Sarnoff Retires as RCA's Chairman

By Gene Smith

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David Sarnoff, a pioneer in the electronics world, took his official leave yesterday from the RCA Corporation, the company he led into the $3-billion-plus giant it is today.

The company stated simply that Mr. Sarnoff, 78 years old, had been elected “the first honorary chairman in the company's history.” It added that Robert W. Sarnoff, his 51-year-old son who has been president since 1966 and chief executive officer since 1968, was named to the additional duties of chairman.

The elder Sarnoff, who has been ill for the past years, has been confined to Lenox Hill Hospital since last February after a series of mastoid operations. In accepting the resignation, the board of directors acted on advice of his physician who stated that Mr. Sarnoff would be “unable to preside or participate in board and shareholder meetings.”

The board then adopted a resolution praising the chairman for his “loyal and devoted service” and describing him as “the architect of RCA's rise to world leadership in electronics.” It further praised him for developing the company's characteristics, including “its unique ability to turn concepts of science to the products of commerce.” It continued:

“David Sarnoff's career spanned 63 years and he left RCA a vastly different organization from the one he first served. . . . As a citizen, as an industrial leader, as a visionary, David Sarnoff has left his mark upon the nation and the world.”

An immigrant boy, born Feb. 27, 1891, in the small village of Uzlian near Minsk in Russia, David Sarnoff was brought to this country in 1900 and, with the death of his father, soon became the sole support of the family.

Before his teens, young Sarnoff was hawking Yiddish language newspapers on the Lower East Side and saving money to buy a telegraph key to learn the Morse code. On Sept. 30, 1906, he joined the Marconi Wireless Telegraph Company of America as an office boy at $5.50 a week.

There followed a variety of posts with the company—all his spare moments being spent in studying communications—until the night of April 14, 1912, when he was on duty as wireless operator at the Marconi station atop the Wanamaker's store downtown.

Young Sarnoff picked up the message reporting the distress signal from the S.S. Titanic on her maiden voyage. He stayed on duty continuously for 72 hours listing survivors and messages from the luxury liner, which sank with a loss of 1,517 lives. He was rewarded for
this with a series of promotions and, in 1915, became assistant traffic manager for Marconi.

It was in that year that he wrote a memo that proposed a “radio music-box” to receive in the home programs broadcast for both entertainment and public information. “The idea is to bring music into the home by wireless,” he wrote.

Years later, in an interview, he said that at least one phase of radio had been one of the major disappointments in his life. He referred to the use that it was put to by Hitler. “Very often, the products of science and technology that promise so much for mankind have been perverted to evil uses. Hitler and radio is a perfect case, but I firmly believe that nobody can or should try to halt progress.”

At the time of his 1915 memo he foresaw sales of one million “radio music boxes” at $75 a set. RCA's actual sales of home radios during the first three years—1922 through 1924—amounted to $83-million.

When the Radio Corporation of America was formed in 1919 at the request of the Government, it acquired the then American Marconi Company and David Sarnoff was named commercial manager of the new company. Two years later, he became general manager and, in 1922, was elected vice president and general manager.

Company records show that, in a memo to the board dated April 5, 1923, Mr. Sarnoff said he believed that “television, which is the technical name for seeing as well as hearing by radio, will come to pass in due course.”

He organized the National Broadcasting Company in 1926 as a service of RCA with the aim of providing “the best programs available for broadcasting in the United States.” His devotion to radio brought violent criticism from the phonograph industry, which blamed its loss of popularity on the radio. In 1929, in an effort to promote the compatibility of the two, RCA acquired the Victor Talking Machine Company and with it the rights to its famous trademarks of Nipper, the dog, and “His Master's Voice” and “Victrola.”

**President in 1930**

Mr. Sarnoff took over as president of RCA in 1930. These were hard times for the company in the depths of the Depression — income dropped from $182-million in 1929 to $62-million in 1933. That year, the Justice Department filed suit against the agreements that were made at the formation of RCA. The General Electric Company and the then Westinghouse Electric and Manufacturing Company made the radios that RCA sold. These companies together owned control of RCA stock.

The suit was settled in 1932 by a consent decree and RCA became an independent company that both made and marketed radio products.
The company pioneered in the development of television as a mass information and entertainment medium and then, virtually alone, fought for development of its compatible standards for color TV. As a result, in 1944, the Television Broadcasters Association voted Mr. Sarnoff the title of “Father of American Television.” The company spent more than $180-million on developing and eventually selling both black and-white and color TV.

Asked in an interview in 1966 about industry opposition to these developments, Mr. Sarnoff chuckled and said that human nature never changes.

“They called me a ‘televisionary’ and fought against each of these developments,” he reminisced. “The funny part is that those who opposed us the most are the very ones who made the most money out of both radio and television and color, not that we did too badly in the long run.”

The old Radio Corporation of America has changed much since Mr. Sarnoff relinquished his personal leadership to the oldest of his three sons, Robert. Even the name and its familiar logotype have been changed to the present RCA Corporation as of last May 6 and Nipper, the dog with his ear in the horn or the old Victoria, has all but dis appeared.

As a final mark of the end of the era, the board's resolution was sent yesterday to Mr. Sarnoff's wife, the former Lizette Hermant.