

would not take into consideration whatever potential synergy could exist between the Murdoch stations and 20th Century Fox.

That relationship, according to one Murdoch associate, is what the News Corp. chairman thinks the picture is all about: "Considering what plans he has for the stations and what he could liquidate them for if the deal doesn't work out, he is not crazy," the associate said. "He knows that the sta-

tions have upside potential. The problem of previous Metromedia production efforts like *Alan Thicke* and *Rituals* affected the stations because it hurt the lead-out of those shows. It also hit an already capital-strapped company with additional loss so they weren't always buyers in the marketplace for product that they should have been getting."

Another associate: "I think that one reason there is the impression [Murdoch] overpaid

is that he was quoted as saying this was the first time he paid more wholesale than retail. But with this purchase he short-cut a long assemblage period and got entry into key markets. If one would agree with the concept that with independent television there is some networking possibility [but not, this source emphasized, a fourth network], then the \$200 million or \$300 million extra Murdoch might have paid is not so important." □

## Broadcasters to join celebration of Constitution

### NAB calls on its members to participate in 'We the People' project commemorating freedoms

Broadcasters, the legal community and others are kicking off a campaign to commemorate the bicentennial of the U.S. Constitution in 1987. The celebration begins next month with recognition of the 250th anniversary of John Peter Zenger's libel trial. Zenger's acquittal established truth as a defense against libel charges and resulted in the institution of the free speech principles embodied in the Constitution (see "Monday Memo," page 28).

The project, called "We The People," is spearheaded by the American Bar Association and is endorsed by the National Association of Broadcasters, which is calling on its members to join in the activities. It is an ongoing project that will span five years and recognize the adoption of the Constitution in 1787 and the Bill of Rights in 1791.

NAB's executive committee adopted a resolution stating its support for the commemoration and encouraging broadcasters to take an active role: "As broadcasters, who cannot yet exercise the full First Amendment rights enjoyed by other media, it is particularly important that we participate in efforts which will aid our fellow citizens in developing an increased appreciation of the role of our constitutional system of government in the protection of their personal liberties."

Other organizations also involved are the Society of Professional Journalists, Sigma Delta Chi; American Newspaper Publishers Association Foundation; American Society of Newspaper Editors; American Association for Adult and Continuing Education; American Association of Community and Junior Colleges; American Library Association; National Association of Bar Executives; National Community Education Association, and the Office of Smithsonian Symposia and Seminars. Many of the early

bicentennial activities will take place at the state and local level, leading up to national events beginning in 1987.

It's a project, said NAB's First Amendment counsel, Steven Bookshester, that allows broadcasters to work with a diversity of organizations in their communities. "It enables us to work on a subject, the First Amendment, that's very important to us," he said. "But it also gives us a chance to do it in the context of public education, where it isn't a self-serving effort on the part of either broadcasters or newspapers, but more an effort to help people understand why this is important to them," he said. Bookshester also said that the project provides an opportunity to "inject the issue of broadcasters' need for full First Amendment rights."

While NAB is not planning any major event to commemorate the Zenger anniversary, it is sending background information to stations that want to participate in local activities. NAB, he said, is just starting to

## How Murdoch's production pieces will fit together

Last week, employees at Metromedia Producers Corp. (MPC) were assured that new owner Rupert Murdoch would operate the company as a separate and autonomous unit from Murdoch's other holdings, including 20th Century Fox Television, a division of 20th Century Fox, in which Murdoch has a 50% stake. According to the memo, an "agreement in principle"—contingent upon approval of the transfer of ownership of MPC's parent company, Metromedia Broadcasting Co.—had been reached between MPC and Murdoch. MPC President Charles D. Young called the terms of the agreement "basically good news."

The future of MPC following Murdoch's \$2.1-billion purchase of Metromedia had been held in abeyance until last week, when the two parties reached an agreement whereby Murdoch will buy MPC for \$40 million in cash (BROADCASTING, Aug. 12). Until that time, the company had MPC on the block, and had received offers from seven bidders. According to an informed source, three of the bids were in the \$35-million to \$40-million range.

MPC's revenue for 1984 was said to be approximately \$80 million to \$90 million, according to one familiar with the company, who estimated its cash flow at between \$5 million to \$10 million. For 1985, the source said, revenues would be more than \$100 million. MPC's sales are said to be 55%-60% international, and 40%-45% domestic.

In the wake of the sale, the question of what Murdoch would do with the two production studios persisted, with speculation centering on whether, if not when, MPC would be folded into Fox. Although consolidation is a possibility, it is not necessarily a foregone conclusion. One source familiar with the syndication business said the two companies could operate alongside each other in the same way that Coca-Cola hopes to operate Colum-

bia Pictures Television and Embassy Telecommunications (Coke is also among owners of Tri-Star Pictures). With the two companies, Murdoch's share of the syndication market would only stand to be increased, the source said.

MPC programming includes 24 half-hours of *Small Wonder*, 117 hours of *Dynasty*, 68 hours of *Vega\$*, as well as international rights to *Fantasy Island*, *Starsky and Hutch* and *Charlie's Angels*. Among Fox products are *Dance Fever*, *\$100,000 Pyramid*, *M\*A\*S\*H*, *Fall Guy* and *Trapper John*.

According to Phil Oldham, vice president at Katz American Television, the rep for the MBC group, the two syndication companies Murdoch will own may shift from a "more laid-back" management style to a more aggressive one. Oldham said that whereas Metromedia management had agreed to clear a show on all of its stations (guaranteeing 26% coverage of the country) in joint ventures with producers, as in the case of *Fame* with MGM/UA Television, a more aggressive stance of first-run shows might be undertaken.

Evidence of Murdoch's interest in first-run production, he said, is the impending sale of ABC affiliate wcvb-tv from the station group, which makes Metromedia an exclusively independent group. Every station in the group would therefore be free to program itself, creating another incentive for the production of more shows.

Along with *Small Wonder*, a first-run venture of the New Program Group (Hearst, Gannett, Metromedia, Storer and Taft), MPC has two other first-run projects, *Expedition Danger* and *Miller's Court*, plus others in development. First-run programming at Fox includes *\$100,000 Pyramid*, *Animal Express*, *Fox Mystery Theater* and *Dance Fever*.