

Major merger eyed in Dallas

\$91-million deal would give Times Mirror Co. control of Times Herald's KRLD-AM-FM-TV

In the face of recent governmental resistance to the union of large business interests, particularly when communications media are involved, the Times Mirror Co., publisher of *The Los Angeles Times*, the world's largest newspaper in volume of editorial and advertising content, and Times Herald Printing Co., publisher of the *Dallas Times Herald* and licensee of two radio stations and one TV outlet, last week agreed to merge. The deal would involve an issuance of stock by Times Mirror with a current market price of an estimated \$91 million.

Times Mirror does not own any radio and television properties. It did, however, own KTTV(TV) Los Angeles before selling the station to Metro-media Inc. in 1963 for \$10.5 million, \$8 million cash and \$2.5 million in notes. The merger, if effected, would give Times Mirror ownership of KRLD-AM-FM-TV Dallas-Ft. Worth. The stations are CBS affiliates.

Although no indication was given by the merging companies as to how much of the \$91 million worth of stock was paid for the broadcast properties, industry estimates place the value of the stations at \$30 million.

Dr. Franklin D. Murphy, chairman of Times Mirror, and James F. Chambers Jr., president and publisher of the *Dallas Times Herald*, made the merger announcement. Under terms of the proposed merger, already approved by the directors of both companies, Times Mirror will issue a new series of 1.8-million shares of convertible preferred stock to Times Herald shareholders in exchange for the assets of the Texas company. Each share will carry a 70-cent annual dividend and will be convertible into 1.111 shares of Times Mirror common stock. In all a total of 1,999,800 common shares of Times Mirror stock will be reserved for conversion.

Besides the approval by the boards of directors of both corporations, the merger is subject to approval by the shareholders of the Times Herald Printing Co., consent of the FCC, and receipt of a favorable tax ruling. Ac-

cording to Times Mirror chairman Franklin Murphy, if the merger is approved on all accounts, the incumbent management of Times Herald would be retained and would continue to independently formulate newspaper and broadcast editorial and programing policies.

Times Mirror recently was involved in and lost an antitrust suit with the federal government. In March 1965, the U.S. Department of Justice instituted an action challenging Times Mirror's 1964 acquisition of the Sun Co., publisher of the *San Bernardino (Calif.) Sun-Telegram*. After a lengthy

Capital Cities asks OK for sale of Huntington AM

Capital Cities Broadcasting Corp. last week announced it is selling WSAZ(AM) Huntington, W. Va., to the Stoner Co.'s of Des Moines, Iowa, for \$920,000, subject to FCC approval.

The sale is being made to comply with the commission's rule limiting to seven the number of AM's under common ownership. Capital Cities last month reached an agreement in principle to acquire WCRP-AM-FM Philadelphia from Rust Craft Broadcasting for a price estimated to be in excess of \$1 million (BROADCASTING, Aug. 11). In addition to WSAZ, Capital Cities owns six AM stations, five FM's and six TV's.

The Stoner Co.'s owns KSO(AM), Des Moines, and Stoner Outdoor Advertising in Des Moines; Cedar Rapids, Iowa, and Toledo, Ohio. It also owns Universal Schools, Dallas, and its Washington division, the National School of Conservation. Universal provides correspondence courses in market research for women and offers courses in insurance adjusting. The National School of Conservation is also a correspondence school. Thomas Stoner is president of the Stoner Co.'s.

WSAZ is full time on 930 kc with 5 kw day and 1 kw night. The broker was LaRue Media Brokers Inc., New York.

trial, a U.S. district court ruled in 1967 that the acquisition tended to lessen competition in the daily newspaper field in the Southern California county of San Bernardino. The court found Times Mirror in violation of Section 7 of the Clayton Act and ordered divestiture of the Sun Co. Last January, ownership of the San Bernardino newspaper publishing company was transferred to the Gannett Co., Rochester, N.Y., for \$17.7-million cash payment to Times Mirror.

The Los Angeles Times, which contributed about 45% of Times Mirror's consolidated revenues of more than \$350 million in 1968, has the largest weekday circulation and one of the largest Sunday circulations among standard-size metropolitan newspapers in America. For 14 consecutive years it has been the world leader in advertising volume, publishing more than 112 million lines during 1968—equivalent, it's claimed, to more than 46,000 full pages in the newspaper.

In addition to the *Los Angeles Times*, Times Mirror also publishes the *Orange Coast (Calif.) Daily Pilot*, a community newspaper. Times Mirror and its subsidiaries also conduct diversified business operations that include the publication of soft-cover and hard-cover books—including Bibles, law, medical, art books and dictionaries—road maps and travel aids, aeronautical charts and flight publications. The company further has interests in commercial printing, bookbinding, the manufacture of paper, lumber, plywood, slide rules and related instruments, and owns income-producing real estate.

The Los Angeles Times-Washington Post News Service, formed in 1962, has some 200 clients. General Features Corp., acquired in 1967, distributes about 89 newspaper features and complements the Los Angeles Times Syndicate, which was founded in 1950 and serves about 1,100 clients. Popular Science Publishing Co., acquired in 1967, publishes *Popular Science Monthly*, and *Outdoor Life*. New American Library Inc., acquired in 1960, is one of the largest publishers of soft-cover books, publishing under the imprints of Signet, Signet Classics and Mentor. World Publishing Co., which became a wholly owned subsidiary in 1967, is one of the leading publishers of the King James version of the Bible.

Times Mirror embarked upon a long-range program of diversification in 1960. The company was incorporated in California in 1884. The *Los Angeles*