Cablevision	145,000
11. Time-Life Broadcast Inc.	118,000	11. LVO Cable	118,000
12. LVO Corp.	101,200	12. Service Electric Cable TV, Inc.	115,000
13. Service Electric Cable TV, Inc.	91,500	13. Time-Life Cable Communications	112,000
14. Midwest Video	70,000	14. Storer Broadcasting	92,000
15. Liberty Television Inc.	66,800	15. Vikoa	85,000
16. Storer Broadcasting	66,000	16. Liberty Communications	82,000
17. Continental Cablevision	62,300	17. Midwest Video	70,000
18. United Artists Cablevision Inc.	56,000	18. Continental Cablevision	70,000
19. Western Communications	52,800	19. Telecable Corporation	68,000
20. Nationwide Cablevision	52,000	20. General Electric Cablevision	62,000
21. Telecable Corp.	45,400	21. Western Communications	57,000
22. Athena	45,000	22. Athena Communications	53,000
23. Times-Mirror	44,000	23. New Channels Corporation	46,000
24. New Channels	43,600	24. TM Communications	43,000
25. GE Cablevision	41,400	25. American Finance Management	42,000

Source: National Cable Television Association, February 1973

interests now rank second in size only to Teleprompter. Warner's decision to enter the cable market was prompted by what it viewed as "an industry offering dynamic growth potential."[7] Its 1971 Annual Report stated:

> Cable television can carry an abundance of programs on an abundance of channels -- education, cultural, informational, and, of course, entertainment. Principal studies of future cable growth have concluded that one of the major thrusts for growth will be the ability of cable tv to provide on a fee basis special entertainment programs such as first run motion pictures. The advantages of our expanding into cable tv were thus apparent.[8]

In December 1971, Warner's acquired Continental Telephone Corporation's cable systems (as a result of the FCC order requiring divestiture of telephone company cable holdings by March 1974).[9] Less than one year later, it purchased Cypress Communications Corporation and Television Communications Corporation (TVC), both of which were among the nation's leading cable firms.[10] These cable systems now operate in Arkansas, Massachusetts, New Jersey, Ohio, California, Missouri, Texas and elsewhere (See Appendix A-II for list of Warner Cable Systems in operation); and TVC has been awarded the franchise in Chelsea, Massachusetts (with franchises yet to be granted for Boston and its suburbs).[11] In April 1972, Warner's also acquired an 80% interest in Marcus CATV Corporation which operates systems in Michigan and Wisconsin.

What makes Warner's stand out from other cable conglomerates is its present lead in developing and utilizing specialized hardware for additional services. TVC is the only company currently operating a "pay" channel; that subsidiary's Gridtronics system is now experimenting with a movie channel in the Washington suburb of Reston, Virginia.[12] TVC, in cooperation with the MITRE Corporation, is also experimenting with 2-way cable systems in Reston.

Warner's future predominance in the cable field is suggested by its array of program production facilities: Panavision, Warner Seven Arts Records, Warner Bros. Seven Arts Motion Pictures, Elektra Records and Goldmark

Communications Corporation. (See Appendix A-II for complete list of Warner Communications holdings.) If these production units are used to supply programming for Warner cable systems, they will provide that company control of a significant portion of the communications process.

THE ROLE OF GOVERNMENT

THE FCC

The Federal Communications Commission was created by the Communications Act of 1934 to regulate communications services in this country for the public benefit. Its history (as earlier Notebooks have documented)[13] is, however, replete with instances of Commission acquiescence to industry concerns for profit and control. The Commission's jurisdiction over cable was not resolved until the mid-1960's;[14] its regulation of the medium has repeated earlier patterns of Commission inadequacy.

The FCC's approach to cable television regulation was first made clear on December 12, 1968, when it issued a series of Commission rules and rule-making actions affecting cable.[15] (See Appendix B for chronology of cable expansion.) Included among these were the initiation of rulemaking proceedings dealing with the problems of multiple and cross ownership and program origination -- areas of potential conflict between over-the-air broadcasters and the cable industry. Should broadcasters (who were worried that cable would fragment their markets) be allowed to purchase or continue to own cable systems? Should newspapers (and publishing conglomerates) be able to control both print and cablecasting? These rule-making actions were intended, in part, to answer these questions of media monopoly.

One inquiry resulted in a proposal that would limit Multiple System Operators (MSO's) to no more than 25 cable systems in the nation's 100 most populated areas if the company has ownership interests in more than one tv, two AM or FM stations, or two newspapers. Still other alternatives were proposed, including the imposition of a ceiling on the number of subscribers a system could have (2,000,000 was proposed).[16] The Commission failed to resolve this issue at all.

In the area of cross-ownership, the Commission ruled that broadcasters be prohibited from owning cable systems in localities where they operated broadcast stations and that networks be prohibited from ownership of any kind.*

CROSS-OWNERSHIP OF MEDIA**

(For 2,578 cable systems operating as of March 1971)

	No. of Systems	PerCent
Broadcaster	766	29.7
Phone	132	5.1
Publishing	175	6.8

(For 2,839 cable systems operating as of March 1972)

	No. of Systems	PerCent
Broadcaster	1,077	37.9
Newspaper	180	6.3
Publisher	75	2.6
Film Producer	217	7.6
Theatre	97	3.4
Phone	57	2.0
Community or subscriber	81	2.9

Source: Television Factbook 1971-72 and 1972-73

As these tables on cross-ownership of cable indicate, the Commission has done little to stem the trend toward conglomerate control of cable systems. The effect of this -- if broadcast history is to be repeated -- will be the elimination of diverse sources of information to the public.

*Such prohibition was initiated in the FCC Second Report and Order in Docket 18397, 23 FCC 2nd 816 (June 24, 1970), Sec. 74.1131 and was made final in the FCC's Fourth Report and Order (February 2, 1972) Sec. 76.501. In January 1973 (See FCC Memorandum and Opinion, Cable TV Cross-Ownership, Docket 18397, FCC 73-80; January 17, 1973), however, the FCC rejected petitions asking it to reconsider its order banning cross-ownership but invited individual licensees affected by the rule to seek waivers and extended the deadline for breaking up the banned cross-ownership to August 10, 1975 -- two years beyond the original date.

**Systems with any degree of cross-ownership are counted. Systems with ownership in more than one category are counted in each.

Another example of the Commission's reluctance to stifle industry's control of cable is represented by the "grandfathering" of old cable systems. "Grandfathering" refers to the exemption of cable systems in existence before March 31, 1972 from national standards created by the FCC's Fourth Cable Report and Order of February 1972.*[17] Standards are not binding until March 31, 1977 or at the expiration of the franchise (whichever occurs first) but "certificates of compliance" for continued operation until that date are now being issued by the Commission.

By February 1973, about 600 of the 1800 affected systems had filed for such certificates. Of these, over 300 certificates have been granted and none have been refused.[18] One case indicates the Commission's posture with respect to "compliance." The granting of a certificate of compliance to the Rockford, Illinois cable system (owned since 1966 by WCEE TV, the CBS affiliate) was challenged by Metro Cable.[19] The Metro suit argued that the Rockford application should be denied on the grounds that the franchise did not comply with FCC regulations. It charged Rockford with not holding public hearings, violating cross-ownership provisions, and failing to originate programming. Despite these arguments, the FCC granted the certificate to Rockford.[20] FCC Commissioner Rex Lee challenged the ruling in his dissent by stating that its interpretation of the term "substantial compliance"* was too broad and he implied that this was an overture to the cable industry:

> The deviations from our franchise standards and requirements permitted here can more properly be viewed as an emasculation

*National standards include a 20 channel minimum capacity; 3 channels reserved for local use -- one each for education, government and public access; local program origination, if the system has 3500 or more subscribers; unused capacity on a leased basis; minimal technical standards for broadcast channels.

**In granting the certificate of compliance to Rockford, the FCC has said: "The term substantial compliance will be given 'liberal construction'. When viewed against the limited nature of the franchises and the period involved -- and our effort to end the freeze on cable development -- liberality is clearly called for."

of the "substantial compliance" test and the de facto substitution of a grandfathering concept.

> A more forthright approach...would be to amend the grandfathering provisions...to exempt all pre-March 31, 1972 franchises from the requirements of Sections 76.31 and 76.25 [Fourth Cable Report and Order] until 1977. In effect the liberal construction now applied...accomplishes just that...
>
> If we are so easily deflected from our regulatory plan now, how likely is it that we will strictly enforce our franchise standards later when systems certificated today, have been constructed and have operated for years under substantially inconsistent standards? Will we be willing to disrupt established cable service if we encounter recalcitrant systems operators and/or franchising authorities?[21]

THE OTP

The FCC is not the only government agency that has catered to the interests of the cable industry. In recent months, the White House itself has become involved through its interest in the growth of cable. Its spokesman is the Administration's architect for national communications policy, Clay T. Whitehead, Director of the Office of Telecommunications Policy. Mr. Whitehead has committed eight members of his 35 person staff to the study of cable. This circumstance, along with the formation of a cabinet-level White House Committee[22] (also headed by Mr. Whitehead) to study cable's future development, led Broadcasting Magazine to cite the "Administration's determination to take the lead in formulating fundamental long range (cable) policy policy."[23]

The Administration's commitment to the cable industry was expressed by Mr. Whitehead in the following way:

> The Administration's interest in cable television is the public's interest. And we believe that the public's interest can be best served by properly structuring the cable industry in the free enterprise mold. Cable television ought to be allowed to grow as a business proposition. With the proper checks and balances, the public is best served by businesses growing and developing as businesses.[24]

The OTP's position is that public regulation of cable should be substituted by corporate control of this medium. This is indicated by Mr. Whitehead's support of a form of ("true") common carrier status for cable. In the logic of the OTP, cable would then not be a public utility and thus, not subject to rate regulation.[25] Under Mr. Whitehead's plan, access to the cable would be based on one's ability to pay. Says Mr. Whitehead:

> We want to avoid the danger of trying to force cable into unnatural regulatory molds--molds developed for different purposes in different times. We need a comprehensive new policy to deal with the special problems and unique capabilities of cable. And we certainly do not want to repeat the mistakes all too apparent in our present framework of broadcast regulation.[26]

Such a repetition would, however, be the result of Mr. Whitehead's and the Administration's goal of substituting corporate for public control of cable. This intent is evidenced by the Administration's support, along with the FCC, of the cross-media ownership of cable systems.

A paper[27] prepared by the OTP at the end of 1971 evaluated a series of cable options proposed to the President by the White House Committee on Cable and summarized the Committee's recommendation that broadcasters and newspapers be permitted to own cable systems. This position represented an even more radical position than that of the FCC. It, in part, contradicts present FCC policy, which rules out common carrier status for cable and has instituted some restrictions on cross-ownership. The OTP applied considerable pressure to the FCC to obtain a "compromise agreement" in November 1971,[28] and has continued to exert influence over cable activity.* The White House Cable Committee, meanwhile, has refused to release its report publicly.[29]

*See "White House mixes politics and cable experiment" by Jerrold Oppenheim in The Chicago Journalism Review, Cable Report, vol. 1, no. 9 (November 1972), pp. 1-2.

OTHER INSTITUTIONS

Cable television developed early in the 1950's as a technological device to bring better reception to homes unable to get enough good tv signals.[30] At first, it was not looked upon as a social instrument. Not until the mid-sixties did foundations, research and development centers and academics begin to sense its potential significance.

The Fisher Report (1964)[31] and the Seiden Report (1965)[32] commissioned by the FCC were among the first studies to consider the implications for government policy of cable. Since then, studies have been carried out by prominent foundations and "think tanks". Of these, the most influential have been reports issued by the Rand Corporation.

THE RAND CORPORATION

The Rand Corporation was established in 1948 as a $3-million "program of study and research on broad subjects of international warfare, other than surface, with the object of recommending to the Army Air Forces preferred techniques and instrumentalities for this purpose."[33] Today Rand's budget is approximately $25-million (50% of which are Air Force funds).[34]

The Rand Corporation's research has been in three basic areas: Domestic Programs, National Security (Office of Security Defense Division and National Security (Project RAND Division). Some of the projects in the military divisions share basic theoretical similarities with the domestic communications area.

PROJECTS IN RAND'S NATIONAL SECURITY RESEARCH DEPARTMENT[35]

1. Work on global communications and early warning systems; strategic surveillance systems.
2. Information on developments in Soviet science and technology.
3. Millimeter wave technology research and development with military systems application.
4. Technical assistance in formulating programs on communications and propagation effects.
5. Serving on special study committees and panel groups concerned with various problems of communications in a nuclear environment.
6. Information processing techniques, including design systems to "provide local access to computer programs and facilities at distant locations to provide similar access to our local services and to explore new techniques for network communications.
7. Human resources development of techniques to aid in data collection and analysis of date to be used as an aide to military decision-making.
8. Career education (using television) funded by the U.S. Office of Education, includes preparation of study models of development for successful local tv educational programs.
9. Study kit of learning tools funded by U.S. Air Force to be used in study of computer programs for general industrial use, rules of thumb for designing media and data gathering instruments.

The Rand series on domestic communications policy (See Appendix C for bibliography) analyzes the political and social effects of cable. One series, financed by the Ford Foundation and the Markle Foundation (with some assistance from the Kettering Foundation), focuses on the regulatory framework. Problems such as competition with network, local and UHF broadcasting, monopoly, state regulation and local program origination were studied. Recommendations regarding importation of distant signals (See "Prospects for Cable in the 100 Largest TV Markets" by Rolla Edward Park) were used as the basis for later FCC rules.

The reports (particularly the series on regulatory policy) examined areas such as distant signal importation (where cablecasters would be in conflict with broadcasters) -- in which the FCC was reluctant to move. Reports such as Leland Johnson's The Future of Cable Television: Some Problems of Federal Regulation (January 1970) call for cable systems growth under "liberal" rules -- rules which are open to interpretation and change (cf. the FCC's Fourth Report and Order which lays out the policy framework for cable's growth but which leaves specific issues open to interpretation).

Such reports lay out the consequences of decision-making. Other reports such as the Rand Dayton Study focus on the technical expertise and social consequences of selecting alternatives for a specific population and geographic area. The Rand Dayton Study[36] was to lay out a cable system which would be mutually beneficial to the diverse (suburban and inner city) population of Dayton. Recommendations for ownership, management, and program origination did not encourage community-based systems for inner city groups or sufficient provision for community oriented programming. The Report recommended an interconnected privately owned system which would give system operators much more latitude in control than a municipal or non-profit community owned system. Such ownership would mean more centralized control by management and thus, less control by inner city groups. Final recommendations would thus favor the majority of the Dayton area population -- the economically potent white suburbs.

Current Rand papers funded by the National Science Foundation are oriented toward the applications of cable -- for municipal government, citizens, educators. Subjects included are the process of franchising, citizen participation after franchising, public access and education. These handbooks detail (See, for example, Cable Television: A Handbook for Decisionmaking by Walter S. Baer) alternatives within the existing regulatory structure. This regulatory structure was not of the public's making. Options for influence over the local structure and control of cable have already been limited.

THE SLOAN COMMISSION

Government, as we have stated, paid little attention to the social consequences of cable in its developmental stages. The Fourth Cable Report and Order (February 1972) only touched on some of the most important public issues of cable. The Sloan Commission, which included Edward Mason, former Dean of the Harvard Graduate School of Public Administration, Jerome Weisner, Dean, Massachusetts Institute of Technology, and Henry Rowen, President of the Rand Corporation, issued its report in late 1971, shortly before the FCC announced its final rules. The Sloan Commission recommended that the growth of cable would be in the public interest and that the public ought to, in fact, encourage such growth.

In a section optimistically entitled "Choice is Still Possible", the Sloan Commission concludes:

> Cable television today is at a stage where the general exercise of choice is still possible. If for no better reason that there is a history of government regulation in the field of television, it remains possible by government action to prohibit it almost by fiat. Citizens may still take a hand in shaping cable television's growth and institutions in a fashion that will bend it to society's will and society's best intentions. It is not yet encumbered by massive vested interests, although that day may no longer be remote.[37]

The Sloan Commission's actual conclusions, however, were more realistic. They recommended in the area of ownership that network ownership be prohibited and that a limit be placed upon the number of cable subscribers served nationally by any single individual or enterprise (a 10% limit was suggested). However, they also recommended that no restriction be placed on publishers (other than newspapers) or on operators of radio stations. Any further regulation of cross-ownership should be administered on an ad hoc basis, with circumstances peculiar to an area governing local regulation.[38]

They also recommended that common carrier status not be granted cable.

> Common carrier status at this time... would be...an impediment to the desirable growth of cable. We do not believe that investors would be willing to undertake the substantial capital expenditures of laying cable if they had no control over the use of channels in the formative years and so were powerless to control the financial destiny of the system. [39]

It is this premise which underlies the Commission's recommendations -- that what is best for the growth of cable, i.e. the flourishing of the cable industry, is also best for the public and that it is in the public's interest to encourage such growth. This is (as we have shown) the same premise on which the FCC and the OTP base their conclusions.

MINERVA -- THE CENTER FOR POLICY RESEARCH

MINERVA (creation of a Multiple Interactive Exchanges and Expression of Ideas, Attitudes and Choices System) is a National Science Foundation contract held by the NYC Center for Policy Research, whose founders and members are, for the most part, members of the staffs of universities in the greater N.Y. area. (Its director is Amitai Etzioni, former chaiman of the Department of Sociology at Columbia). MINERVA is desribed as a study of technical features, social and psychological conditions which would allow cable to be used as a mass participatory technology which would allow a larger number of citizens to interact with their leaders and with each other:

> If the T.V. cable technology were pro-

> vided...the new technology could be adapted to provide not only a richer cultural, instructional and informational media but also a participatory system, one which would allow a mass of citizens to interact with each other -- with their representatives and leaders. With the help of this participatory system, one could approximate the sense of community which existed in New England town hall meeting and which lies at the roots of early American democracy and, it seems, a wholesome society.[40]

Continuous polling is the heart of the MINERVA system.

> Continued polling which constitutes an essential part of our system is an inevitable part of the modern equivalent of the town hall meeting. It does not mean that the leaders will always follow the votes of the masses, but there will be a systematic and convenient way for leaders to find out what people think.[41]

It is unclear how this system will be different from a highly sophisticated mass public opinion poll such as that conducted by Louis Harris or George Gallup. Indeed, it is not unlikely that MINERVA would come to be anything more than a more sophisticated electronic survey, working the same way (and with the same purpose) as the Nielsen and Arbitron rating services for television broadcasters.

Another part of the MINERVA project, which is organized into 6 task force components, is Task Force E -- Self Improvement or the Limited Therapeutic Applicability of MINERVA. Task Force E's purpose is to increase communication between groups. Part of this task is also to "investigate responses to disruptive, irrelevant and irrational verbal inputs by callers into an ongoing mass media program that invites listener audience participation."[42] This will be done to "preserve the normal political function of MINERVA."[43] There is no discussion in the proposal of what is disruptive, of what is irrational or irrelevant. Judges will make the final decision as to what is not suitable.

There is, however, no stated criteria for selection of judges or guidelines for decision-making.

Rather than questioning the fundamental nature of communications systems, the MINERVA project builds on what is. The one significant question it attempts to deal with is feedback. However, feedback is a political matter -- a matter of power. It cannot be treated without also analyzing the complex social, political and economic structures within which communications systems exist. This the MINERVA project does not propose to do.

THE FORD FOUNDATION

The Ford Foundation has not played a prominent role in the development of cable. The largest project they have funded is the Cable Television Information Center in Washington D.C. whose purpose is to provide the dissemination of information on cable to municipal governments. Other than this, they have jointly funded reports done by the Rand Corporation (See Appendix D). The Ford Foundation has acted with caution.

In 1970, however, Ford filed a 32-page comment with the FCC urging nonprofit ownership of cable along with commercial development, in response to the Commission's 1970 Notice of Inquiry and Proposed Rule Making. A release from Ford states:

> The Foundation's central recommendation was that the Commission should encourage competition and diversity in catv by requiring municipalities to give preference to nonprofit group applications for franchises that are competitive with commercial applicants. Franchise areas, should strive for a healthy mix between nonprofit and commercial operation of catv. Strong Commission action will be required if even a modest number of franchises are to end up in the hands of nonprofit groups.[44]

In the same release, Ford noted that a number of nonprofit groups who wished to apply for cable franchises had sought Ford Foundation support. The number of groups who have continued to sound out the Foundation for such support has continued.[45] However, as the Foundation noted, their activities would, of course, "be aided and influenced by the views expressed by the Commission."[46] As the FCC has failed to encourage nonprofit ownership of cable systems and has consistently encouraged the growth of private industry, the Ford Foundation continued to play a complemantary role to private enterprise. It has failed to fund any community, municipal or nonprofit system. The number of community and municipal systems remains miniscule and those who still entertain the idea of ownership are effectively discouraged by sources of potential support like Ford. As in other areas, the Foundation (with assets over $3-billion)[47] has failed to take an innovative position. It has instead followed the cue of government.

While foundations and foundation supported "think tanks" project an independent, "value-free", position in our society, they reflect the concerns of the established social order. They like to view themselves as forerunners of ideas,as leaders rather than supporters; but they act as mediators between the conservative and liberal elements of the society and offer little more than compromise between them.

THE MYTH OF ACCESS

> I do not think in most instances that municipalities, non-profit organizations or minority groups need, should, or should want to "own" cable systems merely in order to have access to channels of expression. The opportunity is there. Cable tv's profusion of channels guarantees it. You don't have to own the cow to enjoy the milk.[48]
>
> --Irving Kahn

Access means the public's right to control the reception and transmission of information. It implies that people have both the desire and ability to send messages through the dominant electronic means of communication -- in this case, cable television. It is this access potential which suggests cable's social benefit. This potential, however, has been largely disregarded by both the FCC and the cable industry.

PUBLIC ACCESS

The FCC has defined "public access" as the one cable channel which the Commission's rules reserved for programming by members of the public.[49] Its decision to codify this limited meaning of "public access" supports the industry's reluctance to make cable a truly community medium. Although the FCC's cable rules called for a "minimum" of one "public access" channel, Sol Schildhause, Cable Bureau Chief has stated that what the FCC really meant by "minimum" was maximum;[50] that cable operators do not have any reason to grant more than one "public access" channel per franchise; that the Commission has no intention of encouraging the expansion of "public access".

In defense of its position, the FCC maintains that cable operators have difficulty filling even one "public access" channel. At this initial stage of "public access" development, this may be so. For instance, a 1971 survey[51] conducted by the Ford Foundation's Fund for the City of New York showed that few groups were even aware of cable; only one such group was aware of the city's public channels. A large part of this problem of stimulating demand is the passive conditioning that years of broadcast television have wrought. Few citizens can imagine themselves as active participants in electronic communications. Now in its second year of operation in New York City, however, Teleprompter Corporation estimates that total programming on access channels C and D* totals about 120 to 130 hours weekly; an average of 8-10 hours per day per channel.[52]

Organizations in New York City such as Open Channel and Alternate Media Center (and a half dozen or more small community-based groups such as The LaGuardia Place Public Access Center and West Side Video) provide technical assistance to community groups and/or individuals who wish to make use of the "public channel". The experience of such groups indicates that an approach toward small, self-selected groups or individuals is the most successful given the reluctance of owners to supply the necessary funds and equipment for the increasing demand for community-originated programming. Because they provide no revenue for the cable entrepreneur, "public access" channels are not high among cable operator's priorities. Attention is continually focused on these experiments, but those controlling the system continue to supply programming for all other channels and, indeed, continue to control the "public access" channel itself.

New York State and City regulations state that public access channels must be "free from any control by the company...except as is required to protect the company from liability under applicable law."[53] An article in The New York Times,[54] however, describes a different situation. Late one Sunday Andrew Heiskell, Chairman of Time, Inc. turned to dial C, one of the two Manhattan Public Access channels programmed by Sterling Manhattan Cable (51% owned by Time). What he saw was described in a memorandum

*New York City has 2 "public access" channels as provided in their franchise granted before the adoption of the FCC's 1972 rules.

as "a group of young men and women...whom a viewer might have presumed to be drugcrazed and demented, putting on a skit in which they exposed themselves...and turned the air blue with language."[55]

For this reason, Sterling had scheduled the videofilms of Anton Perich at 11:00 p.m. Sundays (the last hour of operation) and, since the first program, had pre-screened the material several days in advance. (Before these programs, there was no pre-screening and liability for programming was accepted in writing by the producer.) Teleprompter, Manhattan's other cable system, had an even more radical reaction. Originally, they had rejected all of Perich's work, but now show edited versions of the material. The reason for this control was summed up by the man who decided not to run the tapes: "To me it wasn't art. I found very few redeeming features in it."[56]

LOCAL ORIGINATION, LEASED CHANNEL TIME, COMMUNITY CONTROL AND OTHER MYTHS

Local origination is programming produced and/or purchased by the cable operator. Such programming (other than automatic origination) is required by FCC regulation of all systems with over 3500 subscribers.[57] It can be supplied by local groups or individuals (including commercial firms), and thus, could be a source of community involvement. At present, most local origination is done by cable system owners, not by the communities they serve. The fare provided is typically sports, old movies, and, in some cases, more adventurous material such as children's shows and community news. (See box on next page.)

The other area of potential citizen involvement, leased channel time, promises little more public benefit. Leased channel time can be rented by local groups from the cable operator after he has fulfilled FCC requirements of three "access" channels (education, municipal government and public) and a local origination channel. It is offered on a first come, non-discriminatory basis and could, thus, be rented by local groups or individuals

PROGRAM ORIGINATION AS OF MARCH 30, 1972
(Of 2,839 Systems Operating)

Systems with automatic originations only	920
Time and Weather	1,309
News Ticker	211
Message Channel	87
Music	70
Stock Ticker	63
Advertising	59
Other	39
Systems with non-automatic originations	594
Local live, tape or film originations	570
Advertising	151
Other	24
Systems with no originations	1,325
Total systems originating planned	1,514
Systems planning automatic originations	199
Systems planning local originations	219

Source: Television Factbook 1972-1973

(including commercial firms).[58] There is, however, almost no leasing of channels at this stage of cable's development. Cable's potential as a medium of local communication is being obscured, and although some localities are considering experiments in community programming, the public is still on the receiving end.

This problem is perhaps best illustrated by the demand for minority participation in cable. In recent years, minorities, which have been excluded from the communications industry, have seen in cable a medium which would meet the communication needs of their communities. Their goal of ownership and control of cable systems has been thwarted by the refusal of banks and other investment institutions to provide necessary financing.

This circumstance required another strategy for access such as the one adopted by a California coalition, which included the Black Panther Party, the NAACP,

and the Confederation de la Raza Unida. Last December, the coalition reached an agreement with the proposed Cox-ATC Cable system. The coalition agreed to refrain from filing objections to the proposed merger between Cox and ATC. In return, the new Cox-American Corporation would make channel space available to minority groups for $1 a year per channel. In addition, the company would provide video equipment and help finance a production and training center for minority group members.[59]

The coalition saw this type of agreement as providing access to cable facilities and planned to negotiate similar agreements with other MSO's in the California area such as Teleprompter, Viacom, Western Communications. But the FCC would not approve the agreement at the time of submission. According to Sol Schildhause, Cable Bureau chief, the minority provision "is inconsistent with the Commission's new cable rules in that it discriminates against other groups and individuals that would seek to lease channels."[60]

The FCC has responded with its traditional caution when faced by a choice between the public and industry. Though it required origination of "significant" local programming, they have done little to ensure local participation in the area of ownership or programming.

Ralph Lee Smith has suggested that various alternatives for community ownership exist.[61] One approach would be to provide Federal loan guarantees to community, non-profit and minority groups whose only barrier to responsible operation of a cable system is lack of debt funding. A second approach would be a program of federal grants with private foundations providing matching funds. A third would be direct federal involvement in funding of cable construction in urban centers, with ownership reverting to franchisees chosen by cities to run the system. Yet another approach would be direct municipal ownership, where cities build and run their own systems.

In the current crucial stage of building systems, such programs are not operative. Once again, communities are faced with no choice. They cannot get funding since they cannot offer the kind of collateral banks and investment firms demand. Rather than not participate at all, they settle for a promise, the myth of access.

PAY CABLE

If "public access" has to date been restricted by the economic concerns of cable operators, its future is even less promising. The prospectus can be summed up by the advent of "pay cable." Pay or "premium" cable refers to an emerging part of the cable industry which provides for the distribution of programming on additional channels at special fees.[62] "Special" features such as first-run motion pictures, live concerts and theatre performances, sports events and specialized educational services (i.e. contemporary problems for lawyers) will be the content of such channels. Companies such as Computer Television Inc. will distribute these programs, and along with cable owners, will play a major role in determining what gets on the cable.

LARGEST COMPANIES IN PAY CABLE[63]

1. Gridtronics (A subsidiary of Warner Cable Communications)
2. Transworld Communications (A subsidiary of Columbia Pictures)
3. Home Theatre Network (Backed by J. Paul Getty)
4. Laser Link (A subsidiary of Theatervision, managed by Dore Schary)
5. Computer Television Inc. (Backed by Time Inc., managed by Paul Klein)
6. Theta-Com of California (A subsidiary of Hughes Aircraft)
7. Optical Systems (A subsidiary of Pioneer Parachute Corp.)
8. EnDe-Code (A subsidiary of Gulf and Western Corp.)

Pay cable, like present cable programming, will be supported by individual subscription. To receive its services, one must be already paying a monthly charge for hooking up to the cable. This can, in part, be compared to the telephone system, where the customer pays the telephone company a monthly service charge for local calls (which are defined by the telephone company) and an additional charge for special services such as long distance and toll calls. Pay cable will operate in the same way.

The difference, however, is that the individual member of the public originates the communication which travels through the telephone lines; in the case of pay cable, the individual will not have that freedom. Instead, programming will be produced by communications companies whose primary interest is in making money. (A U.S. Dept. of Commerce report in 1971 predicted gross revenues of over $3-billion for additional services by 1981).[64] This prospect, like others which have been discussed earlier, remained hidden from a poorly informed public.

FOOTNOTES

1. See Economic Concentration, Hearings Before the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, U.S. Senate, 89th Congress (May, June 1965); The Failing Newspaper Act, Hearings Before the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, U.S. Senate, 90th Congress (April 1963, February, March, April 1968); and Role of Giant Corporations, Hearings Before the Subcommittee on Monopoly of the Select Committee on Small Businesses, U.S. Senate, 92nd Congress (November 1971).
2. See Network Project Notebook 2: Directory of the Networks (February 1973) and Notebook 3: Control of Information (March 1973).
3. Quoted in "A Cable is a Very Big Wire," by Foundation '70, in The Cable Fable, Yale Review of Law and Social Action, vol. 2, no. 3 (Spring 1972), p. 201.
4. Broadcasting (March 14, 1973), pp. 114-116.
5. Broadcasting (December 4, 1972), p. 18.
6. Idem.
7. Warner Communications Corporation Annual Report (December 31, 1971), p. 3.
8. Idem.
9. FCC Final Report and Order, Docket 18509, 21 FCC 2nd 307 (February 4, 1970). For a more detailed discussion, see Ralph Lee Smith, The Wired Nation, Chapter 5, "Mysterious Ma Bell" (New York: Harper and Row, 1972).
10. At the same time, TVC transferred its radio and tv holdings to a new Delaware corporation, Federated Media Inc., and distributed shares of FMI stock to the shareholders of TVC. Alfred Stern, President of TVC is also on the Board of Directors of FMI. See Federated Media Inc. Annual Report (1972).
11. A detailed survey of Warner cable holdings in Massachusetts may be found in Cable in Massachusetts by Founders Annex, P.O. Box 388, Dedham, Mass. This comprehensive study of the history and present status of cable in Massachusetts is an excellent model for those interested in local organization of cable systems.
12. Interview with Alfred Stern, President, Television Communications Corp., New York City, (March 16, 1973).
13. See Network Project Notebook 3: Control of Information (March 1973) and Notebook 4: OTP (April 1973).
14. FCC Second Report and Order, Docket 14895, 15233, and 15971, 2 FCC 2nd 725 (March 4, 1966).
15. FCC Proposed Rules and Notice of Inquiry, CATV Policy, Docket 18397, 15 FCC 2nd 417 (December 12, 1968).
16. FCC Notice of Proposed Rulemaking and Inquiry, Docket 18891, 23 FCC 2nd 833 (July 1, 1970).
17. FCC Fourth Cable Report and Order, 37 F.R. 3252 (February 2, 1972).
18. Author's communication with FCC Cable Television Bureau (February 1973).

19. CAC-1 (FCC 72-1005), CATV of Rockford, Inc., Rockford, Illinois for Certificate of Compliance (November 9, 1972).
20. The Rockford decision has since been used as a precedent in granting certificates of compliance to other systems. See Orange Cablevision, Maitland, Florida (January 26, 1973); Orange Cablevision, Apopoka, Florida (January 29, 1973); Seminole Cablevision, Casselberry, Florida (January 29,1973); Seminole Cablevision, Sanford, Florida (January 29, 1973).
21. In re Application for Certification by CATV of Rockford, op.cit. Dissenting Statement of Commissioner H. Rex Lee.
22. The Committee is composed of George Romney, former Secretary of Housing and Urban Development; Elliot Richardson, Secretary of Defense, former Secretary of Health, Education and Welfare; Peter Peterson, Secretary of Commerce; Robert Finch, former counselor to the President; Herbert Klein, White House Director of Communications and Leonard Garment, special consultant to the President on the arts and minority affairs.
23. Broadcasting (November 22, 1971), p. 40.
24. Whitehead, Clay T. Office of Telecommunications Policy, Speech delivered before California Community Television Association (November 16, 1972).
25. Broadcasting Cable Sourcebook (1972-73), p. 5.
26. Whitehead, Clay T., op. cit.
27. See "New Ingredient in Stew Over Cable," Broadcasting (December 20, 1971).
28. See Network Project Notebook 4: OTP, p. 20-23.
29. Richard L. Madden, "Cable TV Programming Curb is Expected," The New York Times (April 16, 1973).
30. For a discussion of the development of cable technology, see Ralph Lee Smith, The Wired Nation, loc. cit.
31. Fisher, Franklin. The Fisher Report, FCC Docket 14895 (October 26, 1964).
32. Seiden, Martin H. An Economic Analysis of Community Antenna Television Systems and Television Broadcasting Industry, submitted to the FCC (Washington: Government Printing Office, 1965).
33. Dickson, Paul. Think Tanks (New York: Atheneum, 1971), p. 55.
34. Idem.
35. In house report, Rand Corporation (date unrecorded).
36. L.L. Johnson, W.S. Baer, R. Bretz, D. Camph, N.E. Feldman, R.E. Park, R.K. Yin, Cable Communications in the Dayton Miami Valley: Basic Report, R 943 KF/FF (Santa Monica: Rand Corporation, January 1972).
37. On the Cable: The Television of Abundance. Report of the Sloan Commission on Cable Communications (New York: McGraw Hill, 1971), p.3.
38. Ibid., pp. 135-148.
39. Ibid., p. 148.
40. MINERVA, A Proposal for the National Science Foundation, Center for Policy Research, New York City (1970).
41. Ibid., p. i.
42. Ibid., p. vi.
43. Ibid., p. E-11.

44. Ford Foundation Press Release (December 7, 1970), p.2. The full text of the Foundation's comments may be found in Comments of the Ford Foundation, FCC Docket 18892 (December 7, 1970).
45. Seminar attended by author, Ford Foundation, New York City (Winter 1973).
46. Ford Foundation, op.cit., p. 2.
47. The Fourth Network (New York: The Network Project, 1971), p.5.
48. Irving Kahn (Teleprompter Corp.) in exchange with McGeorge Bundy (Ford Foundation), Official Report of Proceedings before the FCC, Dockets 18397-A, 18891, 18892, 18894, vol. 1, Washington D.C. (March 11, 1971).
49. FCC Fourth Cable Report and Order, op. cit., Sec. 76.251.
50. Interview conducted by author, Washington D.C. (March 6, 1973).
51. Public Access Channels: The New York Experience. The Center for Analysis of Public Issues for the Fund for the City of New York (1971).
52. John O'Connor, "Teleprompter Advances Public Access," The New York Times (April 11, 1973).
53. Tom Buckley, "A Hint of Scandal Focuses Attention on Cable TV," The New York Times (March 21, 1973).
54. Idem.
55. Idem.
56. Idem.
57. FCC First Report and Order, Docket 18397, 12 FCC 2nd 201 (October 27, 1969). See Midwest Video Corporation vs. U.S., 441 F. 2nd 13322 (8th Cir. 1971) in which the program-origination requirement was declared null and void. Subsequently, the Supreme Court reversed this decision (406 U.S. 649, 1972).
58. FCC Fourth Report and Order, op. cit., Sec. 76.251.
59. Broadcasting (December 4, 1972), p. 18.
60. Quoted in Broadcasting (December 18, 1972), p. 48.
61. Ralph Lee Smith, "Ownership Policy and the Cable Industry," in The Cable Fable, op. cit., pp. 271-272.
62. See "Where Pay Cable is Getting Started," Broadcasting (April 9, 1973), pp. 47-49.
63. Memorandum, New York City Brokerage House (1972).
64. Teleprompter Corporation Annual Report (1972), p. 19.

APPENDIX A-I

SUBSIDIARIES OF THE TWO LARGEST CABLE CONGLOMERATES

TELEPROMPTER CORPORATION

TPT Communications Inc.
(Telephone interconnection)
(TV surveillance for industry)

Filmation Associates
(Children and family tv films)

National Security Systems
(Security systems hooked up to cable. Other services include closed circuit tv, fire and burglar alarms, ID badges)

Television Testing Co.
(Marketing services using cable technology)

Muzak
(piped-in music)

Cable Systems

Teleprompter Corp., 50 W. 44th St., New York 10036. (212) 986-7500. Owns 100% of CATV systems in Dothan, Florence, Gadsden, Huntsville, Mobile and Tuscaloosa, all Alabama; Prescott, Ariz.; Fort Bragg, Hi Desert, Lompoc, Los Gatos, Monte Sereno, Newark, Newport Beach, Santa Clara, Santa Cruz, Santa Maria, Seal Beach, Sierra Madre, Simi, Twentynine Palms, Ukiah, Willits and Woodlake, all California; Trinidad, Colo.; Bethel, Bridgeport and Middletown, all Connecticut; Boca Raton, Boynton Beach, Gulfport, Hillsborough county, Holly Hill, Jupiter, Lakeland, Lake Worth, Lantana, Largo, Mangonia Park, Marianna, Pahokee, Palm Beach, Palm Beach county, Plantation, Quincy, Riviera Beach, St. Petersburg Beach, South Pasadena, Treasure Island and West Palm Beach, all Florida; Lewiston and Pocatello, both Idaho; Galena, Ill.; Gary, Ind.; Dubuque, Iowa; Liberal, Kan.; Leesville, La.; Caribou and Madawaska, both Maine; Calumet, Escanaba, Iron Mountain, Ironwood and Sault Ste. Marie, all Michigan; Brainerd, Duluth, Rochester and Winona, all Minnesota; Columbia Falls, Cut Bank, Great Falls, Hamilton, Kalispell, Missoula, Polson, Shelby and Whitefish, all Montana; Reno, Nev.; Keene, Marlboro and Swanzey, all New Hampshire; Bridgeton, Hammonton, Newark, Northfield, Ocean City, Ventnor, Vineland and Wildwood, all New Jersey; Babylon Village, Elmira, Horseheads, Islip, Jamestown, Marlboro, Mount Kisco, Mount Vernon, Newburgh, New York (Manhattan) and Oswego, all New York; Portsmouth, Ohio; Coquille, Eugene and Portland, all Oregon;

Johnstown, Pa.; Commerce, Cooper, Galveston, Graham, Honey Grove and Palestine, all Texas; Richlands, Va.; Richland, Seattle, Tacoma, Tukwila, Walla Walla and Wenatchee, all Washington; Clarksburg, Fairmont and Morgantown, all West Virginia; La Crosse, Wis.; Rawlins, Wyo. Owns 81% of system in Milpitas, Calif. Owns 80% of systems in Worcester, Mass.; Greenwood and Greenwood county, both South Carolina. Owns 71% of system in El Paso. Owns 70% of system in San Bernardino, Calif. Owns 50% of systems in Los Angeles and Oakland, both California; Hawaii Kai, Hawaii. Owns CATV franchises in Bay Minette, Bayou La Batre, Chickasaw, Daphne, Fairhope, Jackson, Loxley, Mobile county and Prichard, all Alabama; Baldwin Park, El Segundo, Fullerton, Inglewood, Maywood, Piedmont and Santa Clara county, all California; Cromwell, East Hampton, Middlefield, Milford, Orange, Portland, Stratford and Woodbridge, all Connecticut; Atlantis, Belleair Beach, Belleair Bluffs, Delray Beach, Golfview, Gulfstream, Haverhill, Indian Rocks Beach, Indian Rocks Beach South Shore, Lake Clarke Shores, Manalapan, Safety Harbor, Seminole, South Bay and South Palm Beach, all Florida; Joilet and Rock Island, both Illinois; Hamilton township and Trenton, both New Jersey; Huntington, N.Y.; Charleston county, S.C.; and Superior, Wis

Source: Teleprompter Corporation Annual Report 1972
Broadcasting Cable Sourcebook 1972-73

APPENDIX A-II

WARNER COMMUNICATIONS CORPORATION

Publishing

DC Comics -- Superman, Batman
Independent News Co.
Sterling Group fan magazines
Coronet Communications
Paperback Library and Coronet Magazine
Williams Publishing Ltd.
Ms. Magazine

Equipment

Panavision

Entertainment

Warner Reprise Records--Cotillion, Atlantic, Arco, Elektra, Nonesuch
Warner Elektra Distribution Co.
Warner Bros. Motion Pictures
Warner Bros. Television

Other

Goldmark Communications Corp.
Jungle Habitat

Cable Systems

Television Communications Corp. 45 Rockefeller Plaza, New York 10020. (212) 581-4940. Owns 100% of CATV systems in Elkins, Farmington, Fayetteville, Greenland and Washington county, all Arkansas; Athol, Everett, Lowell, Malden, Medford, Orange, Peabody, Pittsfield, Salem, Somerville and Winthrop, all Massachusetts; Little Falls, Minn.; Batesville, Houston, Lambert, Louisville, Pontotoc, Water Valley and Yazoo City, all Mississippi; Claremont and North Walpole, both New Hampshire; Avalon, N.J.; town of Allegany, village of Allegany, city of Olean, town of Olean, town of Portville and village of Portville, all New York; Akron, Ohio; Clackamas, Coos Bay, Coos county, Eastside, Myrtle Point, North Bend and Powers, all Oregon; Bradford, Bradford township, Clearfield, Connawango township, Cressona, Curwensville, borough of Eldred, Foster township, Friedensburg, Glade township, Lawrence township, Lewis Run, Llewellyn, Marlin, Mead township, Minersville, Orwigsburg, Pine Grove, Pleasant township, Pottsville, Schuylkill Haven and Warren, all Pennsylvania; Bellows Falls, N. Westminster and Weathersfield, all Vermont; Bridgewater, Broadway, Dayton, Hampton, Harrisonburg, Rockingham county, Timberville and Williamsburg, all Virginia; Martinsburg and parts of Berkeley county, all West Virginia; and Marshfield, Wis. Owns 80% of systems in Pine Bluff, Ark.; Menominee, Mich.; and Marinette, Wis. Owns 70% of systems in Winter Haven, Fla.

Cypress Cable TV Inc., c/o Cypress Communications Corp., 10880 Wilshire Blvd., Los Angeles 90024. (213) 475-8555. Owns 100% of CATV systems in Kosciusko county, Union City, Warsaw and Winona Lake, all Indiana; Albia and Guthrie Center, both Iowa; Hiawatha and Russell, both Kansas; Fairfax, Rockport, Tarkio, Warrensburg, Warsaw, Waynesville and Windsor, all Missouri; Union City, Ohio; Hood River, Ore.; Chambersburg, Claysburg, East Hempfield, Elizabethtown, Fayetteville, Freedom township, Landisville, Marietta, Martinsburg, Maytown, Morrison Cove, Mount Joy, Mountville, Newport, Reedsville, Rheems, Roaring Spring, Salunga, West Donegal township and West Hempfield township, all Pennsylvania; Church Hill, Erwin, Greeneville, Kingsport, Mount Carmel and Sullivan Gardens, all Tennessee; Abingdon, Galax, Gate City, Saltville and Weber City, all Virginia; Bingen and White Salmon, both Washington. Cypress Cable TV Inc. also has two wholly owned subsidiaries: Cypress Cable TV of Sidney Inc., which operates a system in Sidney, Ohio; and Cypress Cable TV of Texas Inc., which operates systems in Dublin, Hico, Navasota and Stephenville, all Texas.

Cypress Communications Corp. 10880 Wilshire Blvd., Los Angeles 90024. (213) 475-8555. Owns 100% of CATV systems in, Flagstaff, Ariz.; Bakersfield, Delano, Lake Arrowhead area, Malibu, McFarland, Palm Springs, Shafter and Wasco, all California; Cinco Bayou, Crestview, Eglin Air Force Base, Fort Walton Beach, Mary Esther, Niceville, Okaloosa county, Okaloosa Island, Shalimar and Valparaiso, all Florida; Kosciusko county, Union City, Warsaw and Winona Lake, all Indiana; Albia and Guthrie Center, both Iowa; Hiawatha and Russell, both Kansas; Boyle, Cleveland, Drew and Ruleville, all Mississippi; Fairfax, Rockport, Tarkio, Warrensburg, Warsaw, Waynesville and Windsor, all Missouri; Berlin, Gorham and Lancaster, all New Hampshire; Canton, Delphos, Kenton, Louisville, Nimishillen township, Plain township, St. Marys, Sidney, Union City and Wapakoneta, all Ohio; Hood River, Ore.; Allegheny township, Altoona, Antis township, Bellwood, Blair township, Chambersburg, Claysburg, Duncansville, East Hempfield, Elizabethtown, Fayetteville, Frankstown township, Freedom township, Hollidaysburg, Juniata township, Landisville, Logan, Marietta, Martinsburg, Maytown, Morrison Cove, Mount Joy, Mountville, Newport, Reedsville, Rheems, Roaring Spring, Salunga, West Donegal township and West Hempfield township, all Pennsylvania; Church Hill, Erwin, Greeneville, Kingsport, Mount Carmel and Sullivan Gardens, all Tennessee; Dublin, Hico, Navasota and Stephenville, all Texas; Abingdon, Galax, Gate City, Saltville and Weber City, all Virginia; Bingen and White Salmon, both Washington. Owns 90% of CATV system in Brattleboro, Vt. Owns 80% of CATV systems in Lake City, Fla.; Columbus, Cridersville, Delphos, Fort Shawnee, Franklin county and Upper Arlington, all Ohio.

Continental Transmission Corp., 45 Rockefeller Plaza, New York 10020. (212) 581-4940. Owns 100% of CATV systems in Booneville, Clarksville, Paris and Russellville, all Arkansas; Barstow, Big Bear City, Big Bear Lake, Bishop, Blythe, Boulder Bay, Fawnskin, Lake Isabella, Lenwood, Moonridge, Taft, Victorville and Wrightwood, all California; Cedartown and Homerville, both Georgia; Altamont, Danville and Rochelle, all Illinois; Denison, Iowa; Jena, La.; Island Falls and Patten, both Maine; Babbitt, Ely and Fergus Falls, all Minnesota; El Dorado Springs, Mo.; Decaturville, Parsons and Waynesboro, all Tennessee; Burnet, Crockett, Dumas, Fairfield, Mexia, Pecos, Rosebud, Sunray and Teague, all Texas; and Bristol, Vt. Owns 80% of system in Reston, Va. Owns 60% of systems in DeKalb and Sycamore, both Illinois.

APPENDIX A-III

EVOLUTION OF WARNER COMMUNICATIONS

1961-1967	Kinney Service Corporation operates businesses in areas of cleaning and maintenance, funeral chapels, parking systems, extermination, wall installation.
December 1967	Kinney Services acquires Ashley Famous Talent Agency.
February 1968	Kinney Services acquires Panavision and Wachtel Plumbing.
March 1968	Kinney Services acquires National Periodical Publications.
May 1968	Kinney Services acquires Shatz Painting Co., Starr Contracting, Circle Acoustics and Floor Co.
December 1968	Kinney Services acquires shares of overseas publishing interests Thorpe and Porter, London Intl., and 98.5% interest in Hackensack Trust Corp.
April 1969	Kinney Services buys 20% shares of Warner-Seven Arts Records and sells Ashley Famous Agency and London Intl. to acquire Warner Bros.-Seven Arts Motion Pictures.
July 1969	Kinney Services Acquires Warner Bros.-Seven Arts Motion Pictures. Also acquires 3 cleaning service companies.
November 1969	Kinney Services acquires Murray Book Sales Ltd., Coronet Communications, Elektra Records, Duklauer Plumbing and Katz Parking.
December 1970	Kinney Services acquires Sterling Group Inc.
September 1971	Kinney Services sells funeral chapels.
December 1971	Kinney Services Inc. splits to become Kinney Services and Warner Communications Corporation. Warner Communications Corporation acquires Continental Telephone Corporation cable systems and Television Communications Corporation.
January 1972	Warner Communications acquires majority interest in Goldmark Communications Corporation.
September 1972	Warner Communications acquires Cypress Communications Corporation.

Source: Kinney Services Corporation Annual Reports 1970-1971
Warner Communications Annual Reports 1971-1972
Broadcasting Cable Sourcebook 1972-73

APPENDIX B

CABLE: A CHRONOLOGY

April 22, 1965. FCC is given jurisdiction over microwave-relay cable systems.

March 4, 1966. FCC issues Second Report and Order, asserting its jurisdiction over all cable systems (Dockets 14895, 15233, 15971, 2 FCC 2nd 725).

April 15, 1968. U.S. Dept. of Justice memo urges FCC to allow cable tv to develop as a competitive medium.

June 17, 1968. Supreme Court overturns ruling in Fortnightly case, finding that cable systems were not liable for payment of copyright royalties.

December 12, 1969. Report of President's Task Force on Telecommunications released, recommending that FCC relax restrictive policies as cable is "most promising method for expanding program diversity and localism."

October 27, 1969. FCC issues program origination rule that all systems with over 3500 subscribers must originate programming by January 1971 (Docket 18397, 12 FCC 2nd 201).

June 24, 1970. FCC issues Second Report and Order setting series of rules and rulemaking actions on multiple and cross-ownership, program origination, federal, state, local regulation and technical standards (Docket 18397, 23 FCC 2nd 816).

December 12, 1970. U.S. Justice Dept. criticizes FCC's proposed rules and urges a more liberal regulatory policy.

March 11, 1971. FCC holds public hearings on issues in Second Report and Order (June 1970).

May 13, 1971. U.S. 8th Circuit Court of Appeals overturns FCC decision in Midwest Video case to compel cable systems with 3500 or more subscribers to originate programming. Court says order is "far beyond" commission's regulatory authority.

June 25, 1971. White House Cable Committee formed.

September 14, 1971. Fifth Circuit Court of Appeals upheld FCC order limiting telephone company ownership.

November 5, 1971. Compromise agreement for regulation of cable is reached by cable, broadcast industries and copyright owners.

February 2, 1972. FCC Fourth Report and Order issued rules for cable growth, to become effective March 31, 1972 (Dockets 18397, 18397A, 18416, 18892, 18894, 37 F.R. 3252).

June 7, 1972. U.S. Supreme Court overturns 8th Circuit Court in Midwest Video appeal on program origination. Court holds FCC has broad regulatory power.

January 17, 1973. FCC Memorandum and Order upholds ban on cross-ownership by networks and in local markets but encourages applicants to apply for waivers and extends divestiture date 2 years to 1975 (Docket 18397, FCC 73-80).

Source: National Cable Television Association News Release
Cable Television Bibliography, Office of Telecommunications Policy, February 1972.
FCC Reports, Government Printing Office, Washington D.C.

APPENDIX C

RAND CORPORATION CABLE STUDIES

January 1970	CATV and Federal Regulation by Leland Johnson (Ford Foundation)
May 1970	The Social Effects of Communications Technology by Herbert Goldhammer (Ford)
	CATV and Local Monopoly by Richard Posner (Ford).
September 1970	CATV: Opposition and Problems in Local Program Origination by Nathanial Feldman (Ford)
October 1970	The Potential Impact of Cable Growth on TV Broadcasting by Rolla Edward Park (Ford)
	CATV and the Question of Protecting Local Broadcasting by Leland Johnson (Markle Foundation)
January 1971	CATV and UHF Broadcasting by Rolla Edward Park (Markle)
September 1971	CATV and Higher Education: Two Contrasting Examples by Leland Johnson (Markle)
October 1971	Prospects for Cable in the 100 Largest TV Markets by Rolla Edward Park (Markle)
	State Regulation of CATV by Michael Mitchell (Markle)
November 1971	Interactive TV: Prospects for Two Way Services on Cable by Walter S. Baer (Markle)
	Access by Political Candidates to CATV: A Report on the Experiment by Herbert Dordick and Jack Lyle (Markle)
January 1972	Cable Communications in the Dayton Miami Valley: Basic Report by L. Johnson, W.S. Baer, R. Bretz, D. Camph, N.E. Feldman, R.E. Park, R.K. Yin (Ford and Kettering Foundations)
February 1973	A Handbook for Decisionmaking by Walter S. Baer (National Science Foundation).
Forthcoming: (All NSF)	A Summary Overview for Local Decisionmaking by Walter S. Baer
	The Process of Franchising by Leland Johnson and Michael Botein
	Citizen Participation in Planning by Robert Yin
	Technical Considerations in Franchising Major Markets by Carl Pilnick
	A Guide to Federal Regulations by Steven Rivkin
	Citizen Participation After the Franchise by Monroe Price and Michael Botein
	Applications for Municipal Services by Robert K. Yin
	A Guide to the Technology by Carl Pilnick and Walter S. Baer
	Making Public Access Effective by Richard Kletter
	Uses in Education by Polly Carpenter
	A Guide for Education Planners by Polly Carpenter

APPENDIX D

FOUNDATION FUNDS FOR CABLE STUDIES

FORD FOUNDATION

Cable			
1969	Rand Corporation, Cable Study	$	165,000
1970	Rand Corporation, Cable Study		18,000
1971	Center for Understanding Media, Educational Media Project (includes cable)		68,640
1972	Urban Institute, Washington D.C., for Cable Television Information Center (4 years)		2,500,000
	Subtotal	$	2,751,640
Communications Policy			
1970	Studies of Communications Issues and Developments		182,000
1971	Academy for Educational Development, Communications Media and Policy Study		10,000
1972	General Studies and Experiments related to Communications Developments		96,000
	Aspen Center for Communications and Society		25,000
	Subtotal	$	313,000
	Total	$	3,064,640

CHARLES F. KETTERING FOUNDATION

1971	Rand Corporation, Cable Study	$	40,000
	Community Communications in Dayton		2,500
	Bedford-Stuyvesant Restoration Corporation, Feasibility Study of Franchise Area		20,000
	Total	$	62,500

ALFRED J. SLOAN FOUNDATION

1969	Sloan Commission on Cable Communications	$	500,000
	Bedford-Stuyvesant Restoration Corporation, Feasibility Study of Franchise Area		20,000
		$	520,000

OTHER

1969	Russell Sage Foundation to Open Channel for public access	$	15,000
1971	Edward John Noble Foundation to Open Channel for public access		30,000
	Rockefeller Family Fund to Open Channel for public access		19,200
	Stern Family Fund to Open Channel for public access		15,000
	Kresge Foundation to NYU School of the Arts, Television Communications Center		220,000
	Total	$	299,200

JOHN AND MARY R. MARKLE FOUNDATION

1969-70	Rand Corporation, Study of Cable Regulation	$	45,000
1970-71	MITRE Corporation, Research on Broad-band Telecommunications Cable Systems		250,000
	Foreign Policy Association, Support of Cable Communities study using the Great Decision Program		10,000
	NYU Alternate Media Center (3 years)*		260,000
	Educational Development Center, Hand-book on Cable		5,000
	Planning Corporation for the Arts, Community Cable Origination		18,500
	Rand Corporation, Research on Communication Policy (3 years)		500,000
1971-72	**Cable**		
	MITRE Corporation, Research on Broad-Band Telecommunications Cable Systems		50,000
	MITRE Corporation, Distribution of Urban Cable Systems Interim Report		1,800
	National Endowment for the Humanities, Support of Workshop on the uses of cable		38,500
	United Church of Christ, Support of Handbook on Cable		4,000
	United Church of Christ, Promotion of Book "Cable Television: A Guide for Citizen Action"		10,000
	Urban Institute, Washington D.C., Cable Television Information Center (2 years)		500,000
	Communications Policy		
	Academy for Educational Development, Support of Program on Communications and Society		132,000
	Aspen Institute on Communications and Society (4 years)		267,000
	University of California at Los Angeles, Program in Communications Law		144,380
	Total	$	2,236,180

*Renewed in 1973 for $325,000.

Source: Foundation Annual Reports 1969-1972.

The Network Project conducts research in areas of telecommunications. Information is disseminated in various ways: radio documentaries about television, broadcast on the Pacifica stations and now distributed on tape by Radio Free People (133 Mercer Street, New York 10012); testimony before Congress and the FCC; discussions on campuses and with community groups and the Notebooks listed below.

The Notebooks are available by annual subscription (all past issues sent to late subscribers): $10/individual
$25/institution

Individual Notebooks are also available: $2/individual
$5/institution

No. 1: Domestic Communications Satellites
No. 2: Directory of the Networks
No. 3: Control of Information
No. 4: Office of Telecommunications Policy
No. 5: Cable Television

The Fourth Network, a study of public television published in December 1971, is available for $3.

Please make checks payable to The Network Project Notebooks.

Notebook No. 6, the last in this year's series, will be issued in Fall 1973.

The Network Project welcomes all kinds of contributions, especially those in the form of work. If you, or someone you know would be interested in volunteering time to the Project this summer, please contact us at: The Network Project, 104 Earl Hall, Columbia University, N.Y., N.Y. 10027.

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