

RKO has existed in a number of different forms, starting as a theatre chain and film booking agency, metamorphosing into a full-scale Hollywood production studio, changing into a broadcasting company with accompanying film library, and finally back into a film production company.

RKO was formed in 1929 from the merger of the Keith-Albee-Orpheum (KAO) theater chain located mostly in New England, the Film Booking Office (FBO), Pathé, and became an operating division of the Radio Corporation of America (RCA). Joseph Kennedy, President John F. Kennedy's father, had bought the basis of FBO in 1925, added the Keith-Albee-Orpheum chain, and then sold 25% of his companies to RCA in 1927. Kennedy quickly sold the remainder of the company to RCA and the merged companies became Radio-Keith-Orpheum.

RCA purchased its way into the motion picture business to have an outlet for its new variable density optical sound-on-film system, RCA Photophone. All of the major studios and their theatre divisions had already signed exclusive contracts to use the other sound-on-film system, AT&T Western Electric division's Westrex variable area optical sound-on-film system. The term "RKO Radio Pictures" was to mark the ownership by RCA.

In the 1930s RKO churned out movies at the rate of forty per year as RKO Radio Pictures, and signed a distribution deal with The Walt Disney Company in 1930 that would last into the 1940s. The studio produced films with Katherine Hepburn, Cary Grant, Orson Welles, Johnny Weissmuller, Robert Mitchum, Bette Davis, John Ford, George Cukor and Alfred Hitchcock. Titles produced include King Kong, Citizen Kane, It's a Wonderful Life, Suspicion, The Hunchback of Notre Dame, "Hitler's Children" The Bells of St. Mary's, The Best Years of Our Lives, The Magnificent Ambersons and a slew of Fred Astaire-Ginger Rogers musicals. During the Great Depression the studio suffered and was not very profitable, but made a comeback in the 1940s.

In 1948 a majority of RKO's stock was bought by Howard Hughes. During his tenure as owner the previously resurgent RKO suffered from Hughes' meddling and constant Communist red-hunting within the studio's staff. Hughes would shut down production for weeks or months at a time for various reasons. He ended his RKO association by selling the company to the General Tire and Rubber Company in 1955 for \$25 million.

General Tire already owned several broadcasting interests, having purchased New England's Yankee Network in 1943 from Shepard Stores of Boston, and adding General Teleradio (formed by the merger of the Don Lee Broadcasting System and Bamberger Broadcasting Service in 1950) in 1952. Thomas O'Neill, son of General Tire's founder William O'Neill and chairman of its broadcasting holdings, needed programming for its non-network affiliated TV stations and expressed a desire to own a film library. RKO became available at the perfect moment to fulfill Mr. O'Neill's goals.

General Tire was not interested in operating the studio production lot, so it sold the physical assets of RKO to Desilu Productions in 1957 for \$6 million. At this point, RKO ceased film production entirely. The former RKO lot would be operated by Desilu until 1966, when Desilu was acquired by Gulf+Western and merged into G+W's Paramount Pictures unit to serve as the Paramount Television studios. It remains Paramount Television's production center to this day.

Under General Tire the merged company was first dubbed RKO Teleradio Pictures, Inc. in 1956, then RKO Teleradio Inc. in 1957, and finally settled on RKO General in 1958.

RKO General had large radio and television holdings including KHJ Los Angeles, KFRC San Francisco, WHBQ Memphis and WOR New York before a series of scandals involving illegal activities brought about forced divestiture of the stations starting with WNAC-TV Boston (now WHDH-TV) in 1982 and ending with KHJ-TV Los Angeles (now KCAL-TV) in 1989.

The saga began in 1962 when the license for KHJ-TV 9 Los Angeles was challenged. During the FCC comparative hearings accusations of secret contracts requiring General Tire retailers to advertise with RKO stations in their market and not to reveal the connection were made. The RKO General and General Tire executives who testified before the Federal Communications Commission rejected the accusations and the license was renewed without any direct documentary evidence of the offenses.

It would have ended there, but the next license to be challenged was for WNAC-TV 7 Boston, Massachusetts in 1969. During the discovery process for the hearings on WNAC-TV at the FCC, it was discovered that the accusations about secret contracts were in fact true and that General Tire had not revealed that information to the FCC when it was discovered by the company. Under FCC rules, those actions alone warranted RKO General being found to be unfit to be an FCC licensee, but RKO then fought the license revocations for another 10 years and committed a number of other legal offenses during the process. The actual loss of licenses started with WNAC-TV on May 22, 1982 (becoming WNEV-TV) to New England Television and ended with the loss of KHJ-TV in 1989 to The Walt Disney Company. It was the largest loss of licenses by any American broadcasting company in the history of American broadcasting.

RKO's license for WNAC-TV Boston was lost, with RKO only recouping the sales price of the physical assets of the station instead of the usual value of good-will of a broadcast license. The FCC forced RKO to sell each of its other stations in turn solely for physical asset value of each station, not for full market value. The loss in value to RKO and its

GenCorp shareholders could be measured in the billions of dollars, since the value of TV stations in major markets topped \$500 million in the 1980s.

One other interesting item is the legislative maneuver RKO General attempted to keep at least one of its licenses. At the behest of General Tire, the United States Congress passed a law that would require the FCC to automatically renew the license of any VHF television station that voluntarily relocated to the State of New Jersey. At that point, RKO General officially moved WOR-TV's license from New York City to Secaucus, NJ. However it only gained enough time for one more license renewal, and the license for WOR-TV was lost to the MCA's Universal Studio division in 1987, becoming WWOR-TV Secaucus.

In the middle of the RKO General legal process the parent company reorganized into a holding company, becoming GenCorp in 1984. General Tire and Rubber became an operating division, as did RKO General.

RKO General was spun off by GenCorp in 1987, and renamed RKO Pictures in 1989 when it was acquired by Dina Merrill and Ted Hartley with the intent of once again producing motion pictures.

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