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U.S. LETS 3 PAPERS MERGE OPERATIONS

San Francisco Dailies Will Not Face Antitrust Action

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Special to The New York Times

WASHINGTON, Sept. 3—

The antitrust division of the Justice Department has decided not to oppose a proposed cost-sharing combination among the three major San Francisco daily newspapers.

Sources in the department confirmed today that Donald F. Turner, Assistant Attorney General in charge of the division, had approved a letter informing the papers that the Government would not bring suit if they proceeded with their combination plans.

The newspapers are two Hearst dailies, The Morning Examiner and The Evening News-Call Bulletin, and The Morning Chronicle, an independent.

Would Share Publishing

The three newspapers had asked the department to state whether it would oppose an agreement for joint publishing, printing and other cost-sharing operations.

Financially troubled newspapers are increasingly turning to this type of combination, which allows them to maintain independent editorial policies while sharing production costs.

The Justice Department has opposed some outright newspaper mergers in recent months. However, the proposed San Francisco arrangement would be unusual because The Chronicle and The Examiner are competing morning papers.

The Hearst management was reportedly able to get the antitrust division's approval by arguing that both its papers were operating at a deficit, and that the combination would not be in restraint of trade.

Four newspaper antitrust actions have been filed by the Justice Department since May, 1964, but only one involved a cost-sharing arrangement.

Tucson Case Cited

The department brought suit in January to enjoin the impending purchase of The Arizona Daily Star by The Tucson Daily Citizen. The two papers had been operating under a joint-facilities, cost-sharing arrangement since 1940. The Government also asked that this arrangement be cancelled by the court as a violation of section 1 of the Sherman Antitrust Act.

Government lawyers argued that the cost-sharing contained elements of price-fixing, market division and profit-pooling, and that it was therefore in restraint of trade.

A decision on the Government's motion for summary judgment without trial is expected momentarily by Federal District Judge James A. Walsh.

One source reported that the department would not officially inform the San Francisco newspapers of its approval of their proposal until Judge Walsh had ruled, because the San Francisco arrangement would contain some of the elements attacked by the Government in the Tucson suit.

No Merger Seen

The Government is taking the position that the San Francisco proposal would not involve a merger. Also, the Tucson case is considered a test case; no Federal court has yet ruled on whether a newspaper cost-sharing combination is an antitrust violation.

A Justice Department source

said today that the effect of the decision not to oppose the San Francisco combination now would not preclude the department from suing to break it at a later time.

Last June the antitrust division investigated reports that six New York dailies were conducting discussions aimed at cost-saving operations.

To obtain information, the department served letters similar to subpoenas on The New York Times, the New York Herald Tribune, The New York Journal-American, the New York World-Telegram and The Sun, The Daily News and The New York Post.

The department later offered to set aside the requests for information, conditioned upon the papers' agreement to notify it at least 10 days before any agreement was signed.

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Pyle Award Winner Reports from Vietnam

SAN FRANCISCO

Daily reports on Vietnam are appearing in the *San Francisco News Call Bulletin* under the byline of Guy Wright, local columnist who has been war correspondent since May.

The writer wants to give NCB readers an explanation of the entire situation there, explained Thomas Eastham, editor. Significantly the man who turned to war from local battles for many causes is a winner of the Ernie Pyle Award. Yet he believes understanding is more important than the Pyle-type personal stories of the GI in World War II.

Guy Wright has penetrated the highlands where war "resembles the Indian fighting that took place on our Western plains" and the beaches "where Marines who had stormed ashore ready for a fight found themselves cavorting with native girls."

The NCB staffer has confessed relief in leaving the land of the killer Kohos—"I'm glad there are braver men than I who are willing to stay in places like Kannack"—and interviewed enlisted men as well as General William C. Westmoreland—"I didn't come to Vietnam to hobnob with generals. Our paths just happened to cross."

He has found some answers in talks with natives and in investigating how the pro-Communist atmosphere of a village was reversed. His interview subjects include a young Vietnamese



Guy Wright

woman who flew a psychological warfare mission.

"Even when the twinkles of gunfire became clusters, her voice did not falter," he said of the flight. Later, when he asked why she went, the interpreter shook his head after a lengthy interchange and explained; "I ask her one thing but she answers something else. She is a woman."

"She has the wisdom of all womankind warning men against the folly of dying for lost causes," wrote the onetime *Evansville (Ind.) Press* reporter.

Mr. Wright was brought West to become television editor for the old *San Francisco News* and remained when the Scripps-Howard afternoon daily was merged with the *Call-Bulletin*.