

DUMONT MAKES PLEA ON CONTROL RULING

PLEA that the FCC change its decision holding that Paramount Pictures controls Allen B. DuMont Labs. was made last week by the New Jersey electronics firm in a petition for reconsideration.

It is believed that DuMont is preparing to take its case to court if the Commission refuses to alter its position.

Last February when the FCC decided the multi-faceted Paramount case, it overruled the examiner's initial decision in only one respect: The Commission held that Paramount controls DuMont by virtue of negative control over some

corporate actions and potential affirmative control over all phases [B•T, Feb. 16].

Paramount Pictures owns all of DuMont Class B stock and 2.4% of its Class A stock. Through its Class B ownership, Paramount elects three of the eight directors and appoints the DuMont secretary, treasurer and assistant treasurer.

Basic in DuMont's request for a new ruling is its position that Dr. DuMont dominates the company's policies in practice. It said the Commission was "unreasonable and unwarranted" in finding that Paramount controlled DuMont. The evidence showed, it said, that there have been differences of opinion between Dr. DuMont and his associates and Paramount over (1) issuance of additional Class A stock, (2)

the depressed TV set sales market in 1951, and (3) payment of a dividend. DuMont also claimed that Paramount President Barney Balaban's request for a "partnership" relationship was turned down by Dr. DuMont.

Reference was also made by DuMont to the competitive aspects of both its activities and Paramount's (DuMont manufactures cathode ray tubes and Paramount has a 50% interest in color tube maker Chromatic Laboratories Inc.; DuMont Television Network competes with Paramount's syndicated kinescope recordings; DuMont manufactures home TV receivers, while Paramount has a half interest in subscription TV promoter International Telemeter Co.).

DuMont also attacked what it called the Commission's "inferences" regarding (1) Paramount's board representation, reduced from equal membership to three as against Class A representation of five; (2) Paramount's right to elect fiscal officers, which it called purely "ministerial" functions; and (3) the selection of Mr. Balaban and Paramount executive Edward K. Weisl to the DuMont board.

The right of Paramount to veto certain DuMont corporate acts must be judged against the actualities, DuMont said. It also claimed that the Commission's attitude toward DuMont has harmed the development of the DuMont Television Network by prohibiting DuMont from owning more than three stations up to the present.

Newspaper Antitrust Appeal Cites Radio-TV Competition

RADIO-TV situation in New Orleans was cited as one reason newspapers should be permitted to charge combination advertising rates for morning and evening newspapers under the same management in argument before the U. S. Supreme Court last week.

The Court heard an appeal by the New Orleans Times-Picayune Publishing Co. from an antitrust conviction last year. Basis for the conviction was that the firm required classified advertisers to buy space in both the morning *Times-Picayune* and its sister newspaper, the evening *New Orleans States*.

Combination charges are one of the principal means whereby newspapers may combat magazines and radio-TV, John C. Cahill, attorney for a group of newspapers, argued. Intervening as a "friend of the court," Mr. Cahill pointed to New Orleans, with one TV and 16 radio stations. He noted New Orleans was due for six more TV stations:

KSTP, Business Group File For St. Louis Vhf Ch. 4

MUCH sought after vhf Ch. 4 in St. Louis received another applicant late last week as the new Missouri TV Co. filed application with FCC. New TV company is made up of KSTP Inc., St. Paul, and St. Louis businessmen.

Stanley Hubbard, president, KSTP St. Paul, is president, Ethan A. Shapley (2%), vice president, and William T. Jones Jr. (1%), insurance agent, St. Louis, secretary. Directors include Claude Siems, Thomas F. Bragg, Russel E. Gardner Jr. (1.6%), investment banker, and Edmund T. Allen, president, First National Bank, Clayton, Mo. KSTP Inc. owns 50% of Missouri TV Co.

Application makes request for ERP of 100 kw visual, 60 kw aural, antenna 541 ft. above average terrain.

Other applicants for vhf Ch. 4 in St. Louis are KXOK Inc. [B•T, July 7, 1952], KWK Inc. [B•T, July 7, 1952], Meredith Engineering Co. [B•T, Aug. 18, 1952], and CBS Inc. (KMOX) [B•T, Oct. 20, 1952].

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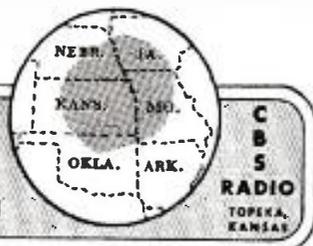
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