

that if WBC and the network could not come to terms, NBC would acquire another station in the Philadelphia area on which it would put NBC programs, leaving WPTZ to affiliate with ABC.

The "swap" contract, signed May 16, 1955, approved by the FCC in December and consummated in January 1956, involved trading of WBC's WPTZ (TV) and KYW Philadelphia for NBC's WNBK (TV) and WTAM Cleveland, with WBC getting \$3 million difference—based on an estimated \$600,000 annual differential in earning power between the two properties for five years.

Mr. McGannon made his statements after being questioned on his suggestion that a network's functions in operating a programming service to stations and as an entity engaged in acquisition or upgrading of owned stations be separated. Mr. McGannon had no general or specific idea on how this should be done, but thought it should be considered.

The WBC president said he did not believe NBC affiliation with other WBC properties was a factor in the swap negotiations. Although WBC bought KDKA-TV Pittsburgh during the NBC-WBC negotiations, he said, KDKA-TV does not even have an option time agreement with NBC, although it "ultimately" intends to become a full NBC affiliate, when Pittsburgh has additional vhf outlets. As for WBC's WBZ-TV Boston, the NBC affiliation there was continued as a matter of course, without entering into the negotiations, he said.

Mr. McGannon said that although his firm likes the Cleveland market and thinks its new stations there are having success, Philadelphia, on the other hand, was WBC's top market. He said WBC had assigned a valuation of almost \$5 million on WPTZ's NBC affiliation in pur-

chasing the station in the summer of 1953 for \$8.5 million. At that time the NBC affiliation had six months to run and NBC indicated it would renew and did renew Jan. 1, 1954. NBC-WBC negotiations for the swap began in September 1954, nine months after renewal of the affiliation, Mr. McGannon said.

The WBC executive told Sen. John O. Pastore (D-R. I.), presiding, that he feels networks should be allowed to own stations—subject to the limitations he suggested—because owned station revenues help support the financial risks of operating a network, that being a licensee of stations helps a network in understanding the problems of all stations and because there are no "compelling" reasons why a network should not own stations.

Mr. McGannon said that WRCV-TV and WRCA-TV New York have coverage overlap in their grade B contours, but not in grade A contours, the latter prohibited by FCC regulations.

Questioned by Sen. John W. Bricker on whether networks should be licensed, Mr. McGannon said network regulation would set up standards of programming and thus, censorship; that under regulation networks would be uncertain of their future and this would affect their ability to attract capital; that "fundamentally," a network is a program service and no suggestion has been made that other program sources be regulated; that government supervision would destroy their creative functions.

John W. Steen, WBC attorney accompanying Mr. McGannon, was asked by Sen. Bricker whether he felt an amendment of the Communications Act, providing for government regulation of networks, would be sustained by the courts. Mr. Steen said he thought there was no question the courts would sustain such an amendment.

Seven Station Sales Get Approval by FCC

Triangle gets WNHC-AM-FM-TV for \$5.4 million, Cowles WHTN-AM-TV for \$635,000. Others bring total to \$7 million-plus.

SEVEN major station ownership changes were approved by the FCC last week—with the total bill amounting to over \$7 million. Among the seven were the \$5.4 million sale of WNHC-AM-FM-TV New Haven, Conn., from Aldo DeDominicis and Patrick Goode and associates to Triangle Publications Inc., and the \$635,000 sale of WHTN-AM-FM-TV Huntington, W. Va., from Sol J. Hyman and family to Cowles Broadcasting Co. Other sales approved involved KGIL San Fernando, Calif., WCMI-AM-FM Ashland, Ky., KLYN Amarillo, Tex., WKBS Mineola, N. Y., and WAAB Worcester, Mass.

Acquisition of the WNHC properties marks Triangle's fourth purchase in the last year and places it in the top bracket of station ownership. Triangle already owns *Philadelphia Inquirer*-WFIL-AM-FM-TV Philadelphia, WNBFA-AM-TV Binghamton, N. Y.; WFBG-AM-TV Altoona, Pa., WLBR-TV Lebanon, Pa. (subject of protest hearings), and 50% of WHGB Harrisburg, Pa.

In this purchase, Triangle (Walter H. Annenberg and family) is acquiring the pre-freeze ch. 8 New Haven outlet, affiliated with ABC and supplementary CBS-TV. The am station operates on 1340 kc with 250 w, and is affiliated with ABC.

WNHC is currently leading the protest against FCC approval of the sale of uhf stations WGTH-TV Hartford to CBS and of WKNB-TV New Britain to NBC.

With the purchase of WHTN-AM-FM-TV, Cowles Broadcasting Co. raised its broadcasting interests to five tv and four radio properties. Cowles stations are KRNT Des Moines and KVTV (TV) Sioux City, both Iowa; WNAX Yankton, S. D.; 60% of KRNT-TV Des Moines; 47% of WCCO-AM-TV Minneapolis-St. Paul (through Minneapolis Star & Tribune Co.); 80% of KTVH-TV Hutchinson-Wichita, Kan. (through Minneapolis Star & Tribune Co.). In addition, Cowles properties include *Des Moines Register* and *Tribune*, *Look* magazine and *Minneapolis Star* and *Tribune*.

Ch. 13 WHTN-TV began operation in October 1955 and is affiliated with ABC-TV. WHTN, on 800 kc with 1 kw daytime, went on the air in 1947 and is an MBS affiliate.

Sale of KGIL San Fernando, Calif., by William Dolph, Herbert Pettey, Howard Gray and associates for \$475,000 cash is to Texas evangelist Dr. Pierce Brooks. Dr. Brooks, from Dallas, owns several insurance companies. He has used radio in his ministry.

Independent KGIL went on the air in 1947. It operates on 1260 kc with 1 kw.

WCMI-AM-FM Ashland, Ky., passes from Gilmore Nunn and Charles Sawyer to George H. Clinton for \$165,000. Mr. Sawyer, 70% owner of station, is former Secretary of Commerce in President Truman's cabinet. Mr. Clinton is general manager of WBLK-AM-TV Clarksburg and WPAR-AM-FM Parkersburg, both W. Va., serves as NARTB Third District director, and owns 40% of WTMA Charleston, S. C.

CBS-affiliated WCMI operates on 1340 kc, with 250 w.

KLYN Amarillo, Tex., was sold by R. G. Hughes to Kenyon Brown for \$20,000 in notes and a five-year lease on land and buildings at

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| WCDA-B | <i>Albany</i> |
| WAAM | <i>Baltimore</i> |
| WBEN-TV | <i>Buffalo</i> |
| WJRT | <i>Flint</i> |
| WFMY-TV | <i>Greensboro</i> |
| WTPA | <i>Harrisburg</i> |
| WDAF-TV | <i>Kansas City</i> |
| WHAS-TV | <i>Louisville</i> |
| WTMJ-TV | <i>Milwaukee</i> |
| WMTW | <i>Mt. Washington</i> |
| WRVA-TV | <i>Richmond</i> |
| WSYR-TV | <i>Syracuse</i> |

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