

York Friday morning. Action followed preliminary approval of the terms by the Westinghouse board of directors at a meeting Wednesday in Houston. Promptly after the authorization for the acquisition, which is subject to usual FCC approval, E. V. Huggins, vice president of the parent Westinghouse company and chairman of WBC, and Chris J. Witting, president of WBC, left for New York to close the transaction with the DuMont principals.

There were several points to be cleared, it's understood, and these were handled at the Friday session in New York. Transfer applications will be filed with the FCC this week.

WDTV will continue as a DuMont affiliate under a contract to be consummated upon transfer of the station following FCC approval, Dr. Allen B. DuMont, president of DuMont Labs, reported.

In a letter to DuMont Labs stockholders, sent coincident with the joint announcement by himself and Westinghouse Electric Co. President Gwilym A. Price, he also pointed out that WDTV has been profitable even though DuMont has suffered "substantial" overall broadcasting losses each year.

He also told the stockholders that the sale

not necessarily along conventional lines was emphasized following the Pittsburgh transaction. But it was also evident that the DuMont operation would be systematically curtailed as to cable and relay facilities, new live programming and general overhead expense.

DuMont plans to continue operation of its remaining owned stations—WABD (TV) New York and WTTG (TV) Washington—it was learned, and also is contemplating additional owned and operated outlets in both uhf and vhf. "We will be making some acquisitions," a spokesman said.

But it was reiterated that DuMont will still be a network and will still offer programs but possibly upon unorthodox lines.

Mention was made of a "mechanical invention" by DuMont but officials declined to elaborate on it. One spokesman would say only that it constituted a device for recording that is comparable to film (presumably using the DuMont two-camera innovation) which would permit transmission of programs to affiliates with an "extreme reduction in time" as compared to films made for tv.

Notification by CBS that it was cancelling its longtime affiliation with WEWS Cleveland

A hearing on the transfer is asked. Transfer of control back to Hudson Valley Broadcasting Co.'s former owners is sought.

WTRI argued that approval of the WROW-AM-TV sale to Messrs. Thomas and Smith will eliminate competition for CBS-TV affiliation just as though CBS itself were licensee, with WTRI losing CBS programs. FCC rules, policies and precedents are violated, especially those dealing with chain broadcasting, multiple ownership and competition, it is charged.

The petition said the purchase of 83.45% of Hudson Valley stock represented a cost to the buyer of \$112 per share, with the balance sheet showing a net worth giving the stock a value of no more than \$60 a share. Tying in losses of \$10,000 a month on tv, the value of stock was much less than \$60, it was charged.

In its petition, WTRI said, the buyers refused to disclose, as required, that Mr. Thomas' principal job is as a CBS Radio commentator or that Mr. Smith's main job was as business manager for Mr. Thomas.

WTRI contended the buyers and CBS had a "secret understanding" that WROW would get the CBS affiliation now held by WTRI if the sale were approved. The Thomas-Smith control in effect gives CBS control of the station, it is argued. In addition, it is stated that WTRI made studies showing how ch. 10 might be dropped in the area, revealing the data to CBS in confidence. WTRI contended CBS then entered into a secret understanding with the buyers offering a basic two-year affiliation if they secured control. WTRI claimed it will suffer serious economic losses if it loses the CBS affiliation.

Going into the anti-trust angle, WTRI said the CBS-Thomas relationship and their understanding "constitute together a tying agreement in violation of the Sherman and Clayton acts."

The CBS "monopoly power" is declared by WTRI to limit its right to select its affiliates, exclusion of WTRI amounting to a violation of Sec. 2 of the Sherman Act. The chain broadcasting rule governing term of affiliation is violated, WTRI charged, along with the requirements for full disclosure. The brief was filed by Paul A. Porter and George Bunn, of Arnold, Fortas & Porter, on behalf of Harry C. Wilder, president of WTRI.

Steubenville Protest

WJAS Pittsburgh moved in its petition that FCC dismiss the WSTV-TV application to move its main studio from Steubenville, Ohio, to Florence, Pa., and to move transmitter-antenna site from a point 1.3 miles south of Steubenville to a site 3½ miles from the business center of Pittsburgh, as well as to increase power and change equipment.

The WSTV-TV application is contingent on FCC approval of the \$3 million transfer of the station to CBS Inc. WJAS is an applicant for ch. 11 in Pittsburgh.

It was recalled by WJAS that WSTV Inc. in the tv rule-making proceedings had argued on behalf of allocation of ch. 9 to Wheeling-Steubenville; that allocation of the channel to Pittsburgh would deprive Steubenville of an outlet for local expression; that Sec. 307 (b) would not be met by allocation to Pittsburgh, and that the section required allocation to Wheeling-Steubenville.

FCC agreed with this argument, it was added. The present application of WSTV-TV is described "as an abortive attempt to maneuver under an erroneous interpretation of the Commission's rules so as to bring about a removal of ch. 9 from Wheeling-Steubenville to Pittsburgh, contrary to the Commission's decision in the Sixth Report and Order."

The petition was filed by William A. Porter, of Bingham, Collins, Porter & Kistler.



PRINCIPALS involved in highest-priced station transaction in history were (l to r): Allen B. DuMont, president of Allen B. DuMont Labs; Ted Bergmann, director of DuMont Tv Network; Chris J. Witting, president of Westinghouse Broadcasting Co., and E. V. Huggins, vice president of parent Westinghouse and chairman of WBC.

represents "one of the steps necessary to (1) making more working capital available and (2) putting your company in position to capitalize on profit opportunities in our research, development and manufacturing operations." [For third quarter report of Allen B. DuMont Labs, see page 90.]

Westinghouse President Price called the purchase "gratifying for Westinghouse," whose headquarters is in Pittsburgh.

President Witting of Westinghouse Broadcasting Co., radio-tv subsidiary which will operate the station, called WDTV "the most valuable single television station property in the nation" and said Harold C. Lund, general manager of WDTV, "will continue, of course, to be in complete charge." He said "one principal Westinghouse consideration" in the purchase was WDTV's ch. 2 assignment.

Mr. Witting said WBC "expects to grow to the maximum size as a tv station operator." WDTV becomes its fourth tv property. Others are WBZ-TV Boston (ch. 4), WPTZ (TV) Philadelphia (ch. 3) and KPIX (TV) San Francisco (ch. 5). WBZ-TV and WPTZ (TV) are NBC-TV affiliates; KPIX is on CBS-TV. Westinghouse is also an applicant for ch. 8 Portland, Ore. An initial decision has favored another, North Pacific Television Inc.

WBC's radio properties are WBZ Boston, KYW Philadelphia, KDKA Pittsburgh and WOWO Fort Wayne, all NBC Radio affiliates, and KEX Portland, Ore., an ABC outlet.

Mr. Witting said the FCC would be asked for permission to change the WDTV call letters to KDKA-TV.

That there will be a DuMont network but

brought no quotable comment from Scripps-Howard. The station, operating on ch. 5, has been affiliated with CBS since 1947 when it was the only commercial tv operation in the area. The letter from CBS-TV Station Relations Vice President Herbert V. Akerberg recited that the cancellation would be effective in 90 days or as of March 1, 1955.

While no formal announcement was made by Columbia, it was believed that on that date the affiliation would shift to ch. 8 WXEL, acquired by Storer in the \$8.5 million-plus Empire Coil transaction, approved by the FCC Oct. 27.

Storer also has acquired WJW Cleveland, now affiliated with ABC. A CBS spokesman said no cancellation notice had been sent to WGAR, its longtime am affiliate in Cleveland, and there was no present indication renewal would not be offered when the March 31 contract expiration date approaches.

Other Storer stations with CBS affiliations include WGBS-AM-FM Miami; WSPD-TV Toledo; WJBK-TV Detroit; WAGA-AM-TV Atlanta; WBRC-TV Birmingham; WWVA Wheeling.

It is expected WEWS will affiliate with ABC-TV and possibly also with DuMont. WXEL is present outlet for ABC and DuMont.

In charging that CBS was rewarding Lowell Thomas as "a valuable member of the CBS organization," WTRI contended this fact was not revealed, along with "secret" affiliation understandings involving WROW-AM-TV. Citing a long list of items, WTRI asked FCC to set aside the approval of the WROW-AM-TV sale to Mr. Thomas, Frank M. Smith, his business manager, holding control of the property.