

DON LEE SALE

General Tire Bid Sets Record

RECORD-SETTING \$12,320,000 purchase of the Don Lee radio and television properties by General Tire & Rubber Co. and its parlay sale of Don Lee's KTSL (TV) Los Angeles to CBS [BROADCASTING, Oct. 23] are slated to be placed before FCC within a fortnight for approval.

General Tire, owner of Yankee Network, outbid Hoffman Radio & Television Corp. and associates to acquire all stock controlling Don Lee Broadcasting System and KTSL from the Thomas S. Lee Estate, simultaneously announcing the television station would go to CBS.

Terms of the KTSL-CBS transaction were not disclosed. But it was expected that CBS would acquire station equipment at \$300,000 to \$600,000, depending on current appraisals, and would lease space in Don Lee's new \$3 million studio building on a long-term basis—10 to 15 years—and also lease the Mt. Wilson TV site with option to buy.

It was estimated that the \$5 million-plus which the Lee estate already held in cash and quick assets, plus returns from certain other properties to be liquidated, would bring General Tire's actual outlay down to approximately \$6 million, and that about half of this would be borne by CBS through its purchase of KTSL equipment and, primarily, its long-term leasehold arrangements.

The bid was made through the First National Bank of Akron as trustee of the retirement plan for employees of General Tire and certain other subsidiaries, and it was thought the trustee would retain ownership of the studio building and other real estate while transferring all other radio properties to General Tire and TV facilities to CBS.

Jones To Head KTSL

CBS announced that Merle Jones, general manager of KNX-CBS Hollywood and the Columbia Pacific Network, would become general manager of KTSL when CBS takes over. Thomas G. O'Neil, vice president of General Tire and vice chairman of Mutual, said the Don Lee Network and stations will be under the executive management of Willet H. Brown, now Don Lee president.

Lewis Allen Weiss, Don Lee board chairman, who had been expected to remain with the network if the Hoffman group had acquired it, meanwhile expressed his desire to bow out of the organization and asked attorneys for the Lee estate last week to activate the resignation which he submitted July 19.

The Los Angeles Times, 51% owner of KTTV (TV) Los Angeles, said it will acquire full ownership when CBS disposes of its 49% interest in KTTV under FCC's duopoly rules.

Authorities said General Tire will also dispose of one of its stations—KDB Santa Barbara—in conformity with FCC's AM multiple ownership "policy."

Unlike TV, the AM duopoly rule does not specify a maximum number of stations which may be owned by a single entity, but FCC's policy has been to keep the limit at seven. General Tire already owns WNBC Boston, WONS Hartford, WICC Bridgeport, and WEAN Providence in the Yankee group, and is acquiring KHJ-AM-FM Los Angeles, KFRC San Francisco, KGB

San Diego, and KDB in the Don Lee transaction.

Purchase of the Lee interests also gives General Tire another 19% of the stock of Mutual network—in which it already owns about 19%—as well as Pacific Northwest Broadcasting Co., through which the Don Lee Network has 25 affiliates in addition to 16 affiliated stations in California.

Whether General Tire will have to sell its Mutual holdings down to a total of 30%, to meet MBS provisions, will be determined by the Mutual board of directors.

The overall transaction is the largest in radio history, overshadowing the \$8 million gross figure in Edward J. Noble's 1943 purchase of the Blue Network (ABC) and also exceeding the net price of approximately \$6,600,000 involved in the ABC transaction. Mr. O'Neil pointed out that the Lee estate included "substantially over \$5 million in cash and quick assets," which would put the net price at around \$7 million (before further liquidations, including sale of KDB).

On behalf of General Tire, the Washington law firm of Pierson & Ball last week was preparing applications for FCC approval, and expressed hope they would be ready (Continued on page 30)

NETWORK GROSS UP

For August—PIB

ACTIVITY of radio network advertisers during the summer of 1950 continued to show an increase as compared to 1949, according to figures compiled for August and released to BROADCASTING by Publishers Information Bureau. The networks received \$12,561,675 total billing during August 1950, while in the same month last year the gross network time sales were \$12,164,974.

The total network sales of \$121,861,900 from January to August 1950 still lagged behind the \$125,027,864 eight-month cumulative of last year.

Procter & Gamble, perennial leader of radio advertisers, once

more spent over \$1 million during the month of August, while General Mills with expenditures of \$853,178 placed second. Third place was taken by Miles Labs who spent \$696,545 in gross billing and Sterling Drug ranked fourth, with \$562,278. Philip Morris Co. became fifth heaviest advertisers in August, by purchasing \$426,324 worth of radio time.

Among the product groups, the Food & Food Products bought \$3,052,005 in network time, to rank first. General Mills led that group by spending \$853,178 for radio advertising. The manufacturers of Drugs & Remedies bought \$1,896,578 worth of time, to place second

and within their category, Miles Labs was top investor.

Toiletries & Toilet Goods producers ran third with purchases of \$1,752,586, while Smoking Materials and Soaps, Polishes & Cleansers were fourth and fifth, respectively.

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TOP TEN RADIO NETWORK ADVERTISERS FOR AUGUST 1950

1. Procter & Gamble	\$1,240,600
2. General Mills	853,178
3. Miles Labs	696,545
4. Sterling Drug	562,278
5. Philip Morris Co.	426,324
6. General Foods	422,464
7. American Home Products	419,636
8. Liggett & Myers	388,625
9. Gillette Safety Razor Co.	337,817
10. Campbell Soup Co.	283,129

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TOP NETWORK ADVERTISERS FOR EACH PRODUCT

Agriculture & Farming	Ralston-Purina Co.	\$35,245
Apparel, Footwear & Acces.	Adam Hat Stores	33,280
Automotive, Auto. Equip. & Supplies	Chrysler Corp.	88,020
Aviation, Aviation Equip. & Supplies		
Bear, Wine & Liquor	Schenley Industries Inc.	79,425
Bldg. Mat., Equip. & Fixtures	Johns-Manville Corp.	104,873
Confectionery & Soft Drinks	Wm. H. Wrigley Jr. Co.	194,979
Consumer Services	American Tel. & Tel.	65,484
Drugs & Remedies	Miles Labs.	696,545
Entertainment & Amusements		
Food & Food Products	General Mills	853,178
Gasoline, Lubricants & Other Fuels	Standard Oil of Indiana	116,271
Horticulture		
Household Equip. & Supplies	Gulf Oil Corp.	92,887
Household Furnishings	Armstrong Cork Co.	35,282

GROUP IN AUGUST 1950

Industrial Materials	U. S. Steel	108,210
Insurance	Prudential	122,245
Jewelry, Optical Goods & Cameras		
Office Equip., Writing Supplies, Stationery & Acces.	Eversharp	66,588
Political	Roosevelt for Gov. Comm.	704
Publishing & Media	First Church of Christ Scientist (Monitor)	11,480
Radios, TV Sets, Phonographs, Musical Instruments & Acces.		
Retail Stores & Direct Mail	Dr. Hess	1,080
Smoking Materials	Philip Morris Co.	426,324
Soaps, Polishes & Cleansers	Procter & Gamble	797,762
Sporting Goods & Toys	Wilson Co.	29,614
Toiletries & Toilet Goods	Gillette Safety Razor Co.	337,817
Transportation, Travel & Resorts	Assn. of Amer. Railroads	66,228
Miscellaneous	Amer. Fed. of Labor	110,192

GROSS AM NETWORK TIME SALES FOR AUG. AND JAN.-AUG. 1950—COMPARED TO 1949 BY PRODUCT GROUPS

PRODUCT GROUP	Aug. 1950	Jan.-Aug. 1950	Aug. 1949	Jan.-Aug. 1949	PRODUCT GROUP	Aug. 1950	Jan.-Aug. 1950	Aug. 1949	Jan.-Aug. 1949
Agriculture & Farming & Acces.	\$ 74,670	\$ 685,266	\$ 77,735	\$ 753,939	Industrial Materials	124,323	1,382,682	123,845	1,430,031
Apparel, Footwear	76,571	816,906	70,858	860,252	Insurance	232,036	1,918,397	279,202	2,608,739
Automotive, Auto. Equip. & Supplies	297,040	3,591,555	335,050	4,918,751	Jewelry, Optical Goods & Cameras		960,708	141,142	1,429,298
Aviation, Aviation Equip. & Supplies					Office Equip., Stationery & Writing Supplies	66,588	964,018		862,380
Bear, Wine & Liquor	115,209	1,729,549	106,884	664,875	Political	704	24,408		
Bldg. Materials, Equip. & Fixtures	104,873	893,783	108,167	873,685	Publishing & Media	11,480	594,423	44,407	577,066
Confectionery & Soft Drinks	318,982	4,629,071	382,971	4,486,429	Radios, TV Sets, Phonographs, Musical Instruments & Acces.		613,803		731,545
Drugs & Remedies	1,896,578	16,673,928	1,610,752	13,641,100	Smoking Materials	1,562,090	15,517,816	1,738,462	15,434,010
Entertainment & Amusements					Soaps, Polishes & Cleansers	1,433,312	13,557,928	1,254,985	13,121,792
Food & Food Products	3,052,005	29,636,959	2,689,605	29,271,412	Sporting Goods & Toys	29,614	29,614	62,774	62,774
Gasoline, Lubricants & Other Fuels	475,045	3,426,152	376,017	3,978,699	Toiletries & Toilet Goods	1,725,538	16,673,928	1,935,220	19,681,506
Horticulture		105,696		91,968	Transportation, Travel & Resorts				
Household Equip. & Supplies	302,252	2,213,029	273,676	4,905,825	Miscellaneous	66,228	585,783	89,010	783,428
Household Furnishings	39,320	327,244	37,054	733,112		357,538	3,467,778	220,619	1,860,327
					Total	\$12,561,675	\$121,861,900	\$12,164,974	\$125,027,864