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The Washington Merry-Go-Round**Opportunity for Johnson in FCC****By Drew Pearson**

Lyndon B. Johnson, who has been accused unfairly of using influence with the Federal Communications Commission to roll up a multimillion-dollar TV-radio monopoly in Austin for Mrs. Johnson, has a unique opportunity to combat this accusation with the appointment of a new FCC Chairman.



Pearson

Some advisers want him to appoint a new Chairman who won't rock the boat, won't scare the TV industry. On the other hand, there is no industry that needs more rocking than the huge networks and group broadcasters, many controlled by defense contractors, which with the use of public owned airwaves have rolled up profits of as much as 40 per cent.

In 1964, the 15 network-owned stations made a profit of 37.6 per cent. Profits have soared so fantastically that WIIC-TV in Pittsburgh was sold last fall to the Cox Broadcasting Co. for \$20.6 million. Since the tangible assets of the station were listed at \$3.8 million, the balance, or \$16.8 million, was the value of the Federal license—a license

owned by the American people, but granted by the FCC as the agent for the people.

That agency in the past has been pretty much the puppet of the broadcasting world, and any FCC Chairman who really tries to exercise authority, such as retiring William Henry, finds himself attacked by the industry, castigated by Madison-Avenue-minded Congressmen, hamstrung by some of his own associates, and eventually resigns.

Meanwhile a dangerous trend has developed in the broadcasting industry that Mr. Johnson needs to watch even closer than he is accused of once watching his wife's TV monopoly in Austin. This trend is the branching out of television into education and publishing, with control sometimes resting with defense contractors.

Books, Broadcasters

Profits have been so great in the TV industry that the Radio Corporation of America, which owns one of the biggest networks, NBC, has announced the purchase of Random House Books, one of the major publishing houses.

CBS has gone further. It has announced, on Sept. 29 last year, an agreement to acquire Allyn and Bacon, probably the biggest supplier of educational materials for pre-kindergarten, high school, col-

lege and graduate work in the Nation. Said CBS: "Our businesses dovetail nicely."

On top of this, CBS last March moved to acquire Creative Playthings of Princeton, N.J., together with the Learning Center. The first is a top supplier of three-dimensional educational systems for nursery schools, the second a developer of teaching techniques for children.

In other words, the networks are fast encroaching on the field of the public school, the college and the university. Yet while public schools are administered by local and state school boards, subject to the will of the people, the networks are subject only to a handful of Madison Avenue executives and Wall Street directors interested in a profit of 37.6 per cent.

Colleges and universities are administered by trained educators and give the widest latitude to free speech, freedom of learning, exposure to outside speakers and teachers. A system of exchange professors brings viewpoints from England, the European continent and all parts of the U.S.A. But not the networks. Both CBS and NBC operate a closed shop as far as outside talent is concerned. Ninety per cent of network programming is produced by the nets on which they make a second profit.

Only the American Broadcasting Co. accepts outside producers and programs.

Ike's Last Message

Equally dangerous has been the trend toward ownership of television by big defense contractors. President Eisenhower in his last message to the American people warned of the alliance between the defense contractor and the Pentagon, which administered the first peacetime Army and Navy in America's history.

At that time, Gen. Eisenhower did not foresee a further development—the entrance of defense contractors into the broadcasting field, where they can directly influence public opinion. Having NBC owned by one of the major defense contractors, for instance, is like having General Motors own the New York Times.

It could be one of the most dangerous conflicts of public interest in the Nation, especially in view of NBC's closed-shop policy.

Other big defense contractors in the TV broadcasting field are General Electric; General Tire and Rubber, which makes the Polaris missile; American Aviation Co., and Westinghouse. The latter, it should be noted, does a broad-minded nonclosed-shop job of informing the public.

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