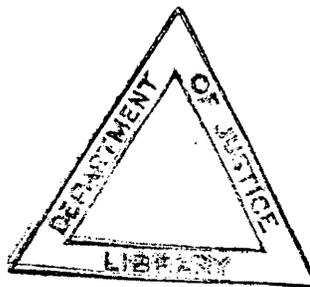


For Release
10 AM October 27, 1949

DEPARTMENT OF JUSTICE



Attorney General J. Howard McGrath today announced that the Department of Justice was suspending further action in its investigation of alleged restraints in the broadcasting and telecasting of Major League baseball games until such time as the situation can be evaluated as it will exist under new Major League rules recently adopted by Baseball. Substantial changes in the Major League broadcasting and telecasting Rules were adopted by representatives of the two Major Leagues in an effort to eliminate the causes of complaints which led to the Department's investigation. The Department is informed that these changes are being put into effect immediately.

Herbert A. Bergson, Assistant Attorney General in charge of the Antitrust Division, in commenting on the matter, stated that the investigation which has been in progress by the Department was instituted following complaints concerning alleged restrictions imposed by the Major Leagues upon the play-by-play broadcasting and telecasting of their games. He said that the Department's investigation has been directed toward determining whether unreasonable restraints have been imposed by the Major Leagues which would deny to radio and television stations reasonable access to the broadcasting and telecasting of the games of Major League clubs wherever the individual Major League club is itself willing to grant or sell those rights.

The Department was interested both in freeing radio and television stations of unreasonable restraints in the conduct of this business, and in enabling the public to see and hear games of their choice without unreasonable restrictions. The newly revised rules, it is hoped, will eliminate past restrictive practices and will greatly broaden the opportunity for radio and television stations to carry games of Major League clubs in territories outside their respective home territories. Mr. Bergson emphasized, however, that the Antitrust Division will continue to follow closely the radio and television practices of Baseball and may take appropriate action if it should appear in the future that the broadcasting and telecasting of baseball games is being unreasonably restrained.

Complaints received by the Department of Justice over a period of time were directed principally against a Major League rule requiring each Major League club to refuse to permit the broadcast or telecast of its own games at any time from a station located within fifty miles of the ball park of another Major or Minor League baseball club without the consent of the other baseball club. This area was known as the local club's "Home Territory." The Department was informed that many baseball clubs used this veto power completely to prevent the broadcast in their home territories of baseball games played by other clubs.

Some baseball clubs in the Minor Leagues required local radio stations to pay them for the privilege of broadcasting games played by other teams. Some clubs granted limited consents to the broadcast of the games of other teams which, in effect, gave the exclusive right

to broadcast all baseball games in the area to a single sponsor or single local radio station, and denied this right to all other sponsors and local stations. Complainants had also asserted that the contract between the Commissioner of Baseball, the Mutual Broadcasting System, and the sponsor of the World Series games denied many people the opportunity to hear these games because no Mutual Station happened to be located in their particular areas.

Under the revised rules each Major League Club is free to determine whether or not rights to broadcast or telecast its games shall be granted or sold at any time and in any area, without reference to any other club, Major or Minor, except during the time the other club is actually playing a game in its home park or is actually telecasting one of its road games. During the period it is playing a home game, and only during such period, the local Major or Minor League club may object to the broadcast or telecast of the game of a Major League club from a station located within the local club's home territory. Likewise, during the period that the local club is telecasting one of its road games, and only during such period, it may object to the telecast of a game by a Major League club from a station located within the local club's home territory.

Under the new rule the local club will have no power to object to the broadcasting or telecasting of the Major League games of other clubs in its home territory at any other time. The local club will have no power to sell its consent to a broadcast or telecast of the game of another club even within this period. It will not be necessary for a station to pay the local baseball club for the right to broadcast

or telecast games played by other clubs. In addition, the Department has been informed that the local Major or Minor League clubs will no longer be permitted to give a local radio station or sponsor the exclusive right to broadcast the games of other clubs in its home territory, or to designate the station that will broadcast or telecast such game.

Mr. Bergson also stated that the Commissioner of Baseball, who is in charge of arrangements for broadcasting and telecasting the annual World Series and All Star games, has undertaken to make such broadcasts and telecasts in the future available to at least one station serving every important area of the country which can be reached. To this end, the Commissioner, when selling such broadcasting or telecasting rights to networks, will require these networks to make the broadcast or telecast available, on a sustaining basis, to any independent radio or television station serving an area inadequately served by the network or affiliated stations, provided that such independent station arranges and pays for its own coaxial or telephone lines. The Department is informed that substantially all of the radio listeners and television spectators in America will be able to hear or see the broadcasts and telecasts of the World Series games under these arrangements.

These arrangements concerning the World Series and All Star games were placed in effect with respect to the 1949 World Series games, and it is understood that the World Series games this year were carried by over 700 network and independent stations in North America as well as by the Armed Forces Radio Services overseas. This was the largest

number of stations ever to carry the Series. The Department has also been informed that the right to telecast the 1949 World Series games was made freely available to all television stations which desired to telecast such games.

Commenting upon these developments, Attorney General J. Howard McGrath stated: "Baseball is accurately referred to as the Great American Game. It is also an important commercial enterprise upon which thousands of Americans depend for their livelihood. Both the fans who desire to hear or see baseball broadcasts or telecasts, and the businessmen engaged directly or indirectly in bringing these broadcasts and telecasts to the public, are entitled to freedom from unreasonable restraints. It is hoped that the changes which have been put into effect as a result of the Department's investigation will have this effect."