

# President of CBS News resigns after ousting of CBS Inc. head

## Discontent in news division forced change in leadership

NEW YORK (AP) — Confronted with a revolt from below and the ouster of his ally at the top, Van Gordon Sauter resigned Thursday after a tumultuous 10 months as president of CBS News.

The resignation came one day after network founder William S. Paley and Laurence A. Tisch, the company's major stockholder, forced the resignation of Thomas H. Wyman as chairman and chief executive officer.

Opposition to Wyman crystallized after he asked the CBS board to consider a friendly takeover by Coca-Cola Co., according to Merrill Brown of Channels, an industry magazine. Paley and Tisch particularly objected to any proposal which would sacrifice the network's independence. Brown said Thursday on the "MacNeil-Lehrer News-Hour."

In Atlanta, Coca-Cola spokesman Carlton Curtis confirmed there had been some discussions with the network, but "there was no substance to any contact between the company and CBS." He said he did not know at what level the contact was made or when it occurred.

Sauter's resignation was announced minutes after CBS board member Walter Cronkite had said that a change in the news division's leadership appeared inevitable.

Sauter earlier this year laid off 70 news employees as part of a general reduction in the CBS workforce and was criticized openly by star employees such as Bill Moyers and Andy Rooney for not insulating the news division from the pressures of profits and ratings.

Although "60 Minutes" continued to be very profitable, "CBS Evening News" had fallen into a three-way fight with its competition and "CBS Morning News" fell to third place.

"My 18 years at CBS were joyful and rewarding, and while the difficulties of the past 10 months constituted an irreversible end-game, I

leave with pride in my work and respect and fondness for my former colleagues," Sauter said in a statement.

He had also served as president of CBS Sports, chief censor and news bureau chief in Paris.

Gene Jankowski, president of CBS Broadcast Group, said he accepted Sauter's resignation with regret, and that Howard Stringer, executive vice president of CBS News, would handle day-to-day operations for the time being.

There was no indication whether a new chief for the news division would be selected before a new CBS chief executive is named. Former Defense Secretary Harold Brown, also a CBS board member, is heading a search committee for Wyman's replacement.

CBS fell into second place in the prime-time ratings last season after six years as No. 1.

Mike Dann, a former CBS programming vice president under Paley, said the return of the 84-year-old founding father would boost CBS' prime-time fortunes.

"He has a passion for shows," Dann said. "One of his favorites now is 'Cagney & Lacey.' It's important and successful, a Paley trademark."

Although prime time is a more serious problem for the bottom line, the discontent in the news division had been an open and embarrassing sore.

Within the last two years, CBS also had suffered from a multimillion-dollar libel suit by Gen. William C. Westmoreland, which it won, and takeover attempts spearheaded by Sen. Jesse Helms, R-N.C., and CNN owner Ted Turner.

CBS, which said last year it would pay \$1 billion to buy back 20 percent of its stock to thwart Turner, earned \$27.4 million in 1985 on revenues of \$4.8 billion.

At an 11-hour board meeting Wednesday, Wyman yielded his titles of chairman and chief executive officer which he assumed in 1983 under pressure from Tisch, whose Loews Corp. owns nearly 25 percent of CBS stock, and Paley, who owns 8.1 percent.

As Loews' stake in CBS had grown and rumors of Wyman's departure became more frequent, Sauter had allied himself publicly with Wyman, as had Jankowski.

Jankowski, Walter R. Yetnikoff, head of CBS Records, and Peter A. Derow, president of CBS' publishing group, later won Tisch's support.

## Stock analysts say shake-up at CBS won't be cure-all

NEW YORK (AP) — The dramatic management shake-up at CBS Inc. will help boost morale and settle some of the turmoil that has plagued the broadcasting company, but the move is hardly a cure-all, Wall Street analysts said Thursday.

CBS still faces uncertainty over who will run the company and who will ultimately own it, the analysts said.

And CBS must still address the very problem that the departing chairman tried to solve — how to increase profits despite poorer program ratings and the slowdown in the growth of advertising revenue, they said.

The company's employees have not necessarily escaped more of the cost-cutting measures that had caused such public dis-sension, the analysts said.

On Wall Street, CBS stock fell \$6 a share to \$134 in trading on the New York Stock Exchange. The stock had dropped \$3.75 on Wednesday.

The stock declined sharply because the likelihood for a takeover battle for CBS had diminished, analysts said.

The shake-up was "a positive development for the company and settles things a little bit," said Barry Kaplan, an analyst with the investment firm Bear Stearns & Co.

John Reidy, an analyst with Drexel Burnham Lambert Inc., said, "With the return of William Paley as an active chairman, I think you have a major boost in morale and everybody is going to go back to doing their business."

Edward Atorino, an analyst with Smith Barney, Harris Upham & Co., said, "I don't think it begins to solve their problems."

"CBS has to go through the whole process of getting a new president again. There's going to be more management upheaval. There's going to be more turmoil."

The network finished second in the prime-time ratings race in 1985-86 after six straight winning seasons.

CBS had an after-tax profit of just \$27.4 million on revenue of \$4.8 billion in 1985, compared with a net profit of \$212.4 million on revenue of \$4.6 billion.

## Committee to study U.S. - Mexican relations

MEXICO CITY (AP) — An independent commission made up of 18 top-ranking officials, intellectuals and business leaders from both sides of the border was formed Thursday to study U.S. - Mexican relations.

Sen. Hugo Margain, a former ambassador to Washington who is the chairman of the Mexican group, said the target is to have a report ready by the time new presidents take office in Mexico in December 1988 and in the United States in January 1989.

The U.S. group is chaired by William D. Rogers, a Washington lawyer who was a former assistant secretary

of state for inter-American affairs.

"This was not done by a government agreement," Margain said at a news conference. "There is absolute independence."

Here it is sponsored jointly by the Ford Foundation and other private organizations.

Margain said the study will be of "all types of bilateral problems," including economic, political, social and cultural issues. He said the focus will not be on "immediate problems" but rather will be on the long term.

A statement describing the goals said the research would identify "those issues that will affect the

agenda of the relations between Mexico and the United States from now until the end of the century."

It said the commission also would seek "solutions and recommendations of long range tending to strengthen and make mutually more advantageous these relations."

Among the U.S. members are Yvonne Brathwaite Burke, former U.S. congresswoman from Los Angeles; San Antonio Mayor and Texas A&M regent Henry Cisneros; U.S. Sen. Nancy Kassebaum, R-Kan.; Robert S. McNamara, former defense secretary and former president of the World Bank, and

Charles W. Parry, chairman of the Aluminum Company of America.

Among the Mexican group are Fernando Canales Clariond, a businessman from the northern industrial city of Monterrey; Mario Ojeda, president of the prestigious Colegio de Mexico; novelist Carlos Fuentes, and Ernesto Fernandez Hurtado, a former director of the central Bank of Mexico.

Franklin A. Thomas, president of the Ford Foundation, said in a statement released in New York that the commission would discuss ways to manage U.S.-Mexican relations during the next 25 years.

## Official jailed for refusing to release records

DETROIT (AP) — The director of Detroit's Community & Economic Development Department was jailed Wednesday for refusing to provide two newspapers with a list of city-owned property, a spokesman for the mayor said.

Emmett Moten Jr. was ordered jailed by Wayne County Circuit Judge Harry Dingeman Jr., who on Monday found the city in contempt of court for refusing to provide the list to the Detroit Free Press and Detroit News, said Robert Berg, a spokesman for Mayor Coleman Young.

Dingeman on Monday also fined the city \$250 and ordered that Moten furnish the records to

the newspapers by 3:30 p.m. Wednesday, Berg said. Moten said before being jailed that he had not had adequate time to compile the records, the spokesman said.

Moten would be jailed up to 30 days or until the city provided the material to the Free Press and News, Berg said. But, he added, "There's no indication that it will."

"We naturally regret anyone going to jail in this case," Free Press Executive Editor Kent Bernhard said Wednesday night. "I think that's a shame. But I think the judge put it well when he said Mr. Moten had the keys to his own jail cell, if

the city chose to turn over the records that the court has ordered to be turned over."

The Free Press in January filed a request for the list of city-owned land under the Freedom of Information Act. The newspaper sued to obtain the list after the city refused to do so, and the News later joined the suit, Berg said.

Berg said Young has resisted the newspapers' efforts to obtain the list of city-owned property, saying its release could prove costly to taxpayers.

Dingeman had ordered Aug. 26 that the city immediately furnish the records to the newspapers.

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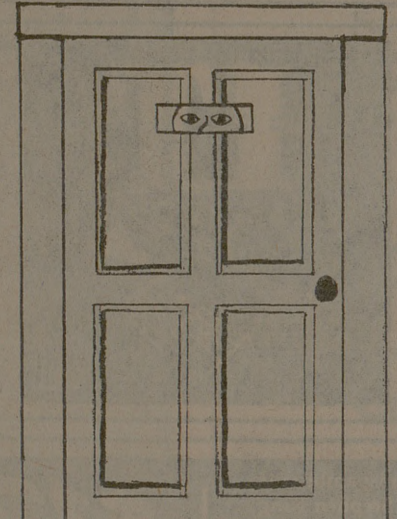
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