WHAS Bidding

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evidence as to its financial ability to build and operate WHAS-TV. This suggestion came when it developed that Avco Mfg. Corp., Crosley parent, had signified plans to lend Crosley enough money to buy WHAS but had made no comparable commitment with respect to construction of WHAS-TV.

Crosley spokesmen said they felt additional evidence was unnecessary but that they would supply it. Mr. Shouse testified that Crosley's total assets amounted to $4,453,001 while those of Avco and all its subsidiaries aggregated $89,833,443, as of last Nov. 30.

Discussing sale of the WHAS interests, Mr. Baker said book value of the stock being transferred is $391,954 and that the replacement cost of the equipment was estimated at $751,615 in 1947. The latter figure, he said, does not include $215,000 in leasehold improvements made by WHAS in connection with the new quarters, or some $84,000 which has been spent on equipment.

Mr. Baker estimated that the adjusted sales price will be approximately $1,825,000 as of mid-March. The contract also provides for Crosley to lease space in the new *Courier-Journal* building for 10 years at $75,000 a year. Failure to get the TV grant extended would have no bearing on the sale contract.

Mr. Baker said the net worth of WHAS Inc., licensee of the radio properties, is $391,000 of which $51,000 is cash. WHAS earnings in 1947 were $139,711 before taxes and $84,262 after; in 1948, $253,772 before and an estimated $162,572 after. The radio and newspaper properties and the commonly owned Standard Gravure Co. have combined current assets of $2,014,885; current liabilities of $1,099,622, and net current assets of $915,263, Mr. Baker reported.

He attributed the decision to sell the radio stations to a desire of Mr. Bingham for "complete financial self containment." The $6,000,000 bond issue for construction of the new building is twice what had been expected in original planning, and in itself violates a 30-year family tradition, Mr. Baker reported. Complete ownership and control of their properties has been "almost a fetish" with Mr. Bingham and his father, the late Judge Robert Worth Bingham, he asserted, explaining that sale of the WHAS stock "provided a means of making a substantial reduction in the amount of . . . outside financing."

In his discussion of the Crosley interests, particularly the operation of clear-channel WLW, Mr. Shouse said the company's new FM stations at Columbus and Dayton would duplicate the programs of Crosley's Cincinnati FM outlet, which itself duplicates WLW programs.

He also disclosed hopes that Crosley's WINS New York would achieve its authorized 50 kw nighttime operation "sometime this summer." The technical problems which have stood in the way, he said, have been "pretty well licked."

Alien Owners Factor

The question of aliens' interests in Avco, the owner of Crosley, came in for extended discussion after it was brought out that a survey of stockholders, made by Avco's transfer agents, indicated 2% is owned by aliens, 67% by U. S. citizens, and 31% by U. S. residents whose citizenship is not known (they didn't reply to questionnaires). FCC counsel noted that when Avco acquired Crosley in 1945, 1.24% of the stock was listed as alien-held and 79% by U. S. citizens.

Robert E. Dunville, Crosley vice president and general manager, took the stand Thursday afternoon to discuss WLW merchandising operations and advertising standards. His testimony was slated to continue Friday (see story, page 90). Technical testimony relating to the question of signal overlap between WHAS and WLW—and whether it is sufficient to justify FCC invoking its duopoly ban—probably will highlight this week's sessions.

Mr. Bingham was the first WHAS witness, testifying principally on the history, policies and goals of the stations operations.

Mr. Sholis, WHAS director, presented a detailed series of exhibits ranging from background information on past WHAS operation to a pictorial review of new construction progress. He explained that the delay in TV construction stemmed from the many delays in the construction of the new building, planned during the war and begun in January 1946. It was to have been completed within two years, he said. He reviewed WHAS' interest in television since its first application for a station in the late 1920s as well as technical and other difficulties encountered since the video permit was granted.

Mr. Sholis testified that investment in building plant for TV totals $275,000 to date. Mr. Towner stated that his revised estimate of investment in TV by date of operation will total some $306,712 and that additional sums would have to be spent soon after for additional equipment as operation expanded. Some $50,000 already has been spent in equipment over the figure quoted for current building plant investment, it was said.

The WHAS representatives pointed out that it was not possible from a business, operational or practical standpoint to put the TV construction ahead of the AM-FM move because of the integrated set up in the new building. It also was pointed out that even if additional construction time were denied WHAS and the facilities awarded some other applicant, the commencement of a second TV service in Louisville would be delayed even longer. WAVE-TV is now operating there on Channel 5 (76-82 mc).

Upcoming

March 15-17: Radio Manufacturers Assn. spring conference, Stevens Hotel, Chicago.

March 16: FCC Hearing on G. A. Richards' news policies, Federal Bldg., Los Angeles.

March 17-18: Fifth Advertising and Sales Promotion Conference and Second Television Seminar. Ohio State U., Columbus.

March 23-25: Assn. of National Advertisers spring meeting, The Homestead, Hot Springs, Va.

March 26-27: Mississippi Broadcasters Assn. meeting, Gilmer Hotel. Columbus, Miss.

April 1: FMA Clinic on FM Time Sales, New York.

April 1: U. S. National Commission for UNESCO, second national conference, radio sessions, Cleveland Auditorium, Cleveland, Ohio.

April 4-8: Society of Motion Picture Engineers annual convention, Hotel Statler, New York.

April 6-8: AAAA convention, The Greenbrier, White Sulphur Springs, W. Va.

April 6-13: NAB Convention, Stevens Hotel, Chicago (April 6-9, Engineering sessions; 10, NAB unaffiliated stations conference; 11-13, Management sessions).

PARAMOUNT

Radio, Video Interests Definitely Split

PREDICTIONS that Paramount Pictures' radio and television interests would be divided [BROADCASTING, Feb. 14] were confirmed last week with official disclosure of terms of the anti-trust consent decree designed to split the film firm into two separate companies.

WBKB (TV) Chicago, licensed to the Paramount subsidiary Balaban & Katz, will go to a firm to be known as New Theatre Co., it was reported, while KTLA (TV) Los Angeles, licensed to Paramount Television Productions, and Paramount's 29% interest in Allen B. DuMont Labs will go to a second new firm, New Picture Co.

Presumably Balaban & Katz's WIBK (FM) Chicago and other Paramount radio and television interests and applications will also go to the new theatre concern, with the exception of a San Francisco TV application. These other interests include 25% of WSMB New Orleans, 50% of a firm applying for AM in Atlanta, 10% of one in Hot Springs, and television applications for Detroit, Boston, Tampa, and Des Moines.

In television, each of the new firms presumably would be allowed five stations, whereas Paramount now has that maximum if FCC makes final its proposed finding that the film company controls DuMont.

DuMont owns WABD (TV) New York, WTTG (TV) Washington, and WDTV (TV) Pittsburgh and is applying for Cincinnati and Cleveland. Both Paramount and DuMont are fighting FCC's holding that the film company controls DuMont.

Terms of the Paramount consent decree, which would terminate the government's anti-trust suit against the company, were revealed by the Justice Dept. The department and the Paramount board have agreed to the terms, which must also be approved by the company's stockholders and the New York District Court. The stockholders' vote is slated for early April.

Under the decree, Paramount would be divided into two separately owned companies. One would produce and distribute films and the other would operate theatres. About 800 of Paramount's present 1,450 theatres would be sold, however.

Stock of the new theatre company will be placed in the hands of a voting trustee which under court supervision will administer trust provisions designed to insure separate voting control of the two new firms by the end of five years. Paramount stockholders will be issued shares of stock in the new picture company and certificates of interest in the new theatre firm.

The certificates may not be converted into stock in the theatre company, however, until the owners certify they own no stock in the picture company. If by the end of two years 51% of the stock of the new theatre concern has not been released from the trust, the trustee shall retain 100% for all dividends due persons who have not yet converted.