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**Official Verbatim Transcript
Of Hearings Before Special Subcommittee
of the Judiciary Committee of the
House of Representatives in Connection
With Its Study of The Anti-Trust Laws.**

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b227 rights as a human being and a violation of his constitutional rights as a citizen.

The Chairman. Thank you very much.

Mr. O'Malley, all right.

STATEMENT OF WALTER O'MALLEY,
PRESIDENT, BROOKLYN DODGERS

Mr. O'Malley. I heard counsel before. He said he couldn't wait to get to Mr. O'Malley.

The Chairman. Now Mr. O'Malley, I have to ask you that burning question. Can you tell the committee at this time whether or not the Dodgers will play in Los Angeles next year?

Mr. O'Malley. I'm sorry, I can not answer that question.

The Chairman. Why?

Mr. O'Malley. I do not know the answer.

The Chairman. Why do you not know?

Mr. O'Malley. I do not know the answer for two reasons. One, I do not know what the result of Mayor Wagner's study in New York City will bring. Two, I do not know whether or not Los Angeles will be ready for major league baseball next spring.

The Chairman. What preparations have you made for moving to Los Angeles?

Mr. O'Malley. None whatsoever.

The Chairman. Is not it correct that you have been engaged in detailed negotiations with local government officials on

bd28 the West Coast with respect to this move?

Mr. O'Malley. That's correct.

The Chairman. For example, is it not correct that you have met on several occasions with Los Angeles Council ^{pel} and conferred about the legal implications of the Dodgers moving and a subsequent transfer to the Dodgers of the ground for a stadium?

Mr. O'Malley. That is generally correct, sir.

The Chairman. For example, has not a 10 point memorandum been developed setting forth what you believe to be minimum offers that the city and/or county should offer the Dodgers?

Mr. O'Malley. I have seen such a memorandum.

The Chairman. I should like at this time to read a memorandum dated May 3, 1957 setting forth these suggestions.

Mr. Keating. May I inquire, Mr. Chairman, what the source of that is?

The Chairman. These are from Mr. O'Malley's files.

Mr. O'Malley. The record will show that they are from my files. We volunteered them.

The Chairman. This is a memorandum dated May 3, 1957.

At a conference today, held at the Statler Hotel, discussion was had involving the possibility of bringing major league baseball to Los Angeles. It was indicated that the City and County should be prepared to make an offer

bd29 containing the following provisions:

1. City and/or County to acquire and deed to the Major League Baseball Club 350 acres in Chavez Ravine, including the present 257 acres now owned by the City, the additional acreage to be adjacent thereto. Such 350 acres to comprise an approximate circle, if possible.

2. City and/or County to provide access roads.

3. City and/or County to superficially pave parking areas.

4. City to accept dedication of circumferential roads.

5. The 350 acres, together with improvements, etc., to go on tax rolls.

6. There should be no deed restrictions on use of such 350 acres except that a modern major league stadium will be built and major league baseball brought to Los Angeles.

7. Major League Baseball Club, at its sole cost and expense, to build modern baseball stadium and bring major league team to Los Angeles.

8, Wrigley Field to be deeded to City and/or County in present condition as partial consideration for said 350 acres, with restriction against major league baseball being played in Wrigley Field.

9. Major League Baseball Club, as further consideration for said 350 acres, will agree to construct, maintain and make available to the public, free of charge, various

bd30 recreational facilities such as tennis courts, junior league baseball field, basketball courts, etc., these to be more specifically determined later.

10. As further consideration for said 350 acres, Major League Baseball Club to agree to admit, at specified times, juveniles to ball games free, as an aid to the City and County in combating juvenile delinquency, etc.

That memo is from your files and you acknowledge that.

Mr. O'Malley. Oh, yes.

The Chairman. I offer it for the record.

(The document referred to follows:)

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Mr. O'Malley. Mr. Chairman, may I suggest you might indicate that that was not my dictation. That was the dictation I believe it came over the signature of the attorney for the city of Los Angeles, Mr. Roger Arnebergh.

The Chairman. I take your word for it but I didn't see any word of an attorney on there.

Mr. O'Malley. That is an accurate statement that I have just made.

The Chairman. Oh, yes, there is apparently a penciled notation.

Mr. O'Malley. Yes.

The Chairman. Roger Arnebergh?

Mr. O'Malley. Yes.

Mr. Keating. In other words, here, this was his proposal or something of that character?

Mr. O'Malley. Yes.

The Chairman. Did you accept those terms?

Mr. O'Malley. No.

The Chairman. Why didn't you? What is the reasons for your rejection?

Mr. O'Malley. Well, at the time that was prepared it was an idea. The idea would have to come into fulfillment by certain of those things being done. It was prepared not only on the potential that the Dodgers might move to Los Angeles, but that on that basis some major league club would be

bd32 interested in Los Angeles.

The Chairman. Aren't you in a position then, since you said that you were waiting to see what the Mayor from New York City would do and what Los Angeles would do, were you then sort of putting your club on the auction block to the highest bidder?

Mr. O'Malley. No.

The Chairman. Tell us what it was then?

Mr. O'Malley. It is a very simple situation, Mr. Chairman. I started out in 1947 trying to get a new ball park for the Brooklyn Dodgers in Brooklyn. We hired an engineer, we conferred with our civic officials and made very serious studies of various sites.

It developed that at that time the way could not be found to condemn land to assemble a plot large enough, and of course, the ball club very properly does not have the legal right to condemn land. But it was hoped that there was enough of a public purpose in the activities surrounding a ball club, particularly if it could be tied in with other things of civic importance such as the relocation of a meat market. The meat market men said that if they were relocated, they could bring the price of meat down 5 cents a pound in Brooklyn. That seemed to be a pretty good civic proposition, there was a traffic intersection of Atlantic and Flatbush which is a very bad one, and some day it is going to be cured.

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That too, becomes part of a civic purpose in trying to assemble the land at Atlantic and Flatbush. Then there is a question of parking in that area of our community where our department stores are located. Some parking facilities were needed in that area. There was also the observation that the property for the most part was substandard, and had been so designated by Mr. Moses as subject to a study for slum clearance.

Then we had a railroad station at that property, an old fashioned, real old country depot that also was dirty and improperly planned, and when the Long Island Railroad came out of bankruptcy, part of the agreement under the Railroad development ^{RE} Act passed by the legislature of New York provided that the railroad would have to purchase I believe it was 200 million dollars worth of modern rolling stock and put on that railroad.

At the time I presented this site for consideration, none of that new equipment, which was then on the tracks of the railroad, could come into Brooklyn, and those of us in Brooklyn were embarrassed because if you wanted to get into a modern car, an airconditioned car, you had to go to Manhattan, which meant that women coming in from the Island to do their shopping in the summer months would not come in in the old Camp Yaphank troop trains into Brooklyn when they could get a modern airconditioned car right into the shopping center

bd34 of Manhattan.

This plan would have provided for track ~~curve~~, curvatures so ^{THAT} as the new railroad equipment could come into Brooklyn, we then would have had a railroad depot that we could have been proud of in Brooklyn. We would have relocated our meat market. We would have had parking facilities. We would have cleared up a traffic intersection that was terrible. And all of this would have magically left enough acres of land on which a ball park could be built, at the cost of the owners of the Brooklyn Ball Club, not one penny of which was to be paid by the city of New York.

I think that is very important to know.

The Chairman. Well, was that land on which that stadium would be built to be acquired by eminent domain?

Mr. O'Malley. Yes, it was.

The Chairman. Do you think a baseball club that has made the profits that your club has should be benefited by acquisition of land by eminent domain, even by the city?

Mr. O'Malley. We were not to be profited by eminent domain. The land was to be assembled under eminent domain under the authority of an Act passed by the legislature of the State of New York after it was previously passed by the Board of Estimate of the City of New York, before which the City Council of the City of New York voted. So we had the City Council, we had the Board of Estimate, we

bd35 had the Assembly and the Senate in the State of New York all voting in favor of this well, with legal counsel's opinions that it would be proper and legal.

The Chairman. In favor of the Dodgers ultimately having that land as a stadium under those conditions?

Mr. O'Malley. In favor of a sports center authority acquiring the title.

The Chairman. But the Brooklyn Club was not mentioned in that legislation?

Mr. O'Malley. Oh, yes, it is.

The Chairman. And it said the legislation passed by the Senate and the Board of Estimate was to the effect that that land could be acquired or assembled by eminent domain for the benefit of a structure to be owned by the Brooklyn Baseball Club?

Mr. O'Malley. No, that is not accurate, but the bill of course will speak for itself, and I am sure that the law is available.

The Chairman. But I don't think you will find the bill mentioned the Brooklyn Baseball Club?

Mr. O'Malley. I know that it does. It specifically mentions a new stadium for the Dodgers.

The Chairman. Did those responsible for that legislation have before them your financial statement?

Mr. O'Malley. They did not have our financial statement.

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They did not ask it. But maybe I had better go back and give you some of the chronological history, Mr. Chairman. I think it will help you to understand the situation, and I think it will be very enlightening in view of Mr. Stark's testimony this morning.

The Chairman. Don't forget to get to that point though.

Mr. O'Malley. In 1947 we made a study of Ebbet's Field and we found that it would be totally impractical to try to rebuild Ebbets Field. We then looked around for alternate sites in Brooklyn. All of these sites were in Brooklyn. We studied altogether five different sites, but each time we came up with the proposition that a ball club could not acquire the land because the land would have to be condemned under an eminent domain law, Mr. Moses met with us on a number of occasions and guided our thinking. We had the benefit of having a former Corporation Counsel sit in with us. We had the presence of Mr. Moses at our conferences, and we had the publishers of all the newspapers in New York who were all intensely interested in trying to work something out to keep the Dodgers in Brooklyn, and we were trying to find some way to assemble a piece of land on which a truly modern stadium could be built and where automobiles could be parked, finally we came up with the proposition at Atlantic and Flatbush Avenue. At this meeting of the publishers -- and

bd37 every publisher of a New York City newspaper was present, we had the Mayor of the City there, we had the Borough President of Brooklyn, we had Mr. Moses and the former corporation counsel, and it was then decided that if a sports authority bill could be passed in Albany, that the Brooklyn Dodgers would have to forget about owning the property, keeping the other on the tax roll, paying taxes and paying for the entire cost of the improvement.

The Chairman. The entire cost of what?

Mr. O'Malley. Of the improvement, of the ball park improvement, not the meat market or those other things. And I was asked specifically how much money we would be willing to put into this venture as an initial investment, I said we would put in four million dollars. At that time Mr. Moses said, "Well, Walter, I think you will have to demonstrate your ability to assemble four million dollars."

And I thought that was a reasonable observation by a pretty hard headed and smart public official. So I said, "Well, if we get the bill through, I will satisfy you on that particular point."

Actually we got ^{the bill} that through the City Council.

Mr. Sharkey was very helpful there. We got it through the Board of Estimate. The Mayor then sent the Home Rule message that is required on these matters to the Senate and the Assembly in Albany.

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We had bipartisan support. That was a little difficult to get at first because this bill required two-thirds affirmative votes in Albany. Now when I got ~~that~~ by the City Council and the Board of Estimate, my next problem was how to get two-thirds of the votes in Albany at a time when there were 48% of the votes Democratic and 52% Republican, so obviously this needed bipartisan support, and that was where the publishers became very important.

I was advised very sincerely by important men like Tom Dewey, by Mallory Stevens, by Ed Mackho, ^{CP} by John ~~Tycaluz~~, ^{CRENS} by Russell Sprague, John Cashmore, Joe Sharkey and all of those men, everybody was wonderful, they were trying to help me out, and finally we got the votes in Albany and the thing was passed. The next step then was ~~to get it~~, to get the Governor to sign it. By this time Governor Dewey had decided not to run again and Governor Harriman had been elected Governor.

We called on Governor Harriman and he was wonderful. He said, "I'm very much in favor of it. Not only will I sign it but I will do something that no Governor in the history of the State of New York has ever done before. I will come to Brooklyn and I will sign this bill in the Office of the Borough President, because this affects Brooklyn and it affects the Dodgers and I am a Dodger fan," said he. So I was doing pretty well, Mr. Chairman. I was winning all the

bd39 battles. The only thing I lost was the war. We got this thing to the point where the Governor signed it, and then the next problem was to have three good citizens willing to take on the chore of being sports center authority commissioners without pay. The power of appointment was in the Mayor. The Mayor immediately said that this would not be a political issue at all, and he went to all sorts of different people for advice as to whom to appoint. The first man that he had in mind I think was Robert Blum. Mr. Blum is prominent in Brooklyn, as you know. I know it will embarrass him for me to say this, but I would say that he is the single largest supporter of charities and philanthropic things and the arts and what not in Brooklyn. He was also a very important man in our leading department store. So Bob Blum was appointed. Then Charles J. ~~Milod~~^{MYLOD} was appointed as chairman. Mr. ~~Milod~~^{MYLOD} is a Brooklynite, large family, always lived there, competent, an astute real estate man. He made some of the most fabulous real estate deals in New York City, and this problem had many real estate ramifications, so it looked like Mr. ~~Milod~~^{MYLOD} was an excellent choice to be Chairman of that Sports Center Authority. I was personally pleased because I happen to be the godfather of one of his children.^{BRIAN} So then we had to get the third one, and the third one selected was the President of the only remaining purely local Brooklyn Bank, who also happens to be the President of the Chamber of Commerce, Mr. Chester A. Allen.

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~~We had that magic which is so important in politics,
we had two Democrats and one Republican, we had a Catholic,
a Protestant and a Jew, and it looked like everything was
fine.~~

(Laughter.)

You know I read the papers now and I see where I am supposed to be a villain in this thing, but when I heard Mr. Stark testifying this morning -- incidentally I tried to keep him from volunteering to come down here because I had hoped that if he did not come down, I would not have to say certain things that I now have to say to balance the record, because he is a very sincere person.

The only trouble is on this particular matter he is poorly informed and most impractical.

Now we had the sports center authority commissioners appointed, and it looked now like the burden was shifting back to me to show the four million dollars. Well, I have a one track mind and go right down the line, right down the middle, so the first thing I did was to sell Montreal for one million dollars. I then sold the Brooklyn Baseball Park for three million dollars, and you will see, Mr. Chairman, that those figures are quite different than the figures given in Mr. Walker's column that you read from the other day.

I think we corrected that to Parker.

The Chairman. And did you take a lease back?

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Mr.O'Malley. We took a lease back, a short term lease back.

The Chairman. How long?

Mr.O'Malley. Three years. + 2 (option)

The Chairman. Why did you only make it three years?

Mr. O'Malley. Oh, this show was on the road. This was something where we were going to start throwing up steel overnight. It looked to me like my whole work of 10 years was finally going to blossom out into the finest baseball stadium any place in this country. So then I went -- we had another meeting, with the same group and I said, "Now here is the money. You were worried about the four million, and I might be able to scrape up a little more. There might be a few squirrel holes I can get into. Some of my stockholders might be willing to take some of the other bonds."

I happen to know of one man who will take a million dollars worth of bonds. He is a publisher. I would prefer not to mention his name. Another man is a department store man.

We had reason to believe he would take a half million dollars of the bonds, another man, a real estate man, he would take a half million dollars of the bonds. So now I am at a point where I am a little worried about my three year lease, only because political processes of necessity are slow, and while I was very enthusiastic about this, I had to play it very safe, so I called on the Mayor of Jersey City and his

*Chronology inaccurate
Claim 1 year earlier*

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Cabinet, and I said "Here is the situation. I am going to get a new stadium in Brooklyn, but there is a possibility that the old one will be torn down before the new one will be ready for occupancy. I would like if that happens to lease your stadium in Jersey City, Roosevelt Field."

They said they would be very willing to make a lease with us, but they thought the least we should do would be to play a certain minimum number of baseball games in the meantime, and I was willing to do it for another reason as well. They had much greater parking facilities over there than we had in Brooklyn, and I frankly wanted to test how important this problem of parking was to attendance at baseball games. So we spent about \$50,000 of our money to put Roosevelt Field in shape for major league baseball, and we did play seven or eight games there, the first season and I think seven or eight the next season. We had wonderful cooperation from the administration in Jersey City, and we had magnificent support from all the surrounding communities who were so happy to see some major league baseball being played in Jersey City where they had not had baseball for a long time.

They used to have two excellent minor league clubs, one in Newark and one in Jersey City. So now I was at a point where I thought I had all the bases touched, all the i's dotted and all the t's crossed, and we finally got into the short strokes on this deal. I was very much chagrined to find

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that when the Sports Center Authority went in for a budget so they could have their studies made in keeping with the time table which Mr. Moses had carefully prepared, that Mr. Stark at that time showed dissent in the matter and he said, "What Brooklyn needs more than a new stadium, ~~two~~ ^{all} legitimate theaters and an opera house."

Well, that one really threw me because here was Abe, my pal, ~~I've got~~ ^{he has} a sign right out in the middle of Ebbets Field on the score board. I let him have Ebbets Field each year for ~~music~~ ^A under the ~~stars~~ ^S for the benefit of the Israeli Institutions. He raises over a hundred thousand dollars a year there in our shop, and I couldn't understand it and I tried to get Abe to come in and see me.

I wanted to show him the model and everything. Incidentally, I had asked him to stay for this testimony, because I told him what I was going to say after he testified this morning.

I said, "Abe, you know ~~I'll try~~ ^{I TRIED} to get you in to see me ~~and~~ ^{To} show you the model and all, but I understand you are busy with other very important civic matters."

Now he is a swell little fellow but he doesn't know what this is all about. He still thinks that the city is supposed under this plan to be subsidizing the Dodgers. Abe and I have had a little tiff about 7 years before which wasn't too serious except it involved a lot of dollars, and at that

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time, Mr. Chairman, you were very helpful incidentally. The City of New York slapped us with a 5% admission tax, and I recall very well that you came out and thought that that was rather bad taste after the Federal Government had just given some tax relief.

The Chairman. When I want to see a game in Brooklyn, I have to see one behind a post.

Mr. O'Malley. That's why I wanted to get a new stadium, but you will recall it. Now at that time at the hearings on that darned old city tax, I told the Mayor at the hearings, I said, "Mr. Mayor, if this tax persists, you might lose not one but two ball clubs in this city." And I was told that if they ever got a democratic administration in Albany they would understand the city problems, they would get more money out of Albany so they could eliminate some of these nuisance taxes and I said, "Mr. Mayor, I know you believe it, but take my word for it, once you put that tax on your are never going to take it off."

Now I'll tell you how important it is. Last year --

The Chairman. Let's not get too far afield.

Mr. O'Malley. I'll just do this briefly because I would be unhappy if I left without saying this. Last year the Brooklyn Dodgers paid \$495,000, that was the cream off the top of the bottle, in admission taxes, and by gosh, I think that is disgraceful because that is a tax "other business" 10 Fed
501B
✓

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do not pay. Now back to the theme and I won't wander too far afield because I too listened to Mr. O'Connor.

The Chairman. Wait a minute. Now you made that much in net profits last year?

Mr. O'Malley. Surely, and I am very proud of it, very proud indeed.

The Chairman. I too. I glory in your profits.

Mr. O'Malley. But you take the World Series out of that ---

The Chairman. I don't want you to lose sight of the fact that you made money too.

Mr. O'Malley. And I am certainly there to do precisely that. It is a good old American custom and I am glad I am doing well.

The Chairman. I hope you make twice as much next year.

Mr. Keating. How much of that was World Series?

Mr. O'Malley. I will have to give you this from memory, but I believe you actually have our figures. I would guess that the World Series represented about \$350,000 between concessions and whatnot, it went 7 games, we always go seven games you know. You don't make money unless you do, but it just happens that way. Mr. Stoneham went four games against Cleveland and lost money by winning the World Series.

However, the next thing --

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The Chairman. Hold your thought a minute. In this legislation setting up the Sports Authority which you say mentioned the Brooklyn Baseball Club, is it mentioned in terms of the lease that you are to obtain and gives the rental?

Mr. O'Malley. Yes.

The Chairman. How much is the rental?

Mr. O'Malley. Oh, that hasn't been fixed because the study wasn't made because they didn't appropriate the money for the study.

The Chairman. Those people who were interested in acting as the Commissioners under that legislation, the legislators who passed the legislation, to get back to what I was going to say before, didn't have any knowledge of the profits that had been made by the Brooklyn Club?

Mr. O'Malley. There is no reason why they shouldn't. In other words, in baseball we live in a goldfish bowl and I have no objection. At first I was a little shocked when I saw the figures of the other clubs that your committee gave out but when I thought about it, why not? We are in a goldfish bowl.

The Chairman. Those figures were never made public.

*published
in the Record*

Mr. O'Malley. I never knew those other figures on the other clubs. I was surprised.

The Chairman. I think our committee did a service to

bd47 the nation when we made public those figures.

Mr. O'Malley. Well, I am not sure. I think we would be better off if you would let us alone altogether, but I say that most respectfully. Anyway, next was the question of getting into these things.

The Chairman. May I ask one more question on that Sports Authority lease, or contemplated lease. How long a lease were you to have?

Mr. O'Malley. That is the darn problem. We never got to it because the money was never appropriated. I can come to that as to the informal discussion.

Mr. Keating. That would have been part of the study?

Mr. O'Malley. That is what I was waiting for. I was up to the point where I could see this thing practically being built, and then all sorts of sabotage took place.

The Chairman. Did you say sabotage?

Mr. O'Malley. I said sabotage, yes. It developed that a lot of fellows who voted for them figured we would never get the Republican votes from upstate New York to get the thing through in Albany, and we, when we finally got them, they found that they had voted for something but they weren't willing to back up their vote with money for appropriations. The Sports Center Authority came in for a quarter of a million dollars for their study.

That was money that was to be repaid to the City that was to come out of the negotiations with the Dodgers.

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To this day they are about to receive the total magnificent sum of \$5,000. Mr. Stark erroneously said \$25,000, but \$20,000 of that is to be spent by city employees to study the other problems, traffic, parking, housing, meat market, whatnot, and the most that has been committed, of which not one cent has been received, is \$5,000 to keep the Dodgers at Brooklyn after what we paid in admission taxes.

The Chairman. Now may I ask you at this point you say that this Sports Authority arrangement was sabotaged. I imagine it was discarded then was it, or has it been discarded?

Mr. O'Malley. It is very anemic, although right now there is some attempt to revive it because of a great deal of publicity that has been in the papers about Los Angeles and things like that.

Mr. Keating. May I inquire there, in other words now that the horse is stolen, they are trying to lock the barn, trying to come in now and do the things that they should have done some year or two ago.

Mr. O'Malley. I like what you said but I don't agree with the connotation. The horse has not been stolen.

Mr. Keating. Good, I'm glad to hear it, but my point is that if the city of New York hadn't missed the boat that year and had appropriated the money that you anticipated that they would in order to make this study, this talk about

bd49 moving to the West Coast would never have taken place, would it?

Mr. O'Malley. Mr. Keating, as directly and as honestly as it is within my power to be, I never talked with anybody in Los Angeles or Montreal or any other darn place about the Dodgers ever leaving Brooklyn until I was given very excellent reason to believe that this thing was not going to be processed in Brooklyn, and I ended myself unfortunately in a position where I had sold my ball park and I had to have a place in which to play ball, and the first group of people that came up and showed that they had a little old fashioned American initiative and whatnot were the people from Los Angeles, and they showed they had political unanimity out there, the Republicans and the Democrats and the publishers of the papers, and they said "We are for you, and when you tell us you don't want us to build you a ball park, that is most refreshing and amazing."

I have never asked the city of New York to build me a ball park, to give me land, to give me a subsistence or a subsidy, nor have I asked Los Angeles or any place else to do it. I don't want to be a tenant in a political ball park, I want to own my own ball park and run it the way I think it should be run.

That is as simple and as straight as I can make it.

The Chairman, Of course, I don't agree with the descrip-

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tion that my good friend from Rochester has laid on New York City.

Mr. Keating. The officials of New York City.

The Chairman. I don't agree with it being laid on the officials of New York City. We haven't heard from all of the officials of New York City. I have great confidence in the officials of New York City and they may have very good reasons for this and until we hear from them I don't think it is fair to judge them.

Mr. O'Malley. Mayor Wagner has been most cooperative Mr. Chairman, he however, is the Mayor of the whole city and he can't get into a political hassle just over Brooklyn.

The Chairman. That's right.

Mr. O'Malley. If the man in Queens won't vote for this to be done in Brooklyn and the man in the Bronx won't vote for it, then Mr. Moses gets disgusted with the whole thing and says let's put them over in Flushing Meadows, that is what we have got.

The Chairman. Isn't it a little less complicated than you say?

Why did you buy the Los Angeles club?

Mr. O'Malley. I bought the Los Angeles Club when I have every sound reason to believe that there would be no solution in Brooklyn.

The Chairman. You felt that the New York situation was

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bd51 out and you had made up your mind to go to Los Angeles, is
that it?

Mr. O'Malley. That is what my mind was at that time,
yes.

The Chairman. And you felt that you could get a better
deal?

Mr. O'Malley. No, sir, that is completely not so.
I felt that I would do out there precisely what I wanted to
do in New York which was to build my own ball park with my
own money and operate it.

The Chairman. Why did you buy the Los Angeles Club?

Mr. O'Malley. I bought it, the Los Angeles property
for the very good reason that I wasn't going to have a
ball park to play in in Brooklyn because I had sold it.

The Chairman. In other words, you took the position then
in your mind that you couldn't do anything with New York and
therefore you were going to move to Los Angeles and you
bought the club?

Mr. O'Malley. Correct.

The Chairman. What did you pay for the Los Angeles
Club?

Mr. O'Malley. Two million dollars for the real estate.

The Chairman. Two million for the real estate?

Mr. O'Malley. Yes, sir.

The Chairman. Any other conditions?

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Mr. O'Malley. What is that?

The Chairman. You had to give up the Fort Worth team?

Mr. O'Malley. Well, we did. We exchanged it for the Los Angeles franchise. That was an even exchange of like property.

The Chairman. Did that come out of the four million dollars that you had?

Mr. O'Malley. No, I bought the Los Angeles property for two million dollars.

The Chairman. But you had four million as a result of selling Montreal and the Brooklyn Baseball stadium?

Mr. O'Malley. No, those properties were sold subject to short term financing, in other words, so much down, the balance by a purchase money mortgage.

The Chairman. In other words it wasn't for cash?

Mr. O'Malley. That's correct. It is hard to get people to pay cash for a specialty, as you know.

The Chairman. In the meanwhile wasn't there an offer made in connection with having Brooklyn play in Queens, that is the Robert Moses suggestion about Flushing Meadows?

Mr. O'Malley. That came about after we had purchased the Los Angeles property. Mr. Moses invited me out to his home in Babylon and we reviewed the whole situation.

The Chairman. Does that mean that you not only were on the brink of Los Angeles, but you were over the brink

d53 and it is irretrievable and you are not going again back to Brooklyn?

 Mr. O'Malley. Quite the contrary because I am going to tell you, after we bought the Los Angeles property, Bob Moses invited me out to his home and said, "Walter, is this a hopeless cause? Can anything be done?"

 I said, "Bob, if somebody can get these guys together, something can be done. I don't know what they are going to do in Los Angeles, whether they will get together out there or whether it will be a duplication of the situation here."

 He said, "Well, what did you think of Abe Stark's idea on the Parade Grounds?"

 Well, I said, "Bob, that is the only place where kids can play sandlot baseball in Brooklyn, and one of our problems is to keep these youngsters playing sandlot baseball and I don't want to put them out there. In addition to that, there isn't enough room for parking, parking is the big problem today, and furthermore there isn't good rapid transit connections at that site."

 Well, he said, "I guess maybe you're right on it."
He said, "Any other site?"

 I said, "Well, you surprise me by even indicating there might have been something to the parade grounds because I thought you would never let park department property go for a purpose like this."

bd54

I said, "If you are willing to do that, I'll tell you what I'll do. I'll buy Fort Green Park, which is right near Atlantic and Flatbush where we have all our subway stations and the railroad station."

No, he said, "You can't do that, we have very definite park needs for that property."

So he said, "Would you look at Flushing Meadows, at that site, the Flushing Meadow site?"

I said, "Sure."

So the following Monday morning we went out and we looked at that property, ^{BUT} and it wouldn't be in Brooklyn. I knew that that would present certain political problems because wherever you go, now I would get the votes from Queens but I would lose probably the votes from Brooklyn, and I still wouldn't necessarily pick up the votes from the Bronx and Manhattan, nor would I have the controller's vote, but I said, "I'll look at it" and I did. He then wrote me a letter, and he said, "I'm going to take this up with the Mayor, Walter, and I just want to know what you would be prepared to do."

He said, "I'm assuming that this would cost about 10 million dollars. Now I would go for your idea of a domed stadium. I am now satisfied that that would be practical and that would be the new look."

The Chairman. It is where the World's Fair was?

bd55

Mr. O'Malley. That's correct. It is filled in land and it would cost a lot more to build there than anywhere else because you have got very bad bottoms. However, that would be an incident of two or three million. So he said, "If we build it, can you see your way clear to returning our entire capital investment"? Which he estimated in writing would be ten million dollars. Now contrary to what my good friend Abe Stark testified to this morning, where he said they heard nothing from us, I actually wrote a letter, and in writing agreed that if he could put that through, that we, the Dodgers, would return the entire ~~capital~~ investment, and that is the last I ever heard of that.

Mr. Keating. You mean the capital investment in the Flushing Meadows?

Mr. O'Malley. Correct. That was not my first choice nor would it be my second or third. My first was Atlantic and Flatbush because there we could get by with a minimum of parking because we have a maximum of subway stations. Every subway line in the city of New York has a station that would be on the property.

Mr. Keating. Did they ever take the steps, did the Sports Authority ever take the steps to acquire the properties at this first location?

Mr. O'Malley. To this day they haven't gotten their hands on a single penny to make any studies or anything else, but they did get the volunteer services of the firm

bd56

of engineers who ultimately were to be retained for a modest fee, and we did meet with them and we did go over items of income and expense and cost and whatnot, and I did make to them a firm proposition to put not 4 but 5 million dollars into a new ball park to keep the Dodgers in Brooklyn, and to pay in addition a rental which I said I did not want to become public because it was so staggering it might embarrass other clubs who are operating in municipal stadiums.

The Chairman. Is this a fair statement of your attitude? I am reading from Sport Magazine, the current issue on page 61:

"It is clear by now that O'Malley no longer was pressing for any stadium. The emphasis has changed. He is no longer saying 'If you don't build me my park I am going to move some place else'. He is now saying 'I am going to move unless you can find a way to make me stay.'"

Mr. O'Malley. That is completely -- well, do it this way, half the lies they tell about the Irish aren't true. That is completely ^{UN-} true.

The Chairman. So you say that that is not your attitude?

Mr. O'Malley. Of course it isn't.

The Chairman. Your attitude is that if the New York authorities will come up with a proper stadium, proper parking space, proper number of seats, you embrace the idea despite the fact that you have invested two million dollars in the Los

bd57 Angeles Club?

Mr. O'Malley. Mr. Chairman, I have never asked the City to build me a ball park or to build me a parking field. My position is as clear as anything. The money that we made in baseball we want to put back into baseball. Nobody has worked harder to put it back in Brooklyn than I have, but unfortunately to this day we do not have a single sign that anything constructive is going to come out of this whole machinery that I set up when I got the Sports Center Authority put in motion.

Mr. Keating. Mr. Chairman, I want to ask a question right there.

The Chairman. Excuse me, I don't think you answered my question.

Mr. O'Malley. I want to answer your question definitely.

(Question read.)

Mr. O'Malley. I want to answer that, and if I don't answer it you come back at me as I assume you will, Mr. Chairman. I don't want anybody to build me a stadium. The fact that I have bought the Los Angeles property in no way will influence our ultimate decision, because that property is readily resalable within baseball. Now I do want to answer your question, but maybe I don't understand it.

The Chairman. Will you stay in New York if you are given proper facilities, proper stadium and proper parking facilities with the proper number of seats in this amphitheater or

bd58

stadium, despite the fact that you have invested two million dollars in the Los Angeles Club? Will you then stay in New York or Brooklyn?

Mr. O'Malley. Doyou think honestly that I can conscientiously answer a hypothetical question? Where is it going to be? How many seats? How much ~~is~~ it going to cost to build? What will the financing be? If I know all of those things, I have an open mind.

The Chairman. How many seats do you want?

Mr. O'Malley. 50,000.

The Chairman. How much parking space do you want?

Mr. O'Malley. How much do I want or would I settle for?

The Chairman. How much would you settle for?

Mr. O'Malley. I want 30,000.

The Chairman. What will you settle for?

Mr. O'Malley. That is what they have at Santa Anita.

The Chairman. What will you settle for?

Mr. O'Malley. At the Atlantic and Flatbush I would settle for 4,000.

The Chairman. With those conditions satisfied and the city fathers are willing to give you all that --

Mr. O'Malley. Now they are not giving^{me} anything.

The Chairman. What is that?

bd59

Mr. O'Malley. What are they giving?

The Chairman. I'll put it this way. I probably should not use that phrase. If they make that available to you under proper terms, despite the fact you have invested two million in Los Angeles, would you really remain in Brooklyn or would you remain in New York?

Mr. O'Malley. If things could be worked out we would remain in Brooklyn, yes, but I do want to know what the deal is, and I know you are not going to negotiate it for the city, so therefore, I am not going to negotiate my side a couple of hundred miles away from New York.

The Chairman. You still don't answer. If you can't answer, let me know.

Mr. O'Malley. I can answer.

The Chairman. If you can answer, yes or no, do so. If you can't answer yes or no, state it. I will repeat it. If the city fathers over there offer you proper facilities --

Mr. O'Malley. In Brooklyn?

The Chairman. Preferably in Brooklyn or Queens?

Mr. O'Malley. They are not the Brooklyn Dodgers, Mr. Chairman, if they are not in Brooklyn.

The Chairman. Why not?

Mr. O'Malley. Then they are something else, they are the Long Island Redskins or they are --

The Chairman. Then they are no longer the Dodgers when

bd60 they move to Los Angeles.

Mr. O'Malley. If the Dodgers have to get out of Brooklyn, whether it is 5 miles or 5,000 miles, they are no longer the Brooklyn Dodgers. The place for the Dodgers is in Brooklyn.

The Chairman. Let's limit it to Brooklyn.

Mr. O'Malley. Right.

The Chairman. Let's assume that the city fathers give you the facilities that you want, 50,000 seat stadium, minimum of 4,000 cars, despite the fact that you have a two million dollar investment in Los Angeles, would you remain in Brooklyn?

Mr. O'Malley. Yes.

Mr. Keating. Now let me ask a question. As I understand your testimony, Mr. O'Malley --

Mr. O'Malley. But time is running out on that.

The Chairman. I beg your pardon?

Mr. O'Malley. I don't want in any way to deceive you. Time is definitely running out on that, definitely.

Mr. Keating. As I understand your testimony, Mr. O'Malley --

The Chairman. Just one thing. When will the time be out?

Mr. O'Malley. I've got two more years in the old shop and it is going to take some time for all the test lawsuits to

bd61

be tried, for the new steel to go up in the new place.

The Chairman. When must you make a final decision?

Mr. O'Malley. I definitely intend to make a decision at the end of this season.

The Chairman. The end of this week?

Mr. O'Malley. The end of this season.

Mr. Keating. Now Mr. Chairman, may I ask my question.

The Chairman. Certainly, I'm sorry.

Mr. Keating. As I understand your testimony, and if I am mistaken will you correct me, on two separate occasions you have met the terms of the city officials of New York in substance and then when you met their terms and were ready to deal, they weren't interested?

Mr. O'Malley. I will have to put it just slightly differently. When I offered to put up five million dollars of a total issue of 7 and a half million and offered to underwrite the balance of the 7 and a half million, the other two and a half million, I offered in addition to that what I said was a staggering rental. No ball club comes anywhere close to paying the amount of money I had in mind. If you press me I'll give it to you but I would prefer not to embarrass other clubs. Now I was then told two days later, after this had been reviewed -- I was asked, one, "Will you agree to subordinate your five million dollar investment to the balance of the issue?"

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I said "No". I said, "You can answer that yourself. Would you do it?"

Second, I was told that the rental would have to be not the substantial sum I mentioned but a minimum of a million and a quarter to a million and a half a year, and at that point I called Mr. Wrigley and said, "Phil, will you ~~see~~^{sell} me Los Angeles?" The jig was obviously up. Nobody in his right mind could do that.

Mr. Keating. That was on the deal on the first site.

Mr. O'Malley. Correct.

Mr. Keating. These additional conditions were attached after you had said you would come forward with the four million and actually came forward with five million.

Mr. O'Malley. Because subsequently I was lucky. I sold ~~for that~~, Fort Worth for a million dollars.

Mr. Keating. Now on the second deal you finally said you would take the Queens location and would raise the 10 million dollars to meet that, isn't that right?

Mr. O'Malley. I didn't say I would raise 10 million. I said I would provide the financing that would retire 10 million over the period of the lease.

Mr. Keating. On the second deal what they wanted you to do as I understand your testimony was to assure them that the cost of acquiring this property up to 10 million dollars would be made good to the city.

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Mr. O'Malley. Not the cost of acquiring the property. They already have that. The cost of building the improvement, the stadium, and I agreed to repay that entire capital cost, yes.

Mr. Keating. You did agree to meet their terms on that?

Mr. O'Malley. In writing.

Mr. Keating. And when did that happen?

Mr. O'Malley. I can give it to you in a minute. April 17 of this year, 1957.

Mr. Keating. And to whom was that letter addressed?

Mr. O'Malley. The letter was addressed to Honorable Robert Moses.

Mr. Keating. And that is the communication which the ~~Borough~~ ^{CITY COUNCIL} President has testified here this morning --

Mr. O'Malley. ~~HE~~ Never heard of.

Mr. Keating. Had never been heard of?

Mr. O'Malley. That's right.

Mr. Keating. I will modify my original statement and see if this is accurate. On the first deal you agreed to the city's original terms and then when you came to close it up, they tacked on some other ones?

Mr. O'Malley. Correct.

Mr. Keating. Then they wanted to make another arrangement and you agreed to those terms?

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Mr. O'Malley. Yes, sir.

Mr. Keating. And you have never heard from them since?

Mr. O'Malley. I have heard from them. I have had conferences with the Mayor. He has been perfectly wonderful, our Borough President has been absolutely great, but in the meantime Abe Stark who testified this morning, while we were working on these things he came out with the idea that we should rebuild at Ebbets Field. We had studied that in 1947 and rejected it. But he said "Now what we are going to do is this. We are going to build a parking garage for 5,000 automobiles. That will solve your parking problems.

I said, "that is utterly ridiculous. The largest parking garage in the world is the Battery Parking Garage that holds 2,000 cars. There is no 5,000 parking garage in the world."

This garage would cost a minimum of 20 million dollars to build, \$4,000 a car. This garage would take four hours and twenty minutes to fill before a ball game and four hours and thirty minutes to empty after a ball game and it would be 15 stories high and I'm supposed to be crazy.

(Laughter.)

Now I like him and I didn't want to mess him up on that. I was afraid he was going to go into that and in all fairness as long as he wasn't subpoenaed and he was a volunteer, I tried to head him off because I have not told this story to

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bd65 any press conference for the record up until now, but I think it is a very eloquent story as to what has happened in a city that has lost its final newspaper. We don't even have a newspaper. I'm the only major league club in the country without a newspaper, which is important believe me when you want to promote something.

We have lost our department stores, we haven't built a new office building, a real one, a new theater, or a new hotel since 1929, and I am crazy enough to be willing to put five million dollars into an old place that I just happen to love.

The Chairman. If Brooklyn is so terrible, I'm surprised that you want to remain there.

Mr. O'Malley. I do.

The Chairman. Even with all those disadvantages.

Mr. O'Malley. Sure, I'm willing to do it. We can do all right in Brooklyn. The fans have been marvelous. I have no fight with the fans.

The Chairman. Initially you say that you would move to Queens. Why have you changed your mind then?

Mr. O'Malley. I never changed my mind. I have never heard anything further since my letter. Unfortunately the ~~typing~~ ^{TYPING} was bad. Mr. Moses left for Italy shortly thereafter and by the time he got back from Italy there were a lot of other people in the Act, and one guy had a site out in the Jamaica

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bd66 Bay swamps, another fellow wanted to make a man-made island in the Upper Bay off New York. He was going to fill in and make an island, another fellow wanted us to go out to Patchogue. We are invited to a lot of places, but it just got more confusing all the time and appeared to me that nothing was being done and I have very definitely encouraged serious negotiations with Los Angeles.

The Chairman. Let's assume that something will be done. Bob Moses, whom we all have great respect for --

Mr. O'Malley. You bet.

The Chairman. -- will undertake to work out details to your satisfaction and will offer you then agreeable terms on this welfare site in Queens, would the fact that it is in Queens still prevent you from going there or would you go there?

Mr. O'Malley. It is not Brooklyn and our fans who wrote in, Mr. Chairman, they said, "Look, go to Los Angeles. We are still for you but don't go to Queens."

The Chairman. You still love Brooklyn thought it has no new skyscraper or office building, has no newspaper?

Mr. O'Malley. Right, can't get an office. The new Supreme Court Building -- we built a wonderful home for the fish out at Coney Island. They charge 60 cents to see the fish, but we can't do anything for the Dodgers.

The Chairman. Did you buy a Convair airplane to take

bd67 your boys out to Los Angeles?

Mr. O'Malley. I bought a Convair Airplane but not to take them to Los Angeles.

The Chairman. Why did you buy an airplane?

Mr. O'Malley. Because we have operated with an airplane for I guess 8 or 10 years and found it very successful. We now own two airplanes, a DC-3 and a Convair 440.

The Chairman. Do any other clubs have airplanes?

Mr. O'Malley. Several of the clubs do have airplanes but they are too small to carry the major league club. Our DC-3 has too few seats for the major league club but we have flown our Montreal and St. Paul clubs in that plane for a number of years, but now the new Convair 440 is big enough to carry not only the Dodgers on their trips but inbetween times Montreal and St. Paul on their trips.

The Chairman. How much did you invest in the Convair?

Mr. O'Malley. The going price which I think is around \$800,000.

Incidentally a very good investment.

The Chairman. Isn't that a large sum of money you have and you would still remain in Brooklyn with all these difficulties?

Mr. O'Malley. We need an airplane. We used an airplane while we were in Brooklyn. Actually the airplane is a good investment. We are now going to sell our DC-3 for

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approximately four times what we paid for it, and those are the kind of deals I sort of like.

The Chairman. A good proposition?

Mr. O'Malley. It is, yes, because the government is very generous and let's us depreciate them at a high rate.

Mr. Keating. When we were investigating the airline industry, certain facets of it, that some of these airline companies buy planes and apparently sell them for a profit. They are in the business. That was the testimony.

Mr. O'Malley. We are not doing that. We use it for our own purposes and as to that it is a wonderful plane.

The Chairman. Have you made any arrangements with Skiatron?

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Mr. O'Malley. I started out about 7 years ago getting on the soap box for subscription television and I have made a number of public statements which have appeared in the Sporting News. In February, last February of this year, the Skiatron people came to Vero Beach and told me that they thought they would be in a position to put on programs next year. I was naturally very much interested because I believed in it.

I had conducted a poll of my fans on the subject and got very excellent responses. So we started to negotiate a contract, a pilot contract, a standard form contract. There are many very troublesome clauses. I did reach a point

bd69 on that contract where I was satisfied with the terms and said, "I will sign in escrow, not operative", which I did. Subsequently --

The Chairman. Have you got a copy of that escrow contract?

Mr. O'Malley. I'm sure it could be made available.

The Chairman. Could we have a copy of it?

Mr. O'Malley. Surely.

The Chairman. Please supply it.

Mr. O'Malley. I worked this out so that this contract could very well become a model for many of the clubs, major and minor league clubs and we are very much in favor of it if in fact that can work out. We are very much in favor of it.

The Chairman. How much would the owner of the television set have to pay to see a game?

Mr. O'Malley. We had a clause in there. We were going to put a price. Then we were told that that might put us in the price fixing business, so under legal advice we eliminated that clause, but we did have a recitation to the effect that the parties recognize that baseball is a popular priced sport, and whatever charge is made should be in keeping with that observation.

The Chairman. That Skiatron would not be subject to the supervision of the federal Communications Commission, would it, because it is closed circuit, is that right?

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Mr. O'Malley. I am not too sure about that, Mr. Chairman. I think they probably still would be subject. I really don't know.

The Chairman. Mr. Singman?

Mr. Singman. Mr. Chairman, I wish to ask Mr. O'Malley a few questions. Is this escrow agreement that you have with Skiatron in any way contingent upon your moving to the Coast?

Mr. O'Malley. Let me answer your question by first answering an inference in your question. There is no escrow agreement with Skiatron.

Mr. Singman. That agreement is no longer even in escrow.

Mr. O'Malley. That is correct.

Mr. Singman. What happened to it?

Mr. O'Malley. Well, we got word that we are going to have hearings down here, we are going to be invited in, and I didn't want to continue my negotiations in a fishbowl if I could avoid it, so we withdrew the agreement from escrow. In answer to the second part of your question, and I am very anxious to answer that, you will be surprised when you see the contract because the contract provided for the Dodgers to be in New York.

Mr. Keating. Brooklyn, you mean?

Mr. O'Malley. Brooklyn, which incidentally would be

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the largest market in the world.

Mr. Singman. If the agreement were for New York, do you not think there might be some practical difficulties in trying to sell pre-paid television to the viewers in New York City when they could get it free for the Yankees?

Mr. O'Malley. I gave away three Buick automobiles in order to get my fans to answer questionnaires, in other words they had to answer certain questions before they could qualify to get the automobile. I still don't know whether we violated some lottery law or not, but one of the questions was this. If the only way you could get your Dodger games on television would be by paying a reasonable fee, would you resent paying for something that heretofore you have gotten for nothing?

And 52% of the Dodger fans said that they would be willing to pay, but what was even more significant, a substantial number of fans started to send money in and said "We feel terrible. We moved out of Brooklyn. We are now living in Westchester or Connecticut. We get your games. We can't find a place to park if we go to Ebbets field. Here is \$10, buy some tickets for kids and let them come into your park."

We wrote back and returned their money of course and thanked them, but it showed methat fans are very fair people. Fans are all right. They really realize that they have had

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bd72 the overlay on this proposition. We had a game with Milwaukee here recently. It was a fight for first place.

Mr. Keating. Mr. Chairman, I want to make a comment on the fans. I went outside there and there was a fan there, a lady fan. She said, "What about us fans? When are we going to be heard here?"

And it made me realize that we are hearing players and baseball management and all that, and our greatest responsibility here is to the fans.

Mr. O'Malley. I think you are right.

Mr. Keating. In all of our hearings and in the framing of any legislation we must give more thought. We obviously can't hear all of the fans that want to be heard, but we must have our first consideration for the fans ahead of any clubs or any players.

The Chairman. You mean the fans are the voters?

Mr. Keating. The fans are the voters. They are the biggest bunch of people.

Mr. O'Malley. If you could get the fans to speak, they would tell you in my opinion two-^{THINGS}~~things~~. One would be lay off baseball, we like it.

Mr. Keating. I agree with you.

Mr. O'Malley. And the second would be don't have all these things coming up when we have got a season on. We are more interested in the pennant race.

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The Chairman. I get different kinds of mail. Maybe I am a different kind of an animal.

Mr. O'Malley. I get a pretty good cross section.

The Chairman. I get not lay off baseball but lay on baseball.

Mr. O'Malley. Those are a lot of people that write letters to editors.

Mr. Keating. They are not fans.

The Chairman. They are fans. However, go ahead.

Mr. Singman. Mr. O'Malley, as a matter of fact we have seen some of the mail that you have been getting.

Mr. O'Malley. I sent it to you.

Mr. Singman. Yes, some of it is not very complimentary, is it?

Mr. O'Malley. You ought to see it when there is no talk of Los Angeles or anything else when we lose the seventh game of the World Series. You ought to read it then.

Mr. Singman. Now about this Skiatron, sir, there has been a report in the television daily that the Los Angeles Public Utilities and Transportation Commission will give approval to Skiatron for using their closed circuit TV system in Los Angeles. Has that entered into your negotiations at all?

Mr. O'Malley. No, in other words, if Skiatron is sound-- I hope it is -- if Skiatron is sound, whether there is baseball.

bd74 in Los Angeles or not you are going to have Skiatron in Los Angeles because it is a terrific market, just as I think you would have it in New York and Philadelphia and Chicago and other places which are also excellent markets. ✓

Mr. Singman. Let me ask you this. We have gone through a lot of ground here and it seems to me that what has been established thus far pretty much is this. You are unwilling to take a stadium anywhere in New York City outside Brooklyn within the next few years, as you have related them to the committee, are practically nil. You have stated you want to make your decision within the next three months. You have put two million dollars into the Los Angeles Club. You have had engineering studies made of the Los Angeles Stadium site. We have documents that you have supplied us with on that.

Mr. O'Malley. You got a lot of them for Brooklyn too but you didn't ask for them.

Mr. Singman. You had legal studies made or someone was having them made by the Los Angeles City officials to investigate the league justification for the city to condemn public land and give it to a major league ball club. The Los Angeles County officials have prepared press releases concerning this which you yourself have gone over, vetoed and rewritten. In view of all this, as a practical matter, doesn't it all add up to the fact that you are going to Los

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Angeles next year?

Mr. O'Malley. I couldn't answer your question because it has so many inaccuracies, councilor, in fairness. You have assumed so much that is not the fact, but if you would break it down and ask it item by item, I would with great respect want to answer your question.

Mr. Singman. All right, sir. We started off with the statement that you said you would not be willing to take a stadium site outside of Brooklyn?

Mr. O'Malley. Where do you get that statement from, sir?

Mr. Singman. Did you not say just a few minutes ago in answer to a question from the chairman that a site that would be offered in Queens would not be Brooklyn and you would not be happy about taking it outside of Brooklyn?

Mr. O'Malley. I think my answer will speak for itself on that. I worded it somewhat differently than you just did. You have taken a few liberties which I can understand, sir.

Mr. Singman. All right, you said yes. Now let's go on to the next question. Did you not say in answer to questions here that you have seen absolutely nothing concrete set forth by New York City officials with respect to a plan in Brooklyn, that they have not yet gotten a nickle to even make a study for the purpose of building your stadium?

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Mr. O'Malley. Your total statement is at variance with my answer, which is on the record.

Mr. Singman. How, sir?

Mr. O'Malley. Can we have my answer read back?

Mr. Singman. You know the facts, sir. It would take some time to check the record.

Mr. O'Malley. I did not say that I have seen absolutely nothing concrete as you just said, I said that it doesn't look too good, although there is a little more action on it right now than there had been for some time. I recently had a very fine talk with the mayor, and the Mayor assured me that they would have something ready shortly to show me, and I told them I've got to have this and soon, and he has given me his word that something would come up. The Borough President has called me several times since I have been here to tell me that he has high hopes that something will develop.

Mr. Singman. What is the something that you would take that would enable you to decide to stay in New York?

Mr. O'Malley. I think my record for 10 years on the subject of trying to find a new stadium for the Dodgers sort of speaks for itself, Counselor. I think I have done everything humanly possible to do that.

Mr. Singman. I don't think your answering my question, Mr. O'Malley.

Mr. Keating. Mr. Chairman, I want to at this point,

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urge Mr. O'Malley not to let the questions of counsel or the implications from him drive him out of Brooklyn. We want you, as far as I am concerned, as far as that goes, want you to stay in New York State if you can, and if you can get the proper arrangements, and I rather resent the way counsel is putting these questions in an effort to show that you have got to go to Los Angeles. I don't think that is the situation at all. It is not your testimony, and I don't think that that is the proper kind of question. ✓

The Chairman. I think Mr. O'Malley can take care of himself. He doesn't need any aid from the gentleman.

Mr. O'Malley. Of course five years ago you gave us a great deal of encouragement to move out ~~from~~ ^{to} Los Angeles but now you are reversing yourselves. I don't mean you individually.

Mr. Keating. I don't like that, giving you encouragement to move out there.

The Chairman. We are not giving any encouragement.

Mr. O'Malley. ~~It~~ ^{It} is in focus I believe because we have considered it that one of the ways to get Congress off our back was to have somebody go out to the West Coast.

Mr. Keating. That is it exactly. That is what I have been saying.

Mr. Singman. Mr. O'Malley, the implication of the question is by no means intended to urge you to do one thing

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or another.

It is merely to determine what your position is, and I think in answer to my last question you gave an answer that was not quite responsive. I was asking just what it is that the Mayor of New York City could show you with respect to a stadium in New York City that would warrant your deciding -- and you said you wanted to decide at the end of this season -- warrant your deciding to stay in New York.

Mr. O'Malley. I explained to you how we set about getting the city council, the Board of Estimate, the Assembly, the Senate and ~~everything~~ ^{ASSEMBLY} in Albany, the Governor to sign the bill, the Mayor to appoint, everything to work out this dream child of mine, and I ~~am~~ ^{WAS} so convinced ~~I was~~ ^{THEY WERE} going to do it that I sold my property. Right now, I ~~was~~ ^{AM} worried sick that I haven't got a place to play in.

Mr. Singman. You have seen all that up to this point, Mr. O'Malley.

Mr. O'Malley. What have I seen up to this point?

Mr. Singman. You have seen the things that you have just accounted, sir.

Mr. O'Malley. I have seen a lot of inaction. I have seen a lot of diversions and decoy propositions. I have seen one of the most responsible heads of our city government, a man I personally like, come in here and talk about a site that is not even within the legal jurisdiction of this authority

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and now you are talking about a site in Flushing that isn't even within the legal jurisdiction of the authority. The authority is limited to Atlantic and Flatbush Avenue neighborhood.

Mr. Singman. The question I am asking, sir, is what is it then that you are waiting for? What is it that the Mayor or the City Council or Mr. Stark can show you between now and the end of this season that will give you justification for staying in New York?

Mr. O'Malley. The Atlantic and Flatbush Avenue solution, which is the only thing I have been fighting for.

The Chairman. On the other hand, you feel that the only thing that would keep you in Brooklyn was the development of the Atlantic Avenue and Flatbush site, is that it?

Mr. O'Malley. That's right, Mr. Chairman.

Mr. Singman. That's fine. Thank you.

Mr. Keating. Fine. I don't think it is so fine.

Mr. Singman. That is the answer to my question.

I am expressing no opinion.

Mr. O'Malley. But again, as I said to the Chairman before in answer to a somewhat similarly intended question, I don't think in any way I want to deceive you. Things are moving very rapidly and very intelligently in Los Angeles. In that this is not a threat. This is not playing one city against another city. I put my cards on the table over in

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Jersey City and I put them on the table in Los Angeles.

I like to do business that way. People negotiate with me better when they believe me, and I told them that I thought the jig was up in Brooklyn and they are picking up and doing some pretty smart work out there right now.

Mr. Singman. Now, sir, can I ask you this? Is it not correct that a move to the West Coast by the Dodgers would be financially practical only if another club also moved, or do you think that you can make a financial go of it on that if you moved alone?

Mr. O'Malley. Well, that is one of those suppositious things but actually I think it would not make any great difference.

The Chairman. It would not make any difference.

Mr. O'Malley. Any great difference, no. We are not back in the horse and buggy days or the old Pullman days. You can fly. In 1960 the schedules are already in draft form, you will be flying from New York to Los Angeles in six and a half hours. It takes us longer than that to make any of our road hops except like Philadelphia by train today. It takes us overnight to go from Cincinnati, St. Louis, to Chicago.

Mr. Singman. Have you had any discussion with Mr. Stoneham with respect to his possible move to the West Coast?

Mr. O'Malley. Well, to this extent. When my problem

bd81 came into focus, I was very anxious to know just what Mr. Stoneham was going to do about his problem because he too has a lease that I have read in the newspapers is about to expire, and Mr. Stoneham told me his thinking and that was somewhat helpful to me in considering my own problem.

Mr. Singman. Would it be possible, sir, for you to obtain an extension of your lease on Ebbets Field?

Mr. O'Malley. When a businessman commits himself to pay three million dollars for a piece of property, I don't think it is fair to try to renegotiate that deal after it is made. I don't make it a habit of renegotiating deals ordinarily. I have on occasion though. I don't know what the answer to that would be. I have other business dealings with him. He also bought our Fort Worth property.

Mr. Singman. Mr. Chairman, I should like to offer some selected documents from Mr. O'Malley's files that were given to the subcommittee. I offer a press release draft dated May 2, 1957 together with a corrected press release issued on May 6, 1957 approved by Mr. O'Malley, a legal opinion of the Office of County Council of Los Angeles dated April 19, 1957, letter from the Mayor of Los Angeles to Mr. O'Malley dated June 7, 1957, with enclosure, a letter from the Praeger-Kavanagh, an engineering firm dated April 24, a letter from the Supervisor of the Second District Board of Supervisors, County of Los Angeles, dated May 3, 1957, a

bd82 letter dated May 23, 1957 to the Chief Administrative Office
of Los Angeles from Mr. O'Malley, and finally a letter dated
May 17, 1957 from Walter Eaton and Associates to Mr.
O'Malley.

The Chairman. They will be accepted.

(The documents referred to follow:)

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Mr. O'Malley. May I ask a question, Mr. Chairman?

So I know what they are, are they all from my files that I volunteered?

Mr. Singman. Yes. You may examine them, sir. ✓

Mr. Maletz. Mr. O'Malley, I think you have stated that you began negotiating in February of this year with the Skiatron Corporation for pay TV, is that correct? 1019-1032

Mr. O'Malley. Mr. Maletz, it might be either late February or early March. I am giving you this from memory but it was during spring training when I was in Vero Beach, Florida.

Mr. Maletz. And with whom in the Skiatron Corporation did you conduct negotiations?

Mr. O'Malley. There was a young lawyer named Doff, Jerry Doff, I had most of my negotiations with him.

Mr. Maletz. Did you have any negotiations with Manny Fox?

Mr. O'Malley. Subsequently, yes.

Mr. Maletz. What proposition did the Skiatron Corporation make to you?

Mr. O'Malley. Their proposition was that they would wire New York City and put on subscription television programs in New York City. I believe they were first going to do the suburban areas and finally work into the city, and that we would receive substantially more income.

Mr. Maletz. How much more income?

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Mr. O'Malley. About twice as much.

Mr. Maletz. How much are you getting now?

Mr. O'Malley. I think you have the figures. I don't happen to remember them, but can we keep that in general terms?

Mr. Maletz. Sure.

Mr. O'Malley. Because as I told you before, ~~they~~^{to} do this, negotiating in a goldfish bowl ^{isn't} very good business, in quotes.

Mr. Maletz. You are getting now, is it not correct, sir, about \$700,000 a year from TV rights?

Mr. O'Malley. Actually the rights for New York City I believe are more in the neighborhood of around \$425,000.

Mr. Maletz. Total, for all TV rights?

Mr. O'Malley. No, you are talking about the income from all of our farm clubs. We have 15 of them. You are talking about game of the week and things like that. I am talking about New York City which would be I think around 450. I'm not sure.

Mr. Maletz. Do I understand you then to say that this deal was broached to you on the basis that you would double your income from television rights?

Mr. O'Malley. That's right, about double.

The Chairman. In the negotiations did you ever discuss the cost of the game, 25 cents, 50 cents or anything like that?

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Mr. O'Malley. My publicity on that, Mr. Chairman, when I was on the soap box over a period of 7 years was always that it should be around 50 cents, around 50 cents a game. But I think the thinking today ~~is~~^{is} that it would be nearer \$1, something around the price of a general admission ticket.

The Chairman. What would you understand that closed circuit arrangement, \$1 per set, what would you get about for each game?

Mr. O'Malley. About one-third less 25%.

The Chairman. And what would that amount to in dollars and cents?

Mr. O'Malley. We don't know, of course, what the acceptance of the public would be, but I can give you an example. One night we had 15,700 people in Ebbets Field and I asked a radio-wise man who was with me to try to get me some idea how many sets were tuned into that particular game, and after some phone calling he came back and said, "Walter, there ~~is~~^{ARE} about 2,400,000 sets watching this game and you have only ~~got~~ 15,700 people in your ball park."

That made me ^a convert right away.

The Chairman. Of course, if I have this correctly and it is scientifically done, I think this Skiatron rate arrangement is quite different than the ordinary television arrangement. Skiatron is a closed system circuit.

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Mr. O'Malley. Right.

The Chairman. And it may not be subject to the regulations of the Federal Communications Commission whereas television is, and that if it is intrastate, that is if this closed circuit is intrastate, then I think it would not be in any event subject to the supervision of the Federal Communications Commission. If it goes out of the state, I think it may be a different story. I am not sure of that. I don't know whether your figures are rather high for Skiatron.

But you feel that \$1 would not be too high? You feel a dollar charge would not be too high?

Mr. O'Malley. My personal preference, Mr. Chairman, would be 50 cents. I don't want to make a speech on it, but I happen to believe that baseball is a popular price sport. That is why I didn't raise my prices at Ebbets Field, 3 years ago you still could have gotten in the bleachers in Ebbets Field for the same price you got in 25 years ago, and it was only when that darn city tax came along that I went along and raised the price on that. I have questioned a lot of people on this subject and they say ~~we~~ ^{THEY} have no objection to paying \$1 to watch your ballgame, 10 or 15 of us would sit around a television set and it would save us driving 40 miles into the city to watch the game.

I think that would be all right, and I think we are putting on a show that people are willing to pay for.

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They will still get that for free on radio.

Mr. Maletz. Mr. O'Malley, so we can carrythrough on the sequence of events, I think you said that around March, Mr. ~~Manny~~ Fox and Mr. Doff came to you with a proposition which I take it was palatable to you, is that correct?

Mr. O'Malley. Forgive me, Counsel, I didn't say that. I said Mr. Doff came to me. YOU subsequently asked me if I met a Mr. Fox and I said I did, subsequently, I did not meet him in March in Florida.

Mr. Maletz. Now specifically when did you sign an escrow agreement with the Skiatron Corporation?

Mr. O'Malley. I can't give you the date from memory but I'd be very happy to let you have it. I'll get it for you.

Mr. Maletz. Can you recall approximately when you signed that contract?

Mr. O'Malley. Oh, I guess maybe in April.

Mr. Maletz. That was last month?

Mr. O'Malley. Yes. No, that was not last month.

Mr. Maletz. I mean two months ago.

Mr. O'Malley. That's right. Mr. Carroll corrects me and says it was in May. I take that. I don't have the document in front of me.

Mr. Maletz. Now in general what were the provisions of this ~~excrow~~ ^{escrow} agreement?

Mr. O'Malley. The provisions were these: That they

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would put on a closed circuit showing of our ball games. They would take over our radio and television talent so we would have a continuity of announcers. They would not take over radio at all. Radio would be out.

The influence area of the club I think was limited to something like 50 miles from your ball park. In our case that is bad because a 50 mile circle takes in an awful lot of water, but it was to be 50 miles.

Mr. Keating. That also takes you over a state line, doesn't it.

Mr. O'Malley. I think the signal bends at that point, but they would have to do the wiring. If they didn't do the wiring over the state line, the signal in effect would bend because it wouldn't be taken over. But whether this is interstate I don't know. They would do home and away games.

We would receive one-third of the subscriptions. They would make a minimum guarantee that would protect us for having lost our present contracts, which would also have in mind that we would have to pay the visiting club 25% of our receipts. That is pursuant to a television agreement that 7 of the National League Clubs have had for some time. There would be a pre-game show. I am a little partial to a pregame show. We have in Brooklin, it is called Happy Felton's Knothole Club. I think it is great for kids. They agreed they would take that show over but there would be no

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extra charge for that. There would be promotional announcements as to coming games and to attend the ball park and good promotional things. We were going to have a clause but we eliminated that one.

I think you call it a favorite nation clause. We decided if we put that one in we would be getting ourselves in trouble so we scratched that one out although they were agreeable to it. They ~~wanted~~ ^{WARRANTED} that they had a sound system, that it was to be IBM and Westinghouse Electric and that the picture would be high fidelity, good quality picture and what not, that the people would not have to pay for games that did not become legal games and all that stuff that you get in those contracts.

The Chairman. One question there, would the viewer having the television in his home have to pay for putting up some of that, some gadget to get this closed circuit view?

Mr. O'Malley. I'm not too sure on that. I think one system had them contracting for so much a month for which they would get free something similar to Muzak, Muzak around the clock so you could always be hearing an organ or something playing.

Then you would have your choice altogether as I understand it of three different channels in addition to the free channels on your present set, but you would have your choice of three pay channels, and a fellow if he wanted let us

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bd90 say an opera or a Broadway show or a first run movie, he could take that if he didn't want the ball game, or if there was a prize fight on you would get that or a football game, and one thing I know in the contract I insisted on was that they carry each of our games to completion, because we had some experience many, many years ago on radio where they used to cut our games off at 5:30 and sometimes we would have three men on third base at that time and you wouldn't know what would happen.

So we wanted the games to be carried to completion.

Mr. Keating. If you had 3 men on base I know what would happen.

Mr. O'Malley. It is worth paying for to see that.

Mr. Maletz. You said that you wanted a guarantee from the Skiatron Corporation. How much of a guarantee did you want?

Mr. O'Malley. If you persist, counsel, I will answer. I would prefer to do it in generalities because I think that it is unfair to other clubs that these people would negotiate with and it is also unfair to us.

Mr. Maletz. I will withdraw the question.

Mr. O'Malley. I am not taking the Fifth, I want you to know that.

Mr. Maletz. Could you tell the committee why this was an escrow agreement?

Mr. O'Malley. Yes, it was an escrow agreement for the

bd91 reason that it was not an operative contract, It was a pilot contract, a form of contract that I wanted to discuss with other clubs in our league to see how they felt about it, and I wanted to have a form so that everybody wouldn't be going into these same clauses that were giving me a lot of trouble.

 I wanted to have a lot of that work completed. And I sort of have a little affinity for doing negotiating and what not and I wanted to have that contract. So it was subject to my taking that up with the other clubs, subject to the clubs who were parties to the 7 club television agreement that had provision for subscription television, subject to their approval, because this would have been a longer term contract than the 7 club agreement because that could be terminated by any club on one year's notice, so I would want that term to consider, to coincide, and then also there was some question as to the financial ability of this particular group and I felt that once I was taking this matter up with other clubs, I wanted to satisfy as to that myself that they had financial resources, and they were to put some money on the barrelhead you know, that is always a good thing to have done, so those were the arrangements.

 Mr. Maletz. Did you have an option of withdrawal from this agreement?

 Mr. O'Malley. Oh, yes.

 Mr. Maletz. And I take it, my understanding --

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Mr. O'Malley. It was never agreement. Put it this way, counselor, I haven't practiced law for a good many years, but I think you and I both understand each other. It was not an operative contract. It was assigned by ~~lot~~ ^{PILOT} contract subject to everybody else seeing it, knowing that somebody would want clauses changed, in which event we would try to get one master contract that would have the thoughts of everybody on the subject.

Mr. Maletz. I'll come to that in a few minutes. May I ask you this, do you own any stock in the Skiatron Corporation?

Mr. O'Malley. No, I don't, but if it ever develops to its intention I very sincerely intend to but I do not at the present time.

The Chairman. You say you intend to own stock in Skiatron?

Mr. O'Malley. If this develops to its potential I very definitely intend to, but at the present time I do not own any stock nor have I ever owned any stock in Skiatron.

Mr. Maletz. Do you have any stock options in Skiatron Corporation?

Mr. O'Malley. No, I do not.

The Chairman. Have they agreed to let you invest in that corporation? The owners?

Mr. O'Malley. The owners of which company?

The Chairman. Skiatron?

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Mr. O'Malley. No, they haven't agreed to let us invest in it, but if there is an opportunity to contribute to their capital and the thing looks as good as I hope it will, I certainly would want to do that. There has been talk to that effect.

The Chairman. Has that offer if you know, been made to any other baseball people?

Mr. O'Malley. I don't know.

The Chairman. It is a closed company.

Mr. O'Malley. There is no offer as such.

The Chairman. The stock is not on the market, is it?

Mr. O'Malley. There is one stock at American Exchange that has had a little flurry. The company you're talking about is the Fox Company which I understand is not listed on the exchange and is a closed company.

The Chairman. That is the one called Skiatron?

Mr. O'Malley. That is the one I would like to be in on. Incidentally I told the members of the National League when I was individually telling them about this that I had a great interest in this whole subject of subscription television, and if this system turned out to be as practical as I hoped it would be, that I had very definitely wanted to take a stock position in it and I wanted them to know about it.

The Chairman. I just want to ask this question parenthetically. Your testimony has been primarily on the business

bd94 aspects of baseball as it is now presently. You wouldn't want those business aspects to be exempt from it, the antitrust laws, would you?

Mr. O'Malley. You mean along the lines of Congressman Keating's bill?

The Chairman. Any lines. I don't care which. Your interests in Skiatron and what you have been testifying to right along, you wouldn't want that exempt from the antitrust laws?

Mr. O'Malley. I will answer that very selfishly and then I will answer it as a practical proposition. Selfishly the less governmental interference we have the better I like it you know, however, as to whether or not any business activity of baseball, if it ever reaches such proportions that it might be said to be big business as we understand it in monopoly and trust things, then I believe that it would be thoroughly reasonable to have a provision covering that.

The Chairman. You gave us some figures before which rather intrigued yourself when you spoke of the amount of money that might be yielded at \$1 a throw from Skiatron on a game that did you say it was among, almost two million --

Mr. O'Malley. That is peanuts compared --

The Chairman. If you got one third for every game, wouldn't that be rather approaching at least big business?

Mr. O'Malley. It would be a little naive to assume that

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everybody who gets that for free would pay.

I would imagine a rather small percentage would pay. Frankly I don't think at this time we can judge that until we see that in practice. After we see it in practice four or five years, it might very well be that it runs into substantial money.

But at the present time it is just a figment of my imagination. I don't know whether it will work out or not. I hope it does.

The Chairman. It is primarily business, isn't it? Your interest in Skiatron has a main purpose, namely to make money.

Your possibility of getting a share of that corporation is to make money, isn't it?

Mr. O'Malley. That's true.

The Chairman. Wouldn't that be business?

Mr. O'Malley. I have never said that baseball was not a business.

I think it is sort of a silly business but it is business anyway.

The Chairman. You wouldn't be objecting to that aspect, be subject to the antitrust laws?

Mr. O'Malley. At that time I think I would probably have to face that problem and say well, I guess maybe they have got something.

bd96 But I don't think we should put the cart before the horse.

Mr. Keating. The Chairman has been asking you would you like to have it or would you be objecting to it. You have answered it very candidly that as a selfish matter you would probably like to have all activities of baseball out from under the antitrust laws.

Mr. O'Malley. Sure.

The Chairman. So would DuPont Company and General Motors.

Mr. O'Malley. There is a big difference though. I have to get in the World Series to stay in the black, they don't.

Mr. Keating. You call it a silly business, I call it a unique business.

Mr. O'Malley. Yes.

Mr. Keating. If you and other teams got together and made an agreement as to the precise amount that you were all to get out of Skiatron or some others the TV contract and acted in concert, you would agree in all candor that you should be just as much subject to antitrust laws in that kind of a transaction as your U. S. Steel or General Motors.

Mr. O'Malley. If we ever get to the point where we make as much money as U. S. Steel or General Motors or DuPont, I'd be the first one to say you have got something there,

b697 put us in under it.

The Chairman. In other words you figure the principal depends upon the amount of money you earn, is that it?

Mr. O'Malley. I think there is a great deal to it from the sense of is this a business that is oppressing our citizens?

Is it having an adverse effect on the economy of our country? Is this something that is shocking or repugnant to the point where Congress or the Courts or somebody should step in? Is this in dollars really a big business or is it just one that happens to be going along and for one year it is in the red, another year it is in the black. I don't see anybody being oppressed or hurt by baseball.

Yet I freely admit that many aspects of baseball are business. But the players show that they are not being hurt.

The Chairman. The antitrust laws don't only apply to big business. They apply to all business, big or small, depending upon the restrictions and the covenants that exist between businessmen and the operations of business.

Mr. O'Malley. But business have been exempt from those laws. You have exempted the railroads from those laws.

The Chairman. They have only been exempted when they are regulated, when there is government regulations.

Mr. O'Malley. We don't want you to regulate us.

The Chairman. Excuse me, only when there is a board or

bd98 commission set up to regulate them. That is the only time that we exempt it and under antitrust laws, do you see what I mean?

Mr. O'Malley. I see what you mean, I do think this, I am proud of those figures.

Frankly I didn't know how they would stack up with the other clubs because I had never had any idea, had never in my life seen what the other clubs have.

But I can analyze those figures for you and I think I can maybe disillusion you a little bit and also deflate myself a bit.

When I sold Montreal for a million dollars and Brooklyn for three million and Fort Worth for a million, Mr. Chairman, all I did at that time was to pick up in 50 cent dollars the result of an inflationary period.

Now we didn't make very much money on it. We had over \$800,000 in Fort Worth. There are 22 acres of land in a very prosperous growing section of our country where even real estate values are going up very sharply. When I sold that for a million dollars, that was not a windfall. When I sold Ebbets Field where we have been since 1913 for about the amount of money that the land and the brick and the steel and everything else that went into the cost, I didn't make a windfall on that.

But I had had the benefit over the years of the annual depreciation on the improvements, you see. In Montreal

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we were there a good many years. We bought that originally and I am just doing this from memory, I would say at around \$500,000.

It so happens now that the property is not well located for baseball but it is very well located for industry, and they are going to build a new ball park in Montreal.

The city is going to build one. So when I sold that for a million dollars, I didn't make a windfall there, but it sounded like a lot of money to make, and it could really shock you into saying well, gentlemen, this must be big business. Actually all I got was the inflated value of land plus a small capital gains.

Mr. Keating. You don't have to apologize to me for making a profit. I think it is fine.

Mr. O'Malley. I don't intend to, you know.

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The Chairman. Not going to shed any tears because you made a profit?

Mr. O'Malley. No, I know that. On our other figures, the operational figures, in ten years Brooklyn has won 114 more ball games than any other club in the National League. We have won more pennants in the last ten years than any club in the entire history of the national league in any ten year period.

That includes the great McGraw Giants, the great Gashouse Gang in St. Louis. This is a very high record of excellence on the field.

When you are performing that well it means your organization is operating well. Your scouting program is good, your farm program is good, your spring training program is excellent. You have people in your front office who are smart guys, they are not wasting money. Everything is being done as smart and as soundly as it can be.

Yet if you were to take out of those figures the World Series and our pennants, we would be in the red.

Now that is how close it is.

Mr. Maletz. I think you testified, Mr. O'Malley, that you entered into this pilot agreement with Skiatron in April or May of 1957. You don't have to worry about the exact date.

Mr. O'Malley. Right.

cmc 2

Mr. Maletz. I think you also testified, did you not, that subsequently you withdrew from this pilot agreement, that is right?

Mr. O'Malley. That is correct.

Mr. Maletz. I did not quite understand just why did you withdraw from that agreement?

Mr. O'Malley. I think I said very frankly, and I thought when I said it was probably a facetious remark and it might have been meant differently than I intended it, but I think I said that we realized that we were going to be here for these hearings and I preferred not to continue my negotiations in a goldfish bowl.

Mr. Maletz. Are your negotiations continuing as of this time?

Mr. O'Malley. No, but as soon as you think you are through with me I am going to get right back at them.

Mr. Maletz. Were those negotiations predicated on the Dodgers ball games being televised from New York or from Los Angeles?

Mr. O'Malley. The contract itself, interestingly enough, provides for them to be in New York.

Mr. Maletz. My question is this: Are your present negotiations predicated upon the Dodgers staying in New York City or the Dodgers moving to Los Angeles?

Mr. O'Malley. Yes, that is the last contract.

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All drafts of the contract have provided for us to be in New York. It is simple. It is the greatest television market in the world.

The Chairman. It does not provide for the contingency of going to Los Angeles?

Mr. O'Malley. Oh, yes. This as I said is a pilot contract for all clubs, and of course there is a clause in there that provides that the contract would follow the club, should any club move at any time.

Mr. Maletz. Did you discuss this pay TV setup with the other seven club owners of the National League?

Mr. O'Malley. I discussed this matter with all eight of our clubs individually, told them "Here is something I have been working on now, I think it is good. Your club will be playing our club. We have an agreement now that permits us to go into subscription television by paying you 25 per cent.

"If you would care to come in on this too you would have to negotiate your contract, but here are some standard clauses that I have been working on for a couple of months.

"I think they are pretty good. I would like you to use this as the foundation, and I would like you to come in on it if you see your way clear for the reason that when we play you at your home park we are then the visiting club and I would like to get 25 per cent of what you get."

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Mr. Maletz. What reaction did you get from the other club owners?

Mr. O'Malley. One or two of them were skeptical about the overall financing. This seemed just too gigantic to be real, but the others seemed to think that we had better look into it more closely, and if it is good, why let's give it a try.

Mr. Maletz. Is that what they are doing at this time?

Mr. O'Malley. No, at this time I am sure everybody is not mentioning the word until these hearings conclude.

Mr. Maletz. I have no further questions.

The Chairman. You asked me, Mr. O'Malley, that you be privileged to comment upon a statement which I read from Dan Parker, and I am going to read it again and give you that right to comment.

It is as follows:

"It would be interesting for the Congressional Committee to go into the matter of capital gains by the Brooklyn club since it became a medium for making fast bucks. Back in 1944, Branch Rickey bought the 25 per cent share of Dodger stock owned by the Ed McKeever estate for \$240,000. In 1950 he sold it to the O'Malley group for \$1,050,000. About the same time, the group bought the fifty per cent holdings of the Ebbets estate for about \$1,000,000 and now controls 75 per cent of the stock.

The Chairman. Mr. O'Malley?

Mr. O'Malley. May I interrupt, Mr. Chairman, to take it part by part?

I would like to comment on that.

The Chairman. Let me finish and I will give it to you.

"The remaining 25 per cent block, left to Mrs. James Mulvey by her late father, Stephen McKeever, is still owned by the Mulveys. The faction which spent about two million dollars to gain control sold the Montreal ball park for three million dollars and Ebbets Field for five million dollars, leaving them a nice capital gain of about \$5,000,000 for their 75 per cent share. This is quite pertinent to any evaluation of the fiscal situation in the Flatbush home run foundry."

I will give this to you.

Mr. O'Malley. I have already in direct testimony corrected part of it where this article refers to the Montreal sale as three million, the fact is the price was one million.

Where it refers to the Brooklyn sale at five million, the fact is it was three million.

I have explained that it was not a great windfall nor a tremendous capital gain just a few minutes ago. I gave the details on that. As to the stock, it is true that I paid -- he has \$1.5 million, I don't remember whether it is

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a million fifty or \$1,025,000, because Zeckendorf got in there for fifty thousand somehow but it was either one million fifty or \$1,025,000, that is true.

The last statement of our ball club gives the book value at around \$390 a share, so it would appear that after owning this stock for seven years it has only now come up to the price I paid for it, so there is no proper inference of a capital gain under those circumstances.

In other words, I paid a great deal more for the stock than its book value seven years ago, but I did it because I wanted to own the stock in the Brooklyn Dodgers.

The Chairman. Is there any market value on the stock?

Mr. O'Malley. There are always people trying to buy the club. You would be surprised. You have got to shake them out of your office every Monday morning, but they never put up any money. They talk large. There are also many inquiries about five shares for Willie or Joey, my son who is a Dodger fan, but the stock is held very interestingly in three units.

The Mulveys have 25 per cent, Mrs. Smith, the widow of my late and lovely partner John Smith, owns 25 per cent, I own fifty per cent.

The history of the Brooklyn Ball Club over many years was that fifty-fifty makes the Mexican stand off fight that existed between the ~~Evans~~ ^{EBBETS} and the McKeever's so now we have it in two, 25 per cent lots and one fifty per cent lot.

7 While I think I paid at that time a big price, I don't regret it now, but I did want to clear up any inference.

First the figures were erroneous, and second, there have not been those large windfalls.

Then I will just say this: Dan Parker is one of the greatest sports writers, a man of absolute integrity in his profession, and it is just unfortunate this is the sort of an article in a hearing like this that I believe should be corrected when it is put in, and that is why I asked your permission to do that.

Mr. Maletz. Mr. Chairman, bearing on the point that you just made on Mr. O'Malley's testimony, is it correct that you own fifty percent of the stock of the Brooklyn Dodgers?

Mr. O'Malley. Yes.

Mr. Maletz. And is it also true that that stock represents an investment by you of about \$1.4 million?

Mr. O'Malley. The last 25 per cent cost me either \$1,025,000 or \$1,050,000. That is seven years ago. The original stock, and I would have to get help on the date, my biographer ought to know, Mr. Milt Gross was 12 or 14 years ago, something like that.

That 25 per cent cost me I think around \$246,000. At that time the club was not the artistic success it is today.

Mr. Maletz. Therefore your investment is roughly about

\$1.3 million?

cm8

Mr. O'Malley. Something like that. It is more money than I have, incidentally.

Mr. Maletz. Now it is also true, is it not, that for the period 1952 to 1956 the Brooklyn Dodgers showed a net profit after all taxes of \$1,860,744?

Mr. O'Malley. I believe those figures are accurate and I am sort of proud of them.

Mr. Maletz. Therefore since you own fifty per cent of the stock, is it not correct that since 1952 your stock holdings in the Brooklyn Dodgers have returned over 66 per cent after all taxes?

Mr. O'Malley. No.

Mr. Maletz. Explain why not.

Mr. O'Malley. Because everything we have put right back in baseball. I can remember a very interesting discussion with my predecessor, at that time I was vice president.

John Smith and I wanted to spend \$250,000 in some ladies' toilets in Ebbets field. At that time the old-fashioned thought was it is not going to put another customer in the park to have ladies' toilets there.

You know you have to do it today. I bought that writing Wrigley Field out in Los Angeles without even looking at it. When I did go out there to look at it I found there is not a single ladies' toilet in the entire upper deck.

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Now you just don't operate ball parks today without thinking of the comfort and the convenience and the ladies are making up a large number.

I want them to have very comfortable rest rooms. So we would put money back into it, and I heard with some interest Mr. O'Connor's testimony.

Someone said we kill those we love, but I heard him say it costs a million dollars to build a minor league ball park. One of these investments we made with this money that counsel was talking about was the building of a modern ball park.

The Chairman. Mr. O'Malley, I am interested in that answer of course but it is not responsive.

You did earn sixty per cent on your capital investment?

Mr. O'Malley. On paper.

The Chairman. You may have put it back, that is all right and that maybe very creditable. You could have spent it if you wished and drawn it out. The point is you did earn 66 per cent on your investment.

Mr. O'Malley. I won't quarrel with the mathematics.

The Chairman. Divide it by five and it will give you the average.

Mr. O'Malley. I would say that is a very low rate of return on a highly speculative enterprise.

The Chairman. About 13 per cent each year.

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Mr. O'Malley. That is an unlucky number and it is a very low -- I would not buy an apartment house for a 13 per cent return, Mr. Chairman.

The Chairman. Do you in addition to all that receive a salary from the Brooklyn ball club?

Mr. O'Malley. Not in addition to all that because I did not get all that. We put that right back into baseball, but I do receive a salary because I have to eat.

The Chairman. I did not ask that.

You do receive a salary?

Mr. O'Malley. Oh, yes, fifty thousand a year.

The Chairman. I don't ask you this invidiously, Mr. O'Malley. I want you to understand that.

Mr. O'Malley. Right.

The Chairman. You do receive a salary.

What is the salary?

Mr. O'Malley. Fifty thousand a year, Mr. Chairman.

Mr. Keating. I would just like to make this comment, Mr. O'Malley, after your interesting testimony.

When baseball was up here before, some of the committee were hammering baseball over the head because one of the things was that they had too closely a knit eastern group that would not branch out geographically.

Now partially as a result of that hammering over the head as you have testified here, you did branch out.

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Now some of these same people exclusive of Congressman Hillings who is not now kicking, but exclusive of him, some of these same people are now hammering you over the head and saying the fact that you branched out is an evidence that you are big business.

The Chairman. That is ridiculous. I want to brand it as utterly ridiculous and utter nonsense.

Mr. Keating. It has been said.

The Chairman. We are trying to get the facts. We must get the facts. Unless we get the facts we cannot legislate. You can characterize it any way you wish. It is just like water on a duck's back as far as I am concerned.

I just want to get the information from Mr. O'Malley and he has given us a great deal of information which has been very valuable to this committee. In that sense we are very grateful to Mr. O'Malley.

We don't agree with everything that Mr. O'Malley says. I probably will have to take issue on quite a lot of things that he said, but we need to get this information.

Mr. Keating. That is right.

But my point is that I hope that the considerations that caused you to consider a move will now, as long as you have succumbed to it once, that you will now succumb to it again and stay where you are. That is what I hope.

Mr. O'Malley. Do you know, Congressman, that Brooklyn

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is the 27th city to be in the national league, and that there have been 33 cities in the national league?

We tried to bring about a third major league.

We gave Mr. O'Connor's league a separate classification at their request.

We called it the open classification. They were supposed to build better ball parks, to enter into their own scouting, produce their own players, show that they were building up to major league status, that they were not going to have working agreements with the major league clubs.

They were going to show us that in practice this theory was sound. But unfortunately it did not work out that way, and instead of building up to a third major league status for which we provided in the American league and in the National League, the legal basis for it, both leagues also after your last hearings permitted, adopted legislation permitting them to expand to ten clubs.

We have tried very hard to cooperate and we realize that your task is a serious one, but we have been working with you and for the same things.

It is just unfortunate that all of these things do not come out in practice as they sound in theory.

The Chairman. Of course as to the Pacific League, the members of the Pacific Clubs and the Pacific League are practically owned lock, stock and barrel by the big leagues.

cm13

Mr. O'Malley. That is not so.

The Chairman. Except one club.

Mr. O'Malley. Oh, no.

The Chairman. At least they control them.

Mr. O'Malley. Oh, no.

The Chairman. They have got working agreements?

Mr. O'Malley. That is not so, but we provided for a period of no working agreements.

They were to grow right up to major league status, but they were not able to do that, perhaps for economic reasons.

The Chairman. You siphon off from them their best players?

Mr. O'Malley. If you don't you say we are holding the players back, Mr. Chairman, do you see what I mean?

In a farm system it costs you about \$250,000 to bring a boy from his high school graduation and his first professional baseball contract, it costs us about \$250,000 to bring that boy to the major leagues.

Now our whole operation is designed to accelerate the development of that boy to bring him up as rapidly as we can because by keeping him down, we increase the total cost of bringing that boy up.

This year you will find on every single major league club one or more players that we have put through the Dodger organization training base in Vero Beach in the last

seven years, and I think that is a terrific record of producing major league ball players.

The Chairman. There are no further questions.

Thank you very much. You have been very patient and you have been a very telling witness I can assure you.

Mr. O'Malley. May I run the risk of spoiling it all by asking permission to say for one minutes something I really meant to get in earlier about a stadium.

Mr. O'Connor testified that the cost of stadiums are prohibitive and you cannot build a minor league one for less than a million dollars.

Five years ago I wanted to disprove that statement which was generally accepted in baseball that it costs 125 to 150 dollars a seat to build a minor league stadium, and I built in a little community of only 5,000 people entirely at our own cost a 5,000 seat stadium that is all concrete reinforced with steel wire.

It is the most beautiful minorleague stadium in the country, and I built it for 38,000 dollars, less than eight dollars a seat, so you don't have to spend a million dollars if you have a little imagination and you are willing to take a risk with your own money.

Thank you for your courtesy, gentlemen.

The Chairman. Mr. Stoneham, the hour is late and you are tired and we are tired.

Cantor

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I wonder if we could not make some arrangement with you to return at some future time.

We will resume our hearings July 10, and either that day or soon thereafter perhaps we can arrange to have you come down.

Mr. Stoneham. July 10 is the All-Star game period.

The Chairman. Maybe soon after that.

We can probably get in touch with Mr. Porter or somebody or with you.

It is very late and we are all tired and I am sure you understand that.

Thank you very much.

We will now adjourn until July 10.

(Whereupon, at 5:25 p.m. the committee adjourned, to reconvene Wednesday, July 10, 1957.)