

# MARTIN CODEL'S

AUTHORITATIVE NEWS SERVICE  
FOR MANAGEMENT  
OF THE  
VISUAL BROADCASTING  
AND ALLIED ELECTRONICS  
ARTS AND INDUSTRY

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APR 4 1955

# Television Digest

with **ELECTRONICS REPORTS**

PUBLISHED WEEKLY BY RADIO NEWS BUREAU • WYATT BLDG. • WASHINGTON 5, D.C. • TELEPHONE STERLING 3-1755 • VOL. 11: No. 14

## SUMMARY-INDEX OF THE WEEK'S NEWS—April 2, 1955

**RCA REPLY IN DEPT. OF JUSTICE** anti-trust action denies all charges of patent restraints, defends licensing policies (pp. 1 & 14, and Special Report).

**AIDS TO UHF AND WEAK VHF** sought by Govt. and industry—with "second look" at deintermixture, booster proposal, network investigations, etc. (p. 2).

**BATON ROUGE, BEAUMONT & WACO** get new starters, all vhf, bringing on-air total to 431, highest yet; 47 stations have quit air to date (p. 3).

**SUBSCRIPTION TV COMMENTS** of telecasters to stress dangers of losing known service while toying with the unknown; CBS to take strong anti-fee stand (p. 3).

**"RESCUE" OF 3 UHF STATIONS**, 2 now off air, projected as NATS-GE continue quest for president; Ted Streibert mentioned; Madison Ave. skeptical (p. 4).

**BOOSTERS PROPOSED** by FCC to fill in uhf "shadows"; majority of industry comment favors low-power operations, urges more relaxation of rules (p. 5).

**FCC GRANTS** Ch. 7 to WDBJ, Roanoke, Ch. 23 to KYAK, Yakima; examiner favors WKAT for Miami's Ch. 10; many uhf operators seek lower channels (p. 5).

**FAIR TRADE LAW REPEAL** urged by blue-ribbon committee, but Govt. is unlikely to take any action to curb discount houses (p. 11).

**AUTOMATION'S EFFECT ON ELECTRONICS** industry to be explored at CIO conference April 14; RCA contract talks with IUE start April 4 (p. 12).

**MAJOR FILM PRODUCERS TYING UP** with TV—Disney & Warner Bros. with network, 20th Century-Fox & Paramount with sponsors and their agencies (p. 7).

**FIRST LEGIT THEATRE-TV SHOW** a flop, but no one knows why; championship bout and polio report will be next large-scale uses of closed-circuit TV (p. 7).

**NEW "TRANSLATOR" SATELLITE** shipped to Manson, Wash., for experimental low-power operation; upcoming stations report on progress and target dates (p. 9).

**SENATE TV HEARINGS** won't get going for at least 6 weeks; House approves \$170,000 extra funds for FCC's own network study and application processing (p. 10).

**PROSPECTUS ON NEW STORER STOCK** offering discloses how gross and net zoomed after entry into TV; 1954 gross was \$17,736,531, profit \$3,680,779 (p. 16).

**RCA REFUTES PATENT RESTRAINT CHARGES:** RCA categorically denies practically every allegation in Dept. of Justice's civil anti-trust action instituted last Nov. 19 in N.Y. Federal district court (Vol. 10:47) -- and unequivocal wording of 36-p. brief filed March 29, replying to each of Govt.'s 63 points and asking dismissal of the charges, indicates firm intention of standing by its patent-licensing structure.

(Full text of brief is published as Special Report with this issue; full text of Dept. of Justice complaint was published as Special Report, Nov. 20, 1954.)

Repeatedly, RCA insists its patent licenses are available to all comers on "reasonable and non-discriminatory terms and without restriction." Far from stifling TV-radio competition, far from restraining the electronics industry, RCA asserts it "has pioneered and been responsible for the creation and expansion of much of this industry...the fastest growing and most dynamic industry in the world."

Its own share of the total electronics industry last year was put at 10%; and of combined TV-radio receiver sales same year, 12.6%. "Leadership of a 10% factor in the industry," says the brief, "has been a leadership by example, not by control in any way, shape or form." Govt. suit raises no monopoly issue with respect to RCA manufacturing, broadcasting and other operations; it names GE, Westinghouse, AT&T and latter's Western Electric and Bell Labs as co-conspirators but not as defendants.

Suit aims primarily at so-called "package licensing agreements," alleges the misuse of patents in pooling 10,000 or more of them. RCA patent royalties are said to exceed \$20,000,000 a year, which RCA concedes, but allegations of exclusion of competition and harassment of other manufacturers are vigorously denied. RCA says it not only pays for patents of others, without restraints upon them, but has spent many millions on research and development on its own -- notably some \$50,000,000 on black-&-white TV and an equal amount on developing a compatible color TV system.

Brief traces history of company from its formation in 1919 ("at the urgent



**H**EARINGS IN SENATE Commerce Committee's investigation of "the entire field of broadcasting, telecasting and communications" won't get going for at least 6 weeks—possibly not until summer—but the House this week approved \$80,000 for the FCC to make its own study of "problems of radio and TV network broadcasting."

Sidney Davis took over this week as chief counsel for the Senate investigation (Vol. 11:12-13), and indicated he favors go-slow policy, wants time to familiarize himself with the problems involved in the inquiry, to conduct preliminary staff investigation, etc. At week's end, Committee Republicans had not yet officially named their choice for minority counsel. Announcement probably won't be made before April 12 or 13, after Congress returns from Easter vacation, but it's understood Republicans want Robert D. L'Heureux, staff member who served as Committee's chief counsel under late Sen. Tobey (R-N. H.).

Next move in Committee's attempt to alleviate plight of uhf stations will be its all-out campaign to encourage production and sale of all-channel receivers. Chairman Magnuson (D-Wash.) has invited large TV tuner manufacturers to meeting in Washington April 20, five days before big meeting with receiver makers (Vol. 11:12). One of main reasons for tuner makers' meeting is understood to be collection of data on prices of all-channel tuners as opposed to vhf-only tuners. Meanwhile, Committee has received acceptances for the April 25 meeting from all major TV manufacturers.

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In a surprise Congressional move this week, House approved \$170,000 more to run the FCC in fiscal 1956 than had been requested in President's budget—\$90,000 of it earmarked for processing backlog of applications, and \$80,000 for the study of network TV-radio broadcasting which the FCC has wanted to undertake for many years.

Increase in appropriation was unexpected—even by FCC, which is accustomed to having its budget estimates slashed by House Appropriations Committee. Committee's questioning of FCC on the subject was short and sweet.

**Color Trends & Briefs:** Color is featured heavily in NARTB convention's engineering sessions May 25-26, which include papers exceptionally well keyed to current major topics. The TV agenda May 26:

"Advancements in Color Film & Slide Programming," Fred F. Bartlett, Philco; "Conversion of Iconoscope Chains to Vidicon Operation," Joseph W. Belcher, GPL; "General Characteristics of Color TV Displays," Bernard D. Loughlin, Hazeltine; "Network Transmission of Monochrome & Color TV," James R. Rae, AT&T; "A CBS-TV Color Studio," Robert B. Monroe, CBS; "Integration of Color Equipment & Existing Monochrome Installations," Anthony H. Lind, Lannes E. Anderson & Nils J. Oman, RCA; "Design, Construction & Operation of TV Boosters & Satellites," Dr. George Brown of RCA, Ben Adler of Adler Communications & Eugene E. Overmeir of Sylvania; "A Review of Color encoding Principles," Robert Deichert, DuMont; "Proof of Performance Measurements for a VHF TV Station," Richard K. Blackburn & Bernard C. O'Brien, WHEC-TV, Rochester; "Achieving One Megawatt ERP at UHF," Frank J. Bias, GE; "Considerations of Microwave Installations," Richard C. McLaughlin, Raytheon; "A Low Power TV Station for \$50,000," F. Dan Meadows & Joseph W. Alinsky, Dage.

Exhibitors are also expected to devote considerable attention to color. Among other things, RCA is likely to stress new amplifier which produced drop in color camera price from \$67,000 to \$49,500 (Vol. 11:12), GE to step up campaign for "Chromacoder" camera chain and "Y" channel system for improving monochrome aspects.

In reply to Congressman's questions, Comr. Hyde cited Commission's repeated efforts to get money for an investigation. When asked how much was needed, Hyde turned to Broadcast Bureau chief Curtis Plummer, who said \$100,000. No more was said on subject. At same hearing, Plummer was asked about backlog and processing. He replied that an additional \$50,000 could process 100 of the pending 237 AM applications by year's end. Committee earmarked, and House approved, \$90,000 extra for processing all classes of applications—TV, AM, other.

Commission's fiscal 1956 appropriation as approved by House in Independent Offices Appropriation Bill (HR-5240) would be \$6,870,000, as opposed to \$6,700,000 in President's budget estimate and \$6,629,400 appropriated for fiscal 1955. Committee envisioned adding 26 employes to Commission, bringing total to 1057.

Bill now goes to Senate Appropriations subcommittee on independent offices — by coincidence, headed by Sen. Magnuson. Commission must comment to Magnuson's subcommittee on the House bill. Magnuson is understood to favor the increased appropriation.

\* \* \* \*

One network's arguments against Plotkin Memorandum were previewed this week in debate between Harry Plotkin and CBS v.p. Richard Salant at FCC Bar Assn. luncheon. Reviewing many of his recommendations to Senate Commerce Committee, Plotkin said basic problem of uhf was set circulation, and only answer to network problems was increasing source of programs — mainly through abolition of option time.

The big question posed by Plotkin report, replied Salant, is: "Do we want to have networks?" He said there is no indication whether networks could survive if Plotkin proposals were adopted. "A network has to be big or it's not a network," he added. "There's no such thing as a small network, as one company has found out." Ultimate arbiter is the public, he said—adding, "I don't think there has ever been any business which has had such a clear stamp of public approval."

Upcoming network color schedules: NBC-TV—April 4, *Producers' Showcase*, "Reunion in Vienna," with Greer Garson, Brian Aherne, Peter Lorre & Robert Flemyng, 8-9:30 p.m.; April 6, *Norby*, 7-7:30 p.m., last of series; April 9, *Max Liebman Presents*, "The Merry Widow," with Ann Jeffreys, Edward Everett Horton, John Conte, Bambi Linn & Rod Alexander, 9-10:30 p.m.; April 15, *Home* segments, 11-11:15 a.m. CBS-TV—April 6, *Best of Broadway*, "Stage Door," with Rhonda Fleming, Diana Lynn & Dennis Morgan, 10-11 p.m.; April 14, *Shower of Stars*, "Ethel Merman's Show Stoppers," with Ethel Merman, Red Skelton, Peter Lind Hayes, Mary Healy, Harold Lang & Cindy Robbins, 8:30-9:30 p.m.

Total of 67,300,000 saw NBC-TV's *Peter Pan* March 7, NBC reported this week on basis of Nielsen and ARB figures. NBC Research's day-after estimate was 65,000,000 (Vol. 11:11). Nielsen gave show rating of 66.1, with 68.3 share of audience. Homes reached totaled 20,400,000, meaning 43% of U. S. families. ARB reports 3.3 viewers per set. Nielsen figures don't include audiences in public places, such as Ford and RCA dealer showrooms, where most of color viewing was done. There was no estimate of color viewers.

Color schedule of WKY-TV, Oklahoma City reached total of 37 hours March 27-April 3, when station micro-waved 32 hours of film and live programming to 12 color sets at annual home show in addition to its regular daily 1-hour *Cook's Book*. Home show, in Municipal Auditorium, is sponsored by local Home Builders Assn., has as motif the application of color to home decoration and furnishings.



**PLENTY TALK BUT NO ACTION ON DISCOUNTERS:** Behind big headlines and well-publicized oratory this week about fair trade and discount houses, lies the simple, inescapable fact that nobody -- least of all the Govt. -- wants to take any formal action against the discounters which might be construed as stifling legitimate competition. Thus, you can expect a continuing barrage of publicity on the subject -- but very little action of any consequence, at least not on the Federal level.

Attorney General Brownell expressed Administration sentiment on subject in address before National Retail Dry Goods Assn. home furnishings conference April 1 in Washington. His speech came only one day after the National Committee to Study the Anti-Trust Laws, a 60-man blue-ribbon panel of experts under Brownell's direction, had urged that fair trade laws be repealed. Speech started as attack on fair trade laws, ended in what amounted to a defense of discount house. He said:

"Vigorous protests are being registered concerning the 'unfair competition' of the 'discounters.' But similar protests were made in our grandfathers' time, when mail-order houses began competing with local merchants, and again, more recently, when chain stores presented another threat to established patterns of distribution.

"It may be that what is called 'unfair competition' is really just keen competition. This nation is so thoroughly committed to a belief in competition that we sometimes forget that some of its advocates may be thinking solely in terms of competition for the other fellow... There is the danger, however, that cries of 'unfair' and insistence that there be more and more laws to 'civilize' competition may lead to ever-increasing curtailment of individual initiative and regulation by the Government until the very essence of free competition will have been dissipated."

This "free enterprise" declaration was echoed at same meeting by Magnavox pres. Frank Freimann, who warned the group, largely dept. store executives, to quit trying to change their stores around to meet discount house competition. Instead, he urged them to concentrate on their particular selling specialties. Speaking off the cuff, he told them, in effect: "Be yourself."

Robert A. Seidel, RCA exec. v.p. for consumer products, another conference speaker, shied away from the fair trade-discount house controversy. Instead, he urged dept. store people to expand their TV lines as a sure way to greater profits.

"The greatest opportunity for increases in home furnishing sales and profits this year, next year, or perhaps any year during our lifetime, will be in TV," he said. "It is now a \$1 billion industry. With the advent of color, and it's coming fast, it will top \$2 billion annually." He said almost 67% of the 38,000,000 TVs now in use are smaller than 21-in. -- "thus obsolete by today's standards."

\* \* \* \*

The 60-man committee's 392-p. report urging repeal of all fair trade laws acknowledged that those laws reflect some "legitimate" commercial aims, among them protection of "quality items from debasement in the consumer's mind" but that fair trade pricing is not "an appropriate instrumentality for such protection." It said the "legislative price-setting authorization extends far beyond the essential guarantees of 'loss-leader control' and strikes at all price reductions."

The Senate Small Business Committee, Democratic-controlled (Sen. Sparkman, D-Ala., chairman), took a somewhat different view of the fair trade-discount setup this week. Its annual report warned that small, independent appliance store is not likely to survive in a fierce competitive struggle with the discount house. It said expanding discount house operations represent "a more serious challenge to the fair trade laws than ever was presented by any court decision." It already has disclosed plans to investigate fair trade and discount houses (Vol. 11:11).

TV production totaled 163,042 week ended March 25, compared to 164,478 units



preceding week and 160,995 week ended March 11. It was year's 12th week, one short of 3 months by RETMA calculations, and brought production for year to date to about 2,000,000, compared to approximately 1,325,000 in corresponding period of 1954.

Radio production totaled 300,568 (158,204 auto), compared to 307,549 units in week ended March 18 and 297,595 week before. For 12 weeks, production was 4,200,000, compared to 2,410,000 in corresponding period year ago.

**Trade Personals:** Jack S. Beldon, marketing mgr. of GE air conditioning div., named marketing mgr. of TV-radio dept., Syracuse, succeeding Eugene F. Peterson, now mgr. of International GE's consumer goods export dept. . . . John B. Coullard promoted to mgr. of product planning in expansion of GE's electronic components dept., Syracuse; he's succeeded as sales mgr. by Roy L. Merwin Jr., ex-central district mgr. of light military electronic equipment . . . Herbert J. Allemang, ex-Philco v.p., now exec. v.p. of Eureka Williams Co., named a director of National Union Electric Corp. . . . Russ Hansen, ex-Motorola, named mgr. of RCA Service Co. Cleveland district succeeding Russ Dunlap, now mgr. of New England district . . . Wm. T. Higgins, who formerly headed own distributorship for Raytheon in Baltimore, joins Zenith as asst. sales mgr. in charge of market development . . . Wm. R. Crotty promoted to TV-radio sales mgr., Erie Resistor electronics div.; Robert W. Orr promoted to mgr. of govt. liaison activities . . . James Frye, ex-mgr. of now-discontinued Chicago factory branch, named Stromberg-Carlson national merchandise mgr. . . . Earl Olson, chief engineer of Jensen Industries, Chicago, named operations v.p. . . . Robert F. Swift, ex-Graybar, named CBS-Columbia regional mgr. for Mich.-Ind., headquartering in Detroit; he replaces O. R. Barnes, resigned . . . George T. Stewart, ex-pres. of Stewart Wholesalers Inc., Rochester, named Sylvania upstate N. Y. district sales mgr. . . . Theron A. Cramer named GE mgr. of carrier current engineering, under Charles M. Heiden, mgr. of engineering for communications equipment . . . Jules Alexandre resigns as Emerson sales mgr. for air conditioners.

Frank M. Folsom, pres. of RCA, has been named by Joint Congressional Committee on Atomic Energy to high-level citizens' panel to help speed peaceful uses of the atom. Eight-man board is headed by Robert McKinney, publisher of *Santa Fe New Mexican*, ex-Asst. Secy. of Interior. Other members: Ernest R. Breech, chairman, Ford Motor Co., Detroit; George R. Brown, of Brown & Root, Houston (construction), chairman of Texas Eastern Transmission Co., member of President Truman's Materials Policy Committee (which was headed by CBS chairman Wm. S. Paley); Sutherland C. Dows, chairman, Iowa Light & Power Co., Cedar Rapids; Dr. John R. Dunning, dean of engineering, Columbia U, director of Oak Ridge Institute of Nuclear Power; Dr. T. Keith Glennan, pres. of Case Institute of Technology, Cleveland, ex-member of Atomic Energy Commission; Samuel B. Morris, gen. mgr. & chief engineer of Los Angeles Dept. of Water & Power, chairman of American Public Power Assn. atomic energy committee.

Maj. Gen. Francis H. Lanahan, Army asst. deputy chief of staff for logistics and onetime chief signal officer of SHAEF and chief of SHAPE signal div., retired from active service March 31 to enter private industry.

Brig. Gen. Frank L. Howley (USA Ret.), ex-Philadelphia adman who commanded in Berlin during the airlift, elected a director of Gray Mfg. Co., Hartford.

Capt. Samuel M. Tucker, deputy director since 1953, named director of Naval Research Lab, Washington, succeeding Capt. Willis H. Beltz, retiring.

Dr. Ragnar Thorensen named research director of Magnavox's new research lab in W. Los Angeles.

**A**UTOMATION'S EFFECT on American industry, prominently including electronics business, will be discussed by CIO at Washington's Mayflower Hotel April 14—right in the middle of RCA's contract negotiations with IUE, an affiliate of CIO. An IUE spokesman said, however, that the automation conference should not cause any interruption or interference with the RCA negotiations which start April 4, or with the Philco talks which begin on or about the April 14 conference date.

Purpose of the national conference, says CIO, is to make sure everybody — including itself — knows what's meant by automation. It will discuss "the meaning and implications" of the term, including its relationship to a guaranteed annual wage, which the CIO has declared to be a goal in its contract talks this year (Vol. 11:11). The electronics industry, already showing profound effects of automation (Vol. 11:13), will be included in these talks with IUE, though each local is given wide latitude on how intensively to press annual wage issue.

Battle of words on automation's effect—even its meaning—goes on unabated, meanwhile. Ewan Clague, head of Bureau of Labor Statistics, describes automation by comparing a thermometer and a thermostat. Former, he says, automatically measures temperature whereas latter not only measures but also automatically controls the temperature. CIO pres. Walter Reuther calls automation "the second industrial revolution," warns that Govt. & industry must prepare for large-scale unemployment and migration of workers as a result. General Motors pres. Harlow Curtice, on the other hand, said he'd like to debunk word "automation," added it's only another step in technological progress.

Govt. is taking official "hands off" policy on both automation and annual wage, public officials adopting note of caution in speeches. Labor Secy. Mitchell said problem of job displacements by new automation machinery cannot be "brushed off" but doubted mass unemployment would result. He declared annual wage issue should be settled at bargaining table and Labor Dept. would express no opinion, barring a national emergency.

Authoritative United Business Service generally supports Mitchell's view on automation's effect on employment. It said that some temporary layoffs are bound to result but that "automation does not hold a long run threat of rising unemployment." Reason given is that automation will eventually expand the national productive capacity tremendously, thus increasing job opportunities.

One of most popular—and frustrating—exhibits at IRE show last week was electronic computer which took on all comers in game of tic-tac-toe. In every case we observed, the electronic brain bested the human brain. Device, displayed by G. H. Leland Inc., Dayton, O. maker of solenoids and relays, was specially designed binary relay logic computer, designed to recognize some 362,000 game sequences and containing 10,000 individual parts.

Noting our report that Lambda-Pacific is offering 10,700-13,200-mc microwave for first time (Vol. 11:13), Raytheon informs that it announced such equipment year ago, is currently taking orders for 30-day delivery.

National Conference on Aeronautical Electronics will be held at Dayton's Biltmore Hotel, May 9-11.



**Topics & Trends of TV Trade:** Federal Trade Commission cracked down on Admiral this week, issuing complaint (No. 6319) charging misrepresentation in its national ads. Specifically, FTC charged that Admiral's advertising claims that its "giant 21-inch picture tubes" provided 20% more screen area than other 21-in. sets were false. It was FTC's first advertising complaint against a major TV manufacturer.

Admiral declined immediate comment on complaint, issued April 1. A spokesman indicated displeasure that press received notice before company had seen copy. He said Admiral had discussed ads with FTC last fall, but had had no communication from agency this year. Admiral has 20 days to answer, and hearing has been set for May 17 in Chicago before examiner James A. Purcell. Edward F. Downs represents FTC as attorney.

[Note: An FTC complaint is not in itself a punitive action. It is merely a preliminary step to determine if prosecution is warranted. In the past, many such complaints have ended with filing of consent judgment in which the company, without admitting guilt, promises to halt the practices in future. Within industry, most recent FTC case involved complaint of conspiracy against National Electronic Distributors Assn. in sale of parts, which ended last year in consent judgment (Vol. 10:27).]

In accordance with FTC policy, Downs declined to identify complainant but said case was "thoroughly investigated to determine the truth of the complaint." He noted that FTC has been considering a code of fair merchandising practices for TV-radio industry (Vol. 8:19, 9:41, 10:23), and doubted that Admiral's advertising claims would be sanctioned by any such code.

Trade sources recalled that a spate of protest broke out from other set makers about a year ago, when Admiral first started its "giant" 21-in. ads. They said it was somewhat reminiscent of TV's early days, when 14-in. sets were described as "giant life-sized screens."

The complaint cites as "typical" of the company's advertising: "Admiral announces a brand new Giant 21-inch picture tube, accurately described as 'The World's Largest' . . . with 270 square-inch screen . . . 20% bigger than other 21-in. TV . . ." It said this claim had been made in TV-radio commercials as well as in publications.

"In truth and in fact," the complaint states, "the screen area of Admiral TV sets, which are equipped with its giant 21-in. picture, is not 20% larger than the screen area of Admiral's competitors' TV sets which are also equipped with 21-in. picture tubes." As result of this advertising, complaint notes, trade has been "unfairly diverted" to Admiral from its competitors.

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N. Y. Better Business Bureau put the blast on TV-radio-appliance ads claiming their products were "first" or "best" on the market. In special bulletin this week, it said it had no objection to accurate description of proven superior features of a particular model, but recommended that no claims be made, directly or indirectly, that (1) any TV set or appliance is "Rated No. 1," or (2) any TV set or appliance outperforms all other makes or models. Latter was regarded as subtle criticism of money-back offer last week by Crosley N. Y. distributor Gerald O. Kaye if Custom V did not outperform any other TV set (Vol. 11:13), though it didn't mention any company by name.

Wilcox-Gay Corp., currently operating under Chapter XI of Bankruptcy Act (Vol. 11:5), this week proposed plan to pay 50% to unsecured creditors with claims over \$100, offering non-interest notes in 10 semi-annual installments of 5% each, starting 6 months after confirmation. Plan was filed in Federal court in Charlotte, Mich. by Wilcox-Gay on behalf of itself and subsidiaries Majestic Radio & Garod Radio.

**DISTRIBUTOR NOTES:** Emerson establishes factory branch, Emerson-Buffalo Inc., 285 Kenmore Ave., Buffalo (Warren F. Hardy, gen. mgr.); Emerson Radio of Washington (Herman E. Goodman, pres.) creates branch, Emerson Radio of Virginia Inc., 166 MacTavish St., Richmond . . . Stromberg-Carlson appoints McLain & Son, 974 Sullivant Ave., Columbus, O. (F. M. McLain, owner) and D&N Auto Parts, 420 Howard St., Greenwood, Miss. (V. Whitehead, sales mgr.) . . . Bendix Radio appoints Bailey's Inc., Chattanooga . . . Phillips Distributing Co., Salisbury, Md. (Raytheon) opens Baltimore branch (Louis A. Berwanger, mgr.) . . . Crosley-Bendix appoints Davies Electric Co., Saskatoon . . . Emerson Radio of Florida appoints Harry Karp, gen. mgr. of Tampa branch, as v.p. . . . DuMont New York promotes Harry Ripps to gen. sales mgr. . . . Boyd Distributing Co., Denver (Philco) appoints Berry Long, ex-radio KLZ & KOA, as sales mgr. . . . A. K. Sutton Inc., Charlotte (CBS-Columbia) appoints W. T. Winter as sales mgr. . . . Radio City Distributing Co., Dallas (Zenith) promotes Gene Willett to sales mgr. . . . Westinghouse Electric Supply Co. transfers S. B. Folckomer from Baltimore to Richmond as mgr. of consumer products div., succeeding Charles R. Ross, transferred to Chicago; Folckomer is replaced in Baltimore by John B. Nolan . . . Philco Los Angeles appoints John E. Kelly adv. & sales promotion mgr. . . . Gross Distributing Corp., Newark (Stromberg-Carlson) reports resignation of gen. mgr. W. D. Goldberg.

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CBS-Hytron has changed brand name on its TV & radio tubes, as well as on semi-conductors, to "CBS"—in order, according to CBS-Hytron pres. Charles F. Stromeyer, "to take full sales advantage of the national recognized and respected letters CBS." Shipments of the newly branded merchandise start about April 7. CBS-Columbia has been shipping TV sets with "CBS" brand since first of year (Vol. 11:8).

GE planning ad campaign to promote TV servicing by helping dealers inform public about facilities for receiver maintenance and repair, thru Maxon Inc. Huge promotion kicks off with 9½-p. insert in May 3 *Look* (on stands April 19)—biggest insert ever carried by magazine, listing 5331 service dealers in 2281 cities and featuring \$25,000 consumer contest to fill in last line of jingle.

Sentinel Radio, noting our story of last week on advent of clock TV this year (Vol. 11:13), writes that it had TV sets with Telechron timers in 1952 but discontinued them in 1953 after selling "quite a few." The clock was installed on a 27-in. open-face console retailing at \$575 and a full-door blonde console at \$645.

Emerson Radio executive offices and plant facilities are now located at 16th & Coles Sts., Jersey City (phone Journal Square 3-5100). Only the public relations dept. & Emerson Radio Export Corp. continue to maintain offices at 111 Eighth Ave., N. Y. (Oregon 5-7000).

RCA's TV sales this year are running ahead of record 1954 at an "almost unbelievable rate," said Robert A. Seidel, exec. v.p. for consumer products, in address April 1 before NRDGA home furnishing conference. He predicted a continued high industry-wide level of TV sales this year.

More expansion predictions: Norman B. Krim, v.p.-gen. mgr. of Raytheon tube operations, foresees 65-70,000,000 TVs, 140,000,000 radios in use by 1965, with doubled sales of replacement tubes by then. He spoke at recent Raytheon tube symposium attended by company's sales officials.

Hoffman Electronics cuts prices of 15 receivers by \$30-\$50 as special April-June promotion, line ranging from \$180 for 21-in. walnut table to \$350 for 24-in. cherry console.

RCA Victor Chicago regional office will be moved in May to Merchandise Mart but company will retain display space on 5th floor of American Furniture Mart.



"RCA's LICENSING POLICY has been a major factor in the spectacular growth of the electronics industry, including the radio-TV industry, and the pre-eminence of the U. S. in that industry . . .

"Today aircraft manufacturers, automobile manufacturers, business machine manufacturers and many other areas of American industry, and universities as well, are actively conducting research and development in electronics and are producing electronic equipment.

"This chain reaction of research and development in the electronics industry was initiated with the formation of RCA, and is attributable in large part to RCA's policy of making inventions available to others."

Foregoing are a few of the statements in RCA's reply brief in Dept. of Justice's civil anti-trust suit, filed this week (see story p. 1 and Special Report herewith). While obviously self-serving in a lawsuit, they are cited to point up the impact of TV-radio developments on widening fields of electronics. For the brief notes that Dept. of Labor's Bureau of Labor Statistics in Jan. 1952 reported 629 companies qualified to do work in electronics research, 277 giving that as their major specialty and reporting their 1951 cost of research & development was \$531,600,000. That year, RCA said it had expended about \$39,000,000 on research & development in electronics.

Many companies not formerly in electronics are now devoting their efforts to intensive research in the field, and the brief cites such aircraft manufacturers as Boeing, Douglas, Hughes, United; auto manufacturers like General Motors and Willys; business machine manufacturers like Burroughs, IBM, Remington Rand; makers of industrial control equipment like Maxson, Minneapolis-Honeywell, Otis Elevator; makers of automation equipment like General Mills and United Shoe Machinery Corp.; companies developing atomic energy applications such as General Dynamics Corp.; firms in the motion picture industry such as Bell & Howell and Paramount Pictures.

"The assets of these companies alone," the brief states, "total many billions of dollars, and their research facilities far exceed those of RCA." And a substantial part of their electronics work was said to have direct application to the TV-radio industry.

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"Substantially all" TV-radio manufacturers are licensed by RCA, according to the brief. Yet there is "intense and effective competition." Listed as substantial competitors with large research resources of their own are Admiral, CBS, DuMont, Emerson, GE, IT&T, Motorola, Philco, Ray-

theon, Sylvania, Westinghouse, Zenith—whose sales figures "amount to many billions of dollars."

RCA's present royalty rates, which it says compare favorably with those of other licensors in this or any other industry, were result of reductions last summer (Vol. 10:31). Based on manufacturer's selling price, they are now ½ of 1% for radio broadcast receivers using tubes, 1⅓% for radio receivers using transistors, 1¼% for black-&-white TV sets, 1¾% for color TV receivers, 1¼% for electron tubes other than color tubes, 1¾% for color tubes, 2% for color TV commercial apparatus except govt. apparatus, 1½% for other commercial apparatus except govt. apparatus, 1% for all commercial apparatus manufactured for govt. use.

"In return for these reasonable royalty rates," states brief, "licensees have the privilege of obtaining a license under, or using, any one or more patents under which RCA has the right to grant licenses [and have] complete freedom to manufacture apparatus in competition with RCA under any and all patents available to RCA, to the extent to which RCA has the right to grant such licenses. No royalties are payable on any apparatus under any license agreement granted by RCA unless the apparatus uses patents licensed by RCA."

Among its competitors who have granted licenses to others, RCA lists Maj. Edwin H. Armstrong, CBS, DuMont, Eitel-McCullough, GE, Hazeltine, IT&T, Philco, Sperry, Sylvania, Western Electric, Westinghouse, Zenith. Since 1940, RCA states, it has brought only 2 patent infringement actions—one a suit settled before trial [presumably DuMont] and the other a suit pending against Zenith and its subsidiary Rauland following prior action by Zenith challenging validity of RCA patents.

Zenith-Rauland having won legal skirmish in U. S. Supreme Court, which refused this week to block trial of their patent suit against RCA in Chicago court pending outcome of similar litigation in Delaware court (Vol. 11:11-12), Federal Judge Michael Igoe in Chicago district court this week cleared way for trial. Zenith & Rauland seek \$16,000,000 triple damages in counterclaim suit against RCA, GE & Western Electric (Vol. 10:47-51), whom they charge with setting up patent pool in violation of anti-trust laws. Original litigation started in 1945 when RCA sued Zenith for patent infringements, in long-delayed suit which was expected to come to trial in Wilmington this spring. Zenith is only major TV-radio manufacturer (save Philco, which did not renew license at end of 1954) which has not signed RCA royalty agreement.

**Electronics Reports:** Transistor developments reported this week: First transistorized digital computer designed for aircraft use was announced by Bell Labs and Wright Air Development Center; called TRADIC (Transistor Digital Computer), it uses 800 transistors, 11,000 diodes, draws only 100 watts power, can be housed in 3-cu. ft. cabinet. Millivac Instrument Corp., Schenectady, reported development of transistorized audio amplifier far quieter than any vacuum tube amplifier, with electronic noise level of one-third of millivolt or less. Radio Receptor Co. announced that it will turn out more than 2,000,000 transistors by year's end, and that prices have been cut to range of 75¢-\$4.50, compared with high of \$8 a year ago. Signal Corps has tested power transistors made for it by Transistor Products Inc. (Clevite Corp.) and found them to be of value in replacing items with moving parts, such as small dynamotors and vibrators—holding out hope of solving problems of unwanted noise and necessity of frequent servicing of such items in electronic gear.

Weston Electrical Instrument Corp. stockholders will be asked to approve merger with Daystrom Inc., Elizabeth,

N. J., at special meeting May 16, on basis of one share of Daystrom stock for each share of Weston. Daystrom already has voting control of 49½% of Weston stock. Largely as result of recent expansion, Daystrom now reports 55% of sales in electronic and allied equipment. Its operations cover electronics, printing equipment and furniture industries. Electronic products include hi-fi equipment (Crestwood), Heathkit do-it-yourself electronic kits (Vol. 11:7), electronic gunfire control equipment and other military & commercial items. Daystrom sales for fiscal 1954 were \$62,473,000; Weston's 1954 sales were \$28,672,800.

Collins Radio Co. is called "one of electronics industry's fastest growing firms" in March 15 *Forbes Magazine*, which states it claims to supply about 75% of all communications & navigation equipment used by U. S. airlines. At 45, Arthur Collins, ex-"ham" who with his family owns about 50% of firm, has built firm up from red only 4 years ago to \$90,300,000 gross, \$6.83 per share net earnings in fiscal year ending last July 31 and \$3.01 in first 6 months of its current year (Vol. 11:13). Govt. accounts for about 80% of Collins' business.



**Financial & Trade Notes:** ABC div. of American Broadcasting-Paramount Theatres increased gross operating income to \$70,424,000 in 1954 from \$54,758,000 in 1953, but it showed "slightly larger" loss than in 1953, year of merger with UPT. Increased loss was due to higher TV operating and programming costs in last half of year, principally the NCAA telecasts.

Annual AB-PT report released this week does not break down ABC profit-&-loss, but it reveals increasing importance of telecasting-broadcasting operations in the big theatre-owning organization. Total AB-PT income was \$188,796,000 last year (\$115,916,000 from theatres) vs. \$172,196,000 in 1953 (\$114,926,000 from theatres). Consolidated net profit in 1954 was \$4,932,000, including \$4,722,000 (\$1.06) from operations, \$210,000 (5¢) from capital gains. This compares with profit of \$8,996,000 in 1953, including \$4,480,000 (\$1) from operations, \$4,516,000 (\$1.14) from capital gains—latter principally from \$6,000,000 sale to CBS of WBKB, Chicago.

Pres. Leonard Goldenson said ABC div. made "substantial progress in 1954, gaining greater recognition as a major network by audience and sponsors." He said radio operations and network's 5 TV-radio stations showed a profit, which was more than offset by higher network TV costs. Earnings for first quarter 1955 are estimated to be "substantially higher" than earnings for first 1954 quarter.

"The slightly increased loss in 1954 over 1953 is not itself representative of a trend in the ABC division," said Goldenson. "Rather, it is a reflection of the expenditures which must be made during the period of development of the TV network from a secondary to a competitive place. Substantial progress has been made toward forming a strong foundation for a successful operation. The improved position of the division is evident in increased viewing, better programs and greater revenue. From this point on, each sponsored program should have a beneficial effect upon the earnings of the division." He added that with new shows being readied for coming year, including Disney's *Mickey Mouse Club* (Mon.-thru-Fri. 5-6 p.m.), "we feel that ABC is on its way toward realizing its true potential as a profitable division of the company."

AB-PT had whole or partial interest in 639 theatres at year's end, down 30 from end of 1953. It's required to divest itself of net of 42 theatres by Sept. 3, 1955. Goldenson noted greater stability in theatre business in 1954, though TV had adversely affected business earlier in the year in new TV markets.

\* \* \* \*

Hoffman Electronics Corp., which on Jan. 10 was listed on the N. Y. & Los Angeles stock exchanges, reports consolidated 1954 sales were \$42,647,008 compared with \$50,415,146 in 1953. But net profit after provision of \$1,717,000 for Federal income taxes was \$1,485,513 or \$2.08 per share on 713,192 shares outstanding, an increase of 24% over 1953 net profit of \$1,199,655 after taxes of \$1,869,000, or \$1.68 a share on 578,394 shares. At midyear company increased capital by about \$4,250,000 by 15-year loan from Metropolitan Life and through sale of 130,000 shares of common stock, and with fortified resources entered new areas of electronics. It developed radiometric devices, acquired exclusive rights to Nordsieck integrator, is currently producing Geiger counter-scaler with field assay attachments. TV-radio distribution has expanded nationally, and complete manufacturing operations in Kansas City will be ready within a few months to handle volume expected from new distributors east of Mississippi. Pres. H. Leslie Hoffman predicts in annual report that volume should be considerably larger in 1955, most of increase in second half. By fall of 1956, he states, color "should be an important phase of our business."

Distributors Group Inc., 63 Wall St., N. Y., sponsor of the 21 mutual funds of Group Securities Inc., notes "outstanding growth" in earnings and dividends in the post-war era shown by group of leading electronics & electrical equipment shares—and forecasts "new peaks" in the production of electronic equipment. Its own group of electronic and electrical equipment shares, it estimates, will show 1955 earnings average of \$5 per share, compared with estimated \$4.50 for 1954 and \$1.10 for 1946; their average dividends are estimated at \$2 for 1955, \$1.97 for 1954, 85¢ for 1946. The electronics & electrical equipment shares in its "family" of mutual funds were listed in these proportions as of Jan. 1, 1955: Admiral, 3.72%; Allis-Chalmers, 6.05%; Bendix Aviation, 6.14%; CBS "A", 7.14%; Cornell-Dubilier, 5.62%; Cutler-Hammer Inc., 3%; DuMont, 1.78%; Elliott Co., 3.24%; GE, 3.42%; IT&T, 4.67%; McGraw Electric Co., 2.15%; Motorola, 3.65%; Philco, 6.49%; RCA, 5.66%; Raytheon, 4.88%; Sperry, 6.52%; Square D, 5.55%; Sylvania, 6.18%; Westinghouse, 3.93%; Zenith, 6.55%; net current balance, 3.66%.

Radio Condenser Co., Camden, N. J., which claims it supplies more than 50% of the tuners used in auto radios and 70% of the condensers in home radios, will show lower sales and net income in 1955 report due shortly, according to pres. Russell E. Cramer. Last year, it enjoyed record \$21,465,247 gross, \$384,002 net. Decline is attributed to delay in construction for \$1,000,000 expansion program and failure of expected big market for uhf tuners for which it had geared heavily.

Standard Coil Products Inc. had consolidated net income of \$2,871,290 (\$1.95 a share) on sales of \$72,862,113 in 1954, compared to \$2,972,481 (\$2.02) on record \$89,270,964 in 1953. Pres. Glen E. Swanson attributed declines to TV industry's concentration on lower-priced models, requiring development of more economical series of tuners. He stated growth of uhf, strong replacement market for TV receivers, eventual mass production of color and development of foreign TV create favorable outlook.

Wells-Gardner & Co. sales fell to \$21,200,318 in 1954 from \$22,572,069 in 1953 but net income in 1954 was \$911,340, up 18% from \$772,939 in 1953. Annual report states that civilian sales, mainly private-label TVs, were off last year but that defense sales were higher and that 1955 business should approximate that of preceding 2 years. Consolidated earned surplus at beginning of year was \$3,997,572.

IT&T reports consolidated net income of \$20,068,525 (\$2.80 per share) on record sales of \$372,638,805 in 1954, compared to \$22,377,611 (\$3.12) on \$362,199,214 in 1953. Profit decline was attributed to net loss of \$2,400,000 from sale of Coolerator div. assets last year to McGraw Electric.



RCA's music synthesizer (Vol. 11:6) will have its major use "in the production of music for sale in the form of phonograph records," according to developers Harry F. Olson & Herbert Belar. In paper prepared for IRE convention, they said that listeners were asked to distinguish between renditions of piano selections performed by the synthesizer and by famous pianists — and they concluded that "it can be said with 70% certainty that only 1 of 4 persons can tell which is which." Most recent production with synthesizer was creation of a few spoken sentences that no voice had ever uttered—"to show the versatility of the synthesizer."

New guided missile for air defense, hinted as possible replacement for Nike, reportedly will be developed by RCA and American Machine & Foundry, with RCA the prime contractor. The initial contract amount is said to be about \$20,000,000.



**STORER BROADCASTING Co.**'s huge upsurge in revenues and profits since its advent into TV (via WSPD-TV, Toledo, which it founded in July 1948) is detailed in March 29 prospectus covering public offering of 262,750 shares of common stock to be registered April 4 with certain priorities to present stockholders. Proceeds of approximately \$4,590,000 will be applied to debt reduction and redemption of company's 15,000 shares of 7% cumulative preferred stock (at \$107 per share).

Over period of 10 years to end of 1954, Storer company's operating revenues rose from \$3,093,255 (all from radio) to \$17,736,531 (preponderantly from TV); profits rose from \$306,930 in 1945 to \$3,680,779 in 1954. Company owns 7 TV stations, 2 of them uhf, and 7 radio stations, 6 with FM adjuncts.

Last year, TV revenue came 43.2% from national spot, 28.4% network, 28.4% local. In same period, radio revenue came 50.1% from local, 38.1% national spot, 11.8% network.

Total assets of company, which also publishes *Miami Beach Sun* and owns approximately 46.5% of voting stock of Standard Tube Co., as well as Empire Coil Co. plant recently acquired along with Herbert Mayer TV stations in \$10,000,000 deal (Vol. 10:2, 44) were \$27,872,629 as of Dec. 31, 1954. Consolidated earned surplus was \$8,123,978, long-term debt \$10,446,960.

Jefferson Standard Life Insurance Co., Greensboro, N. C., is shown as owner of 14,500 shares of the preferred stock (96.67%). Of 525,500 shares of common stock outstanding, Mr. Storer owns 14,160 (2.69%). Of 1,686,500 shares of Class B common, he owns 1,280,250 (75.91%) while Detroit Trust Co. as trustee holds 206,250 (12.23%). Remunerations paid in 1954 to officers-directors included: Mr. Storer, \$75,175; J. Harold Ryan, senior v.p., \$33,750; Lee B. Wailes, exec. v.p., \$60,164; Stanton P. Kettler, v.p. for southern district, \$51,292; William E. Rine, v.p. for northern district, \$42,020.

Directors and officers as a group own 105,516 shares of the common (20.1%) and 1,380,250 of Class B (81.84%). Among these, secy. John E. McCoy, who is house counsel, is shown as beneficial owner of 5400 shares of common.

Year Ended Dec. 31	Total Operating Revenues	Gross TV Revenues	Gross Radio Revenues	Net Profit
1945	\$ 3,093,255	-----	\$3,093,255	\$ 306,930
1946	3,351,805	---	3,351,805	740,581
1947	3,748,337	---	3,748,337	514,721
1948	3,904,034	\$ 31,539	3,872,495	478,808
1949	4,749,049	577,011	4,172,038	539,620
1950	6,657,114	2,024,153	4,632,963	926,475
1951	9,560,086	4,816,490	4,743,596	1,464,776
1952	11,475,618	6,865,194	4,610,424	1,594,956
1953	14,901,079	10,214,813	4,686,266	2,186,415
1954	17,736,531	13,391,027	4,345,504	3,680,779

Both FM listening and set sales are up, according to Elliott M. Sanger, exec. v.p. of *New York Times'* pioneer WQXR-FM, New York. Citing Pulse survey, he said FM homes in New York have risen from 130,000 in 1948 to more than 2,000,000 today. Though WQXR is "primarily an AM station," and is increasing power from 10-kw to 50-kw, Sanger said, "we recognize that FM supplies something which AM cannot. That is why more than 400,000 families listen to WQXR on FM in addition to the large AM audience."

A. C. Nielsen & Co., 2101 Howard St., Chicago, is making available without charge 144-p. book titled *Television Audience Research for Great Britain*, which exec. v.p. C. G. Shaw states is "packed with facts, figures, charts and photographs of real interest and educational value to anyone concerned with broadcasting or broadcast advertising—in any country."

Urging industry self-policing in speech before Tennessee Assn. of Broadcasters in Nashville March 28, FCC Comr. Robert E. Lee stressed 3 points: (1) Better programming, rather than more commercials, is answer to greater income. "You have no solution," he said, "when you cram more and more commercials down the throats of fewer and fewer listeners." (2) Bait and switch commercials are "primarily the jurisdiction of the FTC, and they are doing yeoman work in this regard. The FCC, however, cannot ignore this type of advertising, and, as one member of the Commission, I must condemn it." (3) In trying to discourage bad-taste programming, he said, "I do not know where public interest leaves off and censorship begins, but if I ever have to make the decision I would probably take a calculated risk and refuse to censor, since I am well aware of the dangers to the American way of life that such a step could lead. It is for this reason that I devoutly hope and pray that this industry will police itself and thus not encourage those who would take the power of self-policing away from you."

FCC invited comments on AT&T's proposal to provide "utility-grade" off-the-air networking service at rates sometimes running as low as or lower than half the price of its current "gold-plated" interconnection service. FCC's notice (55-389) is one result of earlier proposal to ease restrictions on station-owned microwave links (Vol. 10:51). It was in response to the earlier proposal that AT&T filed its plan for the new off-the-air service. In AT&T memo attached to FCC notice, it is stressed that proposed new service would not be "intended to provide channels of the quality or reliability of directly connected facilities." They could be used for receiving only, would not be monitored or supervised, would be available for both color and monochrome. As to rates, AT&T says interconnection of 2 TV stations 100-125 mi. apart would probably average about 50% as much as the charges for current AT&T service. "In individual cases the differences may vary substantially from this average—in general they tend to be larger for shorter distances." Comments on proposal are due April 29.

NCAA's national football package has been awarded to NBC-TV, which reportedly will pay minimum of \$1,500,000 for 7 Saturday games and one on Thanksgiving Day. Only CBS & NBC submitted bids, ABC having been singled on the NCAA package last year, with loss reputedly approaching \$2,000,000. At week's end, NBC hadn't reached terms with a sponsor, though 3 advertisers were said to be interested. Network hopes to sell whole series to single sponsor. NBC's TV rights apply only to the 8-game national package. Colleges will negotiate on their own with networks, stations and/or sponsors for rights to the 5-game regional schedule permitted this year by NCAA (Vol. 11:12-13).

Defense Dept. petitioned to intervene in April 11 hearings on applications of KSWs-TV, Roswell, N. M. and KGEO-TV, Enid, Okla. for towers over 1000-ft. Both applications were opposed by military representatives on Washington Airspace Subcommittee, favored by civilian representatives (Vol. 11:11-12). Pentagon said it wants to call witnesses to show the towers are aviation menace and can't be adequately marked and lighted. Also opposing Enid application is uhf KTVQ, Oklahoma City.

Sale of WTAP, Parkersburg, W. Va. (Ch. 15) to *Zanesville Times-Recorder* and *Signal* for \$124,609 (Vol. 11:10) by Frank Baer-Howard Chernoff group was approved this week by FCC. *Zanesville Publishing Co.* owns 63% of WHIZ-TV, Zanesville, O. (Ch. 18) & WHIZ.

NARTB lists 1916 members as of March 31—comprising 265 TV stations, 4 TV networks, 1201 AM stations, 326 FM, 3 radio networks, 117 associate members.



**Full Text of Brief**

**RCA Reply to Dept. of Justice Civil Action on Patent Pool**

Filed in United States Court for Southern District of New York, March 29, 1955

(Full Text of Complaint, Dated Nov. 19, 1954, Published as Special Report with *Television Digest*, Vol. 10:47)

**United States District Court**

SOUTHERN DISTRICT OF NEW YORK.

UNITED STATES OF AMERICA,  
*Plaintiff,*

*against*

RADIO CORPORATION OF AMERICA,  
*Defendant.*

Civil No.  
97-38

**ANSWER OF RADIO CORPORATION  
OF AMERICA**

Radio Corporation of America, hereinafter referred to as RCA, answers the complaint herein as follows. Numbered paragraphs of this answer refer to correspondingly numbered paragraphs of the complaint and all allegations not hereinafter admitted are denied.

**I**

**Jurisdiction and Venue**

1. RCA admits the complaint is filed and these proceedings instituted under Section 4 of the Sherman Act.

RCA denies it has violated Sections 1 or 2 or any other section of the Sherman Act, and further denies any allegation contained in any paragraph of the complaint which charges RCA with violation of the Sherman Act.

RCA was formed in 1919 at the urgent request of the United States Government in order to free American communications from foreign domination and to create a new American radio company. In order that this might be accomplished, various patent cross-licenses were necessary. Because of intolerable patent deadlocks, no one could legally manufacture or use the necessary electronic equipment without the patents of Marconi Wireless Telegraph Company of America, General Electric Company, the American Telephone and Telegraph Company, and later Westinghouse Electric & Manufacturing Company.

The purpose and effect of these cross-licenses were to free the industry. Without them the industry would have been paralyzed by conflicting patent holdings and endless patent litigation. With these cross-licenses the industry was freed and enabled to develop rapidly.

The situation created by these cross-licenses was the subject of a proceeding instituted by the Federal Trade Commission in 1924. This proceeding was thoroughly tried, briefed and argued, and was dismissed by the Commission in 1928.

The situation was also the subject of a Government proceeding in 1930 which resulted in the consent decree of November 21, 1932, and the industry has continued to develop with intense and active competition between an ever-increasing number of manufacturers and research organizations.

In 1942 this consent decree and the agreements it approved were brought before the courts and were reaffirmed. As recently as 1954, on a motion to construe the decree, the court reasserted the fact that the cross-license agreements were approved by the consent decree.

That the cross-license agreements approved by the consent decree have had the effect intended and expected by the Government is fully borne out by the dynamic growth of the industry.

These agreements expired by their terms on December 31, 1954 so far as new inventions are concerned. Yet the complaint, filed only six weeks before this expiration, is an attack on these very agreements which were recommended and stated to be in the public interest by the Government in 1932.

RCA rests on the record that these agreements and RCA's conduct have resulted in the most intensely competitive industry in the United States today.

RCA asserts and is proud of the fact that it has been in the forefront of all major industry advances, from the beginning of sound radio and broadcasting, through black and white television, and now color television.

RCA's leadership, the leadership of a ten percent factor in the industry, has been leadership by example, not by control in any way, shape or form.

If RCA's leadership has been followed, it is because RCA's courage, vision and foresight have been right and RCA has acted in the best interests of the industry and the public, and not through any dominance, restraint or control.

Allegations that RCA has in any way restrained the electronics industry, including the radio-television industry, ignore the facts. On the contrary, RCA has pioneered and been responsible for the creation and expansion of much of this industry.

RCA points to the fact that this industry is the fastest-



growing and most dynamic industry in the world, and asserts that its policies have been one of the most substantial factors in the growth and active competition which exists in this industry today.

Sales in the electronics industry, including the radio-television industry, following the termination of wartime restrictions demonstrate its vitality, rapid growth and freedom from the monopoly and restraint alleged.

Year	Total Electronics Industry Sales	RCA	RCA Percent
1946 .....	\$1,653,000,000	\$221,097,000	13.4
1947 .....	2,486,900,000	300,156,000	12.1
1948 .....	2,761,500,000	343,454,000	12.4
1949 .....	2,903,000,000	383,103,000	13.2
1950 .....	4,445,000,000	570,554,000	12.8
1951 .....	5,128,000,000	580,700,000	11.3
1952 .....	6,567,000,000	675,696,000	10.3
1953 .....	7,940,000,000	834,155,000	10.5
1954 .....	9,230,000,000	921,463,000	10.0

Sales of radio and television receivers during the period from 1932 to 1953 show the signal growth of the radio-television industry. Sales of radio and television receivers increased from \$54,400,000 in 1932 to \$1,470,000,000 in 1953, a percentage increase of over two and one half thousand percent.\*

Year	Radio Receiver Sales	Television Receiver Sales	Total Sales	RCA Percent of Sales
1932 .....	\$ 54,400,000		\$ 54,400,000	15.8
1933 .....	70,300,000		70,300,000	13.7
1934 .....	94,900,000		94,900,000	15.6
1935 .....	128,400,000		128,400,000	12.2
1936 .....	169,400,000		169,400,000	12.3
1937 .....	165,400,000		165,400,000	13.7
1938 .....	112,300,000		112,300,000	16.3
1939 .....	153,400,000		153,400,000	15.2
1940 .....	177,100,000		177,100,000	15.6
1941 .....	233,600,000		233,600,000	11.7
1942 .....	102,700,000		102,700,000	6.7
1946 .....	410,900,000	\$ 1,300,000	412,200,000(a)	6.5
1947 .....	703,600,000	51,400,000	755,000,000	9.7
1948 .....	531,400,000	226,000,000	757,400,000	12.9
1949 .....	292,800,000	574,200,000	867,000,000	14.5
1950 .....	359,700,000	1,397,500,000	1,757,200,000	13.2
1951 .....	311,700,000	944,000,000	1,255,700,000	13.1
1952 .....	249,800,000	1,063,600,000	1,313,400,000	11.6
1953 .....	299,800,000	1,170,200,000	1,470,000,000	12.6

(a) Civilian production terminated on April 22, 1942 by order of WPB (7 F. R. 1794), which order was revoked on August 20, 1945 (10 F. R. 10180).

\* Official 1954 industry figures are not yet available.

From the mere handful of companies and the relatively small amount of capital which made up the electronics industry in the early days, the industry has continuously expanded. Today there are literally thousands of companies in which billions of dollars have been invested engaged in this industry.

No industry in which there existed the restraints alleged in the Government complaint could have advanced at such a dynamic pace. On the contrary, the rapid growth of the electronics industry, including the radio-television industry, and the continual emergence of new and improved electronic products, affirmatively demonstrate that there have been no restraints as alleged.

2, 3. RCA admits that it transacts business and that

its principal offices are within the Southern District of New York.

## II

### Description of RCA

4. RCA admits that it is the defendant herein, that it is a corporation organized and existing under the laws of the State of Delaware and that it maintains its principal offices at 30 Rockefeller Plaza, New York, New York.

5. RCA admits that it is an operating, holding and service corporation composed of a number of corporate subsidiaries and divisions which serve the public in many branches of electronics, including research and development, manufacturing, broadcasting, international message communication, service and sales.

6. RCA admits that its business includes granting patent licenses to competitors and others on reasonable and non-discriminatory terms and without restriction. RCA also admits that it is engaged in the manufacture and sale of equipment for the transmission and reception of radio and television signals through its manufacturing and service divisions, and the broadcasting of radio and television signals and network broadcasting through its subsidiary, National Broadcasting Company, Inc., hereinafter referred to as NBC.

7. RCA admits that the RCA Laboratories conducts research and development in many phases of commercial and military electronics, that the RCA Laboratories and Commercial Department discharge various patent functions as alleged, and that the RCA Laboratories maintains facilities at Princeton, New Jersey; New York, New York; Newark, New Jersey; Camden, New Jersey; Chicago, Illinois; Hollywood, California; and Washington, D. C.

8. RCA admits that it grants patent licenses to competitors and others on reasonable and non-discriminatory terms and without restriction, to the extent that it has the right to grant such licenses, under any one or more of approximately 10,000 United States patents. These licenses contain no restrictions as to price, quantity, territory, or anything else, require no minimum royalty, and are offered under any one or more patents and for any apparatus as may be desired by any prospective licensee.

RCA denies any allegation contained in any paragraph of the complaint which charges RCA with "package licensing", or compelling any prospective licensee to accept a license under more patents than he wants.

RCA admits that during the year 1951 RCA's royalty income from patent licenses was as alleged, but avers that during 1951 RCA spent on research and development a sum in excess of the amount received by it in royalty payments and that under its patent licenses it made the fruits of such research and development available to the electronics industry. In addition, RCA makes substantial payments to others for the right to use patents developed through their research and development in competition with RCA.

Many substantial competitors with large resources for research and development exist in the radio and television



industry. These include the Admiral Corporation, Columbia Broadcasting System, Inc., Allen B. Du Mont Laboratories, Inc., Emerson Radio & Phonograph Corporation, General Electric Company, International Telephone and Telegraph Corporation, Motorola, Inc., Philco Corporation, Raytheon Manufacturing Company, Sylvania Electric Products, Inc., Westinghouse Electric Corporation, Zenith Radio Corporation, and others. The published sales figures of the companies named alone, for the most recent annual period, amount to many billions of dollars. Each of these companies maintains extensive facilities for its own research and development. Each of these companies has every incentive to follow and has followed a program of intense and active research and development to produce better products in this highly competitive market, as well as to license others.

9. RCA admits that it manufactures many types of radio-television products, parts and accessories, but not all types. RCA avers that it purchases many types of products, parts and accessories each year from thousands of independent suppliers.

10. RCA admits that more people buy RCA television receivers than any other make of television receiver and that more station owners buy RCA television transmission equipment than any other make. RCA further avers that in all of the categories of radio and television equipment referred to there is intense and effective competition.

11. RCA admits that its wholly-owned subsidiary NBC broadcasts radio and television programs and furnishes other service to the public as alleged. RCA avers that NBC was formed in 1926 as America's first national broadcasting network and that other organizations since have followed RCA's example in forming national broadcasting networks with the result that a new field of commerce was created and a new business came into existence. RCA further avers that there is intense and effective competition in radio and television broadcasting and networking.

### III

#### Description of Others

12. RCA admits the allegations as to the organization, existence and principal offices of General Electric Company, hereinafter referred to as GE, but denies knowledge or information sufficient to form a belief as to the truth of the allegation that GE is the largest manufacturer of electrical equipment in the United States.

13. RCA admits the allegations as to the organization, existence, and principal and executive offices of Westinghouse Electric Corporation, hereinafter referred to as Westinghouse, but denies knowledge or information sufficient to form a belief as to the truth of the allegation that Westinghouse is the second largest manufacturer of electrical equipment in the United States.

14. RCA admits the allegations as to the organization, existence and principal offices of the American Telephone and Telegraph Company, hereinafter referred to as AT&T, and of its business and of the business of the Bell System.

15. RCA admits the allegations as to the organization, existence and principal offices of Western Electric Company, Incorporated, hereinafter referred to as Western Electric, but denies knowledge or information sufficient to form a belief as to the truth of the allegations with respect to the percent of Western Electric stock owned by AT&T and the allegation that Western Electric is the largest manufacturer of telephone apparatus in the United States.

16. RCA admits the allegations as to the organization, existence, principal offices and research of the Bell Telephone Laboratories, Inc., hereinafter referred to as Bell Labs, but denies knowledge or information sufficient to form a belief as to the truth of the allegations with respect to the ownership of Bell Labs.

### IV

#### Nature of Trade and Commerce

17. RCA admits the allegations as to the nature of the trade and commerce involved herein, and avers that it is engaged in research relating to the invention, development and improvement of radio and television products and devices, but not in the acquisition of patents. RCA also avers that licenses under such patents as issue to it on inventions resulting from RCA's research and development are offered by it to its competitors and others on reasonable and non-discriminatory terms and without restriction, and that RCA's licensing policy has been a major factor in the spectacular growth of the electronics industry, including the radio-television industry, and the pre-eminence of the United States in that industry.

18. RCA admits the allegations and avers that research activities play an important part in the development of radio and television products as alleged.

RCA has been a pioneer in the research and development incident to radio receivers, black and white television receivers, color television receivers and various other radio and television products and devices, including products which have vital significance for the national defense. No organization has contributed as much to the research and development of these products and devices as RCA, and RCA's patent licensing policies have enabled its competitors and others to enjoy the fruits of RCA's research and development on reasonable and non-discriminatory terms and without restriction.

19. RCA admits that it expends millions of dollars annually on research and development which it conducts in its laboratories in Princeton, Newark and Camden, New Jersey; New York, New York; Chicago, Illinois; Hollywood, California; and other places, and that such research and development employs materials, parts and other supplies purchased by RCA from thousands of sources located throughout the United States and abroad.

According to a report of the Bureau of Labor Statistics of the United States Department of Labor in January 1952, 639 companies were qualified to do work in electronics research, 277 of such companies gave electronics research as their major research specialty, and these 277 companies reported that their cost of research and development in



1951 was \$531,600,000. In 1951 RCA expended about \$39,000,000 for research and development in electronics.

The tremendous expansion of research and development in all phases of the electronics industry is forcefully demonstrated by the fact that many companies, not formerly in electronics, with large and powerful research and development facilities are now devoting their efforts to intensive research in electronics. These companies include aircraft manufacturers, such as the Boeing Airplane Company, Douglas Aircraft Company, Inc., Hughes Aircraft and United Aircraft Corporation; automobile manufacturers, such as the General Motors Corporation and Willys Motors, Inc.; business machine manufacturers, such as the Burroughs Corporation, International Business Machines Corporation, The National Cash Register Company and Remington Rand, Inc.; manufacturers of industrial control equipment, such as the Maxson Corporation, Minneapolis-Honeywell Regulator Company and the Otis Elevator Company; manufacturers of automation equipment, such as General Mills Inc. and the United Shoe Machinery Corporation; companies engaged in the development of atomic energy applications, such as General Dynamics Corporation; and companies engaged in the motion picture industry, such as the Bell & Howell Co. and Paramount Pictures Corporation. The assets of these companies alone total many billions of dollars and their research facilities far exceed those of RCA. A substantial part of the electronics research and development work of these companies has direct application to the radio-television industry.

20. RCA admits that substantially all radio-television manufacturers located in many of the states and territories of the United States and the District of Columbia are licensed by RCA.

RCA's policy of licensing patents to its competitors and others on reasonable and non-discriminatory terms and without restriction has contributed substantially to the ever increasing number of radio and television receivers in the hands of the American public, and to a continual lowering of the price of such receivers. The freedom to manufacture and sell and the absence of restraint in the radio-television industry is illustrated by the following figures of radio and television set ownership in America:

Year (as of January 1)	Radio Receivers	TV Receivers
1932 .....	20,450,000	
1933 .....	21,950,000	
1934 .....	23,950,000	
1935 .....	26,006,000	
1936 .....	30,519,000	
1937 .....	33,800,000	
1938 .....	37,617,000	
1939 .....	40,800,000	
1940 .....	45,000,000	
1941 .....	50,600,000	
1942 .....	57,800,000	
1943 .....	59,850,000	
1944 .....	60,000,000	
1945 .....	59,000,000	
1946 .....	57,750,000	10,000
1947 .....	66,000,000	16,500
1948 .....	75,000,000	189,900

1949 .....	80,000,000	1,000,000
1950 .....	85,200,000	3,950,000
1951 .....	96,000,000	10,550,000
1952 .....	105,300,000	15,777,000
1953 .....	110,000,000	21,234,000
1954 .....	125,500,000	27,812,000
1955 .....	128,900,000	33,816,000

21. RCA admits that it has various forms of patent license agreements, including those referred to in the complaint, under which it makes patents available to its competitors and others on reasonable and non-discriminatory terms and without restriction. In addition to its various standard forms of license agreements, it is RCA's policy to license and RCA does license anyone under any patent or group of patents for any apparatus to the extent to which RCA has the right to grant such licenses and under such patent or patents and for such apparatus as the prospective licensee may desire.

22. RCA admits that it grants licenses under as many or as few of the United States patents alleged as the prospective licensee may desire, and avers that although RCA has obtained its important patents principally through its own research, in some instances RCA has obtained rights to patents of others to avoid patent deadlock for itself or for its licensees, all of which said patents it licenses to its competitors and others on reasonable and non-discriminatory terms and without restriction, to the extent to which it has such rights, and without additional charge. RCA admits that its royalty income is as alleged, but avers that it has spent on research and development in the years alleged a sum in excess of the amounts received by it as royalty income and that the results of such research and development are made available to its competitors and others on reasonable and non-discriminatory terms and without restriction or additional charge.

23. RCA admits that its patent licensing is nation-wide and international in character due to RCA's policy to license anyone under any patent or patents for any apparatus, and admits the other allegations.

24. RCA admits that its licensees vary in size and in the products they manufacture, and avers that it does not discriminate against any licensee because of its size or the product it manufactures. RCA also admits that it is a licensed manufacturer which manufactures many types of electronic products, including radio-television products, in all of which types intense and effective competition exists.

25. RCA admits that the largest number of its licensees are engaged in the manufacture of radio and television receivers and that the public has invested over \$10,000,000,000 for more than 33,000,000 black and white and color television receivers.

Each of these receivers utilizes one or more inventions developed by RCA, which inventions were made available by RCA to the manufacturers of these receivers on reasonable and non-discriminatory terms and without restriction.

26. RCA admits that in 1953 there had been such dynamic growth in the highly competitive radio and tele-



vision industry that the output for all products of all manufacturers at factory values substantially exceeded the figure alleged. This dynamic growth of an industry which did not exist when RCA was formed illustrates the absence of the alleged restraints in such industry.

27. RCA admits that radio and television products, including its own, are manufactured throughout the United States and sold and shipped in interstate and foreign commerce as alleged.

28. RCA admits the importance of research and development in radio and television and the other allegations.

## V

### Background

#### A. The Industry from 1919 to 1930.

29. RCA admits it was incorporated by GE in Delaware on October 17, 1919, that GE then held a majority of RCA's common stock, that RCA then acquired the assets of Marconi Wireless Telegraph Company of America (American Marconi), including valuable patents and patent rights, and admits that thereafter it received licenses from GE, to which it begs leave to refer for a full and accurate statement of their terms.

The creation of RCA by GE and the acquisition by it of the assets of American Marconi resulted from appeals to do so made to GE by responsible officials of the Federal Government in Washington.

Prior to World War I reliable apparatus for radio communications did not exist. International communications were dependent on mail and on cables controlled by British interests. The development of the American radio industry was blocked by patent deadlocks and paralyzed by patent conflicts and litigation.

During World War I the United States Government commandeered all radio communications facilities and radio patents. To stimulate manufacture of radio equipment, the Government temporarily guaranteed to hold manufacturers harmless against patent infringement suits on Government apparatus. As a result new apparatus, vastly superior to that previously available, was developed.

During World War I the Government became keenly aware of the great importance of radio communications. At the conclusion of the war it was realized by Government officials that this was a critical time in the development of radio communications and our Government was determined that the United States should have its own system of world-wide radio communications.

GE had developed the Alexanderson alternator, then the best transoceanic radio transmitter in the world. GE was about to enter into contracts to supply the British-owned Marconi companies throughout the world with this equipment when the Navy Department, acting through Franklin D. Roosevelt, Assistant Secretary of the Navy, and others intervened.

The Navy Department asked GE not to sell the alternators to foreign interests but to set up a new American company strong enough to develop radio and to conduct a

world-wide system of radio communications. As a result of this appeal, RCA was formed by GE and acquired the assets of American Marconi, including its patent rights.

30. RCA admits that during the years 1920 and 1921 GE entered into certain patent cross-licensing agreements with AT&T, Western Electric and Westinghouse, to which it begs leave to refer for a full and accurate statement of their terms.

*The AT&T Cross-License Agreements.* In 1920 RCA, with only its licenses from GE, was unable to manufacture or use the improved equipment used by the Government during the war. Some of the patents which blocked RCA were owned or controlled by AT&T. Almost immediately after the organization of RCA, the Navy Department wrote to GE and AT&T bringing this patent situation to the attention of the two companies and appealing to them as "a public necessity" to make arrangements without further delay between the patent holders so that improved radio apparatus could be manufactured without being blocked by patent conflict.

As a result of this appeal negotiations were entered into and cross-licenses between GE, AT&T and RCA were prepared. Before these cross-licenses were executed they were submitted to the Attorney General by representatives of the three companies. The Attorney General indicated no disapproval and thereafter the cross-licenses were signed as of July 1, 1920.

*The Westinghouse Cross-License Agreements.* The cross-licenses between GE, AT&T and RCA did not end the patent deadlock because there were certain other patents owned by Westinghouse which were vital to any effective system of radio communications. The Westinghouse patents were of such importance that GE and RCA could not go forward with their development of the new and more efficient apparatus until the patent conflicts were resolved. Similarly, Westinghouse was unable to manufacture efficient radio apparatus under its patents without licenses under the patents of GE, RCA and AT&T. As a result, negotiations were commenced for cross-licenses between GE, RCA, AT&T and Westinghouse to end this patent deadlock. License agreements were drafted and were submitted to the Attorney General by representatives of the companies. The Attorney General indicated no disapproval and thereafter the cross-licenses were signed as of July 30, 1921.

On January 12, 1920 the Navy Department sent a letter to President Woodrow Wilson recommending that Admiral Bullard, Director of Naval Communications, be appointed to sit with the Board of Directors of RCA and to present to and discuss with them the Government's views and interests concerning matters pertaining to radio and communications coming before RCA directors and stockholders.

On January 14, 1920 President Wilson approved the Navy Department recommendation and thereafter Admiral Bullard attended meetings of the RCA Board of Directors, and participated in the discussions which led to the Board approval and execution of the cross-licenses entered into with AT&T and Westinghouse.

31. RCA admits that for a number of years after the



above-mentioned cross-licenses were entered into RCA did not manufacture radio apparatus but sold such apparatus manufactured for it by GE and Westinghouse, and operated a marine and transoceanic radio communications system. RCA also admits that in 1926 it organized the National Broadcasting Company, Inc., America's first broadcasting network.

32. RCA admits that during the year 1927 it began licensing others to manufacture and sell radio apparatus, and avers that in 1929 RCA itself began such manufacture.

33. RCA admits that during the period from 1919 to 1930 it entered into the aforesaid and certain other supplementary agreements with GE, Westinghouse, AT&T and Western Electric, and begs leave to refer to said agreements for a full and accurate statement of their terms.

34. RCA admits that during the period from 1919 to 1930 it entered into agreements to use United States patents of various foreign manufacturers of radio equipment. These agreements were made in furtherance of the program originally urged on RCA by the Government for establishing an American world-wide radio communications system. RCA begs leave to refer to said agreements for a full and accurate statement of their terms.

#### **B. Antitrust Proceedings of 1930.**

35. RCA admits that on May 13, 1930 the United States instituted a civil action against it, GE, Westinghouse, AT&T, Western Electric and others in the District Court of Delaware, which action was terminated by the entry of consent decrees, and RCA begs leave to refer to the proceedings and to the decrees in that action for a full and accurate statement of their terms and provisions.

As a result of discussions with representatives of the Attorney General, new cross-licenses were negotiated and entered into between AT&T, Western Electric, GE, Westinghouse and RCA. It was stipulated by representatives of the Attorney General that the arrangements so entered into would "provide suitable relief concerning all matters charged in the Petition and not reserved for later determination, \* \* \* The petitioner, by its Department of Justice, has examined all of the Agreements attached hereto, and also the above-mentioned Substitute License Agreement (B2) and agreements Relating Thereto, and finds no objection to them."

This stipulation was submitted to the District Court in Delaware, together with the modified cross-license agreements between AT&T, Western Electric, GE, Westinghouse and RCA, and a consent decree was entered thereon on November 21, 1932.

In the course of the proceedings in which the decree was entered, Judge Warren J. Olney, appearing for the Government at the request of John Lord O'Brian, stated with respect to Substitute License Agreement (B2), which reflects the same principles involved in the other agreements approved by the decree, that:

"Under the new contract between these parties only nonexclusive licenses are exchanged so that with one very minor exception, which the Government deems of no substantial importance, so that

there is no restraint imposed upon any party to the contract. Each is free to use its own patents as it wishes and to grant licenses thereunder and the only effect of the contract is that each side extends to the other the right to use its patents and to that extent breaks down the monopoly which the law attaches to the ownership of a patent. The new contract, in other words, is one that is manifestly in the public interest and not opposed to it."

These are the very agreements attacked in the present suit by representatives of the Attorney General.

This decree was intended to, and did, put at rest all issues in that litigation, and by such decree those issues became *res judicata*.

The stipulation and decree reserved issues relating to license and traffic agreements between RCA and foreign companies. The reserved issue as to foreign licenses was disposed of by a supplemental decree dated May 25, 1934. Prior to this supplemental decree the licenses from foreign companies were modified by RCA, the supplemental decree held that this modification met the objections of the Government, and the case was dismissed with respect to such licenses, leaving the licenses as modified in effect. The reserved issue as to foreign traffic agreements was settled by a second supplemental amendment to the consent decree dated July 2, 1935, which modified such agreements but left the agreements as modified in effect.

At the entry of the second supplemental decree counsel for the Government represented to the court that "This manner of disposing of the final issues in the case, is satisfactory to the Government, \* \* \* this Decree then finally consummates the case, as between the Government and the Radio Corporation of America and R. C. A. Communications, Inc."

36. RCA admits that Substitute License Agreement (B2) between GE and AT&T, to which RCA was made a party by an extension agreement, was entered into as of July 1, 1932, and begs leave to refer to such agreement for a full and accurate statement of its terms and provisions. This agreement was drawn and entered into as part of the negotiations with the Government prior to the consent decree in such manner as to meet the requirements laid down by the Government, as averred in paragraph 35 of this answer. Agreement B2 granted RCA certain non-exclusive licenses and non-exclusive rights to license others under patents of AT&T and Western Electric.

37. RCA admits that Agreement A-1 was entered into November 21, 1932, the date of the entry of the first consent decree, and begs leave to refer to such agreement for a full and accurate statement of its terms and conditions. Agreement A-1 was drawn, for the purpose of modifying the provisions in the license agreements between GE, Westinghouse and RCA as part of the negotiations with the Government prior to the consent decree, in such manner as to meet the requirements laid down by the Government, as averred in paragraph 35 of this answer. Agreement A-1 gave RCA certain non-exclusive licenses and non-exclusive rights to license others under patents of GE and Westinghouse. Agreement A-1 was attached to



the stipulation filed with the court on which the consent decree was based, and counsel for the Government stated to the court that this cross-license agreement was in full conformity with the law.

38. RCA admits that Agreements A-1 and B2, as modified and supplemented, are presently in effect in respect of inventions prior to December 31, 1954, and begs leave to refer to the agreements and supplements themselves for a full and complete statement of their terms and provisions.

39. RCA admits that on July 31, 1942 an Assistant Attorney General moved in the District Court of Delaware to vacate the aforesaid consent decrees, and begs leave to refer to the Government's motion for a complete and accurate statement of its grounds. The Government's motion was denied by Circuit Judge Maris, sitting as a Judge in the District Court. Judge Maris stated: "Since these consent decrees are based upon an agreement made by the Attorney General which is binding upon the Government the defendants are entitled to set them up as a bar to any attempt by the Government to relitigate the issues raised in the suit \* \* \*." (46 F. Supp. 654, 656) Judge Maris thus held that the consent decree of 1932 is a three-party contract between the Government, the court, and the defendants.

The Government appealed to the Supreme Court from this decision of Judge Maris, but before the case was heard the appeal was dismissed upon motion of the Solicitor General, now Circuit Judge Charles Fahey, and the decision of Judge Maris stands *res judicata*.

On January 11, 1954 in his decision, reported at 117 F. Supp. 449, on a motion to construe the consent decree of 1932, Judge Maris again referred to Agreement A-1 as having been "approved" by the consent decree of 1932.

## V I

### Charges

40. RCA denies each and every allegation that it has attempted to monopolize or has monopolized or unreasonably restrained the interstate trade referred to, and denies each and every other allegation in paragraph 40 of the complaint.

RCA avers that the Government cannot attack a consent decree to which it is a party by charging RCA with violating the law—beginning the very day after the decree was entered—because it has conformed to the provisions of the decree. The consent decree of 1932, and the cross-license agreements approved thereby, represent the considered and correct judgment of the Government and the court, as well of the defendants, that this was the best way to achieve the objectives of the Government's petition, namely, the continued growth of a competitive radio-television industry free from restraint. The correctness of this judgment and the intensely competitive industry which has resulted from the policies and practices of RCA under and pursuant to this decree is shown by the soaring sales of radio and television receivers since 1932, as set forth in paragraph 1 of this answer.

RCA's policy of licensing its competitors and others on reasonable and non-discriminatory terms and without restriction has been a major factor in the rapid growth of the electronics industry, including the radio-television industry.

41. RCA denies each and every allegation contained in paragraph 41 of the complaint.

42. RCA admits that, in accordance with Paragraph V of the consent decree of November 21, 1932, it acquired non-exclusive rights under various patents pursuant to the seventeen specified agreements, and avers that in each instance the licensor reserved and retained complete freedom to compete with RCA in the granting of licenses under such patents. RCA further avers that in respect of nine of the seventeen non-exclusive licenses obtained, RCA did not acquire any rights to grant licenses to others. RCA denies that the effectiveness of the right of any of these companies to license others has ever in any way been destroyed by RCA during the period from November 21, 1932 to the present, or that RCA during that period had a monopoly either of patents or of patent licensing. RCA denies each and every other allegation in paragraph 42 of the complaint.

43. RCA admits that, during the period alleged, in accordance with Paragraph V of the consent decree of November 21, 1932, it acquired the right to use and to grant licenses to others under the United States patents and patent applications of nineteen of the twenty-nine companies named, and avers that in each such instance such licenses were made non-exclusive and the company concerned reserved the right to grant licenses to others in competition with RCA. RCA further avers that of the nineteen companies named as having granted RCA non-exclusive licenses under United States patents with the right to license others, four of these companies are small RCA foreign subsidiaries, seven of these companies no longer grant RCA such rights to license others, and one of these companies is an optical company granting RCA the right to license others under a single patent and a single application relating to an optical device. RCA further avers that of the seven companies remaining, two are, in fact, subsidiaries of a single company, and two are, respectively, a company and a subsidiary. The companies granting such non-exclusive licenses to RCA are, therefore, more properly considered as five companies rather than twenty-nine as alleged, and these five companies do not include, as alleged, "most of the principal manufacturers of radio and television industry equipment located throughout the world". RCA denies each and every other allegation in paragraph 43 of the complaint.

44. RCA admits that, in accordance with the consent decree of November 21, 1932, it has entered into various non-exclusive agreements with domestic and foreign patent holders to receive rights, including the right to grant licenses to others, and avers that it has made these rights available to its competitors and others on reasonable and non-discriminatory terms and without restriction. The effect of these agreements has been to resolve patent blocks and to increase competition in, and to increase the



manufacture and sale of, electronic apparatus, including radio and television apparatus. RCA begs leave to refer to the agreements themselves for a full and accurate statement of their terms.

45. RCA admits that it acquired certain United States patent rights relative to black and white television from Henroteau, Loewe and Farnsworth, and begs leave to refer to the agreements under which such rights were granted for a full and accurate statement of their terms. RCA denies each and every other allegation in paragraph 45 of the complaint, and avers that it made such rights available to its competitors and others on reasonable and non-discriminatory terms and without restriction. RCA also avers that its own research was the most substantial factor in bringing black and white television to a stage of development at which it was ready to become a service to the American public. RCA spent more than 50 million dollars on the development, research and promotion of black and white television before it realized any profit from such expenditures. RCA pioneered the introduction of black and white television to the American public and furnished its competitors with complete information regarding the manufacture and servicing of black and white television receivers in order to encourage its competitors to enter the television market.

46. RCA admits that it acquired non-exclusive licenses, including a non-exclusive right to license others, under one patent of Lorenzen, one patent of Toulon and five claims of one patent of Geer, and begs leave to refer to the terms of the agreements under which such rights were granted for a full and accurate statement of their terms. RCA avers that it made such rights available to its competitors and others on reasonable and non-discriminatory terms and without restriction.

RCA also avers that it publicly opposed adoption by the Federal Communications Commission of standards for an incompatible and inferior system of color television which would have rendered "blind" millions of receivers in the hands of the American public.

RCA has spent more than 50 million dollars on the development, research and promotion of a compatible system of color television which operates on standards since approved by the Federal Communications Commission and which preserves the value of millions of black and white sets in American homes. Color television activities are still being pioneered by RCA at a substantial loss.

RCA did not manufacture color television receivers using the incompatible standards adopted by the Federal Communications Commission in 1950 because it believed such receivers worthless and that it would be unfair to offer and sell such receivers to the American public. A number of other manufacturers made and tried to sell incompatible color television receivers, all of which receivers are now worthless.

On December 17, 1953 the Federal Communications Commission, on the recommendation of RCA and scientists and engineers representing virtually the entire radio-television industry, adopted compatible color television standards used by the RCA color television system.

RCA has and is continuing to pioneer the introduction of color television to the American public and has furnished its competitors and others with complete information regarding the manufacture and servicing of compatible color television receivers in order to encourage its competitors to enter the color television market.

RCA denies each and every other allegation in paragraph 46 of the complaint.

47. RCA denies each and every allegation in paragraph 47 of the complaint.

48. RCA denies each and every allegation in paragraph 48 of the complaint.

49. RCA admits that, during the period from November 21, 1932 to the present, it has offered to its competitors and others patent licenses under RCA's patent rights on reasonable and non-discriminatory terms and without restriction, to the extent to which it has the right to grant such licenses. RCA avers that many of its competitors and others have desired licenses under various RCA patent rights to manufacture, use and sell various types of electronic apparatus, including radio-television apparatus, and have obtained licenses from RCA under such rights and for such apparatus as they desired. RCA denies each and every other allegation in paragraph 49 of the complaint.

50. RCA admits that it has granted many licenses on standard forms, including the forms alleged, and avers that all such licenses have been granted on reasonable and non-discriminatory terms and without restriction. RCA further avers that, to the extent to which it has such right, it has granted licenses under any patent or group of patents its prospective licensees have desired, and for any apparatus or types of apparatus for which its prospective licensees have desired a license. RCA begs leave to refer to such license agreements for a full and accurate statement of their terms, and denies each and every other allegation in paragraph 50 of the complaint.

51. RCA admits that it grants licenses to its competitors and others and avers that it is RCA's policy to license and that RCA will license anyone under any patent or group of patents for any apparatus the prospective licensee may desire, and RCA will specify for the prospective licensee the patents which may be used in any apparatus.

RCA denies that it compels any prospective licensee to accept a license under more patents than he wants, and denies any allegation contained in any paragraph of the complaint which charges RCA with "package licensing". RCA's licenses contain no restrictions as to price, quantity, territory, or anything else, and are offered under any one or more patents and for any apparatus as may be desired by any prospective licensee.

RCA denies each and every other allegation contained in paragraph 51 of the complaint.

52. RCA admits that it has granted licenses to its competitors and others for such apparatus and for such purposes as its prospective licensees have desired, and begs leave to refer to the license agreements themselves for a full and accurate statement of their terms. The effect of RCA's license agreements has been to increase competition



in and to increase the manufacture and sale of electronic apparatus, including radio and television apparatus, and RCA's license agreements are granted to its competitors and others on reasonable and non-discriminatory terms and without restriction, to the extent to which RCA has the right to grant such licenses. There is active and intense competition between RCA and its licensees in the electronics industry, including the radio-television industry. RCA's licensing policies encourage and assist small manufacturers to enter and compete in the electronics industry, including the radio-television industry. A very large number of independent companies are now manufacturing and selling television receivers and all of these companies are in open and active competition with RCA and with one another. RCA denies each and every other allegation in paragraph 52 of the complaint.

53. RCA admits that in 1940 it changed its method of computing royalties on licensed receiving sets to provide that the base for computation of royalties henceforth would be the licensee's genuine selling price at which its customers are billed in the usual course of business as packed for shipment to customers. This revised royalty base was adopted at the request of RCA's licensees because previous RCA license agreements, which included higher royalty rates and diminution of the royalty base through allowance of various deductions for cabinets and other items, resulted in accounting and other difficulties and expenses to licensees. It was, among other reasons, for the purpose of simplification and the avoidance of complex accounting problems and expense to licensees that the royalty base presently provided in RCA receiver license agreements was adopted. RCA lowered its royalty rates at that time to make allowance for inclusion in the receiver royalty base of various items as alleged. RCA's present royalty rates are further reduced, now being only  $\frac{1}{2}$  of 1 percent for radio broadcast receivers using tubes,  $\frac{1}{8}$  percent for radio broadcast receivers using transistors,  $1\frac{1}{4}$  percent for black and white television receivers,  $1\frac{3}{4}$  percent for color television receivers,  $1\frac{1}{4}$  percent for electron tubes other than color tubes,  $1\frac{3}{4}$  percent for color tubes, 2 percent for color television commercial apparatus except government apparatus,  $1\frac{1}{2}$  percent for other commercial apparatus except government apparatus, and 1 percent for all commercial apparatus manufactured for government use.

All RCA license agreements provide for various deductions which make the actual rates even lower. Moreover, RCA royalty rates are based on the manufacturer's selling price. Applied to retail selling prices to the public, these royalty rates are substantially cut in half.

The fact that RCA's royalty rates compare most favorably with those of other licensors in this or any other industry is beyond dispute.

In return for these reasonable royalty rates, licensees have the privilege of obtaining a license under, or using, any one or more patents under which RCA has the right to grant licenses. This licensing policy has resulted in licensees of RCA having complete freedom to manufacture apparatus in competition with RCA under any and all patents available to RCA, to the extent to which RCA has

the right to grant such licenses. No royalties are payable on any apparatus under any license agreement granted by RCA unless the apparatus uses patents licensed by RCA. RCA begs leave to refer to its license agreements for a full and accurate statement of their terms, and denies each and every other allegation contained in paragraph 53 of the complaint.

54. RCA admits that it offers licenses to its competitors and others on reasonable and non-discriminatory terms and without restriction for any patent or patents under which its prospective licensees may desire freedom to manufacture, use, sell or lease any apparatus. RCA's policy of making any or all of its rights available upon request has been a substantial factor in maintaining and increasing intense and effective competition in the electronics industry, including the radio-television industry, and has been a substantial factor in enabling small companies to compete with RCA and others. RCA denies each and every other allegation in paragraph 54 of the complaint.

55. RCA denies each and every allegation in paragraph 55 of the complaint.

56. RCA denies each and every allegation in paragraph 56 of the complaint.

57. RCA admits that years ago its license agreements contained a provision under which RCA had the right to require its licensees to grant RCA non-exclusive licenses on reasonable terms under any new inventions made by them within the scope of the RCA license. This right was never exercised by RCA and in 1949 RCA formally waived such right and removed this provision from its license agreements. RCA begs leave to refer to its license agreements for a full and accurate statement of their terms, and denies each and every other allegation in paragraph 57 of the complaint.

58. RCA denies each and every allegation in paragraph 58 of the complaint.

(a) RCA avers that among its competitors and others who have granted licenses to others are Major Edwin H. Armstrong, Columbia Broadcasting System, Inc., Allen B. Du Mont Laboratories, Inc., Eitel-McCullough, Inc., General Electric Company, Hazeltine Research Inc., International Telephone and Telegraph Corporation, Philco Corporation, The Sperry Corporation, Sylvania Electric Products, Inc., Western Electric Company, Incorporated, Westinghouse Electric Corporation, Zenith Radio Corporation, and others.

(b) RCA avers that in 1951 it expended about \$39,000,000 for research and development in electronics and that, according to a report of the Bureau of Labor Statistics of the United States Department of Labor covering the same period, \$531,600,000 was spent by 277 companies which gave electronics research as their major research specialty. During the period covered by the complaint, there has been active and increasing competition in research and development in the electronics industry, including the radio-television industry. In addition to the amounts which RCA spends on its own research and development activities, RCA



also pays substantial amounts to its competitors in the radio-television industry, and to others in the electronics industry, for licenses under the inventions resulting from their research and development activities.

(c) RCA avers that, to protect its patent rights and avoid discrimination in its dealings with its competitors and others in the electronics industry, including the radio-television industry, it has brought suits for infringement to enjoin others from using without payment patent rights licensed by RCA to others and paid for by them. With but two exceptions hereinafter referred to, all patent infringement actions commenced by RCA were commenced prior to 1940 and were commenced at a time when one or more patents licensed by RCA had been adjudicated as valid by final judgments of United States courts. Since 1940 RCA has brought only two patent infringement actions, one of these a suit which was settled before trial, and the other a pending suit against Zenith Radio Corporation and its subsidiary, The Rauland Corporation, following commencement of a prior action by Zenith Radio Corporation against RCA for a declaratory judgment challenging the validity of RCA patents.

59. RCA avers that (a) inventions of GE, Westinghouse, AT&T, Western Electric and Bell Labs have been licensed by GE, Westinghouse, AT&T and Western Electric in active competition with licenses granted by RCA under patents of such companies; (b) GE, Westinghouse, AT&T, Western Electric and Bell Labs have engaged and are engaging in substantial radio-television research, development and patent licensing in active competition with RCA, and (c) RCA has been and is in active competition in patent licensing, research and development in the electronics industry, including the radio-television industry, with such companies. RCA further avers that its licensing activities under patents of GE, Westinghouse, AT&T, Western Electric and Bell Labs have been and are in conformity with the terms of the consent decrees hereinabove referred to and that the legality of such activities are *res judicata*. RCA denies each and every other allegation in paragraph 59 of the complaint.

60. RCA avers that GE, Westinghouse and AT&T are licensed by RCA under various agreements, and RCA begs leave to refer to said agreements for a full and accurate statement of their terms. RCA further avers that the terms and provisions of the license agreements under which RCA has the right to grant licenses under the patents of GE, Westinghouse and AT&T were approved by the aforesaid consent decrees and have been characterized by the Department of Justice as being in the public interest. RCA denies each and every other allegation in paragraph 60 of the complaint.

61. RCA avers that in April 1953 it entered into an agreement relative to certain sublicensing rights under patents of AT&T and Western Electric granted to RCA by Agreement B2, and avers that said agreement of April 1953 reduced certain rights to grant sublicenses granted to RCA by Agreement B2 and did not, as alleged, extend

the life of such sublicensing rights. RCA begs leave to refer to Agreement B2 and the agreement of April 1953 for a full and accurate statement of their terms, and denies each and every other allegation in paragraph 61 of the complaint.

62. RCA admits that the effect of Agreements A-1 and B2 is, in part, as alleged, and begs leave to refer to the agreements for a full and accurate statement of their terms. RCA further admits that on January 11, 1954 Circuit Judge Albert B. Maris, sitting as Judge in the District Court for the District of Delaware, upheld the construction of Agreement A-1 advanced by RCA, and avers that in the same proceeding the court rejected the contention of the Antitrust Division of the Department of Justice that RCA's construction of the A-1 Agreement was not in the public interest. In his opinion upholding RCA's construction of this agreement, Judge Maris stated in part "It is clearly in the public interest for this court to settle this question with respect to the operation and effect of the agreement [A-1] approved by its [consent] decree [of 1932]." RCA further admits that on March 5, 1954 it entered into an agreement with GE, the effect of which is to reduce the term of RCA's right to grant licenses to others under patents of GE on inventions made prior to December 31, 1954. RCA begs leave to refer to the agreement for a full and accurate statement of its terms, and denies each and every other allegation in paragraph 62 of the complaint.

## VII

### Effects

63. RCA denies each and every allegation as to the effects of the acts referred to in the complaint.

RCA avers that its policy of licensing its competitors and others on reasonable and non-discriminatory terms and its policy of granting licenses to prospective licensees under any patent or patents and for any apparatus for which such prospective licensees desire a license, has contributed substantially to the dynamic growth and development of the electronics industry, including the radio-television industry. These policies have encouraged and increased competition in radio-television research and development, patents, patent licensing, patent rights, manufacturing, sale, distribution, and the introduction of new developments in the public interest.

RCA's policies have encouraged the development and expansion of the electronic art in innumerable directions and with tremendous vitality and dynamic energy. No industry in this country has progressed so far in so short a time.

The rapid and continuous emergence of new and improved electronic products for industry, for the home, and for national defense, rendering obsolete existing products, which is characteristic of this industry, completely refutes the existence of any monopolistic control, domination or restraint as alleged in the complaint.

When RCA was formed at the request of the Government in 1919, only the most courageous and far-sighted could have foreseen the tremendous vistas which would be



opened to American industry and the American public through the encouragement and development of the electronic art. The research and development activities which at one time were engaged in by only a very few have for many years been pursued by substantially all members of the electronics industry, including the radio-television industry.

Today aircraft manufacturers, automobile manufacturers, business machine manufacturers and many other areas of American industry, and universities as well, are actively conducting research and development in electronics and are producing electronic equipment.

This chain reaction of research and development in the electronics industry was initiated with the formation of RCA, and is attributable in large part to RCA's policy of making inventions available to others.

The relief prayed for in the complaint is unreasonable, unnecessary, contrary to the public interest, and barred by the doctrine of *res judicata*.

#### First Defense

The complaint fails to state a claim against RCA upon which relief can be granted.

#### Affirmative Defense

Each and every claim for relief purported to be set forth in the complaint is barred by the doctrine of *res judicata* as hereinabove alleged.

WHEREFORE, RCA prays that the complaint herein be dismissed with costs.

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Dated: March 29, 1955.

(4673)







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# Television Digest

with **ELECTRONICS REPORTS**

PUBLISHED WEEKLY BY RADIO NEWS BUREAU • WYATT BLDG. • WASHINGTON 5, D.C. • TELEPHONE STERLING 3-1755 • VOL. 11: No. 15

## SUMMARY-INDEX OF THE WEEK'S NEWS — April 9, 1955

**HYPOS FOR SAGGING NETWORK RADIO** sought; NBC "Monitor" plan offers 40 hours around-clock weekends with partic. spots as in "Today" (pp. 1 & 6).

**FCC's FILES ON PAY TV** show vox populi equolly divided; Zenith gains spotlight when CBS rejects proposed pro-subscription commercial for Omnibus (pp. 1 & 7).

**ADVERTISING EXPENDITURES ON TV** ran 9.9% of notional od budget last year, totaling \$809,100,000, should go to \$1 billion or more this year (p. 3).

**SMALL-MARKET STATIONS**, vhf & uhf, getting benefits of new NBC & CBS programming plans; NBC to add more programs, more outlets to Program Service Plan (p. 3).

**INITIAL DECISIONS** favor KIRO, Seattle; WPDQ, Jocksonville; Omaha World-Herald; deintermixture proposals stir requests for more of some (p. 5).

**JUVENILE DELINQUENCY AND TV** probed ogoin by Senators in public hearing—experts disagreeing os usual on whether there is relationship (p. 8).

**RADIO TRADE IN COMEBACK**, output ond retail soles each up 50% over first quarter of 1954, inventories of all levels down by 200,000 sets (p. 10).

**REPEAL OF FAIR TRADE LAWS** backed by big stores ond discount houses; Sparkman committee to hold hearings on onti-trust report (p. 10).

**1954 COMPENSATIONS TO OFFICERS** os reported by Admirol, Emerson, DuMont, Hozeltine, Philco, RCA, Zenith and other componies (p. 11).

**TIME-SHARING WTCN-TV & WMIN-TV**, Minneopolis-St. Paul, merger approved; 2 more uhf moy quit; reports on equipment ond new stations (p. 9).

**DuMONT'S "ELECTRONICAM"**—combined TV & film comera which moy provide clue to DuMont network's future —to be demonstroted next week for first time (p. 16).

**NETWORK TV BILLINGS HOLD UP** in Feb., running well ohead of last year; PIB figures show network radio down, running about one-third TV (p. 16).

**NETWORK RADIO PATTERNS FOR SURVIVAL:** Beset by dwindling billings and the loss of listeners as fast as TV can claim them for viewers, network radio is fighting back with new program formats, rate slashes, special discount deals, heavy promotions -- all designed to pull it out of the economic quicksand into which it has been sinking during the last few years.

Most exciting of the new program formats designed to hypo network billings was unveiled this week by NBC. It's called "Monitor" and is projected to start in June as an around-the-clock weekend service providing continuous flow of entertainment and information from 8 a.m. Sat. to midnight Sun., including pickups of audio excerpts from favorite TV shows. (For details of plan, see p. 6.)

Other networks have also taken steps to improve their lot, principally via drastic rate cuts and bigger discounts. CBS, for example, offers frequency discounts ranging from 15% to 26%, depending on number of stations used, and has reoriented evening program schedule heavily to music. MBS has included in its rate card a \$1600 charge for one-min., which NBC now proposes to beat in its new segmentation plan. ABC was always so low, compared to CBS and NBC, that it has not had as far to fall -- but its radio revenues have been consistently declining, nevertheless, and it has had to make cuts in rates apace with the others.

Note: Evidencing network radio decline are monthly PIB figures (see p. 16); also the fact that, whereas nearly all the other media showed gains in advertising last year, the preliminary 1954 Printers' Ink index showed radio down 3.3% from 1953, its first downward year -- network slipping 13.2% & spot 5%, local up 2%.

**PAY-AS-YOU-LOOK TV AROUSES VOX POPULI:** Fascinating documents at FCC are the comments received so far on subscription TV. Though Commission set May 9 as date for filing formal comments on the rule-making proceeding which started Feb. 10 -- and the big guns won't be fired until then -- 360 letters & postcards have been received since Feb. 10. Few FCC matters have brought so much mail in so short a time.

Correspondence is wonderful grist for publicity mills of both pro and con elements of the pay-TV picture. Right after FCC's announcement Feb. 10, most comments

were obviously from the man-in-the-street, inspired by news stories which said that FCC's rule-making was for purpose of getting public opinion. During last month, there has been a heavy interlarding of distributor-dealer and theatre reaction.

In first month after Feb. 10, 107 letters denounced fee-TV idea, 60 favored it. In second month, 69 were against, 125 for -- a clear reversal of trend, whatever that may betoken -- and reaction is now almost exactly even-Stephen.

Most of the distributor-dealer response comes from those handling Zenith line -- and they're decidedly pro. Theatres are just as definitely con -- many of them using a mimeographed form letter.

There are some VIPs in the fast-growing Docket 11279. Someone has obviously done a good lobbying job on the Nevada solons. Gov. Charles H. Russell and Sen. George W. Malone (R) of Reno are vigorous proponents. Dozen or so other Senators and Congressmen, without expressing any opinion, forwarded letters from constituents.

Medical groups have also been sold -- American Medical Assn., Assn. of American Medical Colleges and American Academy of General Practice taking a favorable stand. Also among those urging pay-TV approval is Arthur J. Rooney, pres. of the Pittsburgh Steelers football team, and representatives of several legitimate theatre groups.

Few station operators have commented as yet. KSAN-TV, San Francisco (Ch. 32) urged that toll TV be authorized for uhf only. KCEB, Tulsa (Ch. 23), now off air, recommended it be limited to uhf and non-network stations. KONA, Honolulu, said stations should be permitted to air it part time. Radio WBBB, Burlington, N.C. is for it, but KGFF, Shawnee, Okla. is against it.

Feelings of public can be summed up about like this: For -- "We're tired or disgusted with present TV fare and want better programs." Against -- "We've paid for our sets and don't intend to pay for the programs, too."

Those favoring subscription TV frequently write on good paper with letter-heads, employ good English. Those opposing, more often than not, use cheaper paper, ungrammatical sentences, poorer handwriting. There are many exceptions, however.

To give you more of the flavor and arguments in the comments, we've quoted from some of the letters on p. 7.

Major opponents and proponents are gearing for May 9, meanwhile. No one has asked for delays -- and FCC isn't likely to grant them if requested. It feels that the 90 days it gave is ample time for preparation.

\* \* \* \*

Zenith's shrewd pres. Eugene F. McDonald again showed his mastery of public relations this week -- accomplishing the remarkable feat of getting more impact by cancelling commercials than others achieve by buying them. With only a week left in current Omnibus series, sponsored by Zenith and 3 others, Zenith v.p.-counsel Joseph S. Wright abruptly wrote CBS pres. Frank Stanton, saying Zenith was cancelling its sponsorship because of CBS's "arbitrary and unwarranted censorship" in rejecting proposed Zenith commercial extolling subscription TV. Wright also said that the Omnibus program on subscription TV March 27 (Vol. 11:14) had been unfairly slanted against pay-as-you-look TV.

CBS v.p. Richard S. Salant shot back a biting reply stating that Zenith knew full well that its contract provided for commercials on "goods and services," not on "controversial issues" such as fee TV. Furthermore, he reminded, both he and Stanton had previously advised Wright about CBS policy on commercials -- to which Wright had not objected. As for the Omnibus program being "slanted," Salant told Wright: "You are outrageously and knowingly wrong" and that "if the program was unfair at all it was unfair to opponents" of fee TV because audio portion of George Storer's statements -- against subscription TV -- was technically inferior.

Though Zenith placed no commercials on either April 3 or 10 Omnibus telecasts, Salant told Wright CBS expects payment for them.

Attesting to success of Zenith maneuver is fact that newspapers and trade press are making big to-do about it -- N.Y. Times even carrying full text of the commercial that CBS rejected. It was an all-out pitch for subscription TV, stating that it could bring first-run movies, heavyweight championship bouts, etc. to the home and urging people to write to FCC.



**TV ADVERTISING COSTS NEAR \$1 BILLION:** TV didn't quite hit 10% of last year's total national advertising budget -- the preliminary estimate is 9.9% -- nor did it climb as high as the \$930,000,000 which NBC Research predicted (Vol. 10:34) or \$900,000,000 we guesstimated (Vol. 10:48). But it should easily rise to \$1 billion this year.

The actual 1954 figure won't be known until FCC's annual audit of station and network revenues, due in June or July, to which industry statisticians can add fairly realistic estimates of other costs such as talent, programs, production, commissions, etc. to arrive at a grand total.

McCann-Erickson research dept., whose annual figures on advertising investment released through Printers' Ink are generally recognized as authoritative, has made a preliminary estimate of \$809,100,000 as TV's 1954 take out of total advertising expenditures of \$8,145,100,000. That's 9.9%, and it places TV in third place after newspapers' \$2,670,900,000 (32.8%) and direct mail's \$1,165,000,000 (14.3%).

Radio's \$608,100,000 (7.4%) puts it behind magazines' \$674,100,000 (8.3%), and for the first time TV jumps ahead of its parent radio broadcasting industry.

These figures are subject to revision later in the year. But it's reasonable to assume that TV, having ended 1954 with 426 stations on the air as against 356 at the end of 1953, and likely to have 450-to-475 stations on the air by end of this year -- and with rates and costs up generally -- will go beyond \$1 billion in 1955.

Quite a fabulous record for an industry that had only 10 stations and less than 10,000 sets in 1946! It means that in 10 years, telecasting has leaped from nothing to 9-figure status -- and not to serious detriment of most other media, for the advance figures show all of them save radio are on the upgrade. Radio slipped 3.3% in 1954 below 1953, and apparently is still slipping somewhat.

According to Standard & Poor's, the advertising industry as a whole should go up a minimum of 5% this year over last. Certainly TV, which jumped 33.5% from \$606,200,000 in 1953 to \$809,100,000 in 1954, can be expected to do much better than 5%. It's the advertising industry's lustiest and fastest-growing infant.

It's noteworthy that the preliminary figures published by Printers' Ink break down 1954 TV ad expenditures as \$444,200,000 network, \$189,000,000 spot, \$341,000,000 local -- with network running 38.8% ahead of 1953, spot 30% ahead, local 25% ahead. Network is still going up, as evident in PIB figures for Jan. & Feb. (see p. 16) -- and it's common knowledge that spot and local are well on the upgrade, too.

Note: Over the longer term, there's still the prediction of CBS's Frank Stanton that TV expenditures of U.S. advertisers will run "in the order of \$1.25 billion in 1957 or 1958"; there are the further projections of NBC Research, which it is likely to prune down now: \$1.3 billion in 1955; \$1.9 billion in 1956; and there's the figure of \$1.9 billion in 1959 guesstimated by DuMont's Ted Bergmann. Several weeks ago, speaking to security analysts on 10-year potential of the electronics industry as a whole, Sylvania finance v.p. W. Benton Harrison said combined TV-radio broadcasting revenues, i.e., exclusive of talent, production, etc., added up to about \$1,140,000,000 last year, should show a slight increase this year; by 1958-60, he stated, figure should be \$3 billion and by 1964 should top \$5 billion (Vol. 11:11).

**NETWORK AID TO SMALL-MARKET STATIONS:** Top network programs for small-market stations -- that's key to current network effort to break the vicious circle of "no programs, no viewers; no viewers, no sponsors; no sponsors, no programs." Aiming to build up a stronger nationwide TV service, NBC-TV and CBS-TV -- each in a different way -- have undertaken to fill the programming void on less-demanded TV stations.

This week, NBC let it be known that it is so encouraged by results of its so-called Program Service Plan, now bolstering program schedules of 74 stations, that it's working out ways to extend it to include more programs on more stations. NBC's thesis is: "Give them the programs first, if necessary -- then sell the advertiser."

CBS-TV's Extended Market Plan, more widely publicized (Vol. 10:49-51), is based on conviction pump can best be primed by selling advertisers first, via substantial price inducements. Under EMP, it sells selected group of small stations (now numbering 21) to network advertisers at extremely attractive rates. It already has 30 sponsors offering EMP affiliates 40 hours of choice programming weekly.

The NBC plan makes network programs available to affiliates which the sponsor



does not order, permits stations to delete network commercials and sell commercials on their own on a local or a spot basis. NBC revealed this week that these unordered stations are already picking up total of more than \$8000 monthly in local revenue this way. But even more significant is fact that increasing number of network advertisers have been adding the small-market "optional" stations which began by carrying the network programs minus the commercials.

Program Service Plan gives NBC-TV's optional affiliates 3 opportunities to gain: (1) Added programming. (2) Sale of local sponsorships and participations in network-originated programs. (3) Foot-in-door with possible network sponsors.

\* \* \* \*

Plan had its experimental beginnings in Jan. 1954, when early-morning Today show was offered without network commercials. In October of last year, Howdy Doody, Home & Imogene Coca Show were added. Last month, NBC threw in its high-rated George Gobel and Sid Caesar shows. Adding more shows is a real problem, because NBC owns complete rights to only a minority of programs, most being tied up in one way or another by agencies, sponsors, packagers, talent, etc.

To accomplish the mechanics of commercial-deletion, NBC "had to invent a machine." It's a cueing device which places a rectangular spot in upper right corner of picture, signaling imminence of a network commercial. This cues local station's technician to make breakaway for local commercial or announcement.

Total of 74 stations not ordered by network sponsors -- 26 of them uhf -- are now participating in Program Service Plan by carrying some or all of the 19½ hours being offered weekly. While these unordered stations are carrying the de-commercialized shows, a special NBC sales unit under Richard Soule is concentrating on selling sponsors the idea of adding these optional stations to their lineups of required basic outlets -- at the stations' regular network rates.

These figures show how regular network sponsors have been persuaded to put their commercials on optional stations since plan began: On Home show, 5939 orders for participations on individual stations have been taken; on Today, 1215 orders; Howdy Doody, 127 fifteen-min. segments; Imogene Coca, 48 orders.

NBC's "optional" plan so far has been limited largely to interconnected outlets "on the line," which can pick up live programs at little or no added cost. Non-interconnected stations and outlets off the main line can get kine versions by paying regular kine charges. Fact that many can't afford this service is one dilemma which NBC topkicks are trying to solve.

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**Personal Notes:** Edward T. Ingle, ex-NBC, who for 7 years was TV-radio director of Republican National Committee, named chief of radio-TV branch, Office of Public Information, Dept. of Defense, reporting to Herschel Schooley, director of information . . . Charles Oppenheim, CBS-TV director of press information, gets new title of director of information services; Michael J. Foster, publicity mgr., becomes mgr. of press relations, Hank Warner continues as operations mgr. . . . Robert Elliott, ex-CBS-TV and Ruthrauff & Ryan, named adv. director of both General Teleradio film div. & MBS, replacing late James S. Tyler and reporting to Robert A. Schmid, General Teleradio adv. & promotion v.p. . . . Andrew G. Haley, Washington counsel for TV-radio stations, last year's pres. of American Rocket Society and past v.p. of International Astronautical Federation, and Mrs. Haley were hosts to Rev. Walter J. Miller, Papal astronomer here on visit from Vatican, at reception April 9 in Washington's Mayflower Hotel . . . Michael A. Renault promoted to gen. mgr. of ABC's WABC, N. Y. . . . George Townsend, chief engineer of WWLP, Springfield, Mass., elected a v.p.; Howard S. Keefe promoted to asst. mgr.; Wallace I. Green named program director . . . Frank B. Willis resigns as sales mgr. of WJTV, Jackson, Miss. to join midwestern sales force of MCA-TV . . . Lee Curran, ex-KDKA, Pittsburgh, named promotion mgr. of KTRK-TV, Houston . . . Frank Beazley, ex-sales mgr., KBAK-TV, Bakersfield, Cal., joins KNXT,

Los Angeles . . . Wm. G. Grainger, ex-NBC film div., resigns to become pres. of National TV Distributors Inc. . . . James C. Douglass, TV-radio director, elected a v.p. of Ted Bates & Co. . . . Donald E. Tomkins, ex-TV-radio director of Grant Adv., named gen. sales mgr. of Owen Murphy Productions Inc., N. Y. . . . James C. Zeder Jr., ex-McCann-Erickson & Grant Adv., named TV-radio adv. mgr., Chrysler Corp. . . . Marcell Smith, ex-WCBS, named asst. TV-radio production supervisor, Weiss & Geller, N. Y. . . . James Morgan, v.p. of Raymond R. Morgan Co., Los Angeles, joining Don Fedderson Productions, now producing *The Millionaire* and *Liberace* and planning new series *Do You Trust Your Wife?* . . . Paul Mowrey, first ABC mgr. of TV, recently in consulting practice, has been retained by Zenith Radio in connection with its promotion of Phonevision . . . Gordon Hellman has resigned as CBS-TV director of sales presentations, to become sales promotion director, TV Bureau of Advertising . . . Bernie Harrison, TV-radio editor of *Washington News*, shifts to *Washington Star* May 1 in same capacity.

Robert R. Sloane, 42, TV-radio producer-director-actor, died of heart attack April 3 at his Los Angeles home. He was producer of filmed *Treasury Men in Action*.

Joseph M. Creamer, 42, former TV-radio promotion & research director of WOR, N. Y., recently with Kudner Agency, died April 5 after brief illness.



**T**HREE INITIAL DECISIONS of major importance and one CP were focus of FCC activity this week. CP was for Ch. 3, Florence, S. D., granted to Hills Bestg. Co. (KELO-TV, Sioux Falls) after KWAT, Watertown, had dismissed. New station is to be satellite of KELO-TV. In the initial decisions, examiners recommended grants to KIRO, Seattle (Ch. 7); WPDQ, Jacksonville (Ch. 12); *Omaha World-Herald*, Omaha (Ch. 7).

Examiner Thomas H. Donahue's selection of KIRO, Seattle, over KXA and KVI, was made, he said, because "its vast superiority of past operation over both applicants is far and away its most telling point." In Donahue's opinion, this overweighed the "one stain" on pres. Saul Haas' record. He said testimony showed Haas guilty of "peddling influence" when he was U. S. Collector of Customs in 1933-45, by telling owner of KIRO (then KPCB) he'd help him with Federal tax problem in return for stock in station at nominal price. He obtained 500 of station's 2500 shares for \$500. "Man is not perfect," Donahue said, excusing "this single instance of wrong-doing."

Interesting angle of Seattle case is that Sen. Magnuson (D-Wash.), chairman of Senate Interstate & Foreign Commerce Committee, is 3.24% stockholder in KIRO.

Sole reason for examiner Chas. J. Frederick's choice of WPDQ, Jacksonville, over city-owned WJAX and Florida-Georgia TV Co. was ownership-management integration. He held that applicants were about equal in all respects except that WPDQ's pres. James R. Stockton (60%) and exec. v.p. Robert R. Feagin (20%) would be active in day-to-day operations, giving "greater assurance of the station's operation in the interest of the public." Ownership of Florida-Georgia includes George H. Hodges, contractor (26%); Harold S. Cohn (19%), owner of WRHC; Mitchell Wolfson (voting 20%), owner of WTVJ, Miami and pres. of Wolfson-Meyer Theatres (31 theatres).

Criteria used by examiner Isadore A. Honig in selecting *Omaha World-Herald* over KFAB were: greater local ownership, superior civic participation, more varied business interests of principals, better program planning, business practices of KFAB's newspaper affiliates (*Lincoln Journal-Star*)—and diversification. Honig said "great weight" was given to last factor because *World-Herald* has no other media interests, whereas KFAB is related, through complicated stockholdings, to some dozen newspapers, 3 AM-FM stations and "at least 2 TV stations."

FCC refused Edward Lamb's request to drop one issue in the Lamb communist-charge hearings. The issue concerns charge made by Lamb in court suit against FCC last summer, that FCC investigators tried to induce people to testify falsely against him; that they said publicly that they were "going to get Lamb and take WICU away from him," and that they offered at least one bribe for false testimony. In refusing to drop issue, FCC in April 7 decision said inquiry into the basis for them is "relevant to a determination" of whether Lamb's license for WICU, Erie, should be renewed. In 2 days on stand last week, Lamb denied all charges (Vol. 11:14), insisting he was "victim of a horrible frame-up." Hearings were recessed until April 18, when Lamb returns for more questioning.

Sale of KJAY, Topeka, Kan. (5-kw, 1440 kc) for \$105,000 by S. H. Patterson, owner of KSAN-TV, San Francisco (Ch. 32) and KSAN (Vol. 11:12) was approved by FCC last week. New owner, KOA salesman Robert Rohrs, moves from Denver to Topeka to take over as gen. mgr. Also approved was 90% sale of WETZ, New Martinsville, W. Va. (1-kw, 1330 kc) to Sesac representative Harry B. Bright for \$20,400 (Vol. 11:12). J. Patrick Beacom retains 10% of WETZ, also owns 25% of WJPB-TV, Fairmont, W. Va. (Ch. 35), now off air (Vol. 11:9).

FCC's deintermixture proposals of last week (Vol. 11:14) encouraged more uhf stations to petition for more of the same. WNAO-TV, Raleigh (Ch. 28) renewed request that Raleigh's Ch. 5 and Durham's Ch. 11 be given to educators. KVDO-TV, Corpus Christi (Ch. 22) again urged that Ch. 6 & 10 be moved elsewhere. KJEO, Fresno (Ch. 47) asked that city's Ch. 12 be designated educational. On other hand, off-air WJPB-TV, Fairmont, W. Va. (Ch. 35) petitioned to get Weston's Ch. 5 transferred from educational to commercial.

In final actions, FCC: (1) Granted WMGT, Adams, Mass., CP for change from Ch. 74 to Ch. 19. (2) Opened way for WKNY-TV, Kingston, N. Y. to shift to Poughkeepsie and use Ch. 21, by substituting Ch. 75 for Ch. 27 in Concord, N. H., Ch. 27 for Ch. 21 in Hanover, N. H.

FCC turned down 2 attempts by uhf operations to get lower channels. WHUM-TV, Reading, Pa., seeking to shift from Ch. 61 to Ch. 15 while off-air WLBR-TV, Lebanon, would be moved to Ch. 61, was denied because WLBR-TV was said to be making effort to get back on air. Grantee KCOR-TV, San Antonio (Ch. 41), asking for shift of Ch. 14 from Seguin, Tex., was turned down because Seguin groups have shown interest in channel, though no one has applied, and because FCC believes Ch. 41 is a pretty good channel from standpoint of transmitter-receiver development—being in "relatively lower part of the uhf band."

\* \* \* \*

Three more comments were filed on FCC's proposed "5-mile" rule, designed to keep transmitters within 5 mi. of principal city. American Farm Bureau registered disapproval, saying rule would reduce rural coverage. WSJS-TV, Winston-Salem (Ch. 12) asked that rule, if adopted, not be made retroactive. Sarkes Tarzian, owner of WTTV, Bloomington, Ind. (Ch. 4) said cities would get better service if all powerful stations were 15-20 mi. from town—to avoid blanketing and ghosting.

CBS filed a statement on proposed low-power satellite rules, called them "promising" but warned that networks have rebroadcast rights which would not necessarily be granted to satellites automatically—because of overlap, etc.

Cease-&-desist hearings on illegal boosters in 3 Washington towns May 9 & 12 (Vol. 11:14) have been shifted from Seattle to Wenatchee.

**Approval of \$50,000 sale of WEW, St. Louis (1-kw, 770-kc)** was asked in application filed this week by St. Louis U, seeking to dispose of outlet—which began in 1921—because of competition from 10 fulltime AMs and desire to participate in local educational KETC (Ch. 9). University also holds 60% of application for commercial Ch. 11 in St. Louis. Buying WEW is Aubrey D. Reid (performer Bruce Barrington), who has resigned as mgr. of St. Louis' KXOK.

KVOR, Colorado Springs, Colo. (1-kw, 1300 kc, CBS) has been sold by James D. Russell for \$120,000, subject to FCC approval. Russell retains 50% interest in Colorado Springs' KKTU (Ch. 11) and holds 20% of radio WHIR, Danville, Ky. KVOR purchases are John S. Riggs, pres. & 27% owner of WELM, Elmira, N. Y. & pres. & 50% owner of WAIR, Winston-Salem, in partnership with Robert Greene, Lakeview, N. Y. Allen Kander negotiated sale.

Application to transfer 50% of WKAI, Macomb, Ill. (250-watts, 1510 kc) & KLIL, Estherville, Ia. (100-watts, 1340 kc, ABC) to A. G. Bush, Minnesota Mining & Mfg. Co. executive and board member of St. Paul's KSTP-TV, was filed with FCC this week. Deal involves cancellation of \$40,000 loan by Bush, with Wm. Schons dropping out and Edward Schons retaining 50% interest in both stations.



**Station Accounts:** New and unusual local features: *FurnituRama* on WSBT-TV, South Bend, Ind., with 6 home furnishing dealers sponsoring 10-11 p.m. furniture displays, etc.; *Do It Yourself* on WGLV, Easton, Pa., with local supply company using station's scene shop as originating point; *How Food Becomes You*, course in foods & nutrition on WOI-TV, Ames, Ia., thrice weekly at 1 p.m., with Iowa State College prof conducting; prospecting for uranium, on WOAI-TV, San Antonio, collaborating with St. Mary's U, Sun. course by mining experts, started because of interest in nearby uranium finds; *A Man's World*, new for-men-only show on WOR-TV, N. Y., Fri. 7-7:30 p.m., featuring men's fashions, activities, etc., sponsored by Gallo Wine & Skycoach Airlines . . . Darling Stores, big chain of juvenile retailers, buys demonstrations on *Merry Mailman* on WOR-TV, Mon.-thru-Fri. 6-6:45 p.m., thru Getschal Co., N. Y., with partic. by Sealy for its Posture-Pedic mattress for children and 13 manufacturers of toys & novelties sold thru the stores . . . Tefon (reducing aid) to sponsor CBS-TV's pre-game *Baseball Preview* on KNXT, Los Angeles, immediately preceding *Game of the Week*, which Tefon co-sponsors (with Harbor Lincoln Mercury), starting April 2, thru Frank Miller Adv., Los Angeles . . . Florists Telegraph Delivery Assn., having used spot TV-radio for Easter, plans campaign also for Mother's Day, May 8, thru Grant Adv., N. Y. . . . Among other advertisers currently reported using or preparing to use TV: Bonne Bell Inc., Cleveland (cosmetics), thru Wyse Adv., Cleveland; Blue Jay Products, Chicago (foot medications), thru Leo Burnett Co., Chicago; Standard Brands Inc., N. Y. (Fleischmann's dry yeast), thru J. Walter Thompson, N. Y.; Cities Service Co., N. Y., thru Ellington & Co., N. Y.; Frederick E. Lowenfels & Son, N. Y. (Hotel Bar butter), thru Co-Ordinated Adv. Co., N. Y.; Krylon Inc., Philadelphia (Krylon acrylic & windshield Sealzit compounds), thru J. Robert Mendte, Philadelphia.

**Network Accounts:** ABC-TV got first sponsors this week for its *Warner Brothers Presents* starting in fall, tentatively Tue. 8-9 p.m. (Vol. 11:12). Liggett & Myers bought 30 min. each week, thru Cunningham & Walsh, and GE bought 30 min. alt. weeks, thru BBDO . . . Procter & Gamble to sponsor 36 MCA-TV films starring Jane Wyman next fall as replacement for *Fireside Theatre* on NBC-TV, Tue. 9-9:30 p.m., thru Compton Adv. . . . GE to be alt. sponsor (with Campbell Soup) of *Dear Phoebe* on NBC-TV starting April 8, Fri. 9:30-10 p.m., thru BBDO . . . Hazel Bishop to sponsor *Place the Face* on NBC-TV during summer, Tue. 8-8:30 p.m., thru Raymond Spector Co. . . . General Foods and Procter & Gamble to sponsor *Those Whiting Girls* as summer replacement for *I Love Lucy* on CBS-TV starting July 4, Mon. 9-9:30 p.m., thru Foote, Cone & Belding and Biow-Beirn-Toigo . . . Summer reruns of *I Love Lucy* on CBS-TV starting April 17 Sun. 6-6:30 p.m., sponsored by Dorothy Gray Cosmetics thru McCann-Erickson, will be under title of *The Sunday Lucy Show* . . . Lettuce Inc., group of growers & shippers in Salinas-Watsonville, Cal. area, buys 10 partic. on *Today*, *Home & Tonight*, thru John Cohan Adv., Salinas; Helene Curtis (shampoo) buys 52 partic. on *Tonight*, thru Earle Ludgin Co.; E. L. Bruce Co. (wax) buys 14 partic. on *Today*, thru Christiansen Adv., Chicago.

CBS-TV increases network rates of 3 o-&o and 6 affiliated stations May 1. WCBS-TV highest hour goes from \$5500 to \$6250; WBBM-TV, Chicago, \$3000 to \$3300; KNXT, Los Angeles, \$2700 to \$3200. Affiliates: WCAU-TV, Philadelphia, from \$2700 to \$3100; WSPD-TV, Toledo, \$800 to \$875; WMBR-TV, Jacksonville, \$600 to \$700; WSBT-TV, South Bend, \$300 to \$350; WRDW-TV, Augusta, \$200 to \$250; KIMA-TV, Yakima, \$150 to \$200.

NBC's NEW CONCEPT of network radio programming, called *Monitor* and planned as a round-the-clock weekend service from 8 a.m. Sat. to midnight Sun., amounts to this—as described by pres. Pat Weaver, exec. v.p. Robert Sarnoff and producer James Fleming at April 7 press conference in N. Y.:

To be launched with one-hour simulcast June 12, it envisions—stripped of press agency and Weaver's fanciful verbiage (“kaleidoscopic phantasmagoria”)—a continuous flow of entertainment and information, with sponsors buying 1-min., 30-sec. or 6-sec. announcements, in what is basically a large-scale application to radio of NBC-TV's “magazine concept.”

Masters of ceremonies, called “communicators,” working in 4-hour shifts, will tie the show together—as Dave Garroway does in *Today*. The various “hunks” of programming—as Weaver described them—won't be hampered by time restrictions, will vary in length from less than a minute to 20 min. or even an hour or more for a special presentation.

*Monitor* will feature every conceivable kind of fare, and “will promote every other medium—TV, movies, magazines, newspapers, theatre, books.” It will present news & sports, capsule entertainment, live pickups, even excerpts from the audio of popular TV shows. As on *Today*, there will be 5-min. break-ins at half-hour for local news, weather, etc. Show will originate “all over the world,” controlled in N. Y. from “NBC Radio Central” now being constructed at cost of \$150,000 on 5th floor of RCA Bldg.

Press heard impressive tape-recorded sample of *Monitor* (Dave Garroway acting as communicator) at press conference, with features coming in this order: time signal, news summary, pickup from Paris with Art Buchwald reporting on tourist trade, pickup from BBC broadcast of cricket match (which, incidentally, was hilarious), recorded quip by Groucho Marx, music played by orchestra in Munich, taped pickup of part of floor show of Paris' Club Lido, portion of soundtrack from film *Blackboard Jungle*, Ogden Nash reciting one of his poems, historic description of winning of Santa Anita by Seabiscuit as recorded on-the-spot by Clem McCarthy, broadcast from a jet plane, “live” pickup of warm-up session for George Gobel's TV show.

Aim is to “bring back the excitement of the radio era,” with its sense of immediacy, mobility and vitality of material. Weaver is shooting for '60-70 rating on a “cumulative basis”—that is, 60-70% of radio audience tuning in on program sometime during week end. A sponsor buying enough participations, it was said, thus could get his message across to majority of American homes—“something no sponsor could afford to do on TV.”

Gross prices for commercials, subject to frequency discounts, are: 1-min., \$1000; 30 sec., to be sold in minimum package of 4 announcements per weekend, \$3000 for the 4; 6 sec. “billboards,” to be sold in minimum group of 10 per weekend, \$3000 for the 10. Weekly discounts are provided up to 10% for at least 10 min. of announcements per weekend, annual discounts up to 20% for 250 or more announcements per year. In addition, advertiser ordering at least 20 min. of announcements before Oct. 1 will receive one announcement free for every 2 ordered.

Compensation rate to stations was not officially disclosed, but network spokesman said they will be paid at usual rate for the amount of time they take, based on current clock-hour system.

Serving under Fleming will be project officer Everard Meade, ex-TV-radio v.p. of Young & Rubicam & onetime asst. to pres. of American Tobacco Co.

Humble Oil has signed as first regional sponsor of NCAA football next fall (on NBC-TV nationally), buying Southwest Conference games, thru Kenyon & Eckhardt.



**S**UBSCRIPTION TV mail received at FCC (see p. 1) covers just about every shade of opinion on the subject. Volume is equal between pro and con—but major pay-as-you-look proponents and opponents are sure to tell FCC that the letters are not at all indicative of “real” public opinion.

It's evident that many letters are “inspired” by Zenith and theatre interests. It's apparent, too, that newspaper TV columnists are talking it up, urging readers to write to FCC and Congress. Mail comes from whole U. S., but there's heavy concentration from Chicago, Zenith's headquarters. This week, Zenith sent letter to all stockholders, urging them to write to FCC before May 9 in support of subscription TV and suggesting they also contact Senators and Congressmen. Here are excerpts from some of the comments:

Gov. Charles H. Russell, Nevada—“It is my sincere hope that your Commission will act favorably upon this proposal which will mean much to the State of Nevada. . . . It would make available to persons who might otherwise never have the opportunity of this splendid means of information, education and entertainment.”

Mt. Vernon, N. Y. housewife—“This criminal scheme must have come from Moscow.”

J. Edwin Foster, director of Medical Audio-Visual Institute, Assn. of American Medical Colleges—“The potential value of subscription TV for communicating professional knowledge and techniques to practicing physicians is tremendous indeed.”

Quincy, Ill. physician—“While I can afford this, there are many who cannot. It is all they can do to afford a small family set. Let's keep it on an advertising basis.”

Stuart Louchheim, Zenith distributor, Philadelphia—“At present, thousands of TV set owners in many key cities have expressed their desire for this new public TV service and I urge you and your fellow members . . . to render the public an early favorable decision.”

Sen. George W. Malone (R-Nev.)—“As this will benefit greatly my state of Nevada, I am writing to urge you to consider this favorably.”

Portland, Ore. businessman—“Low income groups may just as well relegate their TV sets to the trash cans, for the big-moneyed, subscription groups could monopolize all the best talent and the ‘free’ shows wouldn't be worth viewing.” (Accompanied by 52 signatures on petition).

Gilbert Miller, veteran theatrical producer—“If subscription TV can provide the boxoffice support necessary to

go beyond the limited adaptations now sponsored by advertisers, I believe we could then have a great revival of the theatre, not alone on the Broadways of our larger cities, but in millions of living-room TV theatres throughout the land. Moreover, I believe the practical application of this electronic-age home boxoffice would be equally effective in releasing some of the theatre's sister arts—the opera, symphonies and other cultural presentations—from the financial bonds which now constrict their artistic and esthetic contributions to our culture.”

From Elmwood Park, Ill.—“Let the people decide. I'm sure it will go over a 100%.”

Fred E. O'Brien, city engineer, Watertown, N. Y.—“It would be exceedingly expensive for the ordinary citizen.”

Arthur J. Rooney, pres., Pittsburgh Steelers—“We know that the receipts from TV gradually have become the life-blood of professional football and almost every other sport. It is an open secret that without TV receipts, most of the clubs in the National Football League would have operated in the deficit column during the past 3 or 4 seasons. TV and sports should have a long marriage, providing production costs can be kept in line or some method, such as subscription TV, can be put into operation. We find that with increasing costs, it becomes exceedingly difficult to interest prospective sponsors . . . We feel the only answer eventually will be some form of subscription TV.”

Mimeographed form letter, sent by several theatre owners in New England, mostly Maine—“It is the writer's considered opinion that such special interest shows and sporting events, as would normally be presented over this type of service, would find their best outlet in theatres and public places. Such enterprise can best afford, through admission charges, equipment capable of presenting such events in a manner worthy of paid viewing. It further seems that home presentation of such programs would tend to syphon off the best of available material from free broadcasts, leaving only such material as to make these broadcasts hardly worth watching. It also seems that ‘pay-as-you-view’ TV would tend to encourage monopolistic practices by the organizations owning the coaxial cable network.”

New Orleans attorney—“Strong approval . . . I own no stock in Zenith.”

An irate citizen—“What's the matter with you birds? Where do you think the average guy is going to get the dough?”

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Trend to TV programs as theatrical fare is subject of survey by *Billboard's* Jack Singer, who concludes “TV film producers, in their own way, are quietly but firmly invading the theatrical film field [and] much talked about marriage between the feature film and TV industries, it seems, is in reality a 2-way street.” Citing example of *Dagnet*, *Gangbusters* & *Marty*, he sees accelerating use of TV properties by the movies. Among TV film series listed as “being groomed” for conversion into theatrical features: *Treasury Men in Action*, *I Led Three Lives*, *Racket Squad*, *Big Story*, *Secret File U.S.A.*, *Private Secretary*, *Ozzie & Harriet*, *Lone Ranger*, *Sherlock Holmes*, *Waterfront*, *Ramar of the Jungle*, *Dangerous Assignment*, *Margie*. Single TV shows, both live and film, being tapped for the movies: Kraft's *Patterns*, Elgin's *Crime in the Street*, U. S. Steel's *Fearful Decision* and *The Last Notch*, Philco's *Middle of the Night*, Westinghouse Studio One's *Twelve Angry Men*, and 4 TV *Reader's Digest* episodes: *Mrs. Robert Louis Stevenson*, *I Picked More Daisies*, *Honeymoon in Mexico*, *Francee's Greatest Detective*. Several patterns are being followed in transforming TV films into theatrical features: (1) Tying together TV episodes into feature length, a la *Davy Crockett*, *Secret File U.S.A.*,

*Sherlock Holmes*. (2) Using TV property and TV buildup as basis for brand new film script, as in case of *Big Story*, *Treasury Men*, *Foreign Intrigue*. (3) Producing both feature film and TV series at same time but from different scripts, as was done by Thetis Films with *Three Musketeers*, syndicated by Official Films, by Joseph Kaufman with *Long John Silver*, which he made in Australia. Desilu Productions plans feature films entirely apart from TV (Vol. 11:14), as does Sheldon Reynolds of *Foreign Intrigue* fame—both capitalizing on their TV shooting experience and their knowledge of what public wants.

Rate increases: WBRC-TV, Birmingham, April 15 adds new Class AA hour (7-9:30 p.m. daily), at \$750, min. at \$185, Class A hour remaining \$650. WHP-TV, Harrisburg, Pa. has raised base hour from \$250 to \$325, min. \$50 to \$65; CHSJ-TV, St. John, N.B. from \$200 to \$250 & \$45 to \$55; XETV, Tijuana-San Diego from 400 to \$500 & \$80 to \$100.

Times are good for both TV and radio, reports NBC v.p. Carleton D. Smith, gen. mgr. of network's WRC-TV & WRC, Washington. Net TV time sales for first quarter were 32.3% higher than same period last year, for radio 6% ahead.



**Telecasting Notes:** Republic Pictures, which for last few years has made more money from TV than from movies, may discontinue production for theatres and concentrate on TV film. This announcement by pres. Herbert J. Yates at annual stockholders meeting this week touched off battle which was won, at least temporarily, by stockholders favoring his administration. Yates said he personally favored abandoning the movies, and had notified theatre operators that final decision would be made in 60-90 days. The only thing that could prevent it, he added, would be "higher rentals and longer play periods for the company's films" . . . Considered a "major" in the Hollywood film producing hierarchy, Republic in last 2 years has sold about \$7,000,000 worth of old product to TV (Vol. 10:50 & 11:13), has received \$1,000,000 advance from MCA on old Gene Autry & Roy Rogers films; got \$700,000 last year from leasing space for TV filming; has one of largest film processing labs, serving many other TV film producers . . . Republic's own TV films include successful *Stories of the Century*, Yates reported, and it's now preparing 3 new series: *Fu Manchu*, *Village Doctor*, *Behind the Scenes* . . . Jack Warner Jr., 39, heads Sunset Productions, new TV film subsidiary set up by Warner Bros.; first project will be aviation series *Men of the Sky*, written by Vincent B. Evans . . . Warner Bros. announces TV's *Our Miss Brooks* will be made into feature-length movie starring Eve Arden . . . MGM's E. J. Mannix, in Hollywood, confirmed that it's surveying telefilm field; TV-radio chief Les Peterson has conferred with MCA, Jack Chertok Productions, Desilu Productions, ABC v.p. Earl Hudson—and it's now confirmed that Pontiac Motors & Armstrong Cork will alternate new NBC-TV show by MGM, Tue. 9:30-10:30 p.m. . . . Accent on films at networks, too, indicated in NBC film div. national sales meeting at Hotel Warwick, N. Y., April 13-15, to be attended by pres. Pat Weaver and his top executives, along with entire film sales force; newest offering will be *Steve Donovan, Western Marshal* . . . CBS plans permanent telefilm production base costing \$1,000,000 in Honolulu, reports *Hollywood Daily Variety*, but it's unconfirmed; CBS-TV film shows now in various stages of production in Hollywood, according to v.p. Harry S. Ackerman, who recently returned from Hawaii, include *Hart of Honolulu*, *Aldrich Family*, *Townspeople*, *Gunsmoke*, *Cupid*, *No Way Out*, *Miss Pepperdine*—and of course Bing Crosby series, on which shooting starts in June . . . Either because they haven't clicked or sponsors have dropped them, mortality rate of TV films is very high, observes *Hollywood Daily Variety*, pointing to these that folded in last year: *Duffy's Tavern* and the Joan Davis, Paul Hartman, Hank McCune & Dennis Day shows; also no longer in production: *Ellery Queen*, *Mr. & Mrs. North*, *Cowboy G-Men*, *Donald O'Connor Show*.

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Nine sponsors have signed so far for "14-50" discount plan of WRCA-TV, N. Y., whereby an advertiser who buys fourteen 10 or 20-sec. station breaks in a Sun.-thru-Sat. week receives a 50% discount on those breaks in D or C time (Vol. 11:7). The sponsors: Keebler Weil Baking Co., thru McKee & Albright, Philadelphia; Chadbourn Sales Corp. (hosiery), thru Harold M. Mitchell Inc., N. Y.; R. B. Davis Co., div. of Penick & Ford (molasses), thru BBDO; Church & Dwight Inc. (Arm & Hammer baking soda), thru J. Walter Thompson; Nedick's Inc., thru Weiss & Geller; Buitoni Food Corp., thru Albert Frank-Guenther Law; Ringling Bros.; Gimbel's; Swanee Paper Co.

A. J. Armstrong Co. Inc., 60 E. 42nd St., N. Y., commercial financing firm, planning further expansion of its TV film financing activities, engages Melvin L. Hirsch as mgr. of motion picture & TV financing dept.

**JUVENILE DELINQUENCY** hearings of Senate Judiciary subcommittee headed by Sen. Kefauver (D-Tenn.) were devoted to TV this week in windup of TV study started last year when Sen. Hendrickson (R-N. J.) headed subcommittee (Vol. 10:40-43, 49). Witnesses came up with the same sort of "yes-&-no" answers that have characterized all such investigations. Some psychologists and sociologists were certain TV had very harmful effects; other felt it had minor effects, if any. Telecasters said there was little evidence to convict TV, while citing efforts to exercise closer supervision of programs.

NARTB pres. Harold Fellows told of various surveys by psychiatrists, majority of whom felt that TV is not responsible for juvenile delinquency. Only a few, he said, had "suspicions." NARTB code director Edward Bronson testified that NARTB monitors some 280 hours of programs a month, reporting results to stations involved. A special monitoring program is now in progress, covering 22 stations in 9 cities.

NBC v.p. Joseph Heffernan noted that there is no scientific data linking TV and juvenile delinquency; that programs including crime and violence "are a proper and legitimate part of the broadcast schedule"; that Govt. should stay out of program censorship; that NBC has formed a Children's Program Review Committee comprising Dr. Frances Horwich (*Ding Dong School*), Mrs. Douglas Horton (RCA director and former WAVES commander) and Dr. Robert F. Goldenson, psychologist.

Dr. Ralph S. Banay, Columbia U psychiatrist and consultant to Federal Bureau of Prisons, stated emphatically that TV is harmful. "If a prison is called a 'College for Crime,'" he said, "then viewing of violent TV programs by young, emotionally disturbed children is perhaps a 'School for Delinquency.'"

Dr. Eleanor E. Maccoby, Harvard U child psychologist, tended to disagree. She felt that TV violence was frequently a good emotional outlet. "It's not a basic cause of delinquency," she said, "but it sometimes provides ammunition for some children."

Wm. A. Wood, mgr. of educational WQED, Pittsburgh, reported that station's non-violent programs frequently attract extremely large audiences. Dr. Paul F. Lazarsfeld, Columbia U sociologist noted for many media studies, said that there's much more to be learned about TV's impact; that any problems raised by TV should be handled individually with child involved; that more good programs should be offered as alternatives to bad.

FCC Comr. Frieda Henneck said Commission should start immediate investigation and refuse license renewals to stations which carry an "unbalanced fare of violence, brutality, crime and horror from which there is little escape under present programming."

United Press decided to canvass rest of FCC commissioners for their views on TV-radio programs, said this is their composite verdict: "Pretty good but plenty of room for improvement—especially in commercials." Chairman McConnaughey said that crime shows "give me concern" but doubted that anyone can show how much juvenile delinquency may be attributed to them. Comrs. Lee and Doerfer stated they've seen no conclusive showing on juvenile delinquency aspects, with latter commenting that *Macbeth* was most "blood-curdling" show he's seen so far.

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Television System of Mexico is name of now-merged Emilio Azcarraga-Romulo O'Farrill Sr. TV interests (Vol. 11:9), operating all Mexico City stations and virtually all in Mexico. Azcarraga is pres., O'Farrill v.p., with sons Emilio Azcarraga Jr. as sales v.p. and Romulo O'Farrill Jr. as administrative v.p. For list of their stations and CPs, see *TV Factbook No. 20*, p. 237.



**F**CC APPROVED sale of Ch. 11 time-sharing WTCN-TV, Minneapolis & WMIN-TV, St. Paul for \$3,135,000 this week to Bitner's Consolidated TV & Radio Broadcasters Inc. (Vol. 11:5)—and combined operation will henceforth be called WTCN-TV. That means one less station on roster of those operating, bringing total down to 430 since there were no new starters this week. Only time-sharers left on air, each counted as a separate entity, are Ch. 10, WHEC-TV & WVET-TV, Rochester, N. Y.

Expected to begin operation April 11 is KMAU, Maui, Hawaii (Ch. 3), second satellite of KGMB-TV, Honolulu (Ch. 9); on March 25, KHBC-TV, Hilo (Ch. 9) started as first satellite. Expected to suspend shortly is WFMZ-TV, Allentown, Pa. (Ch. 67), which began last Dec. 4; it hopes to return to air in Sept. Also contemplating cessation—unless FCC acts favorably on petition for interim use of now-unapplied-for educational Ch. 11—is KGTU, Des Moines (Ch. 17) in view of upcoming KRNT-TV (Ch. 8), expected to start by next Aug. 1 (Vol. 11:14).

Bitners paid \$1,900,000 for WTCN-TV with WTCN, controlled by Robert Butler, ex-diplomat; \$1,235,000 for WMIN-TV, owned by N. L. Bentson group which previously had sold radio WMIN for \$75,000 to Wm. F. Johns family. Bitner firm, also operating WFBM-TV, Indianapolis (Ch. 6) and WOOD-TV, Grand Rapids (Ch. 8), will retain ABC affiliation, using WTCN-TV studios, Foshay Tower transmitter. Miller Robertson, WTCN-TV asst. gen. mgr., ex-KSTP, moves up to gen. mgr.; Joseph Kahnke becomes chief engineer; Wm. E. Daley remains as radio mgr. Sales staffs of all stations are retained, and Katz is slated to become rep in lieu of Blair-TV whose contract runs until next Sept.

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GE reports order for 5-kw transmitter, 3-bay antenna & film chain for shipment in 90 days to upcoming KLEW-TV, Lewiston, Ida. (Ch. 3), which hasn't reported target yet; GE this week shipped 12-kw amplifier to KQTV, Fort Dodge, Ia. (Ch. 21). RCA shipped 25-kw amplifier April 4 to KFSD-TV, San Diego (Ch. 10), and 12½-kw amplifier to WITV, Ft. Lauderdale, Fla. (Ch. 17). Canadian GE this week reported order for 35-kw amplifier to be delivered early next summer to CHSJ-TV, St. John, N.B. (Ch. 4).

Third Canadian TV application added to agenda of April 15 CBC board meeting is that of radio CKNX, Wingham, Ont., for Ch. 8 with 20-kw visual; earlier applicants were CFCY, Charlottetown, P.E.I. for Ch. 13 and Lethbridge (Alta.) TV Ltd. for Ch. 9. Wingham is some 65 mi. due north of London, Ont., near eastern shore of Lake Huron.

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In our continuing survey of upcoming stations, these are latest reports received:

WCBI-TV, Columbus, Miss. (Ch. 4), plans to ask for modification of CP in order to locate TV station at site of new plant of radio WCBI, soon to start operation with 1-kw on 550 kc. Gen. mgr. Bob McRaney hopes for "late summer or early fall" test patterns. RCA 5-kw transmitter and 5-bay antenna are stored in Columbus, with studio equipment due for delivery as soon as TV addition to radio building is ready. It will use 500-ft. Andrews tower. Owner Birney Imes Jr. also operates Mississippi AMs WELO, Tupelo; WNAG, Grenada; WMOX, Meridian. TV station mgr. will be Joe Carson, ex-mgr. of WMOX. CBS & NBC affiliations have been signed, but rates not yet established. Rep will be McGillvra.

KNOX-TV, Grand Forks, N. D. (Ch. 10), granted in March 1954, "will be built this year," writes office mgr. Don DeKrey. It plans to ask for modification of CP to 316-kw with 1100-ft. tower. Make of equipment not reported. Rep not chosen.

WBIQ, Birmingham (Ch. 10, educational), call letters changed from WEDB, now plans May 1 start, reports Raymond D. Hurlbert, pres. of Alabama Educational TV Commission. Work has begun on conversion of WBRC-TV's 5-kw RCA transmitter, and new station will rent old WBRC-TV facilities from Storer for \$1 a year, including use of transmitter house, loan of 5-kw transmitter and 150-ft. tower with 6-bay antenna. Alabama Commission, whose consultant is ex-broadcaster-telecaster Thad Holt, already has WTIQ, Munford (Ch. 7)—call changed from WEDM—in operation with 10 hours of programming weekly. Both outlets will share Birmingham studios with WBIQ, duplicating "about 50% or more" of Munford programs. Commission also holds CP for WAIQ, Andalusia (Ch. 2).

WDBJ-TV, Roanoke, Va. (Ch. 7), granted last week, hasn't ordered equipment or begun construction, but hopes to start "sometime this fall," according to mgr. Ray P. Jordan. Grantee Times-World Corp., publisher of *Roanoke Times* and *World-News*, is owned by estate of Junius B. Fishburn, who died April 1 (Vol. 11:14). Rep not chosen.

KSTF, Scottsbluff, Neb. (Ch. 10), has set June 1 programming target, reports Wm. C. Grove, gen. mgr. of parent KFBC-TV, Cheyenne, Wyo. (Ch. 5), 79 mi. north-west of Scottsbluff. It plans to rebroadcast KFBC-TV programs, also will have some film originations. It has RCA transmitter and 6-bay superturnstile antenna on order. KFBC-TV chief engineer, R. C. Pfannenschmidt will be in charge of 4-man Scottsbluff operation. Time will be sold only in combination with KFBC-TV. Rep for both is Hollingbery.

WFLB-TV, Fayetteville, N. C. (Ch. 18), construction now under way, has GPL transmitter ordered for delivery in 30 days. July is target for test patterns, Aug. 1 for CBS & NBC programming, writes exec. v.p.-gen. mgr. L. W. Allen. Nearest station is WNAO-TV, Raleigh (Ch. 28), 53 mi. away, other TV cities less than 100 mi. distant being Wilmington, 78 mi., Greensboro & Greenville, both 87 mi. Wm. B. Belche is being promoted from radio to commercial mgr., with Richard Madson adding TV to duties as chief radio engineer. Rates and rep not set yet.

WNLC-TV, New London, Conn. (Ch. 26), is now "planning to start telecasting late in 1955, pending the outcome of the current Congressional investigation of the uhf and TV monopoly problems," reports mgr. Gerald J. Morey. It has order with RCA for equipment, but delivery date hasn't been set. Rep will be Headley-Reed.

WNDU-TV, Notre Dame-South Bend, Ind. (Ch. 46), now under construction, plans July 1 test patterns, July 15 start as primary NBC, reports v.p.-gen. mgr. Bernard C. Barth. CP is held by University of Notre Dame, which last year acquired radio WHOT, South Bend, from owners of WISH-TV, Indianapolis (Vol. 10:36). TV studios will be on campus, and 12½-kw RCA transmitter with 500-ft. Ideco tower & RCA antenna will be 5 mi. due south of South Bend. It will be area's third station—WSBT-TV (Ch. 34), having begun in Dec. 1952; WSJV, Elkhart (Ch. 52) in March 1954. Base rate will be \$500. Rep will be Meeker.

KTVI, St. Louis (Ch. 36), notified FCC April 6 that it was on the air with test patterns, preparatory to programming start over Easter weekend. Until ready to switch, it continues programming on Ch. 54 from nearby Belleville, Ill., turning in that CP after change is made. Station began as WTVI, last month got permission to shift to channel and facilities of KSTM-TV (Vol. 11:11) which left air last Aug. (Vol. 10:32). It has unique deal with GE whereby Belleville transmitter is to be reconverted so that use in combination with former KSTM equipment will give station 25-kw unit, KTVI having filed for 416-kw.



**RADIO OUTPUT & SALES IN SPIRITED COMEBACK:** The radio trade story for first quarter of 1955 makes good reading on all counts: Production and retail sales each up by about 50% over first 3 months of 1954, inventories at all levels reduced by about 200,000 receivers since the beginning of 1955.

It's evidence once again that radio can flourish side-by-side with TV, whose estimated first-quarter production of 2,100,000 and retail sales of 1,800,000 were a little higher than first 1954 quarter -- despite normal tail-off in March. TV output for week ended April 1, last week of quarter, was 163,746.

Radio production totaled 3,700,000 (1,950,000 auto), compared to 2,500,000 (1,095,000 auto) in first 3 months year ago. For week ended April 1, production was 287,740 (144,597 auto). Retail sales were about 3,250,000 vs. 2,100,000 in first quarter of 1954. Perhaps the most heartening feature of the entire radio picture, however, is the decline in inventories from 3,000,000 to 2,800,000 for 3 months.

Spurt in auto & clock set sales, low prices, strong promotions, increase in consumer purchasing power -- all are reasons cited by trade experts for radio's good start, which has some predicting that full 1955 sales may approach 1953's 13,000,000. At any rate, they confidently forecast year's sales well in excess of the 10,300,000 of 1954, which was still considered a good year. (For preceding years' totals of radio production & sales, plus factory values, see TV Factbook No. 20, p. 388.)

**DEALERS DIVIDED ON FAIR TRADE LAW REPEAL:** First intra-trade reactions to proposed repeal of fair trade laws, as recommended last week by top-flight 60-man National Committee to Study the Anti-Trust Laws (Vol. 11:14), indicate that dept. stores, large independent dealers & discount houses generally are ranged on side of repeal, while the small retailer generally wants to keep some form of fair trade.

The committee's 392-p. report will be submitted April 14 to the Senate Small Business Committee, headed by Sen. Sparkman (D-Ala.), which will hold hearings on fair trade and discount house operations shortly thereafter. The committee, in its annual report, warned that small, independent appliance stores will have hard time surviving competition of discount houses.

Those favoring repeal contend the laws, which are on books in 45 states, have proven ineffective because of lax enforcement. Those opposing repeal argue that they need some protection against price-cutting, and that some law is better than none.

NARDA takes no stand as an organization, but managing director A.W. Bernsohn said majority of its members, if a canvass were made, would probably favor keeping some form of fair trade, though not necessarily by legislation.

NARDA chairman Mort Farr, speaking only for himself as an Upper Darby, Pa. retailer, said repeal of fair trade laws "is in our best interests." He added that laws which haven't been enforced are worse than no laws at all. "I think it is high time we either repeal them and allow things to find their own economic level, or else set about making fair trade laws work," he said. "In going about the country, I have noticed in many cases that business is less chaotic in non-fair trade communities."

Stephen Masters, pres. of Masters Inc., N.Y., one of biggest discount houses in country, claiming \$20,000,000 annual volume, said he also welcomed repeal of fair trade laws. Speaking to Harvard Business School Club in N.Y., he said price fixing is a "crutch for the high-cost merchant," giving no incentive for improving service.

Masters vigorously defended "legitimate" discount houses against criticism, saying "the public sees little justification for paying full list on a growing number of overpriced, overmargined, underserviced lines." He said his firm's operating cost is \$11.20 for every \$100 of sales, compared with average of \$32.90 for member stores of National Retail Dry Goods Assn., which assailed discounters last week (Vol. 11:14).

"Perhaps the reason for this," he said, "is that we do not have fancy serv-



ices, charge accounts, high-priced legal staffs, non-productive departments or non-productive store executives." He asserted that no manufacturer suffers any impairment of his brand when it's sold in original factory carton, but noted that 98% of his merchandise comes from distributors, not manufacturers. He estimated 10,000 discount houses now in nation, 1000 of them in New York.

**Trade Personals:** Walter A. Weiss named gen. mgr. of Sylvania radio tube div., Emporium, Pa., succeeding Matthew D. Burns, now operations v.p.; Weiss is succeeded by Herbert A. Ehlers as gen. manufacturing mgr. of radio tube div. . . . H. S. Gwynne, mgr. of RCA tube market plans & analysis, appointed mgr. of tube industry sales section, heading sales of tubes, tube parts & manufacturing machinery to industry . . . F. E. Howell, ex-Nash-Kelvinator, named v.p. & gen. mgr. of Crosley-Bendix appliances, succeeding Parker H. Ericksen, now exec. v.p. . . . Roy H. Olson, from Phoenix research lab, named engineering director of Motorola communications & electronics div.; Robert L. Borchardt promoted to asst. mgr. of communications div. technical information center . . . Frank H. Uriell, on leave of absence from Chicago law firm of Pope & Ballard for last 4 years to set up and head Admiral's legal dept., has returned to the law firm but continues as Admiral v.p., gen. counsel & director; house counsel are William S. Baltz & Norman E. Johnson . . . Mannie Sacks, RCA v.p. & gen. mgr. of its record div., guest of honor April 5 at testimonial dinner by B'nai B'rith in home town of Philadelphia, attended by RCA chairman David Sarnoff, pres. Frank Folsom and other top executives . . . Pat Kennedy, RCA Victor mgr. of copyright contracts, promoted to mgr. of record merchandise development, RCA International; Warren C. Ling is successor . . . Lee H. D. Baker, Admiral appliances v.p., has retired on reaching statutory retirement age, continues as special consultant on product design . . . Leo J. Jacobson named chief engineer of International Resistance Co.'s Philadelphia plant; George Williams named group leader, product engineering; Benjamin F. Gerding mgr. of manufacturing engineering; Carl Smith, mgr. quality control . . . R. F. Willett, ex-GE and F. W. Sickles Co., recently plant mgr. of Essex Electronics, named gen. mgr. of Empire Coil Co., New Rochelle, N. Y., recently acquired from Herbert Mayer by Storer Bestg. Co. . . . Oakley Cohan, ex-Stewart-Warner Chicago factory branch, named asst. sales mgr., Radio Craftsmen Inc., Chicago, replacing Larry Herman, resigned . . . Roy O'Sullivan, ex-Philco, named Magnavox Philadelphia area sales mgr.; Eugene P. Feeney named sales mgr. of Syracuse-Buffalo area . . . Stanley Graham, Stromberg-Carlson southeastern district mgr., transferred to Chicago as midwest mgr. . . . Edmond Sherman, ex-Tele King & Hazeltine, named chief engineer of Transatron Inc., 154 Spring St., N. Y. (govt. electronics equipment).

Rear Adm. Stanford C. Hooper, 70, USN Ret., who in 1912 was Navy's first fleet wireless officer and rose to director of naval communications, 1928-34, died April 6 at his home in Miami Beach. One of Navy's radio pioneers, he was associated with the late Adm. W. H. G. Bullard, later first chairman of Federal Radio Commission, in setting up an American company to take over British Marconi operations here in 1919—company which became RCA. He was "borrowed" from Navy in 1927-28 to act as first chief engineer of old Radio Commission. He held Marconi Medal of Merit and many other honors. He was a 1905 graduate of Annapolis. Surviving are his widow and a daughter, Elizabeth.

Homer Oxley Sams, 61, elder brother of Howard W. Sams and sales research director of Howard W. Sams & Co., Indianapolis, died April 6 after a short illness. Surviving are his wife, 2 daughters, a son, 4 grandchildren.

**COMPENSATIONS** paid in 1954 to officers-directors of TV-radio-electronics companies whose financial reports have been summarized in this column during recent weeks; these are as reported in proxy statements (figures in parentheses indicating number of shares of common stock held):

RCA—David Sarnoff, chairman, \$200,000 (30,000); Frank M. Folsom, pres., \$186,434 (13,000); Elmer W. Engstrom, exec. v.p., research & engineering, \$87,250 (500); Charles B. Jolliffe, v.p. & technical director, \$79,718 (600); Lindsey W. Teegarden, distribution v.p., \$135,000 (none); Walter A. Buck, v.p., operating services, corporate staff, \$61,492 (none); John T. Cahill, gen. counsel, \$3700 (500), out of \$425,000 legal fees paid to firm of Cahill, Gordon, Reindel & Ohl, of which Cahill is senior partner. In addition, directors receiving compensation and holding stock were Harry C. Hagerty, \$9200 (100); John Hays Hammond Jr., \$900 (100), out of \$48,000 paid for research laboratory services to Hammond Research Corp., Gloucester, Mass. and Radio Engineering Co., N. Y., of which Hammond is pres.; George L. Harrison, \$5850 (1000); Mrs. Douglas Horton, \$3950 (200); Harry C. Ingles, \$14,910 (100); Edward F. McGrady, \$19,630 (200); Wm. E. Robinson, \$1500 (100), out of \$19,055 paid for public relations services to firm of Robinson-Hannagan Assoc. Inc., of which Robinson was chairman until Feb. 7, 1955, when he was elected pres. of Coca-Cola Co.; Walter Bedell Smith, \$100 (100).

Philco—Wm. Balderston, chairman, \$118,250 (5353); James H. Carmine, pres., \$106,250 (31,719); James T. Buckley, retired chairman, \$41,667 (15,752); John M. Otter, exec. v.p., \$73,167 (5577); Harold W. Butler, v.p., \$51,000 (7353); Wm. H. Chaffee, v.p., \$43,000 (946); Raymond B. George, v.p., \$45,100 (257); Joseph H. Gillies, v.p., \$75,750 (6827); Larry F. Hardy, v.p., \$72,500 (7474); Robert F. Herr, v.p., \$64,300 (24,707); Frederick D. Ogilby, v.p., \$70,000 (149); Courtney Pitt, v.p., \$52,000 (1100); Samuel N. Regenstrief, v.p., \$50,000 (22,122); Raymond A. Rich, v.p., \$59,000 (525); David B. Smith, v.p., \$53,200 (2817); Leslie J. Woods, v.p., \$68,750 (7893). In addition, Larry E. Gubb, director, received \$30,000 and held 29,843 shares.

Admiral—Ross D. Siragusa, chairman-pres., \$125,250 (249,156); John B. Huarisa, exec. v.p. & treas., \$125,200 (101,731); Wallace C. Johnson, v.p., \$57,600 (2200); Frank H. Uriell, v.p. & gen. counsel, \$52,750 (1500); Lynn C. Park, retired treas., \$33,500 (none). In addition, Siragusa's wife, Irene O. Siragusa, owns 432,920 personally and together they own 240,480 as trustees for their 4 children (totaling about 40% of stock outstanding). Huarisa's wife, Wanda Huarisa, owns 13,294 personally, and 7200 together as trust for their daughter; Johnson's wife, Iona V. Johnson, owns 120; Uriell's wife, Georgia Uriell, owns 210.

Emerson—Benjamin Abrams, pres., \$60,008 (219,800); Dorman D. Israel, exec. v.p., \$43,980 (1364); Max Abrams, secy.-treas., \$39,936 (80,400). In addition, Benjamin Abrams holds 26,469 shares as trustee under various trusts for members of his family, his wife owns 6470 shares, and aggregate of 63,170 shares are owned by 3 charitable membership corporations of which Mr. & Mrs. Benjamin Abrams and Mr. & Mrs. Max Abrams are members. Max Abrams also holds 6590 shares as trustee for members of his family, his wife holds 1804 shares, his son 25,814.

Olympic Radio—Morris Sobin, pres. (2520 shares owned by Mrs. Ruth Sobin), \$38,999. Note: On Jan. 26, 1955, Mr. Sobin was granted option to buy 8000 shares at \$5, in effect until Jan. 31, 1958, which by virtue of recent stock dividend was increased to 8400 shares at \$4.76; other officers were given options on 7350 shares. On March 31, chairman Adolphe A. Juviler (salary: \$12,000), already owner of 7828 shares, was given option to purchase 15,000 shares at \$6.42 until March 31, 1958.

Indiana Steel Products Co.—Robert F. Smith, pres., \$45,333 (1500); John H. Bouwmeester, manufacturing v.p., \$34,666 (200); Charles A. Maynard, v.p., \$32,666. In addition, wife of Mr. Smith owns 150 shares. Paul R. Doelz, director (pres. of Kalman & Co., Minneapolis, investment bankers), owns 10,760 shares plus 4600 as trustee while his daughter Nancy D. Curtin owns 6160 shares.

DuMont—Allen B. DuMont, pres., \$68,339 (39,800 common, 200 preferred); Wm. H. Kelley, v.p. marketing, \$48,555 (none); Irving G. Rosenberg, v.p. tubes, govt. & communications products, \$40,000 (none). Dr. DuMont also holds 8000 shares of Class A common and 2000 shares of preferred in irrevocable trust for benefit of son Allen B. DuMont Jr.

International Resistance Co.—Charles Weyl, pres., \$51,671 (94,300); Jesse Marsten, v.p., \$35,837 (8500); Harry A. Ehle, v.p., \$35,837 (17,000); Oliver J. Greenway, v.p., \$32,337 (7850); Edward A. Stevens, v.p., \$30,237 (7040).

Sylvania—Max F. Balcom, ex-chairman, now consultant, \$36,000 (3900); Don G. Mitchell, chairman (now also pres.), \$130,242 (2450); H. Ward Zimmer, pres. (deceased), \$130,242 (stockholdings not listed); Arthur L. Chapman, v.p., \$48,623 (none).

Hazeltine—Jack Binns, chairman, \$60,984 (4000); W. A. MacDonald, pres., \$60,859 (2000); J. B. Dow, exec. v.p., \$36,935 (600); L. B. Dodds, v.p., \$49,860 (100); F. Robinson, pres. of subsidiary Hazeltine Electronics, \$43,138 (none).

Zenith—E. F. McDonald Jr., pres., \$183,296 (41,893); Hugh Robertson, exec. v.p., \$173,296 (1388); H. C. Bonfig, v.p. & director of sales, \$96,763 (none); Joseph S. Wright, gen. counsel, \$43,125 (10).

CBS Inc.—(See Special Section, Vol. 11:13.)

Brig. Gen. W. Preston Corderman, chief of research & development div., Office of Chief Signal Officer, becomes Deputy Chief Signal Officer May 1 when Maj. Gen. James D. O'Connell advances from Deputy to Chief Signal Officer, succeeding Maj. Gen. George I. Back.



**Topics & Trends of TV Trade:** Four-vhf Washington, one of best markets for receivers since TV's earliest days, now more than four-fifths saturated, is subject of TV consumer survey as part of *1955 Consumer Analysis* just released by *Washington Star*. With 322,611 family units (81.6%) owning a TV set in metropolitan area as of last Dec., up from 290,163 (76%) at end of 1953 and 260,571 (72.5%) at end of 1952, survey finds that RCA brand is owned by 21.7% of TV families; Admiral, 14%; Philco, 10.7%; Motorola, 9.9%; Emerson, 9.7%; Muntz, 5.3%; GE, 4.3%; Zenith, 3%; Westinghouse, 2.4%; Silvertone, 2.2%; DuMont, 2.1%; Magnavox, 2.1%; Capehart-Farnsworth, 1.8%; Hallicrafters, 1.5%; Crosley, 1.3%; miscellaneous, 8.5%.

Of the set owners, 14.3% bought set new in 1954, 20.1% in 1953, 31.3% in 1952. Among those planning to buy TVs in 1955, these are brand preferences given: RCA, 26.8%; Philco, 11.6%; Admiral, 10.9%; Emerson, 5.7%; Motorola, 4.8%; Zenith, 4.6%; GE, 3%; Magnavox, 2.4%; Muntz, 1.5%; DuMont, 1.1%; Westinghouse, 1.1%; miscellaneous, 3.3%. Some 24.8% indicated they didn't know which brand they would buy.

The *Star* is one of group of 20 newspapers which conducted similar surveys in their markets. Others: *Milwaukee Journal*, *Portland (Me.) Press Herald* and *Evening Express*, *Columbus Dispatch* and *Ohio State Journal*, *Cincinnati Times-Star*, *Indianapolis Star* and *News*, *Duluth Herald* and *News-Tribune*, *St. Paul Dispatch* and *Pioneer Press*, *Omaha World-Herald*, *Salt Lake Tribune & Deseret News*, *Seattle Times*, *San Jose Mercury and News*, *Sacramento Bee*, *Fresno Bee*, *Modesto Bee*, *Long Beach Press-Telegram*, *Honolulu Star-Bulletin*, *Phoenix Republic* and *Gazette*, *Oregon Journal*, *Newark News*. Copies are available free on request to any of those papers.

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Chicago tube & set manufacturer Ulysses A. Sanabria (American Television Inc.) this week disclosed a 17-in. plywood table model, containing 9 tubes and operating without a transformer, which retails for \$77. Called "Ohm," the set also comes in "de luxe" version with aluminized tube for \$88, costs the dealer about \$67. Sanabria gave us this explanation for this lowest-cost-yet set, at a time when TV industry is complaining about high costs and low profits on TVs:

"First of all, we've cut our production expenses to the bone. We produce in our own plant virtually everything that goes into the set—tubes, cabinet, and so forth. Then we have no distributor cost because we sell direct to dealers, and to exclusive dealers at that." He said he expects to make \$10 profit on each set.

The lightweight set (under 50 lbs.) will be sold to dealers on consignment, with factory and dealer sharing advertising cost. Currently, Sanabria is looking for exclusive dealerships in key cities to handle not only his "Ohm," but also his "Universal" series, which starts with a 21-in. table model at \$99, and his DeForest line, ranging from \$170 to \$800. Current TV production is about 1000 a week, though plant has capacity for 1000 a day, he said. Company has own retail outlets in Chicago, Detroit, Los Angeles, St. Louis & Oklahoma City.

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Picture tube sales in first 2 months of 1955 totaled 1,726,485, valued at \$34,780,586, compared to 1,203,396 worth \$26,090,478 in first 2 months of 1954, reports RETMA. Feb. sales were 859,529 at \$17,119,568 vs. 866,956 at \$17,661,018 in Jan. and 645,715 at \$13,916,478 in Feb. 1954. Receiving tube sales in first 2 months totaled 76,476,558 valued at \$54,984,643, compared to 47,322,147 worth \$34,731,819 in first 2 months of 1954. Feb. sales were 38,526,796 at \$28,107,186 vs. 37,949,762 at \$26,877,457 in Jan. and 25,189,147 at \$18,319,819 in Feb. 1954.

**DISTRIBUTOR NOTES:** Raytheon discloses appointment of 21 new TV distributors during last few months: Mid-Atlantic Appliances Inc., Washington; L&P Electric Co., Brooklyn; Phillips Distributing Co., Baltimore; Universal Distributors, Kansas City, Kan.; Dunn & Menely Co., Oklahoma City; McCutcheon Distributing Co., Pittsburgh; Wholesale Appliance Co., Little Rock; Major Appliance Co., Dallas; Joyce Appliances Inc., Indianapolis; S.&E. Distributing Corp., St. Paul; H. W. Sinclair Distributing Corp., Houston; Lentz Enterprises, Phoenix; Reliable Brands Inc., Dayton; Cameron Co., Rock Island; Charles Ilfeld Co. Inc., Albuquerque; Health Wholesale Co., Lubbock, Tex.; Radio Distributing Co., South Bend; Max Supply Co., LaCrosse, Wis.; Harris Radio Inc., Fond du Lac, Wis.; Superior Distributing Co., Sault Ste. Marie, Mich.; Oakman Electronic Supply Co. Inc., Rutland, Vt. . . . CBS-Columbia establishes 6th factory branch, CBS-Columbia of Western New York, 165 Georgia St., Buffalo (Richard J. Levi, gen. mgr.); other branches are in N. Y., Boston, Detroit, Philadelphia & Dallas . . . CBS-Columbia appoints Midland Electric Co., 2125 Superior Ave., Cleveland; Electric Sales & Appliances Inc., 340 NE 75th St., Miami; Sacks Electrical Supply Co., 605 S. Main St., Akron; Long's Distributors Inc., 70 State St., Binghamton, N. Y.; Hills Gas & Appliance Co., 7th & Philadelphia St., Rapid City, S. D.; Grossman Distributors Inc., 185 Joseph Ave., Rochester, N. Y. . . . Standard Electric Supply Co., Milwaukee (CBS-Columbia) promotes Erwin J. Merar to v.p. of major appliance div.; A. K. Sutton Inc., Charlotte (CBS-Columbia) appoints David F. Sigmon as operations mgr. . . . Philco appoints J. H. Burke Co., Boston, replacing J. F. Leahy Co. . . . DuMont appoints Harold N. Lieberman Co., 257 Plymouth Ave., N. Minneapolis (Harold Lieberman, pres.), which names B. F. Mondale as sales mgr. . . . Admiral transfers Stuart P. LaBonde from Los Angeles div. to Anchorage as gen. mgr. of Alaska div. . . . DuMont-Florida names Samuel Wagman sales mgr.

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What makes people buy TV sets? Question may be answered by Advertising Research Foundation, 11 W. 42nd St., N. Y., which is considering a survey to determine the motivations for purchase of a long list of consumer goods, including TV. ARF managing director Alcuin Lehman emphasized it's only an idea right now, being explored by an ARF motivation research committee headed by Dr. W. H. Wulfeck, Wm. Esty Co. Dr. Wulfeck told a meeting of the N. Y. chapter of American Marketing Assn. recently that his committee inherited the project from a group of men's magazines, which started and then dropped the plan. He stated: "The study will attempt to find out how consumers actually make purchasing decisions, who makes them, and how quickly. This is not a measure of advertising effectiveness, although advertising, of course, is one of the elements which goes into the making of buying decisions." He said he was encouraged by results of pilot studies in 6 or 7 markets designed to set up framework for questionnaire to be used in survey. ARF is a top-flight research organization with representatives of all media.

Raytheon TV-radio div. has started construction on new 203,874-ft. plant at North & First Ave., Melrose Park, Chicago, due for Sept. completion, which at outset will house all metalworking, painting & cabinet facilities, employing about 200. Plant doubles production capacity, will include automation techniques, will be operated in addition to offices and main TV-radio production facilities at 5921 W. Dickens Ave., about 3½ mi. distant.

With move of Emerson headquarters & plant to Jersey City (Vol. 11:14), subsidiary Emerson Radio Export Corp. (Max Abrams, pres.) and public relations dept. (Michael Ames, director) are now located at Plaza Hotel, 5th Ave. & 59th St., N. Y. (phone Plaza 9-3456).



**Electronics Reports:** "Golden Jubilee of Electronics" in 1956, industry-sponsored, to mark 50th anniversary of Dr. Lee DeForest's invention of the audion, will be considered by RETMA board at spring meetings April 12-14 at New York's Roosevelt Hotel. Proposed by Rear Adm. Ellery W. Stone, USN (Ret.), pres. of American Cable & Radio Co. (IT&T) and of "DeForest Pioneers," idea has backing of Gen. David Sarnoff, RCA chairman, as well as other key RETMA members.

Details haven't been worked out yet, but celebration basically would be similar to electrical industry's "Diamond Jubilee of Light" last year, which marked 75th anniversary of Edison's invention of incandescent lamp. It's also expected it would involve at least one big industry-sponsored show on TV and radio.

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Continuing trend toward diversification into electronics by non-electronic companies is exemplified by recent purchases by Textron American Inc. (formed by merger of Textron, American Woolen & Robbins Mills). The textile company's first expansion into electronics was purchase of Dalmo Victor Co., San Francisco manufacturers of radar and other military electronic gear. This week, Textron American purchased Ryan Industries Inc., Detroit manufacturer of airborne electronic equipment, whose 1954 sales totaled more than \$6,000,000.

United Shoe Machinery Corp., Boston, reports that TV-radio manufacturers have used its components inserting machines with more than 400,000 printed wiring boards in commercial receivers. It's now developing units capable of inserting 1-watt & 2-watt resistors; mica, tubular & disc capacitors; jumper wires; tube sockets; IF transformers. It claims equipment is highly flexible and reliability is better than 99.5%.

Freed Electronics & Control Corp., offshoot of old Freed Radio Corp., has been acquired by Fairchild Camera & Instrument Corp., which will operate it as subsidiary. Fairchild pres. John H. Clough said acquisition would give his firm "background position in ultrasonic display and storage and recording techniques as applied to radar photography and mapping."

Electronically controlled milling machine is being developed by Convair div., General Dynamics Corp. on \$1,128,000 Air Force contract. When completed in about 18 months, magnetic tape-directed mill is expected to save as much as 85% of the time now spent on some aircraft parts. It will be capable of producing aircraft dies or parts from engineering data fed into its computer "brain" on tape.

New long-range aircraft navigation aid, called "Navarho," revealed by Air Force this week, will be accurate within 10 mi. over vast area covering Azores to U. S. west coast and Arctic Ocean to Gulf of Mexico. It was developed at Rome, N. Y. Air Development Center, will be built at Camden, N. Y., near Lake Oneida.

American Bosch Arma Corp. personnel changes: Clifton T. Foss named v.p.-gen. mgr., Edmund D. Gittens v.p.-chief engineer, Clarence H. Hopper v.p.-manufacturing, all of Arma div., Garden City, N. Y.; Kenneth F. Leaman appointed v.p.-manufacturing, American Bosch div., Springfield, Mass.

Handbook on Defense Materials System (DMS), *The Defense Materials System in Our American Industry*, has just been published by Commerce Dept.'s Business & Defense Services Administration. It's on sale at Govt. Printing Office and Commerce Dept. field offices, 25¢.

Closed-circuit industrial and commercial TV installations now total 1200-1500, GPL district mgr. Robert H. Johnston told American Power Conference in Chicago this week.

General Precision Equipment Corp., reporting sales of movie equipment and supplies last year were highest in history and announcing quantity production of "most advanced system of automatic airborne navigation known to exist," reports 1954 net sales of \$123,332,634 compared to \$87,763,000 in 1953. Net profit last year was \$5,488,090, or \$6.49 a share on 934,174 shares of common outstanding, as against \$3,436,349 (\$5.09 on av. of 797,121 shares) in 1953. General Precision subsidiaries are: Ampro Corp., Chicago; Askania Regulator Co., Chicago; Bizelle Cinema Supply Corp., N. Y.; General Precision Laboratory Inc., Pleasantville, N. Y. (with Pleasantville Instrument Co.); Gricom-Russell Co., Massillon, O.; Hertner Electric Co., Cleveland; International Projector Corp., Bloomfield, N. J. (with Seco-matic Corp.); Kearfott Co., Little Falls, N. J. (with Kearfott Mfg. Co., Newark); Librascope Inc., Glendale, Cal. (with Minnesota Electronics Corp., St. Paul, Minn.); Link Aviation Inc., Binghamton, N. Y.; J. E. McAuley Mfg. Co., Chicago; National-Simplex-Bludworth Inc., N. Y.; Precision Technology Inc., Livermore, Cal.; Society for Visual Education Inc., Chicago; Strong Electric Corp., Toledo; Theatre Equipment Contracts Corp., N. Y.

Reeves Soundcraft Corp. and wholly-owned subsidiary, Bergen Wire Rope Co., had record consolidated net sales of \$3,747,810 in 1954 and net income after taxes of \$89,385. This compares with \$3,566,054 & \$284,301 in 1953. Licensees of its Magna-Stripe process for making Cinema-Scope release prints, pres. Hazard E. Reeves reported, now number 7—Columbia Pictures, Universal Pictures and Pathe Laboratories having been added last year. Fire at Bergen Wire Rope Co. in early 1954 hit sales. Year ended with earned surplus of \$470,258 as against \$380,737 at end of 1953. Bergen has constructed several radio towers, plans to make parts for TV, radio and microwave towers. Company retains 431,849 shares of common stock of Cinema Inc., which operates 18 theatres now, plans 8 more this year. It also is reported to be small stockholder in Saft Corp. of America, manufacturer of new type of sealed sintered nickel cadmium battery.

William B. Still, who in 1945 held experimental TV license for W2ZJT on Ch. 13 (then 230-236 mc) in Jamaica, L. I., where he made custom-built TVs, is now operating as Still Electronics Co., 4367 Papineau, Montreal (picture tubes); he claims to have developed TV set for autos that automatically won't operate unless vehicle is standing still with brakes applied.

New data processing center will be established by Sylvania on 30-acre site in Camillus, N. Y., near Syracuse. The center will gather, record, compute & classify variety of company-wide information on volume, sales, billings and other business data. Univac electronic computing system, leased from Remington Rand, will be used.

Latest TV gadget: Match-sized switch which turns TV or radio volume down 50% when telephone is in use, reported by an unnamed "Sunday inventor" to Minneapolis Honeywell's Micro Switch div., which annually conducts "idea exchange," seeking new uses for tiny switches.

L. W. Klein, exec. v.p. of Gabriel Co., named sales & adv. v.p. in coordination of all divisions, including antenna makers Ward Products & Gabriel Electronics, under 3-man exec. staff headed by Gabriel pres. John H. Briggs; Pat Leone named operations v.p., A. P. McDiarmid finance v.p.

Rear Adm. Malcolm F. Schoeffel, USN Ret., ex-chief of Navy's Bureau of Ordnance, joins General Precision Equipment Corp. as director of weapons planning, headquartering in Washington.

Robert Pappas, ex-Schaible Co., joins Ampex Corp., Redwood City, Cal., as quality control mgr.; John V. Zuckerman named mgr. of personnel & plant services.



**Financial & Trade Notes:** Among officers' and directors' stock transactions reported by SEC for Feb.: John B. Huarisa sold 3600 Admiral (Dec.), holds 101,731; Wallace C. Johnson bought 100 Admiral (Jan.), holds 2200; Irving B. Babcock sold 1500 Avco, holds 6397; Percy M. Stewart bought 1000 DuMont Labs, holds 2000; Wm. H. Miller sold 1510 Gabriel Co., holds 10,000; Howard C. Briggs bought 668 Hoffman Electronics (Jan.), holds 2000; Joseph S. McGee bought 250 Hoffman Electronics, holds 250; Charles M. Hofman sold 1600 Raytheon, holds 2969; Harold C. Mattes sold 5300 Raytheon, holds 10,234; Irving I. Schachtel bought 25,000 Sonotone, holds 27,500; Don G. Mitchell bought 111 Sylvania, holds 2561; R. E. Carlson bought 500 Tung-Sol, holds 1272; Mark W. Cresap Jr. bought 402 Westinghouse, sold 239, hold 1627; A. M. Robertson sold 300 Westinghouse, holds 200; C. S. Weber bought 211 Westinghouse, holds 793.

Collins Radio has filed SEC registration covering proposed offering of 122,500 new shares of \$50 par convertible preferred to stockholders through subscription warrants. Purpose of issue, says statement, is to finance redemption of preferred stock and to raise working capital. Prior to offering, company proposes to reclassify each share of outstanding common stock into 1½ shares of Class A and 1½ shares of Class B. New preferred is to be convertible into Class B shares thru May 1, 1956 and will be entitled to an annual sinking fund thereafter. Managing underwriters of new issue are Kidder, Peabody & Co. and White, Weld & Co. Collins recently reported earnings of \$1,495,572 (\$3.01 on 490,370 common shares outstanding) on sales of \$48,214,224 in 6 months ended Jan. 31, compared to \$1,476,406 (\$3.41 on 426,409 shares) on \$37,925,586 same period of preceding fiscal year (Vol. 11:13).

Olympic Radio earnings in 1954 more than quadrupled over 1953, while sales showed 3.8% gain. Profit was \$256,836 (59¢ per share) after taxes of \$204,295 on sales of \$18,350,453, compared to \$62,157 (14¢) after taxes of \$53,600 on \$17,667,485. Pres. Morris Sobin said Olympic had concentrated on sets "unique" to TV industry, had achieved a "dominant" position in 3-way combinations, and had given added impetus to second-set market with its 14-in. \$99.95 table model. At annual meeting in company's Long Island City offices April 25, stockholders will vote on resolution to increase authorized shares of \$1 par common from 500,000 to 1,000,000. It said it had no plans for added shares, merely wanted authorization.

Muter Co. and subsidiaries had 1954 consolidated net income after taxes of \$280,436 (39¢ a share on 721,450 outstanding) on sales of \$12,175,971, compared with \$447,463 (66¢ on 681,680 shares) on sales of \$15,190,004 in 1953. In notice of annual meeting April 19, it's disclosed that pres. Leslie F. Muter owns 115,566 or 16% of the 721,450 shares outstanding; Thomas White, pres. of subsidiary Jensen Mfg. Co., 13,457 shares. Only salary listed was that of Mr. White, who drew \$37,190 in 1954.

Erie Resistor Co. and subsidiaries, including Erie Resistor Ltd. (England) and Erie Resistor of Canada Ltd., in 1954 earned \$317,767 (88¢ a share) on sales of \$14,866,836. Domestic operations alone were \$9,101,544 sales, \$17,503 profit including \$149,852 dividends from foreign subsidiaries. In 1953 domestic sales were \$12,845,735, profit \$595,511. Earned surplus as of Dec. 26, 1954 was \$3,569,074.

National Union Electric Corp., whose CR tube div. was sold in Dec. to Sylvania for \$1,314,019, reports 1954 net loss of \$1,289,264 (74¢ a share) on sales of \$6,758,799 vs. 1953 net profit of \$166,458 (10¢) on sales of \$12,158,045. According to pres. & chairman C. Russell Feldman, Dec. 31, 1954 company had \$2,766,157 in cash or assets readily convertible to cash.

Atomic Development Mutual Fund Inc., Washington, D. C., open-end diversified management investment company specializing in securities relating to atomic science, headed by Newton I. Steers Jr., ex-AEC aide and ex-member of Electronics Production Board, offers 1,250,000 common shares at \$15.04 per share in recent prospectus. Listed in Jan. 31 portfolio stockholdings are these concerns closely identified with electronics: 2100 shares Sylvania, market value as of that date \$95,287; 3500 GE, \$174,125; 1700 N. V. Philips Gloeilampenfabrieken, \$72,675; 3800 Westinghouse, \$305,425. Among companies which process radioactive materials and manufacture radiation instruments or equipment, it lists: 1700 Abbott Laboratories, \$75,862; 1200 ACF Industries Inc., \$57,900; 15,000 Atomic Instrument Co., \$136,875; 13,100 Beckman Instruments, \$316,037; 3600 Blaw-Knox, \$101,700; 10,400 Consolidated Engineering, \$296,400; 98 General Precision Equipment (\$1 common), \$5831; 3200 High Voltage Engineering, \$56,400; 3800 Ketay Instrument, \$64,125; 21,000 Nuclear Instrument & Chemical, \$144,375; 1000 Panellit Inc., \$16,500; 4400 Tracerlab Inc., \$97,900; 9000 Victoreen Instrument, \$64,125. Fund's assets are largely invested in atomic minerals, principally uranium; it has Auchincloss, Parker & Redpath as investment adviser, lists total net assets of \$19,854,643 as of March 1; 1,429,420 shares were outstanding (\$13.91 per share) as of that date.

Teleprompter Corp. chairman Irving B. Kahn, reporting volume of business rose from \$308,361 in 1953 to \$533,661 in 1954 with net profit after taxes up from \$8129 to \$38,582, states in annual report to stockholders that volume for first 8 weeks of this year was almost double and net profit before taxes treble that of same 1954 period. Firm has renewed long-term contract with CBS, and last year signed similar one with NBC; its cueing machines are used in stations all over U. S. & Canada. Expansion includes new portable stage and "automation control" for stage effects. April 12 stockholders meeting will be asked to increase capital stock from 100,000 to 250,000 shares.

Guild Films calls special meeting of stockholders April 11 at Denver's Brown Palace Hotel to vote on proposal to increase authorized shares of 10¢ par value common stock from 1,000,000 to 2,000,000 "to place the company in position to take full advantage of business opportunities that may quickly arise in our rapidly developing industry." It's also proposed to increase directors from 5 to 7; new directors would be Aaron Katz, Guild v.p.-treas., and Julian E. Keilus, v.p. of Jacques Kreisler Mfg. Corp., N. Bergen, N. J. (jewelry). First annual report, for year to Nov. 30, 1954, showed net income of \$34,250 on sales of \$2,003,543; earned surplus was \$59,505.

Avco Mfg. Corp. earnings, including Canadian subsidiaries, dropped to \$579,445 (6¢ per share) on sales of \$70,266,747 in first 1955 quarter from \$1,695,699 (18¢) on sales of \$99,136,339 in same 1954 quarter, due to highly competitive consumer markets and reduced defense contracts. However, chairman Victor Emanuel reported, backlog of defense orders is about \$185,000,000.

Webster-Chicago Corp., despite record sales of \$31,746,046 in 1954, reports decline in earnings to \$564,198 (\$1.09 on 519,750 shares) from the \$927,162 (\$1.87 on 495,000 shares) earned on sales of \$27,757,899 in 1953. Pres. Norman C. Owen told stockholders that profits were retarded by heavy investment in developing and tooling for new tape recorders and phonographs.

Dividends: Webster-Chicago, 15¢ payable April 18 to stockholders of record April 8; Emerson Radio, 10¢ regular & 5¢ extra April 15 to holders April 4; General Instrument, 12½¢ April 16 to holders April 8.

Canadian Admiral Corp. in 1954 earned \$1,671,037 on sales of \$29,977,272; comparisons unavailable.



**Color Trends & Briefs:** Another effort to get back into the color picture is being made by Paramount Pictures' Chromatic TV Labs. Late next month, it plans to demonstrate receivers, using the 1-gun Lawrence tube, which it says can be produced for "under \$500"—compared with \$895 and up for other color sets.

No manufacturer has committed himself to make the tube or set, Chromatic pres. Richard Hodgson stated, but he believes demonstrations will evoke strong interest. He doesn't believe tube can be produced initially for less than the \$100 RCA charges for its tube, but he says the simple circuitry required is what makes lower cost of receiver possible.

Receiver will have 24 tubes vs. the 28 RCA will have in new series of sets due soon—but Hodgson says that the major savings are in fewer components, simple assembly and lineup. Sizes will be 21 or 22-in. rectangular, depending on availability of bulbs. He reports that quality is "darn good" and that "definition is higher than before."

The "under \$500," Hodgson stated, "doesn't mean \$495. We believe it will be substantially under that."

\* \* \* \*

TV sessions of SMPTE convention in Chicago's Drake Hotel April 18-22 will be held April 20, will include: color-monochrome integration, by Philip B. Laeser, WTMJ-TV, Milwaukee; Chromacoder, by Pierre H. Boucheron, GE; 3-V 35mm color camera, by W. F. Fisher & W. R. Isom, RCA; color images on black-&-white film, by Wm. L. Hughes, Iowa State College; comparison of color TV and color photography, by Donald G. Fink, Philco; characteristics of "perfect" TV lens and system, by Otto Schade, RCA; control of light intensity in TV projectors, by B. F. Melchionni & K. Sadashige, RCA; report of SMPTE TV lighting committee, by H. M. Gurin, NBC; film problems in TV news, by Spencer M. Allen, WGN-TV, Chicago; armed forces stations, by Lt. Col. Mel Williamson & Maj. Stanley E. Rodby.

"Y" channel is what GE has dubbed new system of sharpening monochrome reception of color transmissions (Vol. 11:4). New "Y" equipment was demonstrated to industry for first time during April 4-7 TV lighting symposium at GE's Nela Park, Cleveland.

Ampli-Vision community antenna equipment has been sold to 34 new systems, in addition to those listed in *TV Factbook No. 20*, according to systems engineer V. G. Rumbellow. A division of Paramount's International Telemeter Corp., Ampli-Vision reports new systems in these towns: Mena, Ark.; Burbank & Sacramento, Cal.; Sarasota, Fla.; Avery, Burke, Grangeville, Orofino & Pinehurst, Ida.; Havre, Helena & Whitefish, Mont.; Binghamton, N. Y.; Baker, Banana Valley, Coos Bay, Coquille, Cutler City, DeLake, Fossil, Hood River, Ione, Kinzua, La Grande, Nelscott-Oceanlake, Taft, The Dalles, Wecoma & Yachets, Ore.; Gatesville, Tex.; Pullman & Wishrem, Wash.; Rice Lake, Wis.; Thermopolis, Wyo.

Regional community TV antenna association formed last week, under aegis of National Community TV Assn., is Pacific Northwest Community TV Assn., organized in The Dalles, Ore. Pres. is Harley F. Steiner, v.p.-mgr. of Pacific Northwest TV, Lewiston, Ida. Prime problem of operators in area is illegal boosters (Vol. 10:47). One method of counteracting them is to extend community systems to marginal areas by getting potential customers to share costs of extensions. NCTA exec. secy. E. Stratford Smith discussed FCC's move against illegal booster operators through the issuance of cease-and-desist orders, violations of which are punishable by fines up to \$10,000 and imprisonment up to 2 years.

Impact of color TV on movies will be felt but will be of short duration, film pioneer Louis B. Mayer told dinner meeting of American Cinema Editors in Hollywood recently. Ex-MGM chief stated: "When Technicolor first became available to us, it was a great novelty, and people bought tickets just to see almost anything that was offered in color. . . . But the novelty soon wore off, and always it was learned that nothing ever takes the place of top entertainment values no matter how you dress it up." As for impact of TV generally, he said: "Aside from big sporting events, national or international spot news, I do not regard TV as offering any greater competition to the screen than radio did."

Upcoming network color schedules: NBC-TV—April 15, *Home* segment, 11-11:15 a.m.; May 2, *Producers' Showcase*, "Darkness at Noon," with Claude Rains, 8-9:30 p.m.; May 7, *Max Liebman Presents*, "Chocolate Soldier," with Eddie Albert, 9-10:30 p.m.; May 30, *Producers' Showcase*, "The Petrified Forest," with Humphrey Bogart, Lauren Bacall & Henry Fonda, 8-9:30 p.m. CBS-TV—April 14, *Shower of Stars*, "Ethel Merman's Show Stoppers," with Ethel Merman, Red Skelton, Peter Lind Hayes, Mary Healy & Harold Lang, 8:30-9:30 p.m.; April 17, *Sunday News Special*, one time, 11-11:15 p.m.

Field-sequential color system employed in Moscow is described in March issue of *British Wireless World*. Using call letters MOSTsT (meaning, in Russian, Moscow experimental color TV station), station uses 8.4-mc video bandwidth, 150 frames, 25 fields, 525 lines on 76-88-mc channel. It has 3 cameras and a field-slide scanner. Typical receivers have picture about 5½x4-in., 23 tubes.

Article on color and TV generally, is featured in March *New Englander*, published by New England Council for Economic Development, Statler Bldg., Boston. It cites progress of area's stations and manufacturers toward increasing colorcasts and making color sets & components.

April *American Artist Magazine* carries 7-p. feature on Maurice Evans' 2-hour color production of *Macbeth* last Nov. 28. It's titled "The Art and Artists Behind the NBC-TV Production, *Macbeth*."

RCA shipped 2 live color cameras April 4 to WOAI-TV, San Antonio.

Donald W. Reynolds' purchase of KOLO, Reno & KORK, Las Vegas, as companions for his KZTV, Reno (Ch. 8) and KLRJ-TV, Henderson-Las Vegas (Ch. 2) was approved by FCC this week. He paid \$150,000 for KOLO, \$50,000 for KORK, and agreed to reimburse sellers \$40,000 for not re-entering Reno market, \$10,000 for Las Vegas (Vol. 11:11). Other AM transfers approved were: Sale of 50% of WLOW, Portsmouth, Va. to Boston adman Emyl J. Arnold and Harold Kaye (50% of WORC, Worcester, Mass.); sale of KJAY, Topeka, Kan. for \$105,000 to ex-KOA, Denver salesman Robert Rohrs (Vol. 11:12) by S. H. Patterson, owner of KSAN-TV, San Francisco (Ch. 32) & KSAN.

John T. Cahill, senior partner of Cahill, Gordon, Reindel & Ohl, counsel for RCA-NBC, was host April 1 to anti-trust law section, American Bar Assn., at party in Washington's Sheraton-Carlton Hotel attended by top govt. & private lawyers, judges, RCA-NBC executives and their wives. Entertainment included rehearsal of next night's *Hit Parade*, piped via closed-circuit in color; Jimmy Durante in takeoff on anti-trust laws; filmed satire on TV; demonstration of RCA's new music synthesizer (Vol. 11:6)—with David Garroway as m.c.

Kit for converting film chain from iconoscope to vidicon is offered by GE at \$5250, plus \$1200 for optical multiplexer.



**Network TV-Radio Billings**

February 1955 and January-February 1955

(For January report see *Television Digest*, Vol. 11:11)

**F**EBRUARY network TV billings slipped somewhat from January records (Vol. 11:11) due to shorter month—but it was still one of the best months since the season began last fall and far ahead of same 1954 month. Publishers Information Bureau report shows CBS-TV billings were \$14,694,726, NBC-TV \$12,275,843, ABC-TV \$3,567,696, DuMont \$597,275, for total of \$31,135,540, which compares with \$33,462,855 in Jan. and \$22,944,158 in Feb. 1954. Jan.-Feb. combined billings of \$64,598,395 compare with \$48,000,606 in same 1954 months, auguring another record year.

Network radio, now running about one-third TV, was \$10,162,739 in Feb., down from \$10,785,181 in Jan. and from \$12,204,550 in Feb. 1954. All networks were down, and for first 2 months of this year they were more than \$4,500,000 behind same 1954 period. The Feb. PIB tables:

NETWORK TELEVISION				
	February 1955	February 1954	Jan.-Feb. 1955	Jan.-Feb. 1954
CBS	\$14,694,726	\$ 9,965,481	\$30,525,867	\$20,678,810
NBC	12,275,843	9,368,148	25,465,402	19,485,085
ABC	3,567,696	2,502,372	7,285,891	5,282,946
DuMont	597,275	1,108,157	1,321,235	2,553,765
<b>Total</b>	<b>\$31,135,540</b>	<b>\$22,944,158</b>	<b>\$64,598,395</b>	<b>\$48,000,606</b>

NETWORK RADIO				
	February 1955	February 1954	Jan.-Feb. 1955	Jan.-Feb. 1954
CBS	\$ 3,950,767	\$ 4,749,512	\$ 8,132,072	\$ 9,915,686
NBC	2,584,620	3,176,849	5,328,824	6,568,722
ABC*	2,335,414	2,494,737	4,822,554	5,325,391
MBS	1,291,938	1,783,452	2,664,470	3,680,377
<b>Total</b>	<b>\$10,162,739</b>	<b>\$12,204,550</b>	<b>\$20,947,920</b>	<b>\$25,490,176</b>

NETWORK TELEVISION—January-February 1955					
	ABC	CBS	DuMont	NBC	Total
Jan.	\$3,718,195	\$15,831,141†	\$ 723,960	\$13,189,559†	\$33,462,855†
Feb.	3,567,696	14,694,726	597,275	12,275,843	31,135,540
<b>Tot.</b>	<b>\$7,285,891</b>	<b>\$30,525,867</b>	<b>\$1,321,235</b>	<b>\$25,465,402</b>	<b>\$64,598,395</b>

NETWORK RADIO—January-February 1955					
	ABC	CBS	MBS	NBC	Total
Jan.	\$2,487,140	\$ 4,181,305	\$1,372,532	\$ 2,744,204	\$10,785,181
Feb.	2,335,414	3,950,767	1,291,938	2,584,620	10,162,739
<b>Tot.</b>	<b>\$4,822,554</b>	<b>\$ 8,132,072</b>	<b>\$2,664,470</b>	<b>\$ 5,328,824</b>	<b>\$20,947,920</b>

\* In order to maintain continuity and comparability with previously published data, an adjustment factor of 1.817 has been used by PIB in calculating gross network radio time charges for those nighttime network radio programs where ABC Rate Card No. 6 was in effect.

† Revised as of April 4, 1955.

Note: These figures do not represent actual revenues to the networks, which do not divulge their actual net dollar incomes. They're compiled by Publishers' Information Bureau on basis of one-time network rates, or before frequency or cash discounts, so in terms of dollars actually paid may be inflated by as much as 40%. However, they're generally accepted in the trade as an index.

FCC was accused of encouraging TV monopoly by Rep. Reuss (D-Wis.), in vigorous attack on Attorney General Brownell's 60-member committee which recommended anti-trust law amendments (Vol. 11:14). He accused committee of overlooking monopoly aspects of many industries, including TV, "where the Govt. itself is creating the cartels and the monopolies that the anti-trust laws are designed to prevent." He added: "In no field is monopoly more threatening today than in that of TV, where increasingly a few large networks and newspaper organizations are acquiring a stranglehold on the industry. The FCC, far from doing anything about this development, is every day doing its best to accelerate it. In TV, as elsewhere, the big get bigger and the independents go broke."

President Eisenhower has accepted invitation to address NARTB convention in Washington week of May 22. He'll greet broadcasters at 11:30 a.m. Tue. May 24, speaking informally for several minutes just after Keynote Award to *Louisville Courier-Journal* publisher Mark Ethridge, v.p. of WHAS-TV & WHAS, Louisville and onetime interim pres. of old NAB.

DuMont's "Electronicam," an electronic camera that simultaneously transmits a live TV show and records it on film (Vol. 11:6, 8, 13), will be demonstrated to newsmen for first time on Thu. April 14 at 2 p.m. in DuMont Telecentre, N. Y. With the camera, which can shoot high quality film versions of live TV shows in lieu of kinescopes, it's claimed movie scenes can be monitored immediately without waiting for rushes and TV prints can be delivered to other stations in a matter of hours. There's possibility that DuMont Network, now operating with considerably curtailed coaxial-microwave interconnections (Vol. 11:13), may evolve into a film network—although plans also include leasing the device to other networks, stations and film producers. Pending demonstration, DuMont executives will say nothing about their plans, but it's known they have been interviewing top industry figures with a view presumably to engaging one as gen. mgr. of new syndication setup. Among those interviewed was Ted Cott, recently resigned NBC v.p.

George Foster Peabody Awards for 1954, to be presented April 20 at luncheon meeting of Radio & TV Executives Society of N. Y. at Roosevelt Hotel: TV-radio news, John Daly (ABC); entertainment, George Gobel (NBC-TV); education, *Adventure* (CBS-TV); special awards, *Omnibus* (CBS-TV) & *The Search* (CBS-TV); youth, *Disneyland* (ABC-TV); national public service, NAM's *Industry on Parade*; regional public service, WJAR-TV, Providence, for coverage of "Hurricane Carol." Radio awards: entertainment, *Conversation* (NBC); education, *Man's Right to Knowledge* (CBS); contribution to international understanding, *Pauline Frederick at the U.N.* (NBC); local public service, KGAK, Gallup, N.M., for *The Navajo Hour*; music, Boris Goldovsky of Metropolitan Opera (ABC).

Nine New England TV stations—vhf & uhf—have banded together into regional "network," using off-air and microwave relays to carry 41 live telecasts of April 19-June 4 racing from Suffolk Downs. Televised weekdays will be first 2 races each day, with special stakes and handicaps on Saturdays. *Racing from Suffolk Downs* is produced by Universal Television Productions div. of Universal Research & Development Co., Boston, and directed by gen. mgr. Ted Pitman of WTAO-TV, Cambridge-Boston. Though every race won't be televised to home audience, TV monitors at the track will give spectators close-ups of all races, including those not carried by the stations.

Buffalo's WBUF-TV (Ch. 17), purchased by NBC last month in move to acquire second uhf outlet of own (Vol. 11:11), lost net of \$236,324 from its debut in Aug. 1953 to Dec. 3, 1954 and dropped \$12,196 more in Jan. 1955, according to statement filed with transfer application at FCC. NBC proposes to pay \$312,000 cash. Current assets were \$470,083 as of Dec. 31, including property & equipment worth \$40,000. Total liabilities & deferred income were \$627,354, including debts of about \$405,000. NBC states in application that it "will devote its full effort to establishing that a uhf station can survive in a market with 2 vhf."

WJIM-TV, Lansing, Mich. (Ch. 6) & WJIM now have FCC approval for change of name to Gross Telecasting Inc., permitting Harold F. Gross to proceed with plan for public stock offer (Vol. 11:13). It's first single TV station to do so, following pattern set by multiple owners Storer (Vol. 9:45) and Bitner (Vol. 10:48).

Gilmore N. Nunn, pres. of WLAP, Lexington, Ky. and head of group of radio stations and TV grantees, is representing North American broadcasters at 4th general assembly of Inter-American Assn. of Broadcasters which opened April 9 in Lima, Peru, bringing together broadcasters from 21 Latin American countries.



MARTIN CODEL'S

AUTHORITATIVE NEWS SERVICE  
FOR MANAGEMENT  
OF THE  
VISUAL BROADCASTING  
AND ALLIED ELECTRONICS  
ARTS AND INDUSTRY

APR 18 1955

# Television Digest

with **ELECTRONICS REPORTS**

PUBLISHED WEEKLY BY RADIO NEWS BUREAU • WYATT BLDG. • WASHINGTON 5, D.C. • TELEPHONE STERLING 3-1755 • VOL. 11: No. 16

## SUMMARY - INDEX OF THE WEEK'S NEWS—April 16, 1955

SUBSCRIPTION TV becoming cause celebre—Paramount seeking month's delay at FCC, NARTB taking stand against it, Zenith accusing networks (pp. 1 & 9).

COLOR SET PRICE CUT expected from RCA with introduction of new 28-tube set; newsmen shown RCA tube plant poised for 21-in. production upon demand (p. 3).

DuMONT PLANS FILM NETWORK geared to new Electroni-cam, combination TV & film camera system demonstrated for first time this week (pp. 4 & 7).

ARMED FORCES TV NETWORK from Iceland to Africa now serving 60,000 viewers with U. S. program fare, plans to expand from 4 to 10 outlets this year (p. 5).

DEINTERMIXTURE PROPOSALS deluge FCC, include request of WITV and Storer's WGBS-TV to make Miami all-uhf; Sacramento's KCRA gets Ch. 3 decision (p. 7).

ON SHOW BUSINESS FRONT: John Crosby's cracks at CBS provoke puzzlement; Republic's Mr. Yates arouses ire of theatremen for statements about TV (p. 8).

BIG SECOND-SET MARKET POTENTIAL pointed up in American Research Bureau survey showing mere 3.7% multiple-set ownership; low TV profits bemoaned (p. 12).

SPURIOUS RADIATION PLAN approved by RETMA board; use of seal on set to certify compliance with engineering standards may start in summer (p. 13).

ADMIRAL SALES DECLINE in first quarter, but full year is expected to show improvement over 1954; stockholders vote increase in authorized stock (p. 15).

SECOND HAWAIIAN SATELLITE under way, relaying signals 90 & 123 mi.; 2 more uhf quit in Des Moines & Allentown; notes on upcoming stations (p. 11).

ANOTHER TV INVESTIGATION proposed by FCC as comprehensive long-term study into all aspects of broadcasting, but lawmakers appear cool to idea (p. 10).

COLOR PROGRAMMING to be stepped up by NBC-TV with 4 major series plus daily daytime strip, new filmed color show and "exciting new uses" in sports (p. 15).

**CRESCENDO IN THE SUBSCRIPTION-TV DEBATE:** Maneuvering in subscription TV fracas is rapidly making subject a cause celebre -- to delight of its proponents and to consternation of its opponents who have long felt that best policy was to ignore it.

Month's delay in FCC's May 9 filing deadline will be requested, meanwhile, by Paramount Pictures' International Telemeter. Next week, counsel Arnold, Fortas & Porter will request postponement because Harry Plotkin, who has been handling case, will be out some 2 months for eye operation. Skiatron has agreed to delay, while Zenith has rejected it. It's likely networks will also reject it -- to avoid accusations that they're trying to block subscription TV. Meanwhile, the pay-as-you-look subject was a major topic on many fronts:

(1) NARTB 15-man board took firm stand against pay-as-you-look -- with only Paul Raibourn, of Paramount Pictures' KTLA, Los Angeles, dissenting, and John Esau, of uhf KTVQ, Oklahoma City, abstaining. (For board membership, see Vol. 11:13.)

(2) NBC-TV offered Zenith 15-min. free time on its 5 owned-&-operated TV stations to plug pay TV -- after Zenith sought to buy 1-min. spots on them.

(3) CBS-TV planned full-blown program on subject May 1, as promised, inviting Zenith pres. E.F. McDonald to speak for fee TV, and Victor Sholis, mgr. of CBS affiliate WHAS-TV, Louisville, to oppose it.

(4) Mutual set April 17 for radio debate, with Zenith counsel Joseph Wright on pro side, theatre exhibitor Trueman Rembusch con, plus Chicago Tribune TV-radio editor Larry Wolters -- with James W. McBurney, dean of Northwestern U school of speech, acting as moderator.

(5) Congressmen revealed pressures they're feeling, during conference with FCC this week, conducted to explore Commission's current activities (see p. 10).

(6) Washington's National Press Club debate between Zenith spokesman Millard Faught and theatres' Alfred Starr brought into focus some of major arguments, got heavy news coverage. (For details of debate, see p. 9.)

Pertinent portion of NARTB's statement reads as follows: "Allocations by



the Federal Govt. have been established during the last decade of free TV's growth in the U.S. The board does not believe that the public interest is served, if the promise of free TV now should be curtailed to provide a system of 'pay-as-you-see' TV. Over 34,000,000 families have bought sets on the assumption that service would be free and full. The premise of free entertainment over broadcast facilities has been established for more than 3 decades, through the unique development of radio broadcasting in this nation. That basic pattern should not be altered at the expense of the public." Board noted that "subscription TV could be provided by other means without detriment to unlimited public reception of the present system."

Reaction of Skiatron's Arthur Levey to NARTB resolution: "Once again we hear the voice of the entrenched interests crying out for the status quo while refusing to consider the public interest."

In offering Zenith 15-min. of free time, NBC said issues are so complex that it didn't believe 1-min. spots could deal with subject adequately. NBC added that if Zenith accepts, it will offer equal time to fee-TV opponents. In view of Zenith battle with CBS over toll-TV commercial, betting is Zenith will reject offer.

CBS-TV's program May 1 will run 5:15-6 p.m. EDT. In addition to the 2 main spokesmen, CBS has invited 2 panels to question speakers. Those invited to date are James Landis, Skiatron gen. counsel (pro) and exhibitors' Starr (con) -- with others to be announced shortly. Moderator will be Dwight Cook, who handles CBS Radio's "The Leading Question." Audience will comprise members of press. CBS's announcement of the program stated:

"In the light of recent interest in the question of pay-as-you-see TV and its importance to the more than 33,000,000 TV set owners who have a \$13.5 billion investment in TV sets, the CBS public affairs dept. will present industry leaders who have views for or against subscription television in a program designed to place those views clearly before the public."

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During the FCC's session with House Commerce Committee members, Rep. Moulder (D-Mo.) showed himself clearly in favor of pay TV, stating: "Many stations won't be able to survive without subscription TV. Without subscription TV, there will be only a few, large, powerful stations left in the country." Rep. Priest (D-Tenn.) said: "I'm being asked questions about it daily, not only by constituents but by other Congressmen. While I was home on vacation last week, I received 3 telephone calls on the subject." FCC Chairman McConaughy explained the procedural factors involved, indicating that decision can't come in mere few months.

There were other skirmishes going on at same time. Zenith's McDonald, fresh from Florida vacation, demanded investigation of CBS and NBC by Congress, FCC and Justice Dept., saying they're trying to block pay-as-you-look for fear of losing their "dominance and control" of TV. He said that it was "utter nonsense" to say toll TV would hurt free TV; that it would merely replace 3-4 old movies weekly.

Opponent Leon Gorman, mgr. of WABI-TV, Bangor, Me. implemented his views (Vol. 11:11) by sparking a New England Broadcasters for Free-TV. And there were more comments filed with FCC, including one from Gene O'Fallon, operator of KFEL-TV, Denver, who said: "The American people will buy toll-TV if it's right -- if it's wrong, it will fall by the wayside." He favors opening it to all stations.

Zenith ad agency MacFarland, Aveyard & Co., through chairman Hays MacFarland, told Commission pay-TV is "inevitable," will be a "boon to TV advertising." Dean of Illinois U undergraduate school, C.C. Caveny, wrote FCC that fee system would be a great instrument for spreading education. New book, written by Ira Kamen and published by Howard W. Sams Co., is a fervent plea for subscription TV.

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Only thing everyone was agreed on: Tremendous publicity barrage unleashed by Zenith, which sparked FCC inquiry and prompted current discussion, is worth millions in free advertising to Zenith, never a major TV and/or radio sponsor by comparison with set makers that lead it. Zenith reputedly ranks 6th in share of national TV market -- after RCA, Philco, Admiral, Motorola, GE.



**NO LETUP IN COLOR DRIVE, PRICE CUT SOON:** Despite public apathy, despite apparent industry indifference, RCA's prodigious effort to prime the color TV pump hasn't abated one whit -- and next move, implied but not stated, will be cut in price of set from \$895 possibly to \$695 or \$750. Reduction is expected to be announced at stockholders meeting May 3, about time of emergence of first new 28-tube receivers off production lines at Bloomington, Ind. plant.

RCA's faith and investment in color is so great that it will continue probing -- with prices, production and programs -- until it finds the point at which public and industry indifference can be breached.

Never was its determination more evident than at press briefing at Lancaster, Pa. picture tube plant this week. Big plant itself is visible evidence of the millions RCA has committed to color -- and the factory represents only a fraction of the color expenditure. Portion devoted to color is now being expanded from 50,000 to 132,000 sq. ft., and plan is to discontinue making black-&-white there entirely.

That RCA will be biggest beneficiary if color clicks, not only patent-wise but in sale of tubes and receivers, to say nothing of NBC network time, goes without saying -- for fact is that most of industry is leaving to it the job of proving that color can be sold now, if not to average consumer then at least to what pres. Frank Folsom calls the "Cadillac trade." Though RCA has called upon its licensees to join its effort to promote color, only a handful have heeded; everyone agrees color must come eventually, but not as to when, and there are as many opinions about "reasons why" as there are entities in the field.

Spokesman for one of RCA's toughest competitors put it this way: "RCA won't play a team game; it hogged the ball in the all-industry NTSC work on standards, it calls color an RCA invention, and it wants to carry the ball now. Let it -- and more power to it if it can hasten the day."

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Newsmen were invited to Lancaster for same purpose that tube customers were earlier (Vol. 11:10) -- to convince them that 21-in. round metal-cone tube is "it" for the visible future. RCA's point is that other types of tubes may eventually prove to be practical but that its tube is only one ready for 1-2 years or more.

Progress to date and prospects for future were outlined by W. Walter Watts, electronic products exec. v.p. Some 10-12,000 of the 21-in. tubes have been built. Present rate is 2500 monthly, to be stepped up to 25-30,000 monthly this year through installation of automatic machinery. Though 7-8 out of 10 tubes were rejected as imperfect 6 months ago, rate of rejects is now only 2-3 out of 10 -- and during best day in Feb., 6 out of 7 were good. Standards are constantly being raised; otherwise, rejection rate would be much lower now. RCA's confidence in tube's stability is so great, Watts said, that full one-year warranty is in effect.

All Watts would say about new 28-tube set, superseding 38-tube unit, is that "an announcement...will be made in the near future. The production of this new color receiver will be geared to public demand."

Referring to set & tube makers' visits to plant, Watts said: "Because reactions of those who have heard and seen our story confirm the soundness of our program, we felt that we could now invite you with sincerity and assurance to see for yourself that the key element in color TV -- the picture tube -- is 'off the ground.' Our plans are keyed to the tube program."

As for color programming plans for stimulating public demand, Watts described NBC-TV's prospective fall schedule (see p. 15).

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Continued savings in production costs of tube are in prospect. Color tube engineering mgr. C. Price Smith pointed out, for example, that metal cone is now made of chrome iron costing 47¢ a lb., but there's possibility of using mild steel costing 6¢ a lb. -- saving of \$6 in raw material for each bulb. Bulb is being supplied by I-T-E Circuit Breaker and RCA's own engineering products dept.

Improved performance is also in the works -- though tubes demonstrated showed exceptionally good color and black-&-white. Color operations mgr. Harry Seelen



noted possibility of improving brightness up to twice present 25-30 ft. lamberts through enlarging holes of mask which now blocks 85% of electrons.

Seelen went into great detail to emphasize why RCA feels present tube is the answer to color, as far into future as engineers can see. Choice of tube "was not an eenie-meenie proposition," he said. "We tried them all." Round shape was selected, he said, because it's least expensive to make -- "tools and everything else" are more economical" -- as well as strongest and most stable. Metal is used because it's airtight, contains no vapors and can be processed faster than thick glass envelopes. Aim is to get bulb cost down to the \$8-\$8.50 of black-&-white.

Emphasizing RCA's belief that no other tube is ready or will be able to catch the RCA tube, Seelen analyzed 3 other types: (1) Projections. "These never overcame their limitations in black-&-white, aren't likely to do so in color." (2) Focus-mask types, like Chromatic's Lawrence tube. "The basic problems have never been solved -- in contrast, vibration, voltage breakdown, loss of screen area, stresses in the grid, etc. We tried it, abandoned it." (3) Sensing types, like Philco's so-called "Apple". "The concept is very nice, but it's too complex. It requires photoelectric devices, servomechanisms, etc."

"The industry has reached the stage," Seelen concluded, "where volume is the answer. Industry must get together and create the demand."

Five receivers were demonstrated, showing slides in color and black-&-white. Three used 21-in. round tubes, 2 had 22-in. glass rectangulars. Images on all were excellent. Particularly noteworthy was quality of black-&-white, and it's apparent that much effort has gone into improving black-&-white -- since it's now recognized that customers insist on using color set for both color and monochrome reception, won't stand for 2 sets in the room.

Receivers were rotated to show how earth's magnetic field impairs color purity of glass rectangular tubes much more than it does that of round tubes, which are shielded by metal cone.

RCA executives conceded that price of sets must drop before color can invade the mass market. But despite persistent questioning by reporters, they would not conjecture what the price should be. Asked to look into the future and predict when a \$300 color set might be marketed, v.p.-technical director Dr. C.B. Jolliffe said, "When the industry is making 5,000,000 a year."

**DuMONT'S 'ELECTRONICAM' FILM NETWORK:** Geared to new low-cost film production system, DuMont Network this week insisted the American TV economy can support a strong "4th network" right now -- provided it's a film network.

Some -- but not all -- of DuMont's near-future network plans were revealed at elaborate and impressive demonstration of long-heralded "Electronicam" combination TV & film camera (Vol. 11:6,8,13), shown for first time April 14 at N.Y. Tele-Centre to sponsors, agencies and the press. Using single lens and focusing system for both cameras, Electronicam produces theatre quality film, either black-&-white or color, at same time it shoots live TV show. (For description of system, see story on p. 7).

While Electronicam has many potential uses in making possible low-cost film production for theatres, industry, education, etc. -- as DuMont spokesmen are quick to point out -- the principal reason it was developed (by programming & production mgr. James L. Caddigan and DuMont engineering staff) is to serve DuMont Network with substitute for the kinescope, with quality equal to that of the best TV films.

"An entirely new concept of networking" will be based on Electronicam, DuMont Network managing director Ted Bergmann told the press -- and he outlined why this "new concept" is needed. Of nation's top 100 markets, he said, only 14 have 4 or more TV stations, 33 have 3, another 36 have 2, and 17 have only one each.

DuMont spent nearly \$3,000,000 last year for rental of coaxial and microwave connections, he said, but because of shortage of stations in many markets, it was able to get back only \$150,000 of this investment -- or 5%. In 1954, DuMont paid for interconnection facilities totaling 2800 station-hours of live time per week, but was able to use only 125 because of clearance difficulties. On the other hand, about 250 station-hours of DuMont programming were carried on kine each week.



"Thus the DuMont Network was two-thirds kinescope and one-third live," said Bergmann, "and any advertiser approaching it knew that his ratings and audience would in large part depend upon the quality of our teletranscriptions."

DuMont has already cut down its regular live network to New York-Washington only (Vol. 11:13), and Bergmann said there will be further curtailments until cable-microwave is used only for sports, news & special events. He invited the network's current advertisers to be first to use new system, beginning in about 2 weeks. The ones we talked to were enthusiastic, wanted to change over in a hurry.

What it will mean to them is this: Their programs will go on air live in New York, and onto high-quality film for use on other stations, at very little more than kinescope cost. Important angle of DuMont's new pitch is value of residual rights -- for re-runs -- enhanced by fact that shows can be filmed in color as easily as in black-&-white, at same time as they're being televised locally in monochrome.

Beyond this, DuMont Network didn't reveal plans. But presumably it intends concentrated campaign for more advertisers to use its live-film plan, and possibly to go into TV film production-syndication on its own. Of latter possibility, DuMont executives say only that they "don't know yet."

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One intriguing possibility of Electronicam is its potential use for re-runs of color telecasts. There's no reason why system couldn't be adapted to color TV camera, Dr. DuMont told us -- making possible delayed repeats and re-runs of color shows, heretofore restricted by color kine problems.

Another suggestion is production of color shows without color TV camera, by use of Electronicam's quick and efficient method of turning out filmed shows. Using TV techniques, filmed color show can be produced with black-&-white TV cameras and color film -- with processed color film ready for telecasting the following day.

While DuMont will be making a pitch to lease, license or possibly sell its system to other networks and stations and to film producers, Electronicam's future is not completely unclouded. Similar system was demonstrated several weeks ago in Hollywood by Al Simon, production supervisor for McCadden Productions (Vol. 11:13). And RCA has promised that its color & monochrome video tape recorder -- now said to be perfected -- will be put into practical use this year. It's expected that the announcement of its first commercial use by NBC will be made shortly.

**ARMED FORCES' TV 'WHISTLING POSTS':** American TV's least-known network is a film "chain" that spans oceans and continents from Africa to Iceland, carries nearly all the top-rated programs and has about 200 sponsors. Moreover, it unquestionably has the world's most loyal viewers, not to mention the "lowest cost-per-thousand."

It's the new Armed Forces Television Service -- in operation just a year, but already a seasoned and proven service. Today, it has but 4 outlets. By year's end, it expects to have 10 or more. Patterned after Armed Forces Radio Service, its purpose is morale and information for U.S. troops at isolated bases.

Its morale effects have become obvious almost instantly. At bases with TV outlets, cases of AWOL and "serious incident" (accidents, fights, etc.) have decreased markedly since TV came, and cooperation with the chaplain has increased.

For programming, AFTS depends principally on U.S. networks, TV film producers-distributors, sponsors and agencies -- for kines and films of Stateside shows. The guiding spirit behind AFTS is Lt. Col. M.E. (Mel) Williamson, chief of TV branch, Office of Armed Forces Information & Education, onetime top TV-radio producer and account executive (ex-radio director Russel M. Seeds Co., Chicago, ex-west coast mgr. of old Lennen & Mitchell and old Geyer, Newell & Ganger agencies) who was called back into Air Force after wartime service in order to set up the network.

The military stations are low-powered installations, radiating 10-50 watts, thus serving only the bases and immediate surrounding area. Transmitters and other equipment have been supplied by RCA, Dage (with Gates) and Electronics Research Lab, Hollywood (Joseph Leaming). Technicians to operate and service the stations are selected from qualified personnel on each post. Programs are mostly on film, though stations also have live news, chaplains' talks, information features, local shows.



Receivers are purchased from the PX for dayrooms, barracks, officers' quarters and the homes of servicemen's families.

Obtaining and distributing stateside programs has been AFTS's biggest problem. Many sponsors and agencies were reluctant at first to give permission to use their shows -- though commercials are not deleted. While resistance of most has melted, a few are still holding out -- despite fact that it costs them nothing and gives them a big "plus" viewership, virtually a captive audience, which has access to most sponsors' products at the PX, others when tour of duty is completed.

AFTS already has some 60,000 viewers -- for whom TV is the main form of recreation and entertainment -- with only 4 stations in operation. These viewers see about 160 different shows -- ranging from Howdy Doody to Omnibus, and including Lucy, Milton Berle, Dragnet and Toast of the Town.

Last week, 72 hours of film & kine programming went out from New York to the network. Nearly every week sees an increase over the preceding one.

Cooperation of networks and most film distributors has been good. AFTS borrows prints, bicycles them from one station to another, returning them to the source when they've played the entire circuit. As the network increases in size, biggest headache will be distribution. AFTS's shoestring budget won't permit it to foot the bill for additional prints -- yet it's going to be nearly impossible to make-do with one print of each program for Uncle Sam's world-wide network.

Only AFTS installation in continental U.S. is pilot station AFL-TV at Loring Air Force Base, Limestone, Me., which began operation on Xmas Eve 1953, was formally dedicated the following July 4 (Vol. 9:52 & 10:27). The base is completely isolated, far from any other TV service.

Overseas operations are now on air at Keflavik Airport, Iceland; Lajes Field, Azores; Wheelus Field, Tripoli. Next is due at Thule, Greenland, May 1. Outlet at Dharam, Saudi Arabia, will follow. In planning stage are stations at Sonderstrom Fjord & Narssassuak, Greenland, and at Okinawa, Bermuda and Puerto Rico. All AFTS stations so far have been on Ch. 8, but Puerto Rico outlet may be first uhf -- in order to avoid any possible interference problems.

Details of planning and operation of Armed Forces' low-powered TV stations will be discussed by Col. Williamson and Maj. Stanley E. Rodby April 20 at SMPTE's semi-annual convention in Chicago's Drake Hotel.

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**Personal Notes:** Don McGannon named operations v.p. of Westinghouse Broadcasting Co., in charge of new N. Y. offices to be opened in May in Chanin Bldg., 122 E. 42nd St., to which pres. Chris J. Witting and staff will move from 40 Wall St., along with engineering director Ralph Harmon and his staff from Washington and accounting & payroll staff from Philadelphia; Joe Baudino, exec. v.p., remains in charge of Washington office, with counsel John Steen's location not yet decided . . . Gerald C. Gross, asst. secy.-gen. of International Telecommunication Union, Geneva, onetime FCC executive, returned to his post in Switzerland this week after month in U. S., during which he underwent an operation . . . Louis Hausman, CBS v.p., re-elected treas. of Brand Names Foundation Inc.; Thomas F. O'Neil, pres. of General Teleradio & MBS, elected chairman of exec. committee . . . Patrick J. Goode, pres. of WNHC-TV & WNHC, awarded 1955 Gold Medal of New Haven chapter of Advertising Federation of America for distinguished service to city . . . Stanley B. Cohen, ex-FCC attorney, recently associated with Leo Resnick, joins Washington firm of Cohn & Marks . . . Sam Sharkey, ex-*New York Times*, named NBC news editor, reporting to news director Wm. R. McAndrew; John H. Thompson, from radio KNBC, promoted to mgr. of news & special events, NBC Pacific div., Hollywood . . . Ben Lochridge named CBS Radio eastern sales mgr., replacing Jack Overall, resigned; Robert Reitzel shifts from west coast to succeed Lochridge as Detroit mgr. . . . Harold G. Ross, ex-Wage Stabilization Board labor economist, joins NARTB May 1 as asst. to

Charles H. Tower, mgr. of employer-employee relations dept. . . . F. A. Wurster, ex-WABD & BBDO, named media director, Kiesewetter, Baker, Hagedorn & Smith, N. Y. . . . Edward J. Young, ex-WDTV, Pittsburgh (now KDKA-TV), named v.p. of TV packager Advertising Syndicate of America, Keenan Bldg., Pittsburgh . . . Bruce Eells promoted to western div. v.p., Television Programs of America . . . Chester MacCracken resigns as TV-radio production v.p., Doherty, Clifford, Steers & Shenfield; he plans to teach at U of Vermont . . . Ray J. Mauer, ex-Cunningham & Walsh, named TV-radio director, Geyer Adv. . . . Lewis Wechsler, ex-Emil Mogul and Young & Rubicam, joins TV-radio dept., Benton & Bowles . . . John Henry Faulk, N. Y. TV-radio performer, named v.p. of Texas Bcstg. Corp., owned by Claudia T. Johnson, wife of U. S. Sen. Lyndon Johnson; he will have charge of public affairs for its KTBC-TV & KTBC, Austin, and KANG-TV, Waco . . . Don Becker, veteran radio writer-producer & onetime asst. gen. mgr. of WLW, Cincinnati, named NBC-TV gen. programming exec. in charge of coordinating daytime programs, reporting to George F. McGarrett, mgr. of daytime operations.

Robert E. Button, serving in office of Secy. of Defense on leave from NBC, joins U. S. Information Agency as deputy asst. director for broadcasting, replacing Edward F. Lethen, who has returned to CBS.

In format of legal summons, *Broadcasting-Telecasting Magazine* has issued invitations to reception it's tendering to FCC commissioners May 22, eve of NARTB convention.



**D**EINTERMIXTURE PROPOSALS continued to pour in on FCC in wake of its move to reconsider deintermixture in Peoria, Madison, Evansville & Hartford (Vol. 11:14), while one CP was issued in form of final decision to KCRA, Sacramento (Ch. 3) and an initial decision was rendered favoring Columbia Amusement Co. (theatres) for Ch. 6 in Paducah, Ky.

In awarding Sacramento decision to KCRA (Ewing C. Kelly, pres., 50%) over KXOA (Lincoln Dellar, pres. 100%), Commission had novel comment: "In this case, the evaluation is a clear-cut one, oddly enough, because of the remarkable evenness of the applications. The sole significant difference between the applicants is seen to lie in their past broadcast records. . . . Ordinarily we should expect to find such a slight preference outweighed by preferences on other factors in the final evaluation. This case is unusual in that there are no other such preferences."

Examiner Wm. Butts' choice of the theatre group in Paducah was predicated on his belief that grant to opponent WKYB-Sun-Democrat would "aggravate" concentration of mass media control in area. In addition, he liked theatre group's educational plans.

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Deintermixture proposals filed with Commission included a joint petition of Geo. Storer's WGBS-TV, Miami (Ch. 23) and Mortimer Loewi's WITV, Ft. Lauderdale (Ch. 17) to make entire area uhf by deleting channels 4, 7 & 10 from Miami and moving pre-freeze WTVJ to Ch. 39. Sweeping proposal includes statement by both stations that they "will be forced to discontinue operations immediately upon termination of their NBC and ABC network affiliations, which will occur shortly after the grant of either of the new vhf stations in the area."

Other deintermixture proposals: (1) KCCC-TV, Sacramento (Ch. 40) asked that area be made all-uhf or all-vhf by either giving it educational Ch. 6 or moving KBET-TV & KTRB-TV to uhf. (2) WJHP-TV, Jacksonville, (Ch. 36) sought educational Ch. 7. (3) WAIM-TV, Anderson, S. C. (Ch. 40) had unusual parlay to keep area all-uhf by shifting WSPA-TV, Spartanburg from Ch. 7 to Ch. 17, moving Knoxville's WTSK-TV (Ch. 26) to Ch. 7

and letting Columbia's WCOS-TV (Ch. 25) and WNOK-TV (Ch. 67) share Ch. 7.

Other allocations petitions: (1) By Star Bestg. Co., Alamosa, Colo., to shift Ch. 3 from Pueblo, Colo. (2) By radio WICH, Norwich, Conn., to move Hartford's Ch. 3 to Norwich. (3) By WANE-TV, Ft. Wayne (Ch. 69) to shift it to Ch. 21, moving channel from Huntington, Ind.

Commission initiated rule-making on proposals to permit KBID-TV, Fresno to shift from Ch. 53 to Ch. 18 or 30 and on conflicting proposals to add Ch. 10 to either Bunnell or New Port Richey, Fla. It turned down second effort of off-air WTOV-TV, Norfolk (Ch. 27) to get Ch. 13 assigned to nearby Princess Anne, Va.

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More time to build was granted WJRT, Flint, (Ch. 12) over objections of WFDF, Flint, and Butterfield Theatres; grantee was also authorized to move to site 20½-mi. northwest of Flint. It's expected latter will be protested.

WHUM-TV, Reading, Pa. (Ch. 61), was given authority to move main studio to transmitter site after station said it could save \$5000 monthly by doing so.

About 50 comments were filed at April 15 deadline on FCC proposal to limit stations to sites within 5-mi. of cities—with those in favor and those opposing running about half and half. All 4 networks opposed.

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Deintermixture would be accomplished in Jackson, Miss. by merger of one of town's 2 vhf stations with its only uhf if FCC approves application by WSLI-TV (Ch. 12) for permission to sell 40% interest to WJTV (Ch. 25), owned by same interests as *Jackson Clarion Ledger* and *Daily News*. Plan is to increase WSLI-TV capital stock from 250 to 1000 shares, sell 400 to WJTV for \$176,000, remainder to be held by present WSLI-TV owners. Latter are Standard Life Insurance Co., which would hold 324 shares; T. B. Lanford & L. H. Sepaugh, who would hold 138 shares each. WSLI-TV in turn would pay \$175,000 for physical assets of WJTV, change its call to WJTV, while uhf channel would be dropped. Both stations, states application, have been operating at loss.

**E**LECTRONICAM, DuMont's combination TV & film camera system demonstrated for first time this week (see p. 4), has aroused the interest of at least one major Hollywood movie producer as well as TV film producers, advertisers & stations. As explained at demonstration, there are already 2 versions of the system—one for use in producing films through TV techniques, other for simultaneous telecasting and filming. Except for optical system, the units are identical.

Demonstration began with a showing of black-&-white and color film, of theatre quality, made by Electronicam—shot without retakes in the same time it took to view it. Then audience saw a scene being televised and filmed simultaneously, using the system. Though 16mm film was used, it was explained that 35mm can be used equally well.

As demonstrated, system used 3 camera chains, each with image orthicon TV camera head and film camera mounted side-by-side on same base and operating with common lens system. Light passing through lens is split into 2 parts, one to film and other to TV pickup tube. Single control focuses both TV and film camera. All 3 film cameras operate continually during the program, as do the TV cameras, and the director monitors and edits the show as it is performed, as in any live TV show.

In addition to the 3 films being exposed by the 3 cameras in system, an "editing master" is produced—merely a kinescope of the TV picture selected by the director during the shooting. This master shows which camera's

footages were chosen by director during the shooting, and it records wipes, fades, dissolves, scene shifts, etc. which appeared on the monitor. After film is processed, special editing device locks the 3 negatives from Electronicam system in synchronization with the "editing master" so that all can be run off slowly and inspected together at same time. The high-quality film then can be edited, using "master" kinescope as a guide.

System permits half-hour film to be shot in half-hour in contrast to Hollywood methods by which film may take days or even weeks to shoot. When used for film repeats of live TV shows, one advantage of system is the possibility of re-editing, using different shots from those which actually went over the air, if desired.

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Amendment to "protest" section of Communications Act designed to obviate use of section merely to delay grants, while continuing to permit interested parties to "bring to Commission's attention bona fide questions concerning grants made without hearing," was introduced by Sen. Magnuson (D-Wash.) as S-1648, at request of FCC (Vol. 11:13).

Commercial Telecast Network is new closed-circuit TV packager with headquarters in N. Y., specializing in business meetings. President is Lloyd Durant, ex-Compton and Biow agencies; v.p. is Wm. F. Hogan, head of Wm. F. Hogan Assoc., communications engineering; H. Don Reynolds is secy-treas.



**Telecasting Notes:** The "new criticism," wherein columnists treat TV shows like the theatre, despite their evanescent and usually non-recurring nature, took an unusual turn this week when Herald Tribune Syndicate's widely published John Crosby column lashed out at CBS's program department for allegedly losing its old imagination and daring. Excepting only the CBS public affairs dept., which he called "superb" and which turns out its news and documentaries, the acidulous Mr. Crosby made some invidious comparisons with NBC—designed to make CBS executives squirm and NBC's chortle. He accused the CBS program dept. of being "sound asleep," took it to task for "doing radio shows poorly fashioned in the image of TV" and for mediocre TV shows . . . Such an indictment of a whole structure, rather than an individual show, had the industry buzzing this week, with lineup of sentiment about what you would expect—according to affiliations and personal loyalties. CBS executives were frankly puzzled by the curious takeoff against them, naturally wouldn't dignify it with formal rebuttal, though we're sure Crosby and his readers haven't heard the end of the argument yet . . . Friends of CBS were inclined to point to its consistent leadership in both TV & radio billings, its high program ratings and the continued demand for its time (especially TV) as a substantial if not altogether complete answer to Crosby. There's also the simple fact of the parent company's fantastic sales and earnings record (Vol. 11:13), to say nothing of fact that it achieved new high on N. Y. Stock Exchange this week . . . Theatre Owners of America pres. E. D. Martin, who happens to have some TV station interests, too (*TV Factbook No. 20*, p. 58) was quick to lash back at Republic Pictures pres. Herbert Yates this week for threatening to quit theatrical film-making in favor of more profitable TV (Vol. 11:15). Martin released sharply worded letter to Yates suggesting he make "more and better films" suitable to the trade rather than "heaping abuse" upon his customers; reminding him movies built his business and movie industry is still biggest customer for Republic's very considerable film processing business; and observing that "almost all other producers and distributors of motion pictures show a tremendous improvement and very profitable operations" based on theatrical movie and not TV business . . . Mr. Yates now says "Republic's production policy has been grossly misstated and was not authorized"—but newsmen covering stockholders meeting are in agreement that he told stockholders meeting Republic may decide within 60 days whether to quit theatrical filming entirely in favor of TV and film processing business (Vol. 11:15); now he states production policy remains unchanged, with 14 features and 6 special pictures scheduled for 1955. But his management is being challenged by dissatisfied shareholders group headed by Bernard E. Smith and represented by Leon, Weill & Ma-

TV's coverage of Salk polio vaccine report April 12 was highlighted by 2100-mi. live remote by Los Angeles' independent KTTV (Richard Moore, mgr.), winner of several recent awards for outstanding programming, including *Variety's* "showmanagement" plaque this week (see p. 16). KTTV exercised its option for microwave lines—including only outgoing line from Ann Arbor to Toledo, which it made available to networks and other stations on pool basis—but picked up report with own equipment flown in advance to Ann Arbor. Richfield Oil of California sponsored 4-hour program, which was also fed by KTTV to San Francisco's KGO-TV, San Diego's KFMB-TV & Sacramento's KCCC-TV. Another feature of coverage was live closed-circuit telecast from Ann Arbor same evening in 58 cities via DuMont facilities under sponsorship of Eli Lilly & Co. Some 56,000 physicians and guests watched Dr. Thomas Francis Jr., director of National Foundation for

honey law firm . . . Ever-astute Abel Green, editor of *Variety*, editorially comments that Yates' threat may be "one of those showmanship sharp barbs to jolt exhibitors and reawaken their economic support of Rep production. Certainly the present state of the picture business is too good for any such walkout" . . . The "flirting or mating" of pictures and TV, says Green, follows pattern of show business in the past: "New values are grafted onto old traditions. And in many ways for the better" . . . It's official at Warner Bros. now: Tieup with ABC-TV is along lines of Disney's (Vol. 11:12-14), and the GE-Liggett & Myers sponsorship of *Warner Brothers Presents* next season will embrace 39 pictures, each costing around \$75,000, and each keyed to theme of old film successes *Casablanca*, *King's Row* or *Cheyenne*. There will be new treatments and casts, with some 15 min. of each hour devoted to behind-the-scenes shots and movie plugs a la *Disneyland* . . . Warner's TV subsidiary, Sunset Production, headed by Jack M. Warner, son of studio's head, will have Gary Stevens in charge of production; first syndicate series will be half hour *Men of the Sky* . . . Despite exhibitors' lingering antagonisms, the film folk are cottoning up to TV openly now—a far cry from the belittlement, sometimes invective, of not so long ago. 20th Century-Fox's Darryl F. Zanuck tells N. Y. news conference, referring to his company's upcoming show on CBS-TV (Vol. 11:14): "The important thing is that we can reach 50,000,000 who now have TV sets in their homes, and through institutional advertising sell them on the idea of movie-going" . . . Warners' distribution v.p. Ben Kalmenson said its new TV program "makes available to the motion picture theatre the benefits of the greatest advance merchandising program ever conceived by this industry" . . . What the movie producers seem to relish especially is that TV may turn out to be prime outlet for unproduced or unsuccessful story properties, aside from adaptations of old film successes and quite apart from the probable value of the long-written-off oldies still residing in their vaults . . . CBS-TV film div. buys 20th Century-Fox's projected *My Friend Flicka* series . . . One more TV show going into motion picture production: Rod Serling's *The Rack*, played April 12 on *U. S. Steel Hour*, purchased by MGM which will star Glenn Ford and retitle it *Court Martial*; it's Serling's second to be purchased for the movies, other being *Patterns*, and it's MGM's second purchase from *U. S. Steel Hour*, other being last week's *Fearful Decision*. This week, CBS-TV, which shortly takes over *U. S. Steel Hour*, signed up for first purchase rights to all of Serling's new TV plays.

Foreign-language programming on WATV, Newark, now runs 25½ hours weekly. Latest is *German-American Hour*. Third Spanish-language show, *La Revista Hispana*, brings total in that language to 3½ hours weekly.

Infantile Paralysis' evaluation unit, detail clinical tests and answer questions. Within the industry, NBC stirred tempest by breaking release time on polio report, drawing criticism from Radio-TV News Directors Assn. Official release had been scheduled for 10:20 a.m. EST, but NBC flashed it on Dave Garroway's *Today* at 9:22 (8:22 in mid-west), stating it had notified affiliates to cut in after first being informed release would be before 9 a.m. EST. Network said it had tried unsuccessfully to get earlier release time restored, then decided to break story because newspapers had been carrying accurate stories of report's results for last 3 weeks.

New \$27,000,000 Bell System construction program, proposed in applications filed with FCC this week, includes addition of 2 TV channels & 1200 phone circuits to Dallas-Los Angeles route through conversion to "L3 Carrier" system.



**SUBSCRIPTION-TV DEBATE** at Washington's National Press Club April 14 between Zenith's Millard Faught and Tennessee chain exhibitor Alfred Starr, past pres. of Theatre Owners of America and co-chairman of Committee Against Pay-as-You-See TV, exposed what seems destined to become the major question:

Faught argued that pay system will add great new programs to the TV schedules without disturbing present free fare. Starr foresaw toll TV producing net result of forcing public to pay for what it now gets free.

Faught reiterated fee-TV proponents' basic premises—that new system will bring to the home first-run movies, Broadway hits, opera, championship bouts; that these won't hurt exhibitors or free TV because it will stimulate them to produce better products for larger and larger audiences; that more income to TV stations will mean great expansion in number of stations; that educational stations will move into break-even column because of payments from home students.

Zenith just wants a chance to try the system, Faught said, and is willing to risk own capital—renting rather than selling necessary equipment to public. "If the bold experiment fails," he stated, "it's our shirts. If it succeeds, fine. But in either case the public will have had a no-risk opportunity for the first time in broadcasting history to decide in advance where the public interest lies with respect to a new gadget."

Starr's thesis: "Subscription TV is absolutely pre-emptive," i.e., will replace free TV rather than supplement it. It would be pre-emptive in multiple-station cities as well as one-station towns, he said, because FCC couldn't refuse to give all stations equal competitive crack at the pay-TV audience. As for fee TV merely supplementing free TV, Starr asked: "Would anything the public really wanted to see remain free if it could be sold for a higher price?" He insisted all desirable programs would end up on pay basis.

Neither speaker had much to say about first-run movies—though it's obvious that success of pay-as-you-look system would depend very largely on their availability unless existing TV programs are converted to pay basis. Broadway plays, opera, sports, education, etc. would hardly seem capable of supporting a pay system. Faught apparently isn't sure pay-TV would get the movies, and Starr is afraid it might. Up to now, no major producer has indicated he would release his first-runs—or even his oldies—to subscription TV.

In question period following debate, Faught vowed that Zenith wanted no monopoly; that it would license others to make equipment; that "Zenith has no desire to go into the entertainment business." He said he didn't know what system of pay-as-you-look is best, but contended actual operations are required to learn answers—and "Zenith is willing to pay to find out. There's plenty of risk capital available. It would come in over the transom."

Starr stated that regardless of Faught's disclaimer, "I believe that the public is going to have to pay for the gadgets." He added, parenthetically, that the coin-operated system is the only practical method, technically.

When asked why theatres are so anxious to preserve free TV, on one hand, while capturing major fights, etc. for theatre TV, Starr said: "Theatre TV is limited—there are only 5,000,000 theatre seats in the U. S. Theatre TV doesn't pre-empt anything. It's private. The same system is available to subscription-TV proponents. Our objection is to the use of public facilities."

Grasping the political possibilities, Starr declaimed: "God help the Administration—any Administration—that sanctions this thing. The American people will rise up in revolution and take an axe to their sets."

**Network Accounts:** What should an advertiser do when his star performer's rating begins to slip? Leadership Panel of *Tide Magazine* (April 9) suggests: (1) Reduce frequency of his appearance. (2) Give him a better supporting cast. Majority (59%) of panelists believe popularity decline of TV performer is likely to affect sales of sponsor's products; 60% believe that if star delivers the commercial, his popularity decline is likely to have even worse effect on sales . . . NBC-TV reports gross billings of \$4,300,000 already on books for April-June quarter of *Today, Home & Tonight*; goal is \$4,900,000. Among advertisers signed for all 3 programs this quarter: International Shoes, Murine (eyedrops), Black & Decker (portable electric drills), Sawyer's Inc. (slide viewers), G. M. Scott Lawn Seed, Nesco Co. (frying pans) . . . Schick Inc. replaces Lucky Strikes as alt. sponsor (with Johnson's Wax) of *Robert Montgomery Presents* on NBC-TV starting in July, Mon. 9:30-10:30 p.m., thru Kenyon & Eckhardt . . . Mennen Co. to be alt. sponsor with Pabst of Wed. night fights on ABC-TV starting June 1, 10 p.m. to conclusion, thru McCann-Erickson and Kenyon & Eckhardt . . . State Farm Insurance Co. switches *Red Barber's Corner* from CBS-TV to NBC-TV starting May 13, Fri. 10:45-11 p.m., thru Needham, Louis & Brorby . . . Viceroy Cigarettes to sponsor Fri. 2-2:15 p.m. portion of *Robert Q. Lewis Show* on CBS-TV starting April 15, Mon.-thru-Fri. 2-2:30 p.m., thru Ted Bates & Co. . . . Bauer & Black (surgical supplies) buys Mon. 10:45-11 a.m. portion of *Arthur Godfrey Time* on CBS-TV starting June 6, thru Leo Burnett Co., Chicago . . . CBS signs 5-year contract for TV-radio rights to annual Gator Bowl football games in Jacksonville, New Year's Day.

Station Film Library Inc., 579 Fifth Ave., N. Y., new package firm headed by Harry Trenner, ex-Wm. Weintraub Co. TV-radio v.p., April 12 disclosed unique economy plan designed to reduce high cost of daytime film programming. It would give stations ownership and all residual rights to 2 complete 15-min. 5-days-a-week soap operas in return for donating air time for first runs. Trenner would then sell both time & program to advertiser as a single package, at a lower cost than paid for time-&-program separately. Stations would receive perpetual resale rights to film packages in exchange for carrying them on adjacent time segments for one year. Since shows are succession of one-week serials, each complete in 5 episodes with no continuity from one week to next, stations can sell them as re-runs shortly after they're shown for first time for Trenner's sponsor. Trenner says further that each 5-part story can be edited into one 30-min. drama, thus providing still another source of re-run revenue. Production of shows will begin shortly, he said, adding that a number of stations had already signed up. With him in new project is Richard Hubbell, ex-DuMont.

Station Films Inc. formed 2 years ago by Katz Agency, major rep firm, as buying and advisory service for member stations, will close down July 31—and reasons stated by director Robert H. Salk significantly point up changes that have taken place in film syndication in the last few years: "The film field is becoming generally stabilized. Syndicate film distributors are now well established. Their sales coverage is extensive, providing more stations direct access to their product. Feature film distributors have likewise become better organized. They are paying more for their films and investing more in distributing them. The quick-money chaps are now the exception rather than the rule. Stations can now expect to get the film they want by normal direct business negotiations with vendors."

N. Y. Herald Tribune plans Sunday TV magazine section starting May 15, edited by Al Davies.



**A**NOTHER TV PROBE was proposed to Congress this week—this one by the FCC, which wants to get into the act by conducting its own “comprehensive study of the economics and operations of the broadcasting industry as a whole,” directed by non-governmental experts and probably lasting several years. Initial Congressional reaction was unenthusiastic.

Appearing before orientation session of House Commerce Committee, Chairman McConnaughey termed the \$80,000 approved by House for FCC’s network inquiry (Vol. 11:14) “adequate as a starting point,” but said FCC investigation shouldn’t be confined to networks. “In the course of such a study,” he added, “the role of the networks would, of course, be of great importance, but the role of the advertising and talent agencies, the sponsors, the film producers and distributors and other non-network organizations in the TV industry would necessarily play an equally significant role.”

He said investigation “may have to continue over a number of years,” would make use of outside experts. Joint Congressional resolution would be required to get it started. Comr. Hennock appeared before Committee at own request, calling FCC “the wrong agency to make the study” and urging an investigation “by this Committee, the Senate and by every other Committee.”

Asked at week’s end if he favored the FCC’s proposed study, House Committee Chairman Priest (D-Tenn.) told us: “I’m not prepared to present such a resolution; first I would want to look over the possibility that there will be duplication [with the current Senate Commerce Committee investigation].” As to Comr. Hennock’s suggestion, he said: “She has some ideas worth considering. It may be a job for a Congressional committee rather than the FCC. I haven’t decided yet.”

Chairman Magnuson (D-Wash.) of the TV-investigating Senate Commerce Committee was out of town and not available for comment, but a staff member said he is wary of any FCC investigation which would conflict with his Committee’s current inquiry. Sen. Kilgore (D-W. Va.), who heads Judiciary Committee’s monopoly subcommittee, still plans to look into anti-trust aspects of

communications, takes dim view of the FCC proposal. He’s said to fear Commission might be trying to stall off any full-scale Congressional probe. Kilgore has named Joseph W. Burns, onetime govt. anti-trust lawyer, now member of N. Y. & Washington firm of Fulton, Walter & Halley, as general counsel and staff director of subcommittee which will look into all monopoly problems.

Group of strong NBC & CBS affiliates headed by P. A. Sugg, WKY-TV, Oklahoma City, and Walter J. Damm, WTMJ-TV, Milwaukee, meanwhile were planning to invade Washington next week to “talk over the whole situation” with Congressional leaders and FCC. They’ll start off with visit to Senate majority leader Lyndon Johnson (D-Tex.), at 10:30 a.m. April 19, then see other Senators including minority leader Wm. Knowland (R-Cal.), winding up with dinner for FCC at Mayflower Hotel.

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Other developments at House Committee session:

Comrs. McConnaughey and Webster strongly opposed Harris and Hinshaw bills to limit height of TV towers. Comr. Webster accused military members of Airspace Subcommittee of taking “arbitrary” position in opposing all towers over 1000 ft. (Vol. 11:11).

Chairman McConnaughey asked for change in “protest” section of Communications Act, modification of section which “isolates” some staff members from commissioners, and right to levy small fines against non-broadcast users of radio spectrum who violate regulations. Chairman Priest said he would introduce required legislation on all 3 requests.

All commissioners were present except Lee. Comr. Hennock, in her separate statement, called TV “the worst monopoly in the history of this country,” and claimed she was “behind an electronic curtain” which kept her views from Congress and the public. At outset of her testimony she aroused speculation when she said: “I almost feel as if I’m in a courtroom. I may soon be there—my term is about to expire June 30.” She didn’t elaborate, but it’s generally expected she won’t be reappointed when her term as a Democratic member terminates in about 10 weeks.

Increase in allowable campaign expenditures to account for higher cost of TV was urged this week by chairmen of Democratic & Republican National Committees. Both testified before Senate Rules subcommittee on privileges & elections in support of bill (S-636) by Sen. Hennings (D-Mo.) to raise limit on expenditures by national political committee to \$12,300,000. Democratic Chairman Butler said present \$3,000,000 limitation was “unrealistic in view of the cost of TV,” also suggested committee consider requirement “that reasonable and equal amounts of TV & radio time be provided free to each party in presidential election as a public service.” He said Republican National Committee spent \$3,447,000 for TV-radio in 1952 campaign, Democrats \$2,573,000. Republican Chairman Hall said Hennings’ proposal was enough to get along with. NARTB chairman Harold Fellows is scheduled to testify April 20; FCC Comr. Hennock, NBC v.p. Joseph Heffernan & CBS v.p. Earl Gammons, April 26. At April 13 meeting of FCC with House Commerce Committee, Reps. Dies (D-Tex.) and Moulder (D-Mo.) opined that political candidates should be charged less than other time buyers. Comr. Hennock, on stand at time, blurted: “You’re entitled to free time, Mr. Congressman.” Replied Dies: “I wouldn’t go that far.” Sen. Magnuson (D-Wash.), chairman of Senate Commerce Committee, has also come out for special rates or free time for political candidates.

Lima, Peru, opened first TV station April 10, eve of meeting of 4th Inter-American Radio Congress there.

Dropping radio after leaving TV, owners of WROV, Roanoke (250-watts, 1240 kc, ABC) are selling AM & FM for \$45,000, subject to FCC approval. Moving to Roanoke are Burt Levine, ex-WCAN-TV, Milwaukee, holding 40%, and Joseph Goodman, 30%. Other new owners are Cy Blumenthal, 10%—Goodman’s brother-in-law and operator of WCMS, Norfolk, also 39% of WARL, Arlington, Va.; Leon & Nidra Levin, 20% jointly. WROV-TV quit air July 18, 1953 after operating 5 months on Ch. 27 (Vol. 9:29), then applied for Ch. 7, but dropped out when Ch. 7 grantee *Roanoke Times & World News* (WDBJ) agreed to pay \$245,012 for assets of defunct WROV-TV (Vol. 11:6).

Transfers of KORK, Las Vegas & KOLO, Reno to Arkansas publisher Donald Reynolds, though approved by FCC last week (Vol. 11:15), were held up by Commission this week while it studied petition filed by KLAS-TV & KLAS, Las Vegas. Petition claims that Reynolds, who owns KLRJ-TV, Henderson-Las Vegas & KZTV, Reno and *Las Vegas Review Journal* along with other Nevada newspapers, has offered advertisers joint rates, rebates, free newspaper space, etc.

FCC approved \$162,000 sale of WMAK, Nashville (5-kw, 1330 kc, MBS) recently, from Frank W. Mayborn & Frank M. Farris Jr. (owning 75% & 25%, respectively) to Howard D. Steere group, operators of WKMI, Kalamazoo, Mich. Mayborn owns KCEN-TV, Temple, Tex. (Ch. 6) and radio KTEM there, publishes *Temple Daily Telegram* and owns 50% of *Sherman* (Tex.) *Democrat*.



**S**ECOND SATELLITE of KGMB-TV, Honolulu (Ch. 9) got going this week—and inter-island setup is expected to be on program schedule week of April 17. KMAU, Wailuku, Maui (Ch. 3) is 90 mi. from Honolulu, while KHBC-TV, Hilo (Ch. 9) is 123 mi. from Maui; latter has been testing since late in March (Vol. 11:13). Hilo outlet's commercial debut depends on KMAU since it picks up KMAU signal with relay on NW side of Mauna Kea crater, then microwaves it to Hilo on other side of crater. KMAU has 2-kw RCA transmitter, 100-ft. guyed steel mast on Haleakala Crater, is manned by 3 engineers. Both satellites are under same ownership as Honolulu station, headed by C. Richard Evans; neither will publish rate card nor will KGMB-TV rates be increased, until "proved circulation" is determined. Rep is Free & Peters.

With 2 more uhf outlets quitting air, count of TV stations now is 429, of which 108 are uhf. Dropping out this week, as predicted, were outlets in Des Moines & Allentown.

"Hopelessness" of fighting vhf was cited by KGTW, Des Moines (Ch. 17) as it left air April 15 after 17 months of operation and loss of \$283,051. In letter to FCC, attorney Arthur W. Scharfeld, for Morgan Murphy-W. C. Bridges interests which also own WEAU-TV, Eau Claire, Wis. (Ch. 13), told how station gradually reduced losses during first few months, when its only competition was WOI-TV, Ames (Ch. 5), but stated advent of WHO-TV, Des Moines (Ch. 13) reversed trend. Prospect of Cowles' KRNT-TV (Ch. 8) in next 6 months or so worsens situation, he said. Letter assailed WOI-TV for failing to convert to educational operation though its representatives had said it would. In addition, it said, "KGTW has lost such commercial programs as may have kept it alive through the selling approach of other TV stations in the Des Moines area, which includes derogatory statements of uhf sponsorship and reception from KGTW." Station's decision to quit was also attributed to FCC's failure to grant request that it be permitted to shift temporarily to educational Ch. 11, for which educators haven't yet applied. Station will retain CP "in the event that there should be developments, now unforeseen but certainly hoped for, which would make it possible for the station to resume operations either on a vhf or uhf channel."

Stressing "temporary" nature of suspension, WFMZ-TV, Allentown, Pa. (Ch. 67) left air April 15, pres. Raymond F. Kohn attributing halt to failure of stockholders to fulfill pledges completely. Some \$75,000 out of \$300,000 in pledges is still due, \$47,500 of it from Allentown hotelman Samuel W. Traylor Jr., against whom station has filed suit. "We are by no means writing 'finish' to WFMZ-TV's telecasting," Kohn said. "Our experiences to date have proved conclusively that there is not only great need for local TV but also a tremendous interest in the type of programs we have presented." Station hopes to be back on air "during the more profitable fall and winter season."

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DuMont shipped 5-kw transmitter with camera and studio equipment this week to upcoming KLFY-TV, Lafayette, La. (Ch. 10), due about June 1; it also reports order for 25-kw transmitter, with tentative May 23 shipping date, to upcoming KTBS-TV, Shreveport, La. (Ch. 3).

In our continuing survey of upcoming stations, these are latest reports from principals:

KTBS-TV, Shreveport, La. (Ch. 3), now plans to be ready for start next Sept. 1, according to pres.-gen. mgr. E. Newton Wray, who says orders have been placed for DuMont transmitter & studio equipment, RCA antenna and 1051-ft. Truscon tower. Work on tower foundation at site of radio KTBS begins in 2 weeks, with tower due to arrive by July 4. It will be second local outlet, KSLA (Ch. 12) having begun in Dec. 1953. Rep not chosen.

KDLO, Florence, S. D. (Ch. 3, allocated to Watertown), granted April 6, hasn't ordered equipment or begun construction, but hopes to be on air by next Oct., according to 33 1/3% owner N. L. Bentson. CP for KDLO is owned by KELO-TV, Sioux Falls (Ch. 11), which plans to have new outlet pick network schedules off air from KELO-TV. KELO-TV rep is Raymer.

WHIS-TV, Bluefield, W. Va. (Ch. 6), previously reporting May target (Vol. 11:9), now hasn't target date, but is installing 10-kw RCA transmitter, according to mgr. P. T. Flanagan, reporting for grantee *Bluefield Daily Telegraph*. Ideco 100-ft. tower is due to arrive in 2 weeks and RCA 6-bay antenna is scheduled for installation in 40 days. Base rate not set. Rep not chosen.

KFJZ-TV, Fort Worth (Ch. 11), has Aug. 1 test pattern target, Aug. 28 programming, reports v.p. Charles B. Jordan of Texas State Network, which also operates KFDA-TV, Amarillo and 4 Texas AMs. Construction of 1000-ft. Parkersburg tower is under way and 12-bay GE antenna is to be installed May 15. GE 20-kw transmitter, due June 1, is scheduled to be wired and ready by mid-July. Base hour will be \$600. Rep will be H-R Television.

KCOR-TV, San Antonio (Ch. 41), which had May target, now aims for June start as a Spanish-language outlet primarily. Last week FCC turned down its request to shift to Ch. 14 allocated to Seguin, Tex. (Vol. 11:15). RCA 1-kw transmitter is due shortly and installation of RCA pylon antenna on 558-ft. Truscon tower is scheduled in about 5 weeks, reports chief engineer Marvin L. Fiedler. Programming will be 90% Spanish, with Latin-American films and kines. Base hour will be \$180. Rep will be Richard O'Connell.

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CJON-TV, St. John's, Nfld. (Ch. 6), has 2-kw transmitter and rest of RCA "package" due to arrive in 4-5 weeks, plans July 15 test patterns, Aug. 15 programming, reports v.p. Don Jamieson. Dominion Bridge Ltd. is scheduled to start work early next June on 12-slot wave-stack tower-antenna at Kenmount Rd. site, 4 mi. from city. Dominion Office of Transport recently assigned Ch. 6 to CJON-TV, which originally had Ch. 2.

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KTVI, St. Louis (Ch. 36) began programming April 9 using channel and facilities of old KSTM-TV, in shift from Ch. 54 in nearby Belleville, Ill., where it had WTVI call (Vol. 11:15). Fifteen new programs were premiered this week, including first Cardinal baseball games and 3 hour-long bowling shows. KTVI gen. mgr. John D. Scheuer has launched \$60,000 promotion drive, tied in with opening of Anheuser-Busch & Krey Packing Co. sponsorship of baseball, and states he expects to increase circulation of 317,000 uhf homes claimed for Ch. 36 to well over 450,000 by end of baseball season.

John E. Fetzer, who bought KOLN-TV & KOLN, Lincoln, Neb. in 1953 (Vol. 9:30, 34), has agreed to sell the AM (250-watts, 1400 kc, MBS) for \$60,000 plus an additional \$60,000 if it grosses more than \$200,000 first year and \$300,000 second year. Purchaser is Robert W. Frudeger, v.p.-gen. mgr. of WGIL, Galesburg, Ill., who is also adv. mgr. of *Galesburg Register-Mail*. Operator of WKZO-TV & WKZO, Kalamazoo, and of radio WJEF, Grand Rapids, Fetzer has A. James Abel managing his Ch. 10 TV outlet in Lincoln.

Application for satellite in Ephrata, Wash., was filed this week by owners of KIMA-TV, Yakima (Ch. 29) and satellite KEPR-TV, Pasco (Ch. 19). To operate on Ch. 43 with 13.3-kw ERP, it would rebroadcast KIMA-TV programs. FCC now has 163 applications on file (18 uhf). [For details, see *TV Addenda 20-N* herewith; for complete listings of all grants, new stations, applications, etc., see *TV Factbook No. 20* with Addenda to date.]



**SECOND-SET POTENTIAL & LOW-PROFIT BLUES:** Tremendous market potential for second TV sets, increasingly important to trade as receiver saturation mounts (now estimated at 75% of U.S. families), is pointed up in new nationwide survey. It's by American Research Bureau Inc., and it shows that only 3.7% of all TV homes had 2 or more sets as of Jan. That means about 1,300,000 multiple-set homes at start of year.

Survey by ARB (National Press Bldg., Washington, James Seiler, director) is one of a continuing series, based on data secured in course of audience studies in all TV areas, and is sold to set manufacturers. In addition to national figures, it gives data for 29 selected markets, and rates the set manufacturers according to their share of those 29 markets and of U.S. market as a whole.

Some 10% of all TV families are expected to have second set by end of year. So heavily is industry training its guns on this market that trade research experts think they can sell some 2,200,000 second sets by end of year. Commenting on ARB's 3.7% figure, one marketing man said he'd hazard guess that that total was built up almost entirely during last year, as sets-in-use rose 6,000,000 to national total of about 35,000,000 as of March 1.

Survey shows set owners aren't waiting for receivers to become obsolete before turning them in. It reveals that the average age of all sets replaced in last 15 months was only 2½ years, though it's generally believed the average set has a life expectancy of up to 8 years. Survey also shows that 39.9% of all sets-in-use are 21-in., 39.1% are 16 or 17-in. and only 1.9% are over 21-in.

We were permitted by ARB to use only selected excerpts from the survey, which is replete with valuable data for the trade. For example, multi-set homes are most common in Washington, D.C., where 7.3 families in every 100 have 2 or more of them. But in Houston, less than 1% of TV families have them.

Cleveland led all cities in replacements -- 86.5% of sets they bought in last 15 months going to homes which already had a set. Chicago is next, with 82.2%, then Philadelphia 80.2%, Cincinnati, 79.4%.

Dayton is the city with greatest percentage of homes with second-hand sets. There, 11.3% -- or more than one in every 10 homes -- have a set which was obtained used. Nashville had lowest percentage of second-hand sets in use -- 2.4%.

These markets are covered in survey: Albany-Schenectady-Troy, Atlanta, Baltimore, Birmingham, Boston, Chicago, Cincinnati, Cleveland, Columbus, Dallas-Ft. Worth, Dayton, Detroit, Houston, Johnstown, Los Angeles, Memphis, Milwaukee, Minneapolis-St. Paul, Nashville, New Orleans, New York, Norfolk, Philadelphia, Pittsburgh, Davenport-Rock Island-Moline, Salt Lake City, San Francisco, Seattle-Tacoma, Washington, D.C. Different markets are covered in other periodic ARB surveys.

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Trade's anxiety about low TV profits was clearly manifested in corridor conversations at RETMA's quarterly meetings this week in N.Y. (for story on actions of its board, see p. 13). Nearly all set makers expressed satisfaction, even surprise, at high level of retail sales in first quarter (estimated at 1,800,000) but there was considerable anguish about continuingly declining profits.

"We seem to be on a toboggan in this industry when it comes to profit," said one. "There just doesn't seem to be any end to the skid. Everybody just wants low prices. I think the business of selling up into higher-priced sets has been a bust."

Another set maker said he was envious of auto industry. "Look at how they keep up unit sales and profits at the same time," he remarked. "They add another accessory, another gimmick, another new feature each year and kick up the prices. We seem to go the other way in TV. We strip down the sets and lower the prices."

Manufacturers generally expected another good retail sales year, however, low profits notwithstanding. Many thought retail sales would exceed 6,500,000, some



felt they would go above 7,000,000. One who went on record this week with an over-7,000,000 prediction was Philco financial v.p. Courtney Pitt, in panel talk at Drexel Institute, Philadelphia. He admitted that his prediction might be regarded by some as too high but remarked that "all of my predictions about annual volume in previous years turned out to be conservative." Retail TV sales last year were at an all-time high of 7,300,000.

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TV production started normal second-quarter downturn week ended April 8, totaling 150,453, compared to 163,746 preceding week and 163,042 week ended March 25. It was year's 14th week and brought output for year to date to 2,250,000, compared to about 1,625,000 in corresponding period of 1954.

Radio production totaled 275,849 (139,736 auto), compared to 287,740 in week ended April 1 and 300,568 in week before. For 14 weeks, output was 3,975,000, compared to approximately 2,700,000 in corresponding period year ago.

**Topics & Trends of TV Trade:** RETMA's plan to reduce spurious radiation (Vol. 10:14, 34) got final approval this week at quarterly meeting in N. Y. April 12-14—and prospect is plan will get under way this summer. Radio-TV Industry Committee headed by H. L. Hoffman approved pres. Glen McDaniel's proposal whereby set manufacturers, whether or not RETMA members, will affix seal to their receivers attesting that they conform to RETMA engineering standards.

RETMA will set up special committee shortly to administer program, which was recommended by GE's Dr. W. R. G. Baker, director of RETMA engineering dept. & chairman of special committee on spurious radiation. Under plan, a manufacturer merely certifies in writing that his set conforms to standards. Original proposal to set up industry-wide certification lab has been sidetracked, principally on objection of larger manufacturers who have own labs and contend it would prove costly duplication.

Committee admittedly would have no power to inspect or police sets to enforce compliance. It would, however, investigate any complaints that a manufacturer who uses seal is not complying with regulations.

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RETMA board took these actions this week, subject to approval of full membership at June 14-16 convention in Chicago: (1) Approved realignment of administrative structure to separate further its TV-radio and electronics activities, including establishment of new military products div. (2) Created new "special member" classification for companies with minor interest in electronics. (3) Approved participation, along with NARDA and National Assn. of Electrical Distributors, in National Radio & TV Week beginning Sept. 18. (4) Authorized chairman Max Balcom to establish special committee to consider sponsorship of "Golden Jubilee of Electronics" in 1956 in observance of 50th anniversary of invention of grid audion by Dr. Lee DeForest (Vol. 11:15).

Magnavox will continue price maintenance policy with its exclusive dealers regardless of whether fair trade laws are repealed, says pres. Frank Freimann, whose products are fair-traded direct to dealers. In a formal statement, he said he supported fair trade in principle but observed that laws alone won't prevent "jungle warfare selling," especially if they're not enforced. Meanwhile, the Senate Small Business Committee this week postponed for 10 days its consideration of report of top-flight 60-man National Committee to Study the Anti-Trust Laws, which recommended repeal of all fair trade laws (Vol. 11:14-15).

New Sears, Roebuck spring catalog reduces 21-in. vertical chassis table model from \$138 to \$130, retains 17-in. vertical chassis table model price leader at last year's \$118 list.

**Trade Personals:** Edward R. Taylor, marketing v.p. & asst. to pres. Paul V. Galvin, and Walter B. Scott, v.p. for manufacturing, consumer & military products, this week nominated to Motorola board of directors for election at annual stockholders meeting May 2; Taylor this week also elected chairman of Brand Names Foundation Inc. . . . Robert C. Sprague, chairman, Sprague Electric Co., and Mrs. Sprague sailed last week for 6-week vacation in Europe . . . Alfred E. Bourassa named CBS-Hytron merchandising coordinator . . . Carl J. Harshbarger, ex-Westinghouse Atlanta district mgr. for TV-radio, joins Kay-Townes Antenna Co., Rome, Ga. as gen. sales mgr. . . . Edward F. Miller appointed mgr. of Stromberg-Carlson's new value analysis dept., to investigate materials & products used by all divs. . . . John W. Wenrich, ex-Philco Distributors, Philadelphia, named accessory div. mgr., Washington office . . . Seymour Lipper, ex-Emerson, named Olympic Radio sales administration mgr. . . . Brig. Gen. David Sarnoff receives 1955 gold medal of Williamsburg settlement, which aids N. Y. underprivileged, at dinner at Waldorf-Astoria, May 15 . . . Wm. J. Barkley, Collins Radio senior v.p., retires April 30 after 48 years in the industry.

**DISTRIBUTOR NOTES:** Admiral appoints Electric Appliance Distributors Inc., 908 Green Ave., Altoona, Pa. (H. Paul Good, pres.) . . . Capehart-Farnsworth appoints Roger & Wood Co., 2500 W. 6th St., Los Angeles (Kenneth Rogers, pres.), replacing Graybar . . . DuMont appoints O'Day Equipment Co., Fargo, N. D., replacing Cook Appliances Inc. . . . Crosley-Bendix names Grabell-Lyons, Middletown, N. Y. . . . Sentinel Radio appoints Main-Line Distributors Inc., Chicago (A. S. Gourfain, pres.) . . . Griffith Distributing Co., Peoria (Admiral) appoints Richard J. Van Osdol sales mgr. . . . Emerson Radio of Virginia Inc., Richmond, appoints Barry Goodman gen. mgr. . . . Graybar names J. T. Kinney operating mgr. of Houston branch, succeeding L. A. Peterson, now Jackson, Miss. branch mgr.; A. N. Swanson named mgr. of Corpus Christi branch . . . Hoffman Sales of Los Angeles appoints Frank Fern sales mgr.

Admiral dealers offered one share of Admiral stock (which closed April 15 at 26¾ on N. Y. Stock Exchange) for each group of 5 TV receivers, including at least one new 24-in. model, they sell between April 15 and May 12. Shares will come from personal holdings of pres. Ross Siragusa (249,156 shares) in novel plan to hypo spring sales while inducing franchised dealers to own part of the company.

Frank A. Hiter, 63, senior v.p. of Stewart-Warner Corp. and onetime director of old RMA, died April 9 in Chicago's Wesley Memorial Hospital.



**Electronics Reports:** Up to half the cost of a modern military aircraft is represented by electronics, and diagram prepared by Sprague Electric Co. helps to explain why. Included in Sprague's annual report (Vol. 11:13), diagram shows heavy bomber uses about 5000 tubes, 115,000 capacitors & resistors; radar observation plane 3000 tubes, 60,000 capacitors & resistors; patrol bomber, 1200 & 20,000; fighter, 600 & 9000.

Breaking down uses of electronics in hypothetical "large military plane," chart shows 200 tubes and 1500 capacitors & resistors used in communication equipment. Other electronics equipment in "typical" aircraft, and their complements of tubes and resistors & capacitors: Navigation system, 500 & 8000; flight planning (automatic flight plan computer and electronic fuel gauges), 1000 & 20,000; gun fire control, 500 & 20,000; observation (identification radar, sonar gear, etc.), 1500 & 30,000; plane power & control (motors for compressors, dynamotors, jet ignition systems, etc.), 100 & 1500; photography (uniform camera control), 200 & 4000; missile direction, 1000 & 30,000.

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"Tacan" is latest aircraft navigation aid unveiled, IT&T stating that compact radio device (occupying space 7x10x15-in.) has azimuth accuracy of 1 degree, distance accuracy of .2 mi. IT&T reports that device, under development for Navy since 1948, is now in large scale production by subsidiary Federal Telephone & Radio Corp. Stromberg-Carlson and Hoffman Radio are also producing it, and IT&T plans to license others. "Tacan differs from other aids," IT&T says, "in that it is an integrated navigation system rather than a conglomeration of separate, unrelated navigational aids, such as has been available to the aviation industry in the past." Air navigation systems have been subject of 2-month congressional study. At issue is military's insistence that Tacan be made the standard military & civil air navigation system, as opposed to civil aviation industry's insistence on retaining current systems.

Purchase of electronics business of Brown-Allen Chemicals Inc. by Hupp Corp., Cleveland (Vol. 11:10), is virtually assured, Hupp annual report revealed this week. Negotiations with Brown-Allen "currently contemplate" initial payment of \$250,000 cash, or by assumption of liabilities, plus 125,000 shares of Hupp common stock and contingent additional payment during next 5 years through issuance of not more than 120,000 common shares based on, and payable from, net earnings of electronics div. Brown-Allen's electronics properties include Standard Piezo Corp. (crystals) and Standard Transistor Corp., Carlisle, Pa., and Allied Mfg. Corp., West New York, N. J. (TV components).

Hugh Pruss appointed chief engineer, Audio Products Co., Los Angeles.

A nationwide private electronic communication system, covering 12,000 mi. and linking 51 cities, will be set up by Western Union to link Sylvania's plants, labs, sales offices, warehouses, executive offices and divisional headquarters with new data processing center to be constructed at Camillus, N. Y., near Syracuse. Heart of center will be Univac machine, leased from Remington Rand, which will be used for company-wide data processing—gathering, recording, computing and classifying of wide variety of information concerning production volume, sales, billing, etc.

Tiny semiconductor battery activated by either light or radioactive source was described by RCA research labs scientists during this week's AIEE meeting in St. Petersburg, Fla. Silicon device has been used to operate low-power AM radio in average room light. A major use visualized was as power source for transistorized devices which require little power.

Wm. Dubilier, who started inventing at age of 12 and now has 500 patents to his credit, will be honored by Cooper Union Alumni Assn. with the first Gano Dunn Medal for "outstanding professional achievement." He's v.p.-technical director of Cornell-Dubilier, whose business is founded on one of his inventions—the mica capacitor.

Electronics industry's sales volume in 1955 will be "appreciably higher than the record of \$9.25 billion established in 1954, RCA home appliance div. v.p.-gen. mgr. John W. Craig told Michigan State College symposium April 12.

Specifications control system for manufacture of electron tubes is described in report by Wright Air Development Center, *Military Control Specifications for Electron Tubes* (Report PB 111561), available for \$1 from Office of Technical Services, Commerce Dept., Washington.

Maj. Gen. Francis H. Lanahan, USA Ret., elected v.p. & gen. mgr. of Federal Electric Corp., Clifton, N. J. (IT&T). He was wartime Chief Signal Officer of SHAEF, commanding general of Signal Corps Center at Ft. Monmouth, in 1951 was first Chief Signal Officer of SHAPE.

Western Union has acquired one-third interest in Microwave Associates Inc., Boston, which has been part-owned by American Broadcasting-Paramount Theatres Inc. since 1952. Latter now has one-third interest. Electronics firm is headed by Dana W. Atchley Jr.

Datamatic Corp. is new firm being set up jointly at Waltham, Mass. by Minneapolis-Honeywell (60%) and Raytheon (40%) to engineer and market high-speed data processing systems for business and Govt.

Manual of practical transistor applications, *28 Uses for Junction Transistors*, has been published by Sylvania, available for 25¢ at 1100 Main St., Buffalo.

General Transistor Corp., Jamaica, N. Y., sets up international div. at 15 Moore St., N. Y.

New study course for amateur radio enthusiasts—including code records, theory, license manual and all information needed for amateur license exams—is available from RETMA for \$10. It contains illustrated study sections on theory lessons, plus questions & answers, rules & regulations, equipment operation, actual on-the-air techniques. RETMA brochure *Gateway to a Career*, which further describes course, is available free on request.

Transistorized auto radio, in experimental stages, was described at AIEE meeting in St. Petersburg, Fla. by RCA research labs' Larry A. Freedman, Thomas O. Stanley & David D. Holmes. Radio has 9 transistors, uses 1/10th the power needed by conventional auto radios. Performance was said to be equal that of regular car radio—operating directly from 6-volt battery without vibrator, power transformer or rectifier.

RETMA's 1955 Medal of Honor for outstanding contribution to industry goes to Leslie F. Muter, pres. of Muter Co., Chicago, treas. & past pres. of RETMA, which he helped organize in 1924. Award will be presented at RETMA's annual convention June 14-17 at Chicago's Palmer House.

Bendix Radio adds 3 low-priced 21-in. table models in what gen. sales mgr. Hodge C. Morgan calls "an open bid for the growing replacement and second-set market in the vast metropolitan areas, where we have been weakest." New models are in ebony metal at \$140, mahogany grain-finish metal \$150 & \$170.

Trav-Ler Radio adds 21-in. open-face mahogany console at \$180, blonde \$190. Pres. Joe Friedman said company's current TV production is about evenly divided between table models and consoles.



**Financial & Trade Notes:** Admiral Corp. sales were approximately 12% lower in first 1955 quarter than in same 1954 period and earnings are expected to be similarly lower. For full year, however, pres. Ross Siragusa told stockholders meeting April 14, a 5% to 10% increase in sales can be expected and earnings should be somewhat higher. In first 1954 quarter, Admiral's sales were \$55,977,562, down from \$69,191,849 in 1953 quarter; earnings were \$1,504,044 (64¢ per share), down from \$3,056,878 (\$1.30) in 1953 period (Vol. 10:20).

TV-radio shipments were higher last quarter, Siragusa said, but military production was down 65%. New TV line will be introduced in latter June, will contain automatically-assembled printed circuit panels equivalent to more than 75% of all wiring in chassis. Pioneer in automation, Siragusa said some of nation's largest manufacturers are interested in using Admiral-developed equipment which may be built and leased to industry. "This field," he said, "could provide the company with additional income."

Stockholders approved increase in authorized \$1 par stock from 2,400,000 to 3,000,000. Some of the 600,000 additional shares may be used as a stock dividend, and some exchanged for assets or stock of other companies.

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Add 1954 officer-director compensation listings as published in Vol. 11:15: **Motorola**—Paul V. Galvin, pres., \$82,500 (owned 103,303 shares beneficially as of Feb. 2, 1955, plus 186,696 held in trust, plus 13,117 held by wife, totaling 15.66% of outstanding shares); Robert W. Galvin, exec. v.p., \$55,000 (156,557, plus contingent interests in trust, plus wife's holdings, constituting 18.53% of outstanding shares); Daniel E. Noble, v.p.-communications & electronics div., \$55,000 (5866); Frank J. O'Brien, v.p.-purchases, \$55,000 (5814); Elmer H. Wavering, v.p.-engineering, \$55,000 (20,900); Edwin P. Vanderwicken, v.p.-finance & treas., \$55,000 (300); Edward R. Taylor, v.p. & asst. to pres., \$65,000 (1860). **Stromberg-Carlson**—Robert S. Tait, pres., \$58,150 (4455 shares); Gordon G. Hoit, exec. v.p., \$42,497 (1080); William Fay, v.p. in charge of broadcasting div. (WHAM-TV & WHAM), \$34,868 (511).

**Trav-Ler Radio Corp.** sales in first quarter of 1955 were about equal to the \$4,780,000 volume in first 3 months of 1954, pres. Joe Friedman told newsmen after company's annual meeting this week. He said company had no military business in first quarter, compared to 25% year ago. Trav-Ler recently reported full 1954 earnings of \$241,000 (32¢ per share) on sales of \$16,347,000, compared to \$412,257 (54¢) on \$14,669,624 in 1953 (Vol. 11:13).

**Famous Players Canadian Corp.**, which is Canada's biggest operator of movie theatres and owns 50% of CKCO-TV, Kitchener (Ch. 13) and 25% of CFCM-TV, Quebec City (Ch. 4), last year had net income of \$3,384,825 (\$1.95 a share) compared with \$3,611,005 (\$2.08) in 1953.

**Aircraft Radio Corp.** earned \$576,127 (\$2.05 a share) on sales of \$8,460,347 in 1954, compared to \$390,611 (\$1.40) on \$9,424,869 in 1953.

**American Phenolic Corp.** had net profit of \$679,491 (\$1.70 a share) in 1954 vs. \$801,223 (\$2) in 1953.



**Dividends:** Magnavox, 37½¢ payable June 15 to stockholders of record May 25; Indiana Steel Products Co., 22½¢ June 10 to holders May 25; Avco, 10¢ May 20 to holders April 29; Weston Electrical Instrument Corp., 25¢ May 16 to holders May 2. Note: Daystrom-Weston merger (Vol. 11:14), signed this week, calls for issuance of one share of Daystrom stock for one Weston, new wholly-owned Daystrom subsidiary to be known as Weston Electrical Instrument Corp. and retaining present Weston organization and personnel.

**Color Trends & Briefs:** "Spectaculars" will continue as lion's share of NBC-TV's color schedule next fall, according to summary given by RCA electronics products exec. v.p. W. Walter Watts during press conference this week at Lancaster, Pa. color tube plant (see story, p. 3).

To be continued are Sat. *Max Liebman Presents*, Sun. evening variety show, and Mon. *Producers' Showcase*, to which will be added 4-5:30 p.m. Sun. Maurice Evans dramatic series.

Besides these so-called "blockbusters," there will be color segments in *Today, Home & Tonight*. In addition, said Watts, "We believe that many of the half-hour film shows will be the first to make the transition. Worthington Miner has, in experimental stages, a new color series to be called *Frontier*." Also in the works is a daytime strip.

In sports, Watts said there will be "some exciting new uses of color." It's assumed he was referring to NCAA football. And, following up mock Army battle presented in color at Ft. Meade last year (Vol. 10:33), NBC-TV aims to present program in cooperation with "another of the armed services." This is rumored to be a colorcast from an aircraft carrier at sea.

Watts added that fall schedule isn't complete; that "other color programming opportunities will occur" and that "there are good indications that CBS will follow NBC's lead in programming spectacular-type color shows next season."

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"First real movement" of color TV receivers will begin in 1956, but color won't be factor this year, in opinion of Admiral pres. Ross Siragusa, expressed at stockholders meeting April 14. "When continuity of color programs becomes a reality," he said, "and mass production of color receivers begins, this new development will serve as a tremendous stimulus to sales and profits. It might be possible for the company to double its volume, just as it did in 1950 with peak black-&-white TV sales. Admiral's experience with printed circuits and automation should be of great assistance in reducing production costs when color TV goes into mass production."

**Color goal of KRON-TV, San Francisco**, according to mgr. Harold P. See, is to "offer color on all local live shows as a matter of routine practice by the end of this year." Station has been carrying live color commercials 5 days a week on 2 programs—*Golden Gate Playhouse* and *Exclusively Yours*. First local color show was presented Nov. 15, 1954. Installation of color film chain was completed this week. Number of color sets in area is estimated at less than 500.

**Upcoming network color schedules:** NBC-TV—April 24, *Max Liebman Presents*, "Kaleidoscope" with Judy Holliday, Dick Shawn, Frank Sinatra, Bambi Linn & Rod Alexander, 7:30-9 p.m.; May 2, *Producers' Showcase*, "Darkness at Noon," with Lee J. Cobb, David Wayne, Ruth Roman, Oscar Homolka & Joseph Wiseman, 8-9:30 p.m. CBS-TV—May 12, *Shower of Stars*, "High Pitch," with Marguerite Piazza & Tony Martin, 8:30-9:30 p.m.

**Telechrome Inc.** will demonstrate color equipment, including 3-V film chain, at International Trade Fair in Hannover, Germany, April 24-May 3—under sponsorship of U. S. Commerce Dept. Some 6 tons of equipment is being moved by air freight.

**Recording of color on black-&-white film**, said to offer economies in speed and cost, is described technically by Lawrence F. Brunswick, of Colorvision Inc., 109 N. Larchmont Blvd., Los Angeles, in March *Journal of the SMPTE*.

**Fill-in on color plans for fall season**, by NBC pres. Pat Weaver, as well as review of program & sales schedules, will occupy main interest of NBC affiliates at annual convention in New York's Waldorf-Astoria, April 21-22.



## NARTB LIBRARY

Dependence of stations on film is sharply highlighted in second annual *TV Station Film Manual* released by NARTB this week to TV members. Divided into 3 parts—programming hours & costs, case histories, description of film operations at an unidentified large-market station—manual discloses that of 110 stations responding to questionnaire last summer, all reported that hours of local film programming exceeded local live shows. In Group 1 (stations with up to 50,000 TV families) average was 26.23 hours of film programs a week vs. 16.17 live, while in Group 5 (stations with more than 1,000,000 TV families) ratio was 36.57 film vs. 23.15 live. Survey reveals, however, that slightly more hours of live programs are sponsored than are film hours, whereas year ago they were about equal. Sat. is heaviest day for films, with Sun. a close second. Detailed case histories of film programming were reported for KDUB-TV, Lubbock, Tex.; WATV, Newark; WMVT, Montpelier, Vt.; WSBT-TV, South Bend; WSJS-TV, Winston-Salem, N. C. Each station reported on film purchasing, personnel, equipment, facilities, operational procedures & programming, announcement procedures & engineering. The description of a film operation in a metropolitan market was prepared at NARTB's request by Louis J. Climent, representing SMPTE.

Educational TV channels aren't in danger of being taken away, as far as FCC Chairman McConnaughey is concerned. Speaking at Ohio State Institute for Education by Radio-TV April 14, he said: "At the present time the activities of educational broadcasting are not straining my patience." He also noted that President Eisenhower is "vitaly interested" in educational TV-radio and that Sen. Bricker (R-O.) is "one of your staunchest friends." Again presenting his views on role of Govt., he said TV-radio industry will have a maximum opportunity to develop only if it subject to minimum amount of Federal supervision. Davidson Taylor, NBC public affairs v.p., praised "great strides" made by educational TV, stressed that educational and commercial broadcaster, "while not yet in embrace," have compatible interests in raising standards of broadcasting, a task shared by advertiser. Dr. David Henry, chairman of Joint Committee on Educational TV and president of U of Illinois, urged educational broadcasters not to imitate commercial colleagues with programming that appeals to mass audiences, but rather to develop programs essentially educational.

New home of Charlotte's WBTB & WBT, built at cost of \$1,250,000 and designed around "operational block" of controls custom-built by Adler Communications Lab, was dedicated this week with elaborate ceremonies. It's one of largest (51,000 sq. ft.) and most elaborately equipped TV plants outside the Hollywood TV centers of the networks, contains 3 radio and 2 TV studios, latter 40x60-ft. & 40x40-ft. Design, already being sought by other TV operators, was master-minded by v.p. & chief engineer Thomas E. Howard, onetime chief engineer of WPIX, N. Y.

First long-term closed-circuit contract has been signed by Smith, Kline & French Laboratories (pharmaceuticals) with Theatre Network TV Inc., its Tele-Sessions div. gen. sales mgr. Fanshawe Lindsley announced this week. One-year pact calls for use of TNT's closed-circuit network facilities on all SKF multi-city big-screen programs. Next such show will be May 9, going to 36 cities.

Peck Adv. Agency, with billings of about \$10,000,000, and Hirshon-Garfield Inc., about \$7,000,000, will be consolidated under former's name as of May 1, with Peck Adv. offices in N. Y. & Los Angeles to be expanded. Latter's Boston & Miami offices are not included in deal, will operate separately.

Sets-in-use totaled 35,028,000 as of March 1, up 664,000 from Feb. and an increase of nearly 6,000,000 in year, reports NBC research director Hugh M. Beville Jr.

Ohio State U's Institute for Education by Radio-TV this week presented these TV awards: special award, RCA & NBC-TV for "Operation Threshold," colorcast of combat use of TV from Ft. Meade, Md. last Aug. (Vol. 10:33); special interest, *Frontiers of Faith* (NBC-TV) & *Your Health* (WOI-TV, Ames, Ia.); cultural, *Adventure* (CBS-TV) & *Princeton '54* (WRCA-TV, N. Y.); public affairs, *The Search* (CBS-TV) & *Soap Box* (KETC, St. Louis); basic freedoms, WKAR-TV, E. Lansing, for coverage of hearings of House Un-American Activities Subcommittee; systematic instruction, *Psychology on TV* (KNXT, Los Angeles) & *Prescription for Living*, produced by Standard Oil for Ohio regional network; children's, *Watch Mr. Wizard* (NBC-TV) & *The Friendly Giant* (WHA-TV, Madison); classroom, *Let's Take a Look* (CBC-TV) & *Iowa TV Schooltime—Landmarks in Iowa History* (WOI-TV, Ames).

Variety's annual plaque awards for 1954-55—honoring outstanding "showmanagement" contributions to TV-radio: education with showmanship, WCBS-TV, N. Y.; outstanding news station, WJAR-TV & WJAR, Providence; public interest, WLWT, Cincinnati; outstanding TV programming, KTTV, Los Angeles; small TV station operation, KRGV-TV, Weslaco, Tex.; radio station showmanship, WBZ, Boston; showmanship in promotion, radio KTFI, Twin Falls, Ida.; imagination in programming, radio KIST, Santa Barbara, Cal.; outstanding music station, WCRB, Waltham, Mass. "Showmanager Award" goes to NBC pres. Sylvester L. (Pat) Weaver Jr. "for bringing imaginative qualities and a new kind of excitement to TV during the past year," as reflected principally in development of color spectaculars and expansion of partie. programs *Today, Home & Tonight*.

National Headliners' Club awards for 1955: outstanding TV network coverage of news event, ABC-TV & Dumont, for Army-McCarthy hearings; local news coverage, WPIX, N. Y. (John Tillman, news editor); dramatic presentation of spot news event, WBZ-TV, Boston, for "Hurricanes Carol and Edna"; public service by TV station, KLZ-TV, Denver; radio network news coverage, NBC (W. R. McAndrew, news director); local news coverage, WLS, Chicago (Wm. Small, news director). Special award was presented to KARK-TV, Little Rock, for courageous coverage by cameramen Chris Button & Lou Obereste of slaying of murderer who escaped from insane asylum.

ABC-Paramount may enter record field soon, its appetite whetted no doubt by fact that network TV is building up some of biggest song hits as well as by success of RCA & CBS record businesses. AB-PT v.p. Robert O'Brien has been assigned to study whole record field and expects to have recommendations in about month. Trade reports that Dot Records was being purchased for \$1,000,000 were denied, and there's usual crop of rumors about negotiations with other independents. Example of how TV can put over a song hit is currently popular "Ballad of Davy Crockett" heard on *Disneyland*; also, "Play Me Hearts & Flowers" which got first plug on *Philco Playhouse* and "Let Me Go, Lover," heard first on *Studio One*.

Richard P. (Dick) Doherty, ex-NARTB v.p. for employer-employee relations, who now has his own consulting service in Washington, Television-Radio Management Corp., has been named director of management services of new GE-sponsored National Affiliated Television Stations (Vol. 11:12, 14). He will retain his private business. First members of new NATS, which now stresses that it will embrace vhf as well as the uhf stations to which GE is expected to provide financial assistance, are scheduled to be announced in about week. To date, 61 stations have requested membership applications, NATS states. President of new California corporation and 2 board members from GE have not yet been designated.



AUTHORITATIVE NEWS SERVICE  
FOR MANAGEMENT  
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VISUAL BROADCASTING  
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ARTS AND INDUSTRY

# Television Digest

with **ELECTRONICS REPORTS**

PUBLISHED WEEKLY BY RADIO NEWS BUREAU • WYATT BLDG. • WASHINGTON 5, D.C. • TELEPHONE STERLING 3-1755 • VOL. 11: No. 17

## SUMMARY-INDEX OF THE WEEK'S NEWS—April 23, 1955

**CONSPICUOUS WASTE** of prime program material inherent in TV's refusal to repeat good live dramatic shows, though movies & stage snap up TV's hits (p. 1).

**UHF TAX EXEMPTION** urged by TV tuner makers, meeting with Sen. Magnuson in prelude to set makers' conclave; "all-channel pledge" abandoned (p. 2).

**TV NOW BIGGEST ENTITY** in entertainment world, CBS & NBC each outstripping movie companies in business volume; only newspapers lead TV in advertising (p. 3).

**SUBSCRIPTION TV COMMENTS** delayed to June 9 by FCC; debate mounts as principals line up for CBS-TV May 1 program and Zenith accepts NBC-TV free time (p. 6).

**ELECTRONICAM'S FIRST USER** to be Admiral, which will record Bishop Sheen show commercials next week; third TV-film camera system shown on coast (p. 7).

**NEW STATIONS AUTHORIZED** in Tucson, Reno, Ft. Pierce, Fla.; Ch. 6 grant due in Milwaukee with dropout of WMIL; WRAL favored for Raleigh's Ch. 5 (p. 9).

**TRENDS IN NEW TV MODELS** due at midyear emphasize greater use of vertical chassis, more printed circuits, little or no change in prices (p. 11).

**ADMIRAL DENIES MISREPRESENTATION** in its advertising claims on 21-in. tubes, in answer to Federal Trade Commission complaint (p. 12).

**COLOR SET PLANS** indicate no solid front, but some manufacturers now agree with RCA that deadlock can be broken only by starting production (p. 13).

**SPONSORS OF SPECTACULARS** divided about 50-50 on value of the big color shows and whether they'll continue to use the extravaganzas next season (p. 10).

**PUBLIC STOCK OFFERING** of Lansing stations WJIM-TV & WJIM on market day after FCC approves transfer of control; Hennock-Bartley dissent (p. 14).

**SMALL-MARKET STATIONS** to get more top network shows from CBS & NBC with expansion of plans to offer more programs to outlets unordered by sponsors (p. 16).

**NO LIVE REPEATS—TV's EGREGIOUS WASTE:** Why not repeat more of TV's live dramatic hits while they're still hot, as was done recently with "Patterns"? After the published reviews and word-of-mouth publicity, there would seem to be no question but that many such shows -- whether repeated on same or another hour -- could command just as good an audience as the initial performance, possibly even better.

Why the apparent aversion of sponsors, agencies and producers to repeat live performances, in face of evidence that the movies and even TV films seem to do very well with repeats? Are there economic or legal deterrents, or what?

We've addressed these queries to some of the top people in the business, will give you their answers later. Meanwhile, doesn't it seem ironic that TV, which knows the value of repetition as well as any medium does, should simply discard some of its finest programs after a single showing?

It's a fixation with some, apparently, no more valid than the one that kept transcriptions off the radio networks for so many years, despite their obvious quality and convenience and economy, simply because of an inexplicable phobia that decreed that nothing "canned" must go on the network save sound effects.

Movie industry and legitimate theatre, which live by repeat performances, have lately been snapping up TV's hits and can be expected to exploit them until their appeal is exhausted. No artistic medium could ever be so profligate of creative talent as to use it but once -- yet that's exactly what TV is doing. Surely, the mechanics of network operation can be adjusted to make the most of a property of proven popular appeal.

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Re-running of live shows has problems, of course -- time & talent availabilities, rehearsals, unions, etc. -- but the success of film re-runs of the very few live re-runs to date certainly indicate the problems should be solved.

Re-runs we have in mind are not those resurrected from the files after cooling off for year or more. Our idea is to re-run while show is still a conversation piece, while folks are still asking one another, "Did you see that show last night?"



Precisely in point is recent repeat of Kraft's "Patterns" on NBC-TV. On Jan. 12 it attained 31.6 Nielsen. Feb. 9 repeat, same hour, reached 30.4 -- result of word-of-mouth, critics' praise, reminders through promotion. It was case of immediate exploitation of a hit while it was hot. Quicker the re-run the better.

Repeats must be chosen carefully, for most shows aren't worth repeating. But if further proof of the basic idea is needed, there's this week's ABC-TV report on how the repeats of five "Disneyland" shows this season paid off in ratings -- while the kids are still singing "Davy Crockett". Nine-city Trendex showed that ratings of all 5 averaged about same for originals and repeats, while share of audience was higher for all repeats save first one. National Nielsen has reported on only first 2 so far, but both were substantially higher on repeats.

Disney's "Operation Underseas" first time (Dec. 8) had 43.4 rating, 52.6 share of audience, 12,048,000 homes; second time (March 16) figures were 47.4, 56.8 & 14,817,000. "Seal Island" first time (Nov. 10) had 40.2 rating, 47.2 share of audience, 10,721,000 homes; repeat (March 23) produced 51.9, 64.3 & 16,244,000. Now they're planning third showings of hit Disney shows to fill the summer hour.

Thus the genius of Walt Disney and movie-savvy of ABC-TV management not only are showing the movie industry how to exploit their product via TV but should be teaching TV some of the exploitation techniques of the movie makers.

Why shouldn't a first-rate click like "No Time for Sergeants" be repeated -- now? Consider the experience of Washington News TV-radio editor Bernie Harrison a few weeks ago. He had missed "No Time for Sergeants," had heard so much about it that he asked U.S. Steel if he might see the kine. Then he got idea some of his readers might like to join him, offered 50 first-come couples seats at unreeling in WMAL-TV studios. He was deluged with requests, had to turn down most.

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TV drama seems to be entering its "Golden Age," having built up new writers, and brought forth new production people and actors of great talent. But while the TV entrepreneurs apparently don't know how to make the most of them, the movies and stage aren't passing them up. Here are a few examples:

Movies have just brought out Philco-Goodyear Playhouse's "Marty" and same hour was source of Bing Crosby's "Little Boy Lost" and "Anything Can Happen" and "The Rainmaker" as well as a Broadway play, "A Trip to Bountiful." It will be surprising if they overlook last Sunday's gem, "The Brave and the Bold." Kraft's "Patterns" was snapped up, as were U.S. Steel Hour's "The Rack" and "Fateful Decision". U.S. Steel's "No Time for Sergeants" and Goodyear's "The Rabbit Trap" are going to stage.

There are many more instances, as we've reported in these columns from time to time (see also Telecasting Notes, p. 7). TV is now mature. There are few one-station markets any more. The viewer can no longer tune in every dramatic show to make sure he doesn't miss something good. The process of selection has set in -- and TV ought to make the most of its best.

**TV TUNER MAKERS BACK UHF TAX RELIEF:** Sen. Magnuson's TV "study" entered its first active phase this week -- a determined effort to break the uhf logjam by inducing TV receiver manufacturers to include a uhf tuner in every set.

The Senator and his investigating staff currently are concentrating their fire on the only non-controversial scheme advanced thus far to help uhf -- tax inducement at the receiving end. After next week's meeting with TV set manufacturers, probers will turn their attention to the telecasting end of the business -- but no schedule has yet been decided upon. Chief counsel Sidney Davis is still working out plans for the inquiry -- and he was joined this week by minority counsel Robert L'Heureux, committee staff member who in the past has served as its chief counsel as well as chief counsel of Senate Banking Committee and Joint Committee on Defense Production. His appointment, long expected, was announced this week by Sen. Bricker (Vol. 11:14).

Six leading TV tuner manufacturers met this week with Sen. Magnuson and members of his investigation staff, as warm-up for April 25 session with some 25 TV set makers. Tuner manufacturers endorsed proposal to exempt from 10% Federal excise tax all receivers capable of all-channel reception, but they couldn't see any possibility



of "voluntary agreement" among set makers to discontinue production of vhf-only sets without tax incentive (Vol. 11:12). Even Magnuson conceded it would be impossible -- and perhaps illegal -- to draw any such pledge from the set makers.

Tuner makers said they can supply entire industry with all the uhf tuners needed for 100% changeover to all-channel sets. But they foresaw no possibility of building all-channel tuners as cheaply as vhf-only. Asked to estimate current price differential, they submitted figures which ran from \$8 to \$12, at set manufacturers' level, for cheapest models. Since average receiver sells for about \$145 at factory, tuner makers made it clear they felt price differential could be eliminated if 10% excise tax were lifted from all-channel sets but retained on vhf-only sets.

Present at meeting were General Instrument pres. Monte Cohen, P.R. Mallory uhf div. representative Ed Nung, Oak Mfg. Co. sales engineer Charles Rowe, Radio Condenser engineering director Joseph S. Robb, Standard Coil secy. Arthur Richenthal, Sarkes Tarzian Inc. pres. Sarkes Tarzian.

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Heavy endorsement of excise tax exemption is expected at Mon. April 25 meeting of set manufacturers with the full Senate Commerce Committee to "discuss the feasibility and advisability of manufacturing all-channel sets" (Vol. 11:12). But manufacturers will explain that highly competitive nature of TV industry will bar them from entering into any agreement to discontinue vhf-only sets without the tax inducements. Magnuson's staff is hoping the manufacturers will bring with them plenty of ammunition showing why tax relief is needed -- to combat the inevitable objections of economy-minded lawmakers when the measure comes up for action.

Treasury Dept. is dragging its feet on the one help-uhf excise tax bill introduced to date -- HR-4070 by Rep. Ikard (D-Tex.). It has not yet answered his long-standing request to state its position, tell how much revenue it would cost the Govt., etc. Based on last year's \$1.1 billion factory value of TV sets produced, loss to Treasury would amount to maximum of \$110,000,000 a year -- assuming that all sets produced would have uhf tuners and therefore be exempted from tax.

**NETWORKS NOW LEAD FILMS—AND MAGAZINES:** Despite increase in movie boxoffice last year to about \$1.2 billion, there isn't a single motion picture production company or theatre exhibitor firm that now has as great a volume of business as either the CBS or NBC network organizations. In fact, gross volume of TV as a whole, derived mainly from sale of advertising time, is nearing point where it will surpass movie boxoffice; this year, it should go to \$1 billion or more (Vol. 11:15) and by end of next year it may very well forge ahead of the 18,000-theatre movie business.

Most annual reports for 1954 are now at hand -- and they bear witness to fact that TV, even without radio, is by way of becoming the biggest single entity in the entertainment world, dollar-wise; in the advertising field, it's second only to the newspaper classification and well ahead of magazines.

The fantastic upsurge of the major networks and their dollar dominance is borne out by the statistics. Even the trailing third network, ABC, whose parent company is the biggest of all chain movie theatre operators, has a combined TV-radio volume that compares well with the grosses of most of the film majors.

NBC networks and owned stations accounted for \$200,423,000 of \$940,950,000 gross of parent RCA in 1954 (Vol. 11:9). While RCA annual report gives no breakdown as between TV & radio, nor as to station revenues, it's good guess on basis of PIB network time-billing ratios (Vol. 11:7) that the NBC-TV network and stations represented fully two-thirds of 1954 aggregate, about \$135,000,000 -- probably more.

CBS-TV & CBS Radio are divisions of CBS Inc., also in the recording business and in set & tube manufacturing. Parent company's 1954 report (Vol. 11:13) shows gross volume of \$373,380,000 from all sources. Report also does not break down TV vs. radio revenues, but since CBS has been leading NBC in both TV and radio billings it's fair to assume combined TV-radio volume ran considerably better than \$200,000,000 last year. Good guess is that close to \$150,000,000 of CBS Inc.'s gross revenues last year was attributable to its TV network & TV station operations.

ABC division of American Broadcasting-Paramount Theatres, according to 1954



report (Vol. 11:14), represented \$70,424,000 of parent company's total \$188,796,000 income -- nearly all the rest coming from the 600-odd theatres AB-PT operates. It can be assumed that ABC-TV represented at least \$40,000,000.

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Now look at the latest fiscal reports of the major film producers and larger group theatre operators. Among film producers, Loew's (MGM) shows far and away the largest dollar volume; with divestment of many of its theatres still not completed as required under anti-trust decree, its figure necessarily embraces theatre revenues, too. Its latest annual report shows gross of \$183,100,000, well below either NBC or CBS -- and its MGM alone was probably way under either NBC-TV or CBS-TV.

Next biggest producer seems to be 20th Century-Fox, \$115,715,000 for 1954; then Paramount, \$115,000,000 (estimated); Columbia Pictures, \$86,200,000; Universal, \$77,900,000; Warner Brothers, \$70,120,000.

Among the major theatre owners, AB-PT is by far the biggest, as aforesaid -- with \$115,916,000 of its 1954 revenues attributable to theatre income. Then come Stanley-Warner, \$66,200,000; National Theatres, \$61,920,000; RKO, \$32,611,000.

Note: Figures are from Standard & Poor's and/or latest annual reports.

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There you have the TV-radio networks' status vis-a-vis the major entities in the entertainment industry. Just as competitive are other advertising media -- and in that respect it's interesting to note that Life Magazine is no longer advertising itself as the No. 1 individual medium. That ranking doubtless belongs to CBS-TV, with NBC-TV a close second -- how close, only their own carefully guarded treasury reports would show.

According to PIB, whose statistics are generally used as index rather than actual because they're based on one-time rates and do not take into account commissions, discounts, rebates, etc., Life is first among magazines with \$114,035,747; then come Saturday Evening Post, \$77,940,710; Time, \$35,143,779; Look, \$26,675,479; Better Homes & Gardens, \$23,741,055; Ladies Home Journal, \$20,524,396; Colliers, \$16,480,775; Newsweek, \$15,639,273; Good Housekeeping, \$14,689,435; Business Week, \$14,559,481; McCalls, \$13,512,799.

And as if to point up the fantastic encroachments of TV, March 18 Printers' Ink compilation of PIB reports on nation's top 100 advertisers in 1954 indicates, on analysis, that TV accounted for 42% (\$267,000,000) of all their payments for magazines, newspaper sections, network TV, network radio (total \$638,000,000). Top 10 devoted even greater proportion, 47%, to network TV; top 25 spent 45%. For leading 10 advertisers and their 1954 network TV expenditures, see p. 8.

Opposition to free air time for political candidates was expressed this week by NARTB pres. Harold Fellows in testimony before Senate Rules subcommittee on privileges & elections, considering bill (S-636) by Sen. Hennings (D-Mo.) to raise limit on expenditures by a national political committee to \$12,300,000, partly to account for higher cost of TV (Vol. 11:16). Said Fellows: "Any suggestion that the broadcasting industry should underwrite certain political campaign costs is not only discriminatory, but unrealistic and unworkable." He endorsed basic principles of Hennings bill, as applied to TV-radio. Another witness, Prof. Alexander Heard of U of North Carolina, said Govt. should use "authority over the air waves to guarantee that responsible political competitors have balanced and limited access to radio and TV time, either at reduced cost or at no cost to themselves." FCC Comr. Henneck (favoring free time) and NBC v.p. Joseph Heffernan & CBS v.p. Earl Gammons (opposing) are scheduled to testify April 26.

Two bills requested by FCC last week (Vol. 11:16) were introduced by Chairman Priest (D-Tenn.) of House Commerce Committee: HR-5614, to modify "protest" procedure; HR-5613, to let Commission levy small fines on non-broadcast stations.

NARTB convention week of May 22 in Washington has added Dr. Norman Vincent Peale, noted clergyman who conducts *Art of Living* program on NBC Radio, as luncheon speaker May 26, which has been designated as "TV Day." Sessions that morning will mark 10th anniversary of first TV allocation by FCC. Under TV chairman Clair McCollough, industry notables will discuss TV's origins, its achievements and its future in next 10 years.

Assailing "idiotic repetition in advertising," Rep. Heselton (R-Mass.), member of House Commerce Committee, this week introduced HR-5741 ordering FCC to prescribe what proportion of TV-radio programming should be devoted to advertising. In separate statement, he attacked "repetitious, monotonous, excessively long advertising," and expressed hope that his bill might prod stations to exercise "some intelligent care."

Power increases: KHJ-TV, Los Angeles (Ch. 9) to 162-kw ERP; WRBL-TV, Columbus, Ga. (Ch. 4) to 100-kw; WMBV-TV, Marinette-Green Bay, Wis. (Ch. 11) to 234-kw; WXYZ-TV, Detroit (Ch. 7) to 316-kw.

Next network interconnections planned by AT&T: KFDM-TV, Beaumont, Tex., April 24; WFRV-TV, Green Bay, Wis., May 2.



**Personal Notes:** Adrian Murphy, who spearheaded CBS color campaign before FCC and in 1952 was named pres. of CBS Radio, has resigned, effective immediately, "to retire from active business," CBS Inc. pres. Frank Stanton announced April 21; he also resigns as a director of CBS Inc. Arthur Hull Hayes, v.p. in charge of CBS San Francisco office, has been appointed successor . . . Harry Plotkin, partner of Arnold, Fortas & Porter, entered Georgetown Hospital April 20 for operation on detached retina, will be hospitalized for at least 3 weeks . . . H. Gifford Irion, FCC examiner who has been hearing Buffalo Ch. 7 case, fell and broke shoulder this week, expects to be back at work next week . . . Robert W. Sarnoff, NBC exec. v.p., chosen as "Young Man of the Year in Marketing" by Assn. of Advertising Men & Women . . . Wm. Kaland, ex-WNEW & CBS Radio, named asst. national program mgr. of all Westinghouse TV-radio stations at N. Y. headquarters under program mgr. Richard M. Pack . . . J. English Smith, ABC-TV program service mgr., named coordinator of *Warner Brothers Presents*, weekly Warner-produced film starting on ABC-TV Sept. 13, Tue. 7:30-8:30 p.m.; he'll headquarter at Warner studio in Burbank, Cal. . . . Frederick Menzies promoted to commercial mgr., WHEN-TV, Syracuse, succeeding Wm. H. Bell, now asst. gen. mgr. of radio WHEN . . . Robert Monroe, TV-radio program packager, appointed programming v.p. of Mutual & WOR, succeeding B. J. Hauser, now supervising MBS development div. . . . Hal Cranton and Ira Wolff promoted to supervisors in expansion of NBC-TV sales presentations dept., former for network sales dept., latter for partic. programs; both report to David Hedley, dept. mgr. . . . Clem Stigdon, ex-RKO-Pathé & Eastman Kodak, named production mgr. of CBS-TV film services dept. . . . George Bristol, ex-director of CBS Radio adv. & sales promotion, named TV director of sales presentations . . . Ray J. Williams elected pres.-gen. mgr. of KCSJ-TV, Pueblo, Colo., succeeding Douglas D. Kahle, resigned to give full time to private business interests, including Muzak franchises . . . Bob Booker pro-

motored to production mgr. of WMBR-TV, Jacksonville, succeeding Windsor Bissel . . . Harry E. Cummings will head Atlanta office being opened July 1 by John Blair & Co.; Arthur H. McCoy, ex-Avery-Knodel sales mgr., joins Blair's N. Y. staff on May 9 and Al Long, ex-McCann-Erickson & Dancer-Fitzgerald-Sample, joins staff May 16 . . . Charles R. Christianson, ex-West coast rep for Elroy McCaw's WINS, N. Y. and KTVW, Tacoma, now heads new San Francisco office of Adam Young in Fairmont Hotel (Yukon 6-5790) . . . Martin Katz, special projects director of Blair-TV, appointed director of sales development, replacing Victor E. Forker, resigned . . . Carroll Layman, mgr. of Chicago office of reps Harrington, Righter & Parsons, appointed a v.p. . . . Robert F. Blake resigns as publicity director of WRCA-TV & WRCA to join CBS-TV press information dept. as mgr. of special projects . . . Jack Gould, TV-radio editor, *New York Times*, back on job this week after ulcer operation . . . Wm. H. Thomas, ex-J. Walter Thompson TV-radio dept., named TV-radio director of Fitzgerald Adv., New Orleans, replacing Aubrey Williams, resigned . . . James S. Pollak, ex-ABC, joins Compton Adv. as producer on Procter & Gamble's *Fireside Theatre* . . . James E. Robertson promoted to TV-radio production mgr., N. W. Ayer, Chicago. . . . Roy George, ex-KRLD-TV, Dallas, named program director of KWFT-TV & KWFT, Wichita Falls . . . Robert R. Nelson, ex-gen. mgr. of WARD-TV & WARD, Johnstown, Pa., on May 1 becomes gen. mgr. of WDEL-TV, Wilmington, Del., recently acquired by Paul F. Harron from Steinman interests (Vol. 11:4).

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Mrs. Joseph H. Ream, wife of the former CBS exec. v.p. who retired several years ago on account of her illness, died of cancer April 17 at her home, Rocking Chair Ranch, Route 1, Thomasville Rd., Tallahassee, Fla. Surviving besides Mr. Ream, who has engaged in cattle ranching since leaving N. Y., are 5 children—Jackson, Stephen, Davidson, Nancy, Christopher.

**E**DWARD LAMB hearings continued to drag in circles this week as FCC counsel resumed questioning of the Toledo-Erie broadcaster-publisher-industrialist about past affiliations and actions. Lamb continued to insist he was victim of a "frameup" while his attorney Russell O. Brown continued to display righteous indignation over FCC's "fishing expedition." At one juncture, Lamb charged "freedom of the air is being tampered with" and said broadcasters "would be glad for a strong trade association to defend the freedoms which I have to defend individually here." If a newspaper were involved in a similar probe, he said, every publisher in the nation would rise to defend freedom of the press.

Under questioning, Lamb testified he was a founder, officer and "very large contributor" to the National Lawyers Guild prior to 1944—and "proud of my efforts to organize workers in the legal profession"—but had resigned in dispute over foreign policy. Guild currently is fighting Attorney General's proposal to list it as subversive. Lamb conceded he may have made speech in 1936 under sponsorship of American Friends of the Soviet Union, but didn't recall it.

FCC put 2 other witnesses on stand this week. First was Mrs. Belle Sundeen, office mgr. of *Daily Worker*, subpoenaed to produce all records from its files dealing with Lamb. Ex-Communist editor Louis Budenz had testified earlier that Lamb had submitted an article in 1936 with a covering letter, but Lamb said he believed article was based on copy of a speech he made at that time. Mrs. Sundeen had nothing to offer, said paper's records date back only to 1951, brought only 4 copies of the newspaper dated before that year.

Another subpoenaed witness was Abner Green, exec. secy. of American Committee for the Foreign Born, now on the subversive list. He brought with him about 30 committee letters, folders and pamphlets which he said listed Lamb as vice chairman. He said one folder, detailing a 1944 Statue of Liberty anniversary celebration, contained messages from Gen. Eisenhower, Mrs. Roosevelt, Henry Wallace and others. Lamb had testified earlier that he knew the group was using his name but didn't recall holding office or giving permission to use his name.

In another skirmish, Broadcast Bureau attorney Joseph Kittner said Lamb's name once appeared in court case as co-counsel for the Ohio Communist Party. Lamb said he didn't recall having been associated with case, and Kittner showed Lamb briefs filed with Ohio Supreme Court. Later, FCC lawyers said they checked with Ohio Supreme Court and found Lamb's signature did not appear on any documents connected with the case and he was not listed as appearing at arguments.

Lamb presented one witness, exec. editor Kenneth D. Tooil of *Toledo Times*, former editor & co-publisher of Lamb's *Erie Dispatch*, who testified Lamb's views were "quite violently opposed" to communism. He said he never heard him express any support for Red doctrine. Lamb returns to stand April 26 when hearing resumes.

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Shift of control of WARM-TV, Scranton (Ch. 16) & WARM is sought in application filed this week. Proposal is to issue 824 shares of stock, v.p. Wm. W. Scranton paying \$74,000 for 740, increasing holdings from 28.3% to 79%, and pres. Martin F. Memolo buying 84, reducing holdings from 70% to 20.7%.



**M**ONTH'S DELAY in filing formal comments on subscription TV was granted by FCC this week, acting on petition of Paramount subsidiary International Telemeter. In moving date to June 9, Commission stated that reason for Telemeter's request—hospitalization of counsel—constituted "good cause." Time for filing counter-comments was also extended, to July 11. Argument continued to build up meanwhile:

(1) Dramatis personae of CBS-TV's program 5:15-6 p.m. May 1 is now complete. Zenith counsel W. Theodore Pierson will speak for pro-pay side, backed by panel comprising Skiatron's James M. Landis, legitimate theatres' Ralph Bellamy, and Elfred Beck, owner of off-air uhf KCEB, Tulsa (Ch. 23). On anti-toll side, main speaker Victor Sholis, v.p. of WHAS-TV, Louisville, will be supported by Indiana chain exhibitor Trueman Rembusch; Sherwood Dodge, v.p. of Foote, Cone & Belding; Leon P. Gorman, mgr. of WABI-TV, Bangor, Me.

(2) Zenith has accepted NBC-TV's offer of 15-min. free time to present fee-TV pitch (Vol. 11:16), and anti-fee forces are now asking for 15-min. adjacent to Zenith's time. Skiatron has also requested free time from NBC. Date of Zenith show hasn't been fixed.

(3) Exhibitor Alfred Starr chides us for using word "consternation" last week when we said pay-TV issue is becoming a "cause celebre—to delight of its proponents and consternation of its opponents who have long felt that best policy was to ignore it." Citing Webster's definition, Starr said:

"May I respectfully deny that our group views the current controversy with anything even approaching 'amazement and dread tending to confound the faculties.' And may I point out that we did not retain public relations counsel to hide our light under a bushel, nor have we ever felt that the best policy was to 'ignore' the dangerous threat to free-TV programming contained in the high pressure tactics of those pressing the FCC for approval of living room slot-machines. Admittedly, our Committee is comparatively young and you may be right in saying that some 'opponents have long felt the best policy was to ignore it.' For myself, I would hardly call such an element 'opponents.' They seem more like innocent bystanders."

Collection of admission tax on movies which might be shown via subscription TV is a subject which has been "carefully avoided," anti-toll spokesman Alfred Starr stated in Washington debate last week (Vol. 11:16). This, he said, "is just one more headache (fortunately not mine) along with the troubles and great expense of collecting the \$1 or \$2 fees that are the freely acknowledged goal of pay-to-see TV." *Film Daily* reports, however, that query addressed to Internal Revenue brought this reply (after 6 months): "From the information made available to us, it is our conclusion that the tax on admissions imposed by section 1700(a) of the Code, as amended, does not apply to the charge paid by a person for reception in his home of a telecast regardless of whether the program is a motion picture or live entertainment."

Networks are free to film programs in own studios, as result of recent settlement with National Assn. of Broadcast Employes & Technicians (NABET). Both NBC & ABC quickly announced plans to film own programs this fall. CBS already had that right under separate contract with IBEW. Under new contract, NABET relinquished its control over film in exchange for wage concessions.

First profit to be shown by WTOK-TV, Meridian, Miss. (Ch. 11) was \$7812 in first 2 months of 1955, according to application for power increase filed with FCC this week. Starting in Sept. 1953, station lost \$5082 that year, \$11,964 in 1954.

(4) Debate on MBS April 17, between Zenith counsel Joseph S. Wright and Rembusch, became quite a slugfest. Wright argued that public wouldn't have to pay for decoders; that cost of pay system confined to wire, as recommended by Rembusch, would be "staggering"; that Zenith is willing to see toll TV limited to 10-15 hours weekly; that trial in a few selected markets should be authorized; that NARTB's stand against pay-as-you-look was a "rigged up deal" by networks and affiliates.

Rembusch claimed that it would be extremely expensive to put decoders in sets; that theatre TV doesn't "black out" free TV the way toll TV would; that subscription TV would "bid in" current popular free programs and charge for them; that language in 95% of Broadway plays wouldn't be permitted on the air; that hinterlands won't support toll TV any more than they do free TV; that "I have very serious doubts about your motives because you promised many things to different people and all things to all kinds of people."

(5) More comments arrived at FCC. John Reed Kilpatrick, pres. of Madison Square Garden, wrote: "The type of shows the public could be expected to pay for is limited to championship contests. These special events could never take the place of the present-day sponsored TV of events of local or sectional interest. Subscription TV would, however, make it possible for the telecaster and the promoter, with the support of the advertiser, to keep a full program of sports on the air free to set owners. It would expand sports TV coverage rather than restrict or limit it. The 2 systems can develop and prosper side by side. [Subscription TV] most definitely should be tested in a major market, and without delay."

H. B. McCarty, exec. director of Wisconsin's State Radio Council, which operates WHA-TV, Madison (Ch. 21), stated: "Here is a means of financing which should certainly be explored. It employs a payment-for-use principle already widely applied in education . . . I respectfully urge authorization by the Commission."

George A. Kuyper, mgr. of Chicago Symphony, wrote: "For several years I have studied the problem and the possibilities of subscription TV and I am convinced that such a means will benefit both the growing TV audience and the symphony orchestras of the country."

Let the station decide whether it wants to use common carrier or build its own microwave relay—that's gist of comments filed by WTTV, Bloomington, Ind. and WIRI, Plattsburg, N. Y. on AT&T's proposal to provide special low-cost interconnection (Vol. 11:14). Two other telecasters told FCC that even AT&T's proposed cheaper service would cost far more than privately operated relays and such costs might force them off the air. Texas Telecasting Inc., which operates KDUB-TV, Lubbock, and holds CP for KPAR-TV, Sweetwater, said regular AT&T interconnection would cost it about \$6500 a month, and proposed low-cost service would be about \$3060, compared with \$450 required to operate own intercity relay. WGLV, Easton, Pa., said even if AT&T's monthly charge of \$4000 were halved, it would still be well in excess of the \$475 it now pays to operate its own relay. Deadline for comments is April 29.

Sigma Delta Chi awards for distinguished service in journalism: ABC-TV & DuMont, for coverage of Army-McCarthy hearings; Reuven Frank, NBC-TV, for *Road to Spandau*, German prison camp documentary; Spencer Allen, WGN-TV, Chicago, for coverage of Chicago floods last Oct. Radio winners were CBS & Richard A. Chapman, WKOS, Jefferson City, Mo.

CBS commentator Eric Sevareid was presented annual \$500 TV award of Sidney Hillman Foundation April 20 for his *American Week* telecasts on Oppenheimer security controversy and Chicago race riots.



**Telecasting Notes:** "As TV came of age," states annual report of Motion Picture Assn. of America released this week, "it leaned more and more on the older and more experienced motion picture industry. Most noteworthy was the expanded use of film instead of live programs. On the average, more than 40% of station time used filmed programs, and the percentage is on the rise. The estimated budget for 1955 film production for TV is fixed at \$80,000,000 for U. S. production alone, exclusive of foreign production and the flat purchase of older film originally produced for theatrical showing" . . . Eric Johnston report, considering growing affinity of TV and film interests and remarkable upsurge of TV as entertainment medium (see p. 3), devotes surprisingly little attention to TV. It says 1954 marked end of one stage of TV development—referring to fact "number of stations slacked off" from predicted 1000 within 3 years after freeze to actual 412 at start of year [429 now]; present stage, as it discerns it, is trend toward film. As for theatre TV, it notes, activity was largely limited to 2 companies which "concentrated principally on occasional sporting events or the opera, coupled with daytime interconnections of theatres for sales meetings of large corporations" . . . Movie producers and theatres should become heavy TV advertisers, says pres. Elmer C. Rhoden of National Theatres chain in April *Screen Producers Journal*. "The soap companies, the cigarette companies and the automobile industry have chosen TV as an important selling agent," he writes. "Isn't that a tip-off to us that it gets results? And what industry can present glamor over the TV stations as effectively as ours? The time has come when we should no longer entrust scenes of our new motion pictures to be presented on a TV program sponsored by another advertiser. From now on, producers and distributors should be prepared to pick up the TV advertising tab and not expect to get a free ride! And we, as theatre owners, should rightfully carry our share of the expense." Weekly half-hour TV show, preferably 6-6:30 p.m. on mid-week evening is suggested by Rhoden for movie industry sponsorship, with each film company allotted 5 or 6 half-hour periods during the season . . . Feature films are what stations want for daytime and late-night programming, especially since they're so popular with partic. sponsors—and *Billboard* this week reports that NBC-TV (to hypo its daytime program structure) is negotiating to buy several blocks of them. It's no secret that, despite all talk about hesitancy to open vaults to TV for fear of exhibitor ire, the big producers have let the networks know they're open to offers, viz., Paramount (Vol. 11:9). Price is biggest stumbling block, not reluctance to release to TV . . . Average price being asked for good features is said to be around \$100,000 per picture. Says *Billboard*: "Two of the packages NBC would undoubtedly like to acquire are owned by David Selznick and Samuel Goldwyn. Selznick is reported to want \$3,000,000 for 17 features, and Goldwyn is pricing his pictures the same way" . . . Bitten by TV bug, too, are Rita Hayworth and her husband Dick Haymes, who announced in Hollywood this week their Haymes-Hayworth Productions Inc. will produce series based on life of late Warden Lawes of Sing Sing; Miss Hayworth is currently in litigation with Columbia Pictures, so can't appear in films herself for time being . . . More purchases of TV shows by movies: Reginald Rose's *Crime in the Streets*, which played recently on ABC-TV's *Elgin Hour*, by Allied Artists; Carey Wilbur's *It Might Happen Tomorrow*, on CBS-TV's *Studio One*, by independent producers George Pal & Randy McDougall.

Transfer of WNEX-TV, Macon, Ga. (Ch. 47) for \$1 and assumption of approximately \$250,000 in liabilities (Vol. 11:14) was approved by FCC this week. Owners now are E. K. Cargill, former owner of WMAZ, who will be mgr. with 25%, and Texas oilman J. C. Barnes, 75%.

**E**LECTRONICAM, DuMont's live & film camera system (Vol. 11:16) is scheduled for its first commercial use next Tue. Apr. 26 when Admiral plans to make film records of commercials on its live *Life Is Worth Living* (Bishop Sheen). According to Mike Levin of Admiral's agency, Erwin, Wasey & Co., plan is to shoot film of commercials during live telecast, then make them available to Admiral dealers for local spot use.

DuMont executives were elated with response to last week's first demonstration, and announced that more Electronicam equipment was on order. First studios to be equipped will be 2 in the DuMont Tele-Centre and one in DuMont's Adelphi Theatre, followed by the remaining 3 Tele-Centre studios. DuMont Network managing director Ted Bergmann said at week's end that "at least a dozen agencies" have asked to use the system to film entire programs or commercials. He said the network is now working out schedule of "facilities charges" for use of Electronicam (in DuMont studios) by non-clients of DuMont, and has "opened negotiations" with program packagers and film producers.

DuMont plans pitch not only to advertisers and agencies at special showings, but to station owners—and will demonstrate Electronicam system at Washington NARTB convention next month. Equipment probably will be offered on lease basis to stations and other networks, rather than for outright sale.

Question of possible union troubles bothers some potential Electronicam users, but DuMont spokesman told us: "We have no reason to believe that we'll have any union jurisdictional problems." In case of talent unions, it's expected that where filmed program is merely a record of a live show, or footage is shot continuously, AFTRA would have jurisdiction as it does over live shows which are kinescoped. Where Electronicam is used as electronic aid in producing a film program shot over a period of time in takes or together with other footage, SAG would have jurisdiction. Technicians' unions have made no statements on the subject.

Another combination TV-film camera system—third within a month—was shown this week in Hollywood's Republic studios by Camera Vision Productions Inc., headed by Philip Rivero and Arthur S. Lyons. Under development since 1949, Camera Vision system differs from Electronicam in that it uses separate lenses for TV and film cameras, whereas DuMont system employs single lens. Lyons said DuMont had originally worked with Camera Vision on the system, and he read from a statement "prepared by our lawyers" to the effect that DuMont had agreed to finance first camera unit built by his company.

Like TV-film camera shown last month in Hollywood by Al Simon of McCadden Productions (Vol. 11:13), Camera Vision system is expected to find its principal use in simplifying and cutting costs of film production. DuMont, on other hand, is pushing Electronicam system not only as a film production tool but as a method of making a high-quality film recording of a TV program as it actually goes out on the air.

Microwaves to serve community antenna systems in 2 areas were sought in applications filed with FCC this week. Hualapai Peak Carrier Co., Kingman, Ariz., filed for 6012.5 & 6112.5 mc, proposing to serve system in Kingman initially and to add 2 channels later to serve upcoming system in Needles, Cal. It proposes to use Philco TLR-3 equipment, installed at cost of \$37,460, charging first customer \$800 monthly. For Sheridan, Wyo. system, Teleview Networks, 21 N. Main St., Sheridan (Charles L. Adam), proposes to put Motorola FSTM-30 equipment using 6412.5 mc on Red Clouds Lookout at cost of \$9500, relay programs of KOOK-TV, Billings, Mont., charging system operator \$650 monthly.



**Station Accounts:** Waxed Paper Mercandising Council, 38 S. Dearborn St., Chicago, comprising 14 manufacturers, is spending \$100,000 for TV-radio spots, starting with 10-week campaign in Philadelphia and extending to other markets later, thru Ruthrauff & Ryan . . . Bulova Watch Co. buys 13 *Ford Theatre* re-runs from Screen Gems to be spot-booked as co-op with local retail jewelers this fall, thru McCann-Erickson . . . CBS-Hytron to use TV, radio & newspapers to promote tube sales to women, thru Bennett & Northrop Inc., Boston . . . Maytag to use TV with other media in \$1,000,000 campaign this spring to promote its "Maytag Spring Party," thru McCann-Erickson . . . 7-Up Bottling Co. will sponsor MCA-TV film syndication div.'s *Soldiers of Fortune* in 120 cities (60 weekly, 60 alt. weeks), thru J. Walter Thompson Co. . . . Carling's Beer sponsoring 25 road games of Cleveland Indians on WXEL, thru Benton & Bowles and Lang, Fisher & Stashower, Cleveland (for rest of major leagues' TV lineup, see Vol. 11:13) . . . Sunkist Growers (citrus fruits) sponsors 15-min. pre-N. Y. Giants baseball program on WPIX, thru Foote, Cone & Belding, Los Angeles; Vitalis & Petry Wines buy 10-sec. adjacencies on all Yankees & Giants games on WPIX, thru Doherty, Clifford, Steers & Shenfield and Honig-Cooper, San Francisco . . . Among other advertisers currently reported using or preparing to use TV: General Petroleum Corp., Los Angeles (gasoline), thru Stormberger, LaVene, McKenzie, Los Angeles; Real Gold Co., Redlands, Cal. (frozen & concentrated fruit juices), thru Barnes Chase Co., Los Angeles; Bell Brands Food, Los Angeles (potato & corn chips), thru McCann-Erickson, Los Angeles; A-1 Mfg. Co., Los Angeles (Gold Rivet jeans), thru Lance Adv., Los Angeles; American Scientific Inc., N. Y. (Flavettes for smoking habit), thru Pringle-Gotthelf, N. Y.; Lee Ltd., Beverly Hills, Cal. (Dri-Mist deodorant), thru Erwin, Wasey & Co., Los Angeles; D-Con Co., Chicago (M-O-Lene rug-cleaner concentrate), thru Arthur Meyerhoff & Co., Chicago; Johnson Motors, div. of Outboard, Marine & Mfg. Co., Waukegan, Ill. (outboard motors), thru Lamport, Fox, Prell & Dolk, South Bend; Pomatex Co., N. Y. (hair dressing), thru R. T. O'Connell Co., N. Y.; Lano Products Co., div. of Milco Inc., San Jose, Cal. (Lano glove beauty lotion), thru Brooke, Smith, French & Dorrance of the Pacific Coast, San Francisco; Raytronics Laboratories, Cincinnati (cathode ray revitalizer), thru Kammann-Mahan, Cincinnati; West Disinfecting Co., Long Island City, N. Y. (CN disinfectant), thru Paris & Peart, N. Y.; Porter-Cable-Machine Co., Syracuse (home tools), thru Gumbinner Adv., N. Y.

Rate increases: KING-TV, Seattle, May 1 adds new Class AA hour (7-10 p.m. daily) at \$900, 20 sec. at \$180, Class A remaining \$700; also on May 1, WNEM-TV, Bay City-Saginaw, raises base hour from \$425 to \$500, min. \$85 to \$100. KDAL-TV, Duluth, has raised base hour from \$250 to \$325, min. \$50 to \$65; WKBT, La Crosse, Wis. from \$200 to \$250 & \$40 to \$50; WICS, Springfield, Ill. from \$200 to \$250 & \$40 to \$50; KMMT, Austin, Minn. from \$150 to \$200, 20 sec. remaining \$30. KOOL-TV, Phoenix, June 15 raises base hour from \$425 to \$500, min. \$80 to \$96.

College football TV schedule for 8 nationally televised games, as announced this week by NCAA and NBC-TV (sponsor not yet revealed): Sept. 17, Miami at Ga. Tech.; Oct. 1, Ohio State at Stanford; Oct. 15, Notre Dame at Mich. State; Oct. 29, Iowa at Mich.; Nov. 19, UCLA at USC; Nov. 24 (Thanksgiving), Texas at Texas A&M; Nov. 26, Army-Navy at Phila.; Dec. 3, N. C. at Duke. In addition, there will be 5 regional TV dates, to be worked out individually between schools and TV stations.

New ABC-TV affiliations: WSFA-TV, Montgomery, Ala. (also NBC); WRBL-TV, Columbus, Ga. (also CBS).

**Network Accounts:** Colgate-Palmolive, whose *Comedy Hour* on NBC-TV Sun. 8-9 p.m. has been steadily losing ratings battle with Ed Sullivan's *Toast of the Town* on CBS-TV, will sponsor new, untitled live variety show in same period next fall, to be produced by York Pictures Corp., which is owned jointly by Paramount Pictures and comedy team Martin & Lewis. Latter will star in at least 5 of the shows, to originate from Hollywood . . . Hazel Bishop to sponsor *Place the Face* on NBC-TV starting June 28, Tue. 8-8:30 p.m., but will shift to another time period in fall, thru Raymond Spector Co.; will also sponsor new 30-min. program, network undetermined, starring Dunninger, telepathist . . . Monsanto Chemical buys 20 min. of *Perry Como Show* on NBC-TV starting in fall, Sat. 8-9 p.m., thru Gardner Adv., St. Louis . . . Remington Rand replaces RCA as sponsor (with Speidel & American Chicle) of *Caesar's Hour* starting in fall; Remington will drop alt. week sponsorship of *What's My Line?* on CBS-TV . . . Sheaffer Pen & Raleigh cigarettes to co-sponsor *Penny to a Million*, new quiz show, on ABC-TV starting May 4, Wed. 9:30-10 p.m., thru Russel M. Seeds . . . Reynolds Metals to drop *Mr. Peepers* in June on NBC-TV, which is considering plan to turn show into Mon.-thru-Fri. 15-min. daytime strip with star Wally Cox . . . NBC-TV's *Tonight* (Mon.-thru-Fri. 11:30 p.m.-1 a.m.) will originate from Los Angeles for 8 weeks starting June 27 while m.c. Steve Allen portrays title role in Universal's motion picture, *Benny Goodman Story* . . . Kraft Foods drops *Tom Corbett, Space Cadet* on NBC-TV Sat. 11:30 a.m.-noon.

Nation's top 10 advertisers in 1954, devoting 47% of their expenditures to network TV (see p. 4), spent these aggregate amounts on network TV, network radio, magazines & newspaper sections (network TV & radio in parentheses): Procter & Gamble, \$44,151,220 (\$23,701,228 network TV, \$12,339,668 network radio); General Motors, \$36,774,882 (\$10,304,242 & \$3,780,932); Colgate-Palmolive, \$26,727,057 (\$14,089,737 & \$4,813,770); General Foods, \$25,256,953 (\$9,728,567 & \$3,300,129); Gillette, \$19,499,770 (\$11,540,452 & \$5,562,378); Chrysler, \$18,378,063 (\$8,820,955 & \$1,867,212); GE, \$17,860,888 (\$6,961,548 & \$949,500); Lever Bros., \$17,771,633 (\$7,214,427 & \$4,471,376); R. J. Reynolds, \$16,706,162 (\$11,828,928 & \$1,770,940); General Mills, \$16,120,255 (\$7,630,599 & \$3,724,388).

New officers of AAAA, elected this week at Boca Raton, Fla. convention: chairman, Henry G. Little, Campbell-Ewald, succeeding Wm. R. Baker Jr., Benton & Bowles; vice-chairman, Robert D. Holbrook, Compton Adv.; pres., Frederic R. Gamble (re-elected); secy.-treas., J. Paul Hoag, Hoag & Provandie Inc., Boston. In addition to officers, these directors will serve on operations committee: J. Davis Danforth, BBDO; George C. Reeves, J. Walter Thompson; Victor O. Schwab, Schwab & Beatty.

Alfred D. McKelvy Co. (Seaforth toiletries) is first sponsor to sign for NBC Radio's *Monitor*, new round-the-clock weekend radio service starting June 12 (Vol. 11:15), buying 10 weeks of partic. thru Morse International Adv. on the 5 NBC o-&-m stations. NBC also disclosed this week that Dave Garroway will be one of "communicators" on *Monitor*, in line with its policy of introducing top TV personalities & features on program.

Dancer-Fitzgerald-Sample has been re-awarded \$1,200,000 annual account for Army and Army Reserve recruiting for fiscal year starting July 1. About \$300,000 will be allocated to TV spot.

Cowan & Dengler Inc. will be dissolved June 1, and Horace W. Dengler & Stuart D. Cowan Jr. become vice presidents of Donahue & Co. Inc.



**T**HREE CPs and Raleigh Ch. 5 initial decision were turned out by FCC this week, while Ch. 6 grant in Milwaukee suburb Whitefish Bay is now in prospect with dismissal of WMIL, which leaves Independent TV Inc. free for grant; latter pays WMIL \$25,000 for expenses.

This week's grants: Tucson, Ariz., Ch. 9, to Tucson TV Co., owned by D. W. & Kathleen Ingram (warehouse, building materials); Ft. Pierce, Fla., Ch. 19, to Gene Dyer, veteran Chicago broadcaster now a tomato grower; Reno, Nev., Ch. 4, to Nevada Telecasting Corp., owned by Robert C. Fish (real estate & refrigeration). One CP was dropped: KWIK-TV, Pocatello, Ida. (Ch. 6).

Examiner Millard F. French, in picking WRAL over WPTF in Raleigh, cited WRAL's superior proposed programs, including "outstanding discussion and educational programs," "greater remote programming possibilities" and "superior planning." Another area for choice was ownership-management integration. And he decided WRAL would better promote "diversification" because WPTF is 50-kw and WRAL is 250-watts.

FCC submitted its Court of Appeals brief in famous McClatchy case, in which McClatchy newspapers are appealing denial of Ch. 10, Sacramento, wherein FCC said it preferred Sacramento Telecasters because of McClatchy's substantial interests in news media.

Commission cited various court decisions to support its contention that "the policy of fostering the greatest number of separate voices for the dissemination of information and opinion to the public has a definite and direct bearing on the public interest. [FCC] has not here or in any other case imposed any presumption against applicants with mass media connections. The mass media connections of any applicant are considered in the light of the other facts in the case, including those which minimize or increase the seriousness of the concentration of control there presented."

In allocations actions, FCC: (1) Proposed shifting Ch. 8 to Moses Lake, Wash., substituting Ch. 11 for Ch. 8 in Walla Walla. (2) Denied request of off-air WKST-TV, New Castle, Pa. (Ch. 45) to let it move to Youngstown and use Ch. 45, stating that others may decide to use Ch. 45 in New Castle if WKST-TV doesn't resume and that station could apply for Ch. 73 in Youngstown if it wants to operate there.

Two more deintermixture petitions were dropped into the hopper. Woodward Bestg. Co., grantee of WTOH, Toledo (Ch. 79) and WBID, Detroit (Ch. 50) asked Commission to shift Storer's WSPD-TV, Toledo from Ch. 13 to Ch. 30 or 51, move Ch. 11 from Toledo to Detroit and give it to WBID—and award Ch. 30 or 51 to winner of 7-way fight for Ch. 11 in Toledo. Noting Storer's petition for deintermixture in Miami (Vol. 11:16), Woodward stated: "Petitioner respectfully herein alleges and adopts, by reference as hereinafter specified, the argument and supporting proof which is set forth in detail in the above-mentioned Storer petition."

WACH-TV, Newport News, Va. (Ch. 33) asked that area's Ch. 10 be given to educators, Ch. 21 to be made commercially available.

WLOK-TV, Lima, O. (Ch. 73) has notified FCC it closed down April 18 for conversion to Ch. 35. Owners George Hamilton & Robert W. Mack, who bought station from Pixley & Case families (Vol. 10:44,49), expected to get back on air April 24, using call letters WIMA-TV.

WTOV-TV, Norfolk (Ch. 27) plans to return to air during May as independent, reports new owner Hyattsville (Md.) used car dealer Temus Bright who recently acquired the property (Vol. 11:11).

WTWO, Bangor, Me. (Ch. 2) plans to open auxiliary studios in Waterville, linked to transmitter by microwave.

**N**O NEW STATIONS started this week—but one was all set to begin test pattern transmissions when FCC held it up by scheduling April 29 hearing into details of its ownership. WFRV-TV, Green Bay, Wis. (Ch. 5) had asked for STA to begin programming May 1 as ABC & DuMont outlet, but was delayed by hearing called at request of competitor WMBV-TV, Marinette, Wis. (Ch. 11) which protested merger of WFRV-TV with WNAM-TV, Neenah (Ch. 42), now off air (Vol. 11:9). Although WMBV-TV also asked hearing on WFRV-TV's change in studio location and extension of CP, FCC decided to review merger to determine if it involved "forbidden trafficking in permits" and also whether WFRV-TV had tried to "harass" Marinette outlet.

Shipments reported this week: By GE, 12-kw transmitter and components for increase to 23-kw transmitter power, 500-kw ERP, to KTVI, St. Louis (Ch. 36); by RCA, 25-kw transmitter to KFMB-TV, San Diego (Ch. 8). Standard Electronics reports order by WMAL-TV, Washington (Ch. 7) for 25-kw amplifier, along with conversion of present 5-kw transmitter from water to air-cooled, and Alford 3-bay antenna, amplifier due for June 1 delivery, antenna July 1. DuMont has order for 50-kw transmitter to be shipped about July 15 to WDBJ-TV, Roanoke, Va. (Ch. 7), planning fall start. GE reports an order by KTRE, Lufkin, Tex. (Ch. 9), due on air this summer, for 5-kw transmitter and 6-bay antenna; by KDKA-TV, Pittsburgh (Ch. 2) for 6-bay antenna to be delivered May 6; by WENS, Pittsburgh (Ch. 16) for 5-bay antenna, due next week.

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In our continuing survey of upcoming stations, these are latest reports from principals:

KCRA-TV, Sacramento, Cal. (Ch. 3), which got grant April 13, has Sept. 1 target, but hasn't yet ordered equipment or begun construction, reports pres.-gen. mgr. Ewing C. Kelly. Howard J. Smiley is being promoted from KCRA sales mgr. to TV station mgr. W. Herbert Hartman, will be chief engineer for TV-radio. Rep not chosen.

KRMA-TV, Denver (Ch. 6, educational), which got grant in July, 1953, hasn't set target yet, writes supt. of schools Kenneth E. Oberholtzer. Last year it ordered 5-kw GE transmitter with antenna & studio equipment, but problem of financing station developed. Now school board has voted to go ahead with station and it's renegotiating for equipment.

WJRT, Flint (Ch. 12) will start in summer, reports pres. John F. Patt, now that FCC has approved new transmitter site near Chesaning, Mich. He also states construction will proceed despite court appeal pushed by losing applicants Butterfield Theatres and Trebit Corp. (Bitner), turned down by FCC last week in their latest effort to block grant (Vol. 11:16). RCA 50-kw transmitter & 12-bay antenna are on hand. Emsco tower is due in about 45 days. WJRT has leased former WTAC-TV equipment, will be managed by A. Donovan Faust. Base rate will be "at least \$450." Rep will be Free & Peters.

WJDW, Boston (Ch. 44), is attempting to conclude negotiations for tower site, now hopes to be on air next fall, advises owner Los Angeles oilman and film producer J. D. Wrather Jr., also owner of 39% of KFMB-TV, San Diego and holder of 25% interest in application for Corpus Christi, Tex. Equipment is on order from RCA. Rep not chosen.

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Three Canadian TV grants recommended April 15 by CBC board of governors now go to Dominion Board of Transport for final approval. They are: Lethbridge (Alta.) TV Ltd. for Ch. 7; CFCY, Charlottetown, P.E.I., Ch. 13; CKNX, Wingham, Ont., Ch. 8.



**Color Trends & Briefs:** Evaluation of season's big color shows by their 9 sponsors varies markedly, *Advertising Age* learned in survey, results of which were published in April 18 issue. Sponsor-by-sponsor, here are the reactions:

Most disappointed was Raymond Spector, owner of both Hazel Bishop lipstick and its ad agency. Main complaint: "We expected them to be the best available TV shows," but network concentrated "too much on color and not enough on the show." He said shows cost him \$45,000 more each than they would have in black-&-white. "Color is academic at the moment," he concluded.

Earl Perrin, pres. of Sunbeam agency Perrin-Paus, was delighted, on the other hand, stating that color had a large share in selling 1,000,000 electric "Frypans" since their introduction year ago. He said that he has scrapbook full of critics' praise of bacon-&-eggs commercials and that sales staff showed lift from the sponsorship. Sunbeam has signed up for next fall's Sun. series of NBC-TV spectaculars.

Reynolds Metals isn't renewing next fall, but TV-radio ad director Jack Boyle says reason is "disappointment with the programs, not with color. What we'd hoped to get was something with a little more programming imagination—on the *Peter Pan* order."

RCA ad director R. H. Coffin gave favorable reaction, of course, because of company's great stake in color, though he did say: "We bought these shows primarily to benefit from the black-&-white circulation," with color impact on dealers and public a bonus. RCA is expected to remain with *Producers' Showcase*.

Ford considers money well spent, though it estimates color costs 40% more than black-&-white. With eye to future, Ford regards color as the "ultimate in advertising."

Oldsmobile spokesmen, on other hand, merely say: "We knew we were pioneering, and we still know it." It's reported that Oldsmobile will keep Sat. NBC-TV series.

Eastman Kodak had sad experience with color *Norby*, which never caught on, but it looks on color TV sponsorship as long-range investment for sale of film. Ad director W. B. Potter is convinced of color's future, saying: "Color adds immeasurably to the beauty, realism and product identification in commercials."

For Westinghouse, consumer products ad mgr. Laurence W. Scott feels that *Best of Broadway* series on CBS-TV has been effective and that color has been a bonus. He's convinced color is powerful medium where appetite, beauty and styling are concerned—but Westinghouse hasn't decided whether it will sponsor color this fall.

Chrysler will continue CBS-TV *Shower of Stars*, the ad journal reporting: "For one thing, its cars are currently 'selling like mad,' though the company doesn't pretend to know which part of its TV lineup the buying impulse is coming from. Another reason is quite special: Chrysler reportedly is not paying a premium for *Shower*, is getting it for the same price as for [black-&-white] *Climax*."

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Upcoming network color schedules: NBC-TV—April 25 & 26, *News Caravan*, films of A-bomb site and blast, 7:45-8 p.m.; May 2, *Producers' Showcase*, "Darkness at Noon," with Lee J. Cobb, David Wayne, Ruth Roman, Oscar Homolka & Joseph Wiseman, 8-9:30 p.m.; May 7, *Max Liebman Presents*, "Desert Song," with Salvatore Baccaloni, Otto Kruger, John Conte, Bambi Linn & Rod Alexander, 9-10:30 p.m. CBS-TV—May 4, *Best of Broadway*, "Broadway," with Joseph Cotten, Piper Laurie, Gene Nelson, Keenan Wynn, Martha Hyer & Akim Tamiroff, 10-11 p.m.; May 12, *Shower of Stars*, "High Pitch," with Marguerite Piazza, Tony Martin, Wm. Frawley & Vivian Vance, 8:30-9:30 p.m.

Four hours of color weekly, in addition to spectaculars, is NBC-TV's goal for this summer and fall, exec. v.p. Robert W. Sarnoff told affiliates meeting in New York this week. For this fall, he said, NBC hopes to have daily 5-6 p.m. children's show in color, along with "some key evening shows," segments of *Home* and 3-4 NCAA football games. He said NBC has more color facilities than all other networks combined and that planning is underway now for 1956-57.

First indoor color remote on West Coast—as distinguished from outdoor remotes and color studio originations—was scheduled for April 22 by KTLA, Los Angeles. Program was 1½-hour colorcast of "Las Floristas Head-dress Ball" from Cocoanut Grove, sponsored by Apple Valley Bldg. & Development Co. and Motorola.

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Practicing Law Institute, 20 Vesey St., N. Y., is currently conducting series of Thu. evening sessions on "Current Problems in Radio & Television," primarily treating with program, performer, tax & film aspects. David M. Solinger, Solinger & Gordon, is chairman & moderator; speakers include John P. Allison; Robert Anthoine, associate prof., Columbia Law School; Robert J. Burton, v.p. & resident counsel, BMI; Robert A. Dreyer, Gale & Falk, counsel for DuMont; George A. Elber, Davis & Gilbert; Michael Halperin, Wilzin & Halperin, attorneys for William Morris Agency; W. Spencer Harrison, v.p. in charge of legal & business affairs, CBS; Howard L. Hausman, William Morris Agency; Henry Jaffe, Jaffe & Jaffe, counsel for AFTRA; Jack L. Katz, counsel, General Artists Corp.; Theodore R. Kupferman, v.p. & gen. attorney, Cinerama Productions Corp.; Seymour S. Mintz, Hogan & Hartson, Washington; Benjamin D. Raub, senior attorney, NBC; James R. Schule, Tompkins, Boal & Tompkins, BBDO counsel; Charles B. Seton, Socolow, Stein & Seton; Leonard H. Steibel, Smith & Steibel; Martin Stone, merchandising consultant, ex-secy. to Judge Irving Lehman.

Facts about closed-circuit TV, as outlined by Theatre Network TV pres. Nathan L. Halpern Apr. 20 at Chicago SMPTE convention: More than 4,000,000 persons have viewed closed-circuit TV, and public has spent more than \$5,000,000 to see theatre TV. Company sponsors have spent more than \$6,000,000 on closed-circuit TV business

meetings. TNT this month will present its 82nd large-screen closed-circuit telecast (latest use was at Apr. 19 GE stockholders' meeting). Largest theatre-TV picture is 47x65 ft., exhibited at drive-in theatres with mobile equipment "with sufficient light and clarity for audience enjoyment." Halpern said technical problems of big-screen TV differ from those of home TV, and urged SMPTE to help closed-circuit industry to "establish proper standards." He strongly backed "network concept"—one firm handling complete facilities, production and service—to provide "stabilization" of closed-circuit medium.

New rate of payment for community antenna service is offered by Walla Walla's Blue Mountains TV Cable Corp. to potential subscribers who want service on temporary basis—fearing they may have to move or desiring to give system a trial. Instead of paying conventional installation charge and monthly fee (about \$135 & \$3.75, respectively), they pay straight \$7 monthly as long as they wish—converting to permanent basis any time and paying for connection on installment plan.

National Community TV Assn. membership totals 178—an increase of 85 during last year, 35 since Jan. 1—according to exec. secy.-gen. counsel E. Stratford Smith. He estimates there are now 375 systems with 100 or more connections each, plus 200-300 serving less than 100. Currently, heaviest rate of growth is in South and Pacific Northwest.



**TRENDS IN THE NEW MODELS DUE AT MIDYEAR:** Greater use of the vertical chassis, more extensive use of printed circuits, prices at or about present levels -- these are the outstanding facts about the new TV lines to be introduced in June-July. Though manufacturers contacted this week were understandably reluctant to be specific two months in advance of marts and distributor meetings, they were, with few exceptions, generally agreed on the basic trends. There will also be usual new cabinet styling and of course various new gimmicks, including clock timers (Vol. 11:13).

New lines are being shaped with eye to second-set market, whose big potential was underscored by American Research Bureau's survey showing only 3.7% of all TV homes, or 1,300,000 out of total of 35,000,000, had 2 or more sets as of Jan. 1955 (Vol. 11:16). Set makers generally felt this would tend to keep prices at present low levels. Significant exception to this view is Motorola v.p. Ed Taylor, who said:

"A second set doesn't have to be a very cheap job, you know. A lot of folks who now have 17-in. sets could very well buy a high-end 21-in. or even a 24-in. as a second set, putting the 17 in the bedroom, children's room or den. I don't think we've had enough experience with the second set to know what size it represents."

Spokesman for color-conscious RCA, whose lines are watched closely for possible industry-wide trends, said prices of black-&-white sets can't logically be raised now by industry-at-large, considering current state of color development. He clings to view that consumers, as in the days of color's big publicity splashes last year, are once again unwilling to sink a lot of money into a monochrome set.

"Any manufacturer who can sweat out this interim period until color comes through will do all right," he said. "It will mean continuing low profits -- but if he tries to raise prices now, he'll price himself right out of the market."

RCA is going all-out for color, with its new 21-in. tube, and makes no bones about its intention to be biggest customer of its own Lancaster color tube plant's 30,000-per-month capacity if others don't buy. It's expected to announce lower price on its new 28-tube color set in week or so (Vol. 11:15). For news about other manufacturers and their plans for color, see p. 13.

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Trend to vertical chassis sets, holding out lure of more compact cabinets, has been evident for year, of course, and you can expect to see it accelerated with new lines. Such vertical chassis producers as Admiral, Crosley, Raytheon and others have been very pleased with them and can be expected to include more of them in new lines. An exception, however, is Emerson, which will continue all-horizontal line.

Status of 24-in. set in current low-end market, and where it will fit into new lines, is source of lively speculation in trade. Many manufacturers and distributors have privately expressed some unhappiness about sales of 24-in. sets, even at bargain prices. RCA has discontinued production of 24-in. sets this quarter, but spokesman emphasized it was pleased with their sales performance, and had originally planned to halt output at end of first quarter in view of seasonal trend to lower-priced merchandise. RCA will have 24s in new line. Emerson's Ben Abrams says he's pleased as punch with his 24-in. sets retailing at \$250 for table model, \$330 for console; they account for 15% of his production & sales currently, and he plans to expand 24-in. offerings in new line.

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TV trade no less than other industries is encouraged in its planning by some very bullish currents in nation's economy -- strengthening convictions that things should go very well for consumers' market rest of year. For example:

Annual gross national production rate (output of goods & services) is up from \$362 billion at end of 1954 to \$370 billion in March; personal income up from 1954's



low point of \$283.4 billion to \$292 billion rate in March, a new high; employment up 400,000 in March over year ago, unemployment down 548,000; new plant & equipment spending on increase, reversing 2-year downtrend.

Authoritative United Business Service offers these predictions for remainder of 1955: (1) Expansion in business activity will continue throughout first half of year. (2) The slowdown this summer -- stemming from auto industry, labor trouble, normal seasonal factors -- will be moderate. (3) Industrial expansion will get under way again next fall and be well maintained during the fourth quarter.

Unfavorable factors cannot be overlooked, notably demands of labor unions for guaranteed annual wage and increase in consumer indebtedness. But taken by & large, there's much support for observation of N.Y. Herald Tribune Syndicate's Washington columnist Roscoe Drummond that "a new period of growth and stability is at hand."

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TV production totaled 146,472 week ended April 15, compared to 150,453 units in preceding week and 163,746 in week ended April 1. It was year's 15th week and brought output for year to date to 2,400,000 vs. 1,750,000 same 1954 period.

Radio production totaled 273,639 (145,520 auto), compared to 275,849 in week ended April 8 and 287,740 week before. For 15 weeks output was 4,250,000, compared to approximately 2,950,000 in corresponding period year ago.

**Topics & Trends of TV Trade:** Admiral sticks by its advertising claims, insists they're perfectly legal and proper, in answer this week to Federal Trade Commission's complaint of April 1 (No. 6319) charging misrepresentation in its national ads (Vol. 11:14). Though it maintains claim is correct, Admiral said it no longer advertises that its "giant 21-in picture tubes" provide 20% more screen area than other 21-in. sets—the single specific objection cited in FTC complaint.

Edward F. Downs, attorney representing FTC in complaint, said "we feel confident we can sustain our case." Hearing has been set for May 17 in Chicago before FTC examiner James A. Purcell. Downs said he will decide next week, after studying Admiral's brief answer more fully, whether to request a postponement on the basis of its contents.

Admiral reply states its "giant 21-in. picture tube" does indeed provide 20% more screen area than many TV receivers made by its competitors and other 21-in. sets made by itself. It denies FTC's contention that as result of such ads trade has been "unfairly diverted" to Admiral from its competitors. It further declares that the complaint fails to state specifically any "unfair and deceptive acts and practices and unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act." Reply was signed by Admiral counsel Pope & Ballard, 120 S. La Salle St., Chicago.

[Note: An FTC complaint is not in itself a punitive action. It is merely a preliminary step to determine if prosecution is warranted. In the past, many such complaints have ended with filing of consent judgment in which the company, without admitting guilt, promises to halt the alleged practices in future.]

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The Nebraska Farmer, published in Lincoln, Neb., surveying 1955 buying plans, reports that 11.9% of 843 responding farm families stated they would buy TV sets this year which, projected, indicates 11,878 units. Radios will be bought by 3%, record players by 1.7%.

Canadian RTMA holds 26th annual general meeting at Sheraton Brock Hotel, Niagara Falls, Ont., June 2-3. Committees meet first day, board & special panels final day.

National Electronic Distributors Assn. moves headquarters to 4704 W. Irving Park Road, Chicago (phone Avenue 3-6445).

Crosley's offer of money-back guarantee to N. Y. area customers if its "Custom V" 21-in. receiver does not "out-perform" all other TV sets (Vol. 11:13) has proven so successful that only 2 sets have been returned to dealers since offer began March 20, said Crosley distributor Gerald O. Kaye. He declared that 70 additional dealers have taken on Crosley TV line since start of heavily-promoted offer, which he said will be extended indefinitely. No conflict with N. Y. Better Business Bureau regulations against "out-performance" ads was seen by Kaye, who is a director of the local BBB.

TV shipments to dealers totaled 1,278,250 in first 2 months of 1955, compared to 1,073,000 in corresponding period year ago, reports RETMA in state-by-state tabulation (county-by-county breakdown available from RETMA to members on request). New York led in shipments, with 113,068; California second, 86,776; Pennsylvania, 81,376. Feb. shipments were 640,771, compared to 637,479 in Jan. and 460,378 in Feb. 1954.

Stromberg-Carlson adds these new models at distributor meetings this week: Cremona, 21-in. mahogany console \$260, bleached mahogany \$270; Milano, 21-in. open-face mahogany console \$320, bleached mahogany \$330, walnut \$350; Regency, 21-in. full-door mahogany console \$460, bleached mahogany & cherry \$470. Marlite tops are \$10 extra on Cremona, \$20 on Milano.

Bill striking at "bait" ads on TV was signed this week by Gov. Harriman, making it misdemeanor in State of N. Y. for advertisers to misrepresent merchandise on TV. Violators can be fined up to \$500, jailed for year, or both, for giving false statements when arranging for TV advertising. It provides no penalties for station personnel unless they know in advance of fraud.

Canadian RTMA has been rebuffed in its fight to eliminate or reduce the 15% excise tax on TV-radio sets & parts, which finances CBC's TV operations. Finance Minister Harris, by including tax in his budget, assured its continuance for at least another year.

Another excise tax bill (HR-5694), which would reduce tax on all manufactured products to 5%, has been introduced by Rep. Mason (R-Ia.) and referred to Ways & Means Committee.

Hallicrafters is now manufacturing TV receivers for Sears Roebuck's "Silvertone" line, supplemental to Sears' main supply from Warwick and Pacific Mercury.



**C**OLOR PRODUCTION plans of manufacturers vary as much as ever — because of uncertain public demand — but some producers have agreed with RCA that only possibility of breaking deadlock is to take gamble of going into production (Vol. 11:16).

One major industry figure, contacted in Chicago by RCA this week in its efforts to enlist others in manufacture and promotion of color sets, told us: "Even if we have to lose money at the outset, I think the new price should be \$695 at the very top. The new 28-tube RCA chassis, which really is 26 tubes plus rectifier and picture tube, makes a good set and, whether it's temporary or the ultimate thing, the RCA 21-in. picture tube works very nicely. My own feeling is that Sylvania and CBS have got to come to it, for there must be uniformity of tubes as well as uniformity of action in the job of putting over color."

One of the lesser manufacturers is understood to have told RCA: "If you will furnish us the components so that we can assemble a set to sell for \$500, we know we can get color off the ground."

CBS pres. Frank Stanton, speaking at stockholders meeting in New York this week, said he was disappointed with color's progress, predicted it would be 5-10 years before color was as prevalent as black-&-white. He doubted industry would produce 200,000 color sets this year—as predicted by some. CBS-Hytron is holding off mass production of 22-in. rectangular all-glass tube until there's clear demand from customers, he said.

Latest to make substantial commitment to color is Hoffman Radio, which this week announced first shipments of 21-in. sets using RCA tube, with 24 receiving

tubes and 4 rectifiers, retailing for \$895. Sales mgr. Walter L. Stickel said plans call for "substantial" production—reportedly 5000 this year. Restricting shipments to those distributors with color-trained servicemen, Hoffman is delivering to Oklahoma City, Seattle, San Jose, Minneapolis, San Diego, Los Angeles, San Francisco, Davenport, Phoenix.

Stromberg-Carlson announced it would be in "full-scale" production of 21-in. sets in June or July, a spokesman stating: "We definitely will be in a competitive position" with regard other color set producers.

Among others planning to bring out color sets this summer are: Emerson, aiming at \$700-\$750 price for 21-in.; Hallicrafters, Magnavox and Sentinel, planning to show 21-in. in July. Admiral has modest 21-in. production, will keep it going, tuned to demand. CBS-Columbia and Westinghouse are planning on 22-in. rectangular tube, don't know when production will begin—though latter has said it's aiming for fall. Packard-Bell has target of \$695 set in Aug.-Sept.; Sylvania & Zenith are uncommitted.

Philco is still quiet about color plans, reports it's still working on one-gun tube. Regarding the tube, we apparently erred last week in assuming that RCA's Harry Seelen was referring to Philco development when he spoke of "sensing" tubes that required photoelectric devices and servomechanisms (Vol. 11:16). "The facts are," Philco spokesman said, "that the Philco color TV receiver, as it exists today in the laboratories, employs neither photoelectric devices nor servomechanisms. On the contrary, the chassis for the Philco color receiver is about 20% lighter than the chassis for a 3-gun tube type receiver of approximately the same picture area."

**Trade Personals:** David H. Cogan, onetime pres. of CBS-Columbia, elected chairman of Victoreen Instrument Co., Cleveland (parts), succeeding Bruce A. Coffin, who continues as director; Raymond F. Shima elected v.p.-treas., succeeded as secy. by Richard T. Brown; C. W. Haller re-elected pres. . . . Dan Packard, veteran of 30 years in major appliance industry, serving last 3 years as gen. sales mgr. of Kelvinator, joins McCann-Erickson May 10 as v.p. & senior marketing exec. . . . Paul M. Kuefler, ex-American Microphone Co., Pasadena, named gen. mgr. of Cornell-Dubilier's west coast div., headquartering at new plant-lab at 4144 Ocean Park Ave., Los Angeles, opened April 20 as part of ceremonies celebrating company's 45th anniversary . . . C. G. (Rip) Mayer, London representative of RCA, has been transferred to gen. managership of Laboratories RCA Ltd., 169 Hardturmstrasse, Zurich 5, Switzerland; his asst. Dr. H. R. L. Lamont is in charge in London . . . Grant Gardner, Wells-Gardner sales v.p., elected a director, replacing Herbert A. Johanson, resigned . . . Kenneth R. Johnson, Packard-Bell gen. sales mgr., elected a v.p. . . . Earl L. Hadley, ex-Westinghouse TV-radio div. & Bendix Radio, named adv. director of Necchi Sewing Machine Sales Corp., N. Y. . . . Albert G. Shafer promoted to v.p. in charge of western div., Radio Condenser Co.; John W. Crowfoot elevated to mgr. of special apparatus div. . . . N. L. (Nibs) Jochem appointed Gates Radio engineering director . . . E. C. Slaughenaupt promoted to manufacturing v.p., Kenneth E. Phillips to v.p. & purchasing director of Muter subsidiary Rola Co., Cleveland . . . Paul F. Dixon promoted to national sales mgr., Peter H. Whelen to adv. & sales promotion mgr., Motorola Canada Ltd. . . . Martin Sheridan, Admiral director of public relations, speaks on "Automation in TV" to Navy Supply Officers' Club, Great Lakes, Ill., April 27 . . . Richard W. Mitchell resigns as v.p. of I.D.E.A. Inc. (Regency products), will continue as a director . . . Robert Dressler, Howard R. Patterson & A. Crawford Cooley elected v.p.'s of Chromatic TV Labs.

**DISTRIBUTOR NOTES:** Motorola appoints Arizona Distributors Co., 1891 W. Roosevelt Road, Phoenix (Wm. Sipprell, pres.), replacing Arizona Wholesale Supply Co. . . . Raytheon appoints Radio Distributing Co., 432 S. Carroll St., South Bend . . . Olympic Radio appoints Progressive Appliance Distributors Inc., 1192 E. 40th St., Cleveland, replacing Milmar Inc. . . . Bendix Radio appoints Huron Electric Supply Co., Buffalo . . . RCA Victor Distributing Corp. promotes J. P. Mallon to operating mgr. of Detroit branch, succeeding G. D. Mitchell, now asst. to secy.-treas. of Chicago branch . . . Emerson Radio of Ohio Inc., Cleveland, moves to 4300 Euclid Ave. . . . Capehart-Farnsworth appoints Buckeye Electronic Distributors Inc., 242 E. Long St., Columbus, O. (Al Siegel, pres.). . . . DuMont appoints Uptown Radio Co., Detroit (Milton Kevreson, owner).

RCA Victor reports dollar volume of its 33 $\frac{1}{3}$  & 45rpm records increased 30% in first quarter over first 3 months of 1954, chiefly as result of industry-wide price slashes of up to more than 30% at start of year (Vol. 11:1-2). Reporting on nationwide survey, Emanuel Sacks, v.p.-gen. mgr. of record div., said: "We are convinced that the simplified pricing structure which we pioneered is proving to be the salvation of dealers throughout the country." In addition to price reductions, Sacks attributed sales increase to improvement in quality of recordings and phonograph reproducing equipment, and public's "enthusiastic acceptance" of high fidelity.

Annual "guesstimates" of Canadian TV manufacturers on 1955 TV sales, in informal poll conducted by Canadian RTMA, revealed average of 613,300, estimates ranging from low of 475,000 to high of 730,000. Average estimate also was for 3000 color sets to be sold this year. Average production "guesstimate" was 892,560, compared to actual output of 593,856 in 1954.

A. Cameron Ball promoted to gen. mgr. of Western Merchandise Mart, San Francisco, succeeding Frank K. Runyan, retired.



**Financial & Trade Notes:** American Broadcasting-Paramount Theatres improved its earnings position considerably during first 1955 quarter, with theatre business continuing upward and telecasting-broadcasting operations now showing results of improved programming, according to letter to stockholders this week from pres. Leonard H. Goldenson. ABC div. operating earnings, while not stated, are said to be running well ahead of last year, though that division showed loss in 1954 due to higher TV and programming costs (Vol. 11:14).

Net profit from operations during first quarter was \$1,917,000, or 45¢ per share on 3,977,096 shares outstanding; \$33,000 additional came from net capital gains. In same 1954 period, net operating profit was \$1,039,000, or 23¢ on 3,967,511 shares; capital gains were \$77,000. Up to April 8 this year, company has purchased 7500 shares of its preferred stock at average of \$20.27 in line with policy of purchasing its preferred stock in the open market to apply against its annual sinking fund requirement of 24,322 shares of preferred. In 1953, it purchased and re-tired 74,422 shares of preferred.

Proxy statement for May 17 shareholders meeting discloses board has nominated v.p. Sidney M. Markley as director to fill vacancy created by death of Herbert J. Schwartz, pres. of City Stores Co. It also disclosed these officer-director compensations for 1954 (common stockholdings in parentheses): John Balaban, pres. of subsidiary Balaban & Katz Corp., \$139,400 (holds no shares); A. H. Blank, pres. of Tri-States Theatre Corp., \$58,106 (2587 shares); Leonard H. Goldenson, pres., \$181,429 (2450); Walter W. Gross, v.p. & gen. counsel, \$57,143 (100); Robert H. Hinckley, v.p., \$50,000 (none); Robert E. Kintner, v.p. & pres. of ABC div., \$77,500 (3000); Robert H. O'Brien, financial v.p. & secy., \$54,643 (100); Robert B. Wilby, pres. of subsidiary Wilby-Kincey Service Corp., \$41,058 (1018). Messrs. Balaban, Goldenson, Gross, Markley and O'Brien also hold options on 7500, 75,000, 12,500, 5000 & 12,500 shares of common stock, respectively.

Common stockholdings of other officer-directors: Earl E. Anderson, v.p. ABC div., 1974 (also trustee of Edward John Noble Foundation, owning 12,640 shares of preferred & 337,304 shares common; Charles T. Fisher Jr., pres., National Bank of Detroit, 500; Robert L. Huffines Jr., pres., Textron American Inc., 1000; Wm. T. Kilborn, pres., Flannery Mfg. Co., Pittsburgh, 200; Walter P. Marshall, pres., Western Union, 200; Edward J. Noble, owns 8949 common & 324,601 preferred (also trustee of Edward John Noble Foundation, owning 12,640 shares preferred and 337,304 common); Owen D. Young, 1500,

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Cornell-Dubilier sales in quarter ended March 31 approximated the \$9,950,000 volume of the quarter ended last Dec. 31, though earnings probably were lower because of increased competition, said pres. Octave Blake at ceremonies marking this week's opening of new plant in Los Angeles, firm's 15th. Sales for current fiscal year ending Sept. 30, he said, will probably equal the \$37,149,778 volume of preceding fiscal year, when earnings were \$1,729,640 (\$3.25 a share).

CBS Inc. 3-for-1 stock split was approved at annual stockholders meeting April 20, along with increase to 12,000,000 in total that may be issued. On basis of present shares, 4,023,669 of Class A and 3,302,340 of Class B will be outstanding after split expected to be effected April 29. Stockholders will retain old certificates, receive 2 additional shares for each held.

Muter Co. reports first quarter sales of \$3,162,693, net profit of \$101,687 (14¢ on 721,450 shares), compared with \$3,187,626 and \$111,173 (16¢ on 694,783) for same 1954 period.

**GROSS TELECASTING** Inc., licensee of WJIM-TV, Lansing, Mich. (Ch. 6) and radio WJIM (250 watts, 1240 kc, NBC & ABC), day after FCC by 5-2 vote assented to transfer of corporate control April 21, placed 193,000 shares of its \$1 par common stock on market at \$15.75. Paine, Weber, Jackson & Curtis headed underwriters group that included Hornblower & Weeks, Merrill Lynch, Pierce, Fenner & Beane and Reynolds & Co.

It's first instance of a single TV-radio property offering its stock to public along lines of Storer and Bitner groups. Chief owner Harold Gross and family will continue to hold approximately 51% interest, public to own about 48%.

In dissent, Comrs. Hennock & Bartley suggested hearing, calling it "a departure from sound broadcast licensing policy" because "the essential 'asset' here involved, the frequencies on which it operates, does not belong to the licensee (see Section 304) but is merely a permit involving a maximum 3-year term subject to renewal." Joint dissent added: "I am concerned lest the rights of unknown minority stockholders interfere with the prime responsibility of the licensee to render a public service, as contrasted with the officers' responsibility to public stockholders unfamiliar with the obligations of a broadcast licensee."

For SEC registration data, including revenue, profit & asset reports, see Vol. 11:13, p. 3.

Electronics Investment Corp., Bank of America Bldg., San Diego, Cal., designed as an open-end mutual investment fund along lines of Television-Electronics Fund, has filed SEC registration statement and issued preliminary prospectus covering 2,000,000 shares of \$1 par capital stock to be offered at \$5 per share through William R. Staats & Co., Los Angeles. Stressing investment in the "electronic age," statement indicates at least 66% of portfolio will be in securities of electronics companies, but no investment shall be made for purpose of exercising control or management. Project is headed by Charles E. Salik, youthful ex-broadcaster who sold his San Diego radio station for \$250,000 last year, and obtained about \$575,000 for his option on one-third of KFSD-TV, San Diego when it was purchased with radio KFSD last year for \$3,200,000 by Fox, Wells & Co. (Vol. 10:31, 42). He's a director in his father's Texas & N. Y. textile firms, Esskay Mfg. Co. & Westway Mfg. Co. John P. Chase, head of Boston investment advisory firm bearing his name and director of various banking & industrial enterprises, has been retained as investment adviser and is a director. Washington counsel, also a director, is Bernard Koteen, of Koteen & Burt. Other officers & directors are Richard T. Silberman, v.p., who is pres.-gen. mgr. of Kay Lab, San Diego (electronics mfr.) and who formerly was in electronics dept. of Convair div., General Dynamics Corp.; William J. Ivans Jr., director, of LaMesa, Cal., now chief electronics engineer, Convair; Byron F. White, secy.-treas., San Diego attorney. Technical advisory board consists of Dr. Charles Stark Draper, director of MIT Instrumentation lab; Henry P. Kalmus, chief of electronic research & development, Diamond Ordnance Fuze Lab, Dept. of the Army, a onetime Zenith Radio physicist; Dr. Joseph M. Pettit, professor of electrical engineering, Stanford U and ex-supervising engineer, Airborne Instruments Laboratory Inc.

P. R. Mallory & Co. earned \$606,792 (85¢ per share) on sales of \$16,264,164 in first quarter of 1955, compared to \$390,998 (50¢) on \$14,664,955 in same 1954 period.

Eitel-McCullough Inc. reports 1954 net income of \$622,761, or 83¢ per share on 748,546 shares outstanding, vs. 1953 net of 596,871, or 88¢ on 680,497 shares.

Skiatron Electronics & Television Corp. has been approved for listing on the American Stock Exchange.



**Electronics Reports:** Texas millionaire Clint Murchison's unhesitating endorsement of electronics as a career for his own youngsters, when interviewed by Ed Murrow on *Person to Person* March 25 (Vol. 11:13), took concrete form this week when it was disclosed that Murchison-backed Easy Washing Machine Corp., Syracuse, has put up \$2,000,000 capital for expansion of National Co., Malden, Mass., makers of communications receivers, electronic components, etc. Also in deal are Sid W. Richardson and Perry R. Bass, Ft. Worth financiers.

Ten-year debentures convertible to common will be issued by National in amount of \$1,100,000, addition to which it will have access to a 5-year revolving credit fund of \$900,000. Said Easy pres. W. Homer Reeve:

"Electronics continues to be an increasingly important factor in the home appliance industry in the development of new features and products as well as in the manufacturing process of these products. Therefore, we consider it advantageous for our company to be 'in on the ground floor' for potential new developments resulting from National's extensive engineering and research activities."

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Reflecting industry's concern over wide-scale excursions of aircraft manufacturers into electronics business (Vol. 11:7), Hoffman Electronics pres. H. Leslie Hoffman told Los Angeles meeting of Radio Technical Commission for Aeronautics that electronics industry is not working at full capacity and can take on considerably more military work than it is now doing. "Frankly we are puzzled," he added, "as to why some of our friends in the aviation business feel it is necessary to continually expand their electronics activities when the services, facilities and personnel are available for many of these functions within the already existing industry."

Officers of Datamatic Corp., newly formed Waltham, Mass. data processing systems firm jointly owned by Raytheon and Minneapolis-Honeywell (Vol. 11:16): Minneapolis-Honeywell v.p. John J. Wilson, pres.; M-H asst. to pres. Walter W. Finke, v.p. & gen. mgr.; Raytheon asst. v.p.-equipment engineering director J. Ernest Smith, v.p.; Raytheon senior v.p.-treas. David T. Schultz, treas. Other directors are Paul B. Wishart & Charles F. Adams Jr., presidents of M-H & Raytheon, and M-H exec. v.p. Alfred M. Wilson.

To relieve serious shortage of engineers, nationwide engineers' training program is being explored by group representing universities, unions, management, TV & motion picture industries. This was disclosed by pres. John G. Frayne of SMPTE in closing convention address April 22. Expressing concern that Russia is now graduating 43,000 engineers a year vs. the U.S.'s 20,000, he said group held first meeting last week on west coast, plans to analyze findings and make recommendations soon.

Protection of radio-astronomy frequencies is envisioned by FCC in Public Notice 55-483 issued Apr. 21 seeking information to determine whether rule-making is necessary. Directed to organizations engaged in radio-astronomy, it asks locations of existing & planned observatories and laboratories, essential & desirable frequencies, schedule of observations, data on amount of interference permissible, etc.

Elgin National Watch Co. this week announced purchase of Advance Electric & Relay Co., Burbank, Cal., and said the acquisition makes Elgin one of nation's largest makers of high precision electrical relay switches.

Sperry electronic tube div. has completed new \$900,000 plant in Gainesville, Ala., is now installing equipment, according to Joseph C. Brenner, works mgr.

Electronic trouble-shooting techniques are applied to automotive ills by new "engine analyzer" developed by Socony-Vacuum Oil Co. and made available this week for general use by Allen B. DuMont Labs, which will manufacture and sell it under licensing agreement. The 60-lb. portable instrument contains oscilloscope, can be operated on 110-v. or auto battery power. It can diagnose auto ignition faults in less than one minute, will also locate pre-ignition faults and gives simultaneous pictures of behavior of each cylinder in an operating engine. Picture patterns depicting 65 engine ailments have been identified on analyzer's screen.

"Electronics for Automation and Automation for Electronics" will be subject of RETMA symposium Sept. 26-27 at U of Pennsylvania. Subjects of 5 sessions planned and their chairmen: Mechanization of high volume assembly, J. Harrington Jr., United Shoe Machinery Corp.; data sensing, processing & utilization, D. A. Griffin, automation consultant; future of automation (panel discussion), Dr. W. R. G. Baker, GE; automation for low volume production, D. Cottle, GE; redesign for automation of components & products, W. Hannahs, Automatic Production Research.

Anticipating "rapid growth of color TV," GE this week announced it will build \$6,400,000 plant at Irmo, near Columbia, S. C., to produce aluminum electrolytic capacitors. Located on 135-acre site, plant will provide 90,000 sq. ft. of production area in 2 manufacturing buildings, and an additional 15,000 sq. ft. of office space. Plant eventually will employ 700, with limited production due to start early in 1956.

Movies still lead TV in color superiority because of better control and standardized processes, according to Donald G. Fink, Philco director of research for TV-radio-appliances. Addressing SMPTE convention in Chicago this week, he said it's up to TV engineers to narrow the gap. As for TV market generally, Fink hoped that industry would emulate auto producers—upgrading performance and upgrading price, if necessary.

Indiana Steel Products Co.'s contract to purchase Ferroxcube Corp. of America (Vol. 11:13) has been "terminated," and Ferroxcube will continue to be owned and operated jointly by Sprague Electric Co. and Philips Industries Inc. (Philips of Holland).

Walsco Electronics Corp., 3602 Crenshaw Blvd., Los Angeles (TV antennas & chassis) has been purchased by TelAutograph Corp., N. Y., which produces and leases system for transmission of handwritten messages by wire. Walsco becomes a div., Walter L. Schott continuing as pres.



Multiplexing equipment, to be used under new FM functional music rules (Vol. 11:13), will be available from Gates Radio within 90 days, according to National Musitime Corp., which plans to offer stations tapes carrying 8 hours of instrumental music. Company is subsidiary of Audio-Video Products, 730 Fifth Ave., N. Y., is working with Lang-Worth which will continue to service AM stations.

Experiment in commercial TV in Morocco has failed, as French Govt. prepares to buy out privately owned station in Casablanca, which lost average of \$57,000 a month in first year. Compagnie Marocaine de Radio-Television (TELMA), partly financed by American private capital, will be sold to Radiodiffusion-Television Francaise for a reported \$2,285,000. Station will remain on air.

Technical description of large-screen projection color is presented by RCA's Louis L. Evans & R. V. Little Jr. (latter now Remington Rand) in April *Journal of the SMPTE*.



**S** MALL-MARKET STATIONS will have access to more top network programs as result of 2 developments announced April 22:

(1) CBS disclosed new "Extended Program Service plan" to make available, on sustaining basis, 20-30 CBS commercial programs to affiliates in markets where stations are unordered by sponsors. Plan begins experimentally May 23, is similar to NBC's "Program Service Plan," whereby unordered affiliates are permitted to carry certain NBC-TV shows and to substitute locally-sold commercials for deleted network commercials (Vol. 11:15).

(2) NBC exec. v.p. Robert W. Sarnoff told affiliates meeting that network is working on plans to let unordered optional affiliates use kines of network shows, after their regular run, for sale to local sponsors. Stations would pay small handling charge. This would be in addition to the live Program Service Plan shows now available to interconnected stations. This live lineup was increased this week to 22¾ hours weekly with addition of *Ding Dong School* and *News Caravan* to roster of shows offered non-commercially to unordered affiliates—which already includes *George Gobel*, *Sid Caesar*, *Today*, *Home*, *Tonight*, etc.

CBS-TV pres. J. L. Van Volkenburg said that, though Extended Program Service shows would be offered at first on sustaining basis only, "studies are under way in order to make some network programs available on a cooperative basis to stations not ordered by advertisers." This would permit these stations to sell time during these network programs, as is now the practice under NBC's Program Service Plan. Van Volkenburg said programs would be added to list as rights are obtained. Participation will be limited to stations in areas where there is "no significant overlapping circulation" with stations already carrying same programs on commercial basis.

By bare 4-3 vote, FCC voted license renewal of radio WOL, Washington, over dissents of Comrs. Lee, Doerfer & Hennock, who charged station with "over-commercialization" and carrying "bait-&-switch" pitches. Comr. Lee's blunt dissenting statement, in which other 2 concurred, noted: "Because some of the others are guilty of the same practice, it is urged here that we should not single out this particular station. But the short answer to that is that we should firmly exercise our jurisdiction as the cases come before us." Lee called attention to offers of \$14.95 vacuum cleaners, followed by attempts to switch customers to \$125 units. "It is claimed that there has been an improvement at WOL," he stated. "If so, the improvement has been negligible." WOL pres. Henry Rau, former pres. of Fly & Harwood Appliance, Memphis, stated that station is member of Better Business Bureau, carries no commercials unacceptable to BBB. "We do not feel we are over-commercialized," he said. "Perhaps the best answer we can give is that according to the Pulse audience measurement survey, the audience of WOL in the Washington area has increased by approximately 50% since we took over in the middle of Nov., 1953."

Two applications were filed with FCC this week—both for outlets in U. S. territories: For Ch. 12 at Mt. Haleakala, Maui, Hawaii—same location as Ch. 3 satellite which went on air last week (Vol. 11:16)—by KVMI, Maui, which plans to rebroadcast programs of KONA-TV, Honolulu; for Caguas, Puerto Rico, Ch. 11, by WKVM, San Juan. Commission now has 159 applications on file (16 uhf). [For details, see *TV Addenda 20-O* herewith; for complete listings of all grants, new stations, applications, etc., see *TV Factbook No. 20* with Addenda to date.]

Licensed TV receivers in Britain totaled 4,407,393 March 1, increase of 99,621 during Feb.

NBC-TV affiliates convention in N. Y. April 21-22, in addition to getting fill-in on color plans and extension of option affiliates' program plans (see adjoining column & p. 10), heard report from Richard A. R. Pinkham, v.p. in charge of network programs, that evening time this summer is virtually sold out, that 250 individual advertisers are expected to use network this year, and that this fall will see continuation of trend to 90-min. & hour programs. He also noted "upsurge of interest in daytime programming," as indicated by recent sales on *World of Mr. Sweeney*, *Modern Romances* & *Tennessee Ernie*. Pres. Sylvester L. Weaver Jr. said that each NBC-TV program will stress "informational content." He added: "We must aim up, not down. This means use of plot that reflects credit on the human side instead of discredit, that brings awe and wonder and excitement and exhilaration to someone because of the solution of a human problem by a human being in a predicament." At conclusion of meeting, affiliates adopted this resolution: "NBC-TV affiliates hereby express their renewed confidence in NBC's sales and program policies and unanimously feel that the accomplishments in sales and programming concepts, as expressed by the summer and fall schedules will materially increase NBC's leadership as the No. 1 advertising medium." Elected officers and members of affiliates exec. committee: chairman, Walter J. Damm, WTMJ-TV, Milwaukee, re-elected; vice-chairman, Clair McCollough, WGAL-TV, Lancaster; secy.-treas., Wm. Fay, WHAM-TV, Rochester; Jack Harris, KPRC-TV, Houston; Robert Hanna, WRGB, Schenectady; W. W. Warren, KOMO-TV, Seattle; Fred Mueller, WEEK-TV, Peoria; James Moore, WSLs-TV, Roanoke; Robert Lemon, WTTV, Bloomington, Ind.

NBC-TV severs affiliation with WTVR, Richmond (Ch. 6) as of June 1, and this week reported it has signed affiliation with upcoming WXEX, Petersburg, Va. (Ch. 8), controlled by Tom Tinsley, who operates radio WLEE in Richmond and WITH, Baltimore. Bad news for pre-freeze Wilbur Havens station, which has had all 4 networks in one-station area but became NBC exclusive in Dec. (Vol. 10:50), came on eve of April 22 celebration of its 7th anniversary as "first TV station in the South." Havens' radio WMBG, while an NBC affiliate, has not renewed affiliation contract and presumably AM will also go to Tinsley. TV station originally was assigned WVAA call letters but is changing to WXEX. Tinsley got grant in competition with Louis Peterson's WSSV, Petersburg, and station is now under construction despite Peterson's pending appeal to courts.

FCC chief examiner James Cunningham was granted important new powers this week when Commission amended Part O of rules to authorize him to: (1) Assign examiners to specific cases. (2) Set dates and places of hearings. (3) Act on petitions to intervene to dismiss applications or to dismiss cease-&-desist orders. (4) Act on requests to file additional pleadings provided in Sections 1.730 & 1.751 of rules. (5) Act on other types of pleadings in cases designated for hearing if such pleadings are filed before issuance of an initial decision.

Wiretapping should be authorized in cases involving national security, FCC Comr. Robert E. Lee, an ex-FBI man himself, told House Judiciary subcommittee this week, stating that he spoke for himself, not for whole Commission. He said Attorney General should have power to authorize wiretapping even though it's "another form of eavesdropping that is abhorrent to our system."

Accenting program and commercial side of TV, replete with articles, pictures, statistics and ads, *Radio-Annual-Television Yearbook* was released this week by *Radio Television Daily* (1360 pp., \$15). It's biggest volume of its kind ever compiled.



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# Television Digest

with **ELECTRONICS REPORTS**

PUBLISHED WEEKLY BY RADIO NEWS BUREAU • WYATT BLDG. • WASHINGTON 5, D.C. • TELEPHONE STERLING 3-1755 • VOL. 11: No. 18

## SUMMARY-INDEX OF THE WEEK'S NEWS—April 30, 1955

**BAROMETERS OF ECONOMIC UPSWING**—Review of current business appraisals and forecasts, all painting to good business generally all this year (p. 1).

**UHF EXCISE TAX REPEAL** backed unanimously by set makers, who say it would cause vhf-only sets to disappear from market; bill faces uphill battle (p. 3).

**WHY NOT LIVE REPEATS?** Program executives admit fear of losing viewers, but continue experiments with quick repeats of hits (p. 4).

**DEINTERMIXTURE PROSPECTS** appear doubtful; Pittsburgh Ch. 11 merger in offing; ex-Camr. Janes protests Texas power bastion anti-trust grounds (p. 6).

**SUBSCRIPTION TV DEBATE** gets shriller as rival interests argue bitterly and FCC is deluged with mail, running about 5-to-1 in favor (p. 6).

**ALL-UHF ALLOCATION**, FCC pressure on set makers who own stations urged by Camr. Hennack in "separate comments" to Senate on Platkin-Janes reports (p. 7).

**STROMBERG-CARLSON MERGER** into big General Dynamics Corp. paints up trend in electronics; reasons far and fiscal background of deal (pp. 11 & 15).

**HALLICRAFTERS BREAKS COLOR PRICE** to \$695 an eve of RCA announcement; Dr. Baker dubious unless price goes below \$500; others give their views (p. 11).

**ZENITH & SYLVANIA** increase sales and earnings in first quarter, former's net climbing to \$4.21 a share from \$1.68; reports on other companies (p. 14).

**IMPROVEMENT OF PROGRAMS** getting more attention, as NBC launches "multi-million dollar talent development program," with stress on fresh material (p. 9).

**ALABAMA EDUCATIONAL** station starts this week, second of 3, bringing on-air total to 430; plans of upcoming stations (p. 10).

**FREE POLITICAL TIME** on TV-radio opposed by CBS & NBC spokesmen in testimony before Senate subcommittee; NBC offers 1-min. & 5-min. political spots (p. 16).

**SOME BAROMETERS OF THE ECONOMIC UPSWING:** Brevity is our business -- and busy business men are our readers for the most part. So we thought you might like a briefing on the mass of economic appraisals and business forecasts which have crowded the popular as well as specialized press in recent weeks. Accordingly, here are digests of some of the more significant current reports. Whether they equate with your own business, and how, you alone are in position to determine.

One that touches the TV trade closest, though it does not purport to particularize, is that of Econometric Institute, N.Y. It sees dollar volume of retail sales climbing to new highs this year -- reaching a seasonally adjusted annual rate of \$180.6 billion in fourth quarter. Broad demand for consumer goods of all kinds will continue through 1955, it shows, gaining 7% first quarter, 4% second, 5% third, 4% fourth. Forecasts of better retail business this year are based on 1.7% gain in population, high levels of employment, increase in disposable income.

For durable goods as a whole, Econometric Institute puts quarterly gains over last year at 10%, 4%, 5% & 5%, respectively. In the "appliance-radio" category (not otherwise broken down) figures are minus-2% first quarter, minus-4% second, plus 1% third, plus 8% fourth. That such dollar reductions or increases cannot be applied specifically to TV and/or radio, is evident -- but they serve as a broad gauge. Nor are they applicable apparently to some appliances, for GE's major appliance division (not including TV-radio) this week reported first quarter sales 37% ahead of year ago, noting trend upward in all lines -- led by dishwashers, up 91%; dryers, up 73%; automatic washers, up 61%.

\* \* \* \*

Dept. of Commerce's Office of Business Economics states pickup in business activity which began last fall was widespread throughout the economy, and showed no signs of abating at end of March. New orders received by manufacturers were about 25% above same 1954 quarter. Increase in orders and sales was largest in durable



goods industries like automobiles, refrigerators, washing machines, etc. Good Xmas season last winter continued into ensuing months as disposable national income went up and manufacturers' payrolls rose 9% on seasonally adjusted basis.

Twentieth Century Fund, citing Dept. of Commerce figure of \$5330 as average family income for 1954 and the Bureau of Labor Statistics' figure of 40.7 hours as average work week in manufacturing, with 63,663,000 employed or in armed forces and 3,176,000 unemployed, makes this prediction for 1960:

Average family income \$6000; 37½-hour work week; 69,000,000 employed or in armed forces; only 3,500,000 unemployed, principally shifting between jobs. Report continues: "The aggregate net income of the more than 160,000,000 Americans today probably exceeds the combined income of the 600,000,000 people living in Europe and Russia and far surpasses [that] of the more than 1 billion inhabitants of Asia."

Syndicated financial writer J.A. Livingston rounds up optimistic statements by various industrialists and observes, "Feel the glow?" The current prosperity wave, he says, is manifested in the jump in overtime work, rise in average weekly pay to \$75, and expansion in business, security & real estate loans. "We're having a boom in business and a boom in confidence," he writes.

\* \* \* \*

U.S. News & World Report (April 29) bulwarks its confidence with statistical tables, asserts prosperity will continue to rise to new highs in year ahead, incomes will soar, jobs will be plentiful, profits will increase and dividends go up. It sees uptrend in every field but farming -- and only a war or catastrophe halting upswing before mid-1956. Its charts show:

Hard goods output index is 148 now vs. 137 year ago, going up to 155 year from now (1947-49 equaling 100). Soft goods index is 122 now vs. 115 year ago, will go up to 127 year hence. Retail trade index is \$179.5 billion now vs. \$168.4 billion year ago, will be \$188 billion year from now. Retail price index is 114.2 now vs. 115 year ago, will be 114.1 year hence. Factory wages are \$1.85 per hour now vs. \$1.81 year ago, will be \$1.92 year from now.

Total income is now at annual rate of \$294.3 billion vs. \$285.2 billion year ago, will be \$305 billion year from now. Total spending by people is \$243.1 billion now vs. \$231.8 billion year ago, will be \$251 billion; by business, \$54.9 billion now vs. \$44 billion year ago, will be \$59 billion year from now; by govts., \$76.1 billion now vs. \$80.1 billion year ago, will be \$77 billion year from now.

\* \* \* \*

National Assn. of Purchasing Agents' April survey reported business outlook continuing bright, some 59% of members stating production of their companies was increasing. Asked if they thought current boom is result of consumer stockpiling, the answers varied: some thought easy credit was main influence, others said increased population, plenty of bargains, confidence in the economic situation.

McGraw-Hill economics director Dexter Keezer said U.S. business will spend record \$29.5 billion on new plants and equipment this year, up 5% from 1954. Practically every manufacturer, he stated, has raised his sights since the 1954 recession and, as a group, they planned to increase capital expenditure by 3%.

The various business services (Kiplinger, Babson, Brookmire, Prentice-Hall, Standard & Poor's, United Business Service, et al) are uniformly optimistic but with various gradations of caution -- noting particularly the possibility of strikes. The New York Times, editorializing on "The Business Recovery," observed April 28:

"What makes the current figures on the business situation particularly encouraging is not that they show things to be better than a year ago, but that (1) the American economy is now back at a level close to that of 1953, the best year in history, and that (2) the preponderance of evidence indicates that in the absence of unforeseeable developments the trend is going to continue upward for some time..."

Since it's people that count, the fact that U.S. population has gone up 8.5% and households have increased nearly 8% since the 1950 census probably bespeaks more than any of the other figures the main reason for our expanding economy.



**SET MAKERS ENDORSE UHF TAX EXEMPTION:** With a display of unanimity unusual in the highly competitive TV manufacturing industry, top officials of a score of companies which together make nearly 90% of America's TV sets gave enthusiastic backing to a proposal to exempt all-channel sets from the 10% Federal excise tax. In an informal conference with Senate Commerce Committee this week, they predicted that such a move would result in disappearance of vhf-only sets from the marketplace.

If setmakers and telecasters can keep the ball rolling, Committee Chairman Magnuson (D-Wash.) thinks tax proposal has fair-to-good chance. He referred to this plan as one phase of an effort to keep uhf from "dying on the vine." Underlining urgency of meeting is slowdown in sales of uhf sets, which constituted only 14.4% of Feb. production, as compared to 21.5% in Feb. 1954 and 35% in Nov. 1953.

The manufacturers firmly rejected 2 other help-uhf proposals: (1) Suggestion of "voluntary agreement" to produce all-channel sets only -- reason the meeting was called in the first place (Vol. 11:12) -- was immediately dismissed as a potential violation of anti-trust laws. (2) Legislation to ban interstate shipment of vhf-only sets, proposed last year by Comr. Hennock, was opposed by manufacturers as unfair to customers in vhf-only areas who would be required to pay extra for uhf tuners they couldn't use. Its constitutionality was also challenged.

\* \* \* \*

Tax exemption won't increase profits of manufacturers, they told the Senators. Average Federal excise tax collection per set amounts to some \$15, just about same as average cost of equipping a set with a uhf tuner. Each manufacturer said his piece at this week's meeting, and consensus was that competition would eventually force all manufacturers to include uhf tuner in every set, even those sets shipped to areas which have no uhf stations -- assuming tax exemption is granted.

Problem of inventories of vhf sets -- estimated at 1-2,000,000 -- troubled some manufacturers. They cautioned that tax exemption bill should have provision for an "effective date" far enough in the future to prevent necessity of "distress liquidation" of vhf-only sets, which might occur if pipelines weren't emptied by the time all-channel sets came on the market at the same price. GE's electronics v.p. Dr. W.R.G. Baker, in wire to the Committee, suggested that industry be given 4-6 mo. warning to get rid of vhf-only sets before any tax measure is effective.

Tax move wasn't viewed as panacea for uhf, but manufacturers and Senators saw it as a necessary step to help lick set circulation problem. The corollary question -- what to do at the telecasting end -- wasn't discussed in any detail. Sen. Payne (R-Me.) told group that some friends from his home state "nearly lost their shirts" in uhf ventures. And Dr. Allen B. DuMont explained that all of uhf's difficulties can't be solved at receiving end. Even high-powered uhf outlets, he said, don't cover as large an area as vhf outlets.

\* \* \* \*

Excise tax proposal faces tough journey through Congress, and Sen. Magnuson indicated that strong support by manufacturers, telecasters and public is a vital necessity to put it across. He didn't indicate what course his Committee would take to follow up this week's meeting. It cannot handle tax matters, which are under the jurisdiction of House Ways & Means Committee and Senate Finance Committee -- latter headed by economy-minded Sen. Byrd (D-Va.).

"I think we can sustain this proposal," he said after meeting, "if it's put across in the right way." He warned that it will stand no chance if approached as a "tax relief" measure -- "that would just open up a Pandora's box of special interest tax bills for every industry." The Senator stressed that the measure must be pushed from a "public interest point of view."

A uhf tax exemption bill introduced by Rep. Ikard (D-Tex.) is still awaiting action by House Ways & Means Committee. Last year, Senate Finance Committee rejected a similar measure, and substituted a \$7 tax credit for each uhf set produced, but the bill died when Congress adjourned. Set manufacturers don't feel that anything short of complete tax exemption would encourage full-scale uhf production. (For list of those attending this week's meeting, see p. 10.)



**WHY NOT LIVE REPEATS? SOME REACTIONS:** Our questions about re-runs of live programs last week (Vol. 11:17) -- probing concept of exploiting TV hits while they're hot -- brought several comments from top-level sources this week. They came from men who know their business, and it's apparent that danger of losing audience is main deterrent to more frequent repeats -- rather than economic or legal reasons.

Hubbell Robinson, CBS-TV network program v.p., replying that CBS repeats top programs on Westinghouse Summer Theatre and will undoubtedly do likewise with Climax when it accumulates sufficient backlog, stated: "The fact remains that no matter how good a show may be, a repeat of it within a reasonably short period of time after the initial broadcast categorically eliminates a substantial portion of the viewers who saw it the first time, with the dangers of resulting loss of circulation. I think that this calculated risk has played a large part in the infrequency in the repeat practice of live shows."

Richard A.R. Pinkham, NBC program v.p., evinces a decided leaning toward more repeats of outstanding shows. He says: "I think the successful repeats of 'Davy Crockett' on Disneyland, 'Patterns' on Kraft and our scheduled repeat of 'Peter Pan' next Christmas, together with classics like 'Amahl', will help to point the way to recalcitrant sponsors, agencies and producers to the validity of repeating great TV programs. I am for this as long as utmost discretion is used. The danger is that a lazy producer or an advertiser trying to save money might go overboard on repeats which would be deadly."

H. Pierson Mapes, v.p.-mgr. of Hutchins Adv. agency, citing experience of the Philco Playhouse, which he handles, also pins answer to size of audience. "Actually," he states, "there is no economic or legal reason for not repeating. The repeat would cost substantially the same as the original. [Legally], unless the story had been sold to pictures or for theatre production, it would be available for repeat."

Citing examples of results with repeats, Mr. Mapes noted that Paddy Chayefsky's "Holiday Song," which obtained tremendous critical acclaim in 1952, not only obtained a below average Nielsen when repeated year later but failed to retain as much audience through whole show as original production. Average "holding power" of Philco Playhouse, he said, is above 85%, but the repeat had only 64.9%. Similar results were experienced, he said, with the 1952 repeats of 1950 hits "The Trial of Stephen Kent" and "Brat Farrar" -- this despite fact there were many more sets-in-use in 1952 than there were in 1950.

Such reports do point up the reasons for so few long-delayed repeats, but they also emphasize need for more experimentation with quick repeats -- within a few weeks -- of the type pioneered successfully by Kraft with "Patterns". U.S. Steel is said to be considering repeats soon of powerful "The Rack" & "No Time for Sergeants."

FCC Comr. Rosel Hyde, long a protagonist of the repeat idea, which actually is standard operating practice with TV film shows (and admittedly overdone with old theatrical features) states: "It seems an economic and artistic waste to use the good programs once and then throwing them into the ashcan. I've always argued that there should be some way of cutting the high cost of TV programming by using good programs more than once -- or by stations sharing the programs they create."

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Nearly two-thirds of the post-freeze stations, vhf & uhf combined, are losing money, after depreciation charges, said management consultant Richard P. Doherty, ex-NARTB v.p., at this week's meeting of Pennsylvania Assn. of Broadcasters—a condition he called "paradoxical in such a strong growth industry." That would mean some 200 of the 322 still-on-air stations that started post-freeze. Doherty, who has been engaged as director of management services of new GE-backed National Affiliated TV Stations Inc. (Vol. 11:12, 14, 16), said fully 75% of the industry's total revenue comes from national & regional sponsors and that "the majority of TV stations have not cultivated fully the vast supply of local advertising dollars already being spent." Many stations are inadequately financed, he said, and some have lost so much money it will take them 3-5 years to get even.

Christian E. Rogers Jr. named engineering asst. to FCC chairman George C. McConaughy, leaving post of special asst. to ODM telecommunications chief Harold Botkin; he holds degrees in physics and law, has been mgr. of KALB, Alexandria, La., worked for AP Radio, served as asst. TV-radio director of Republican National Committee 1947-48, worked as a Washington electronics consultant, served as asst. head of Navy Bureau of Aeronautics electronics design branch 1950-52, was assoc. member of law firm Mechlin, Marshall & Smith 1952-54.

The single application filed this week was for Sacramento's educational Ch. 6, by Central California Educational TV (Kenneth R. Hammaker, pres.; John C. Crabbe, exec. secy.). [For details, see *TV Addenda* 20-P herewith; for complete listings of all grants, new stations, applications, etc., see *TV Factbook No. 20* with Addenda to date.]



**Personal Notes:** Hugh B. Terry, pres.-gen. mgr. of KLZ-TV & KLZ, Denver, wins U of Missouri's 26th annual honor award for distinguished service in journalism, to be presented May 2 during school's annual Journalism Week . . . Ted Cott, ex-NBC v.p., named gen. mgr. of DuMont's owned-&-managed WABD, N. Y. & WTTG, Washington, assuming former duties of Don McGannon, now operating v.p., Westinghouse stations. George BarenBregge and Leslie G. Arries Jr. continue as local managers of respective stations . . . David Lowe, producer-director, named program director, WABD . . . Harry D. Peck, ex-gen. mgr. of Hearst's Milwaukee radio WISN, named v.p.-gen. mgr. of upcoming WAGE-TV, Marquette, Mich. (Ch. 6), headed by pres. Jerome Sill and due in July . . . John J. McPartlin, ex-asst. mgr. of WTVW, Milwaukee & ex-sales mgr. of WNBQ, Chicago, returns to Chicago to join local sales force of WBKB . . . F. J. (Joe) Kelley, v.p. & gen. mgr. of WTSP, St. Petersburg, Fla., onetime RCA district mgr., has resigned to become partner in Adcraft Adv. Agency, Corpus Christi, Tex.; his successor at WTSP is Jack Olson, controller of *St. Petersburg Times* . . . G. Richard Shafto, pres. of WIS-TV, Columbia, S. C., sailed on *Queen Mary* April 27 for 6-week European tour . . . Wallie Dunlap, program & operations v.p., WICC-TV, Bridgeport, Conn., resigns to become gen. mgr. of WTAO-TV & WTAO, Cambridge, Mass. . . . Guy Koenigsberger named production mgr. of upcoming KRNT-TV, Des Moines (Ch. 8), due in summer, with Bill Riley as public service director . . . Jules Dundes, sales director, promoted to gen. mgr. of KCBS, San Francisco, CBS-owned, succeeding Arthur Hull Hayes, named pres. of CBS Radio, succeeding Adrian Murphy, retired . . . Georges Huard, mgr. of CBC's CBAF, Moncton, N.B., appointed supervisor of TV station CBOT, Ottawa, and of CBC's upcoming French-language CBOFT there . . . Ray Herndon resigns from KTRH, Houston, to become mgr. of KMID-TV, Midland, Tex., succeeding Sid Grayson, who recently bought 50% interest in radio KFXD, Wichita Falls (Vol. 11:9, 13) . . . Raymond M. Neihengen promoted to sales mgr., Avery-Knodel, Chicago . . . Dan Bellus, ex-KFEQ-TV, St. Joseph, Mo., heads new sales development & promotion dept., KFMB-TV & KFMB, San Diego . . . Peter Thornton, from WENS, named public relations director, KDKA-TV, Pittsburgh, succeeding Dick Fortune, who joins Cabbot & Coffman agency . . . James E. Szabo, ex-Adam Young TV, Los Angeles, named national sales mgr. in Hollywood for Advertiser's Television Program Service, sales div. of John W. Loveton Productions . . . Norman W. Glenn, v.p. of Doherty, Clifford, Steers & Shenfield, named director of TV-radio programs & production; Russ Ambruster promoted to senior producer . . . George F. Foley, ex-Newell-Emmett TV-radio director, later with Cecil & Presbrey and packager of TV shows (*Tales of Tomorrow*, *Herman Hickman*), enters law practice at 666 Fifth Ave., N. Y. . . . Harry S. Hyett, ex-gen. mgr. of WEAU-TV, Eau Claire, forms regional rep firm with headquarters in Northwestern Bank Bldg., Minneapolis . . . Dave Reque, from sports dept., named TV-radio editor, *Washington News*, succeeding Bernie Harrison, named TV-radio editor of *Washington Star* as Harry MacArthur goes to drama dept. . . . Ray S. Donaldson, ex-chief counsel, Senate Committee on Banking & Currency, joins Washington law firm of Weaver & Glassie . . . Wm. Lawrence, ex-Wm. Esty, Biow and Pedlar & Ryan agencies and west coast TV-radio-movie producer, joins NBC-TV film div. in N. Y. as mgr. of programs & production . . . John Lugt, ex-production mgr., KGMB-TV, Honolulu, now asst. TV director, Brisacher, Wheeler & Co., San Francisco . . . James McMurry named production mgr., WRC-TV & WRC, Washington, as WRC-TV program mgr. George Dorsey assumes same function for WRC but continues as film buyer; Dorsey reports to James E. Kovach, director of programs.

End of 7-month Lamb hearing appeared to be in sight this week—barring unexpected developments—as Toledo & Erie broadcaster-publisher Edward Lamb stepped down from the witness stand and presented a string of witnesses who testified to his loyalty and anti-communism. Winding up cross-examination, FCC Broadcast Bureau attorney Joseph Kittner questioned Lamb about the book he wrote 22 years ago, *The Planned Economy of Soviet Russia*. Lamb insisted the book constituted exposition of the Russian economy, not advocacy, and blamed newspaper competitors in Erie and Mansfield, O. for giving wide circulation to “distortions.” Appearing as witnesses for Lamb were: Sen. Estes Kefauver (D-Tenn.), who said he has known Lamb for 3 years and never heard him “say anything that would lead me in any way at all to doubt his loyalty or embrace any belief that would make him unfit to be a broadcaster”; Lowell Baldwin, who owns dry cleaning plant at Maumee, O., stated that Lamb cautioned him in 1939 to avoid any dealings with Communist-dominated labor unions; Sam Sponseller, Ohio CIO field representative, who said he helped clean Communists out of the organization, recalled that Lamb was strongly anti-Red in 1934. Hearing resumes May 3.

New chairman of NARTB's Code Review Board will be G. Richard Shafto, WIS-TV, Columbia, S. C., replacing John E. Fetzer, WKZO-TV, Kalamazoo, who will continue to serve board for one year ex-officio. New officers and members taking office following NARTB convention May 22-26: Wm. B. Quarton, WMT-TV, Cedar Rapids, replacing J. Leonard Reinsch, WSB-TV, Atlanta, as vice chairman; Mrs. Hugh McClung, KHSL-TV, Chico, Cal.; Richard A. Borel, WBNS-TV, Columbus; Roger W. Clipp, WFIL-TV, Philadelphia. Retiring members are Fetzer, Reinsch and Mrs. A. Scott Bullitt, KING-TV, Seattle. New appointees will attend May 3-4 quarterly meeting of the board in Washington, whose agenda includes: (1) Review of Senate juvenile delinquency subcommittee hearings April 6-7. (2) Study of results of recently expanded monitoring, including special survey of children's programming. (3) Further consideration of “how to stimulate code recognition in films at the production level.” (4) Review of “pitchmen” and “bait” advertising practices.

Half ownership of KDRO-TV, Sedalia, Mo. (Ch. 6) and KDRO (250-watts, 1490 kc, MBC) will be obtained eventually by publisher J. Albert Dear under terms of application filed with FCC this week by owner Milton J. Hinlein (Vol. 11:12). Principal of *Sedalia Capital and Democrat*, holding interests in other newspapers and in Tufty News Bureau, Washington, Dear has agreed to buy 7500 shares at \$1 immediately, holds options to acquire 50% for \$40,000 in 20-24 months. Hinlein's Jan. 1 financial statement lists \$280,232 assets, \$176,358 liabilities. Fixed assets are \$212,345 (TV equipment \$133,669 book value); current assets are \$65,619 (\$19,873 accounts receivable). Long-term liabilities of \$169,894 include GE note for \$100,400.

To expedite vacation planning for FCC personnel and those who do business with the agency, Commission announced that it will conduct no hearings or oral arguments July 28-Aug. 30 this year and will hold no regular meetings during the period. Examiners will conduct no hearings, either, but individual commissioners will be on hand to act as Motions Commissioners — to handle emergency matters and routine business.

Libel relief for TV-radio stations was signed into law this week by New York's Gov. Harriman. Measure is designed to shield stations from libel damages as result of broadcasts by politicians. To escape liability under the law, stations must announce at beginning and end of political programs that the remarks are not subject to censorship and do not reflect opinions of station.



FCC's "SECOND LOOK" at vhf-uhf deintermixture is still in its early stages, and commissioners aren't indicating how they think—but the betting in Commission and in industry is strongly against probability of any substantial deintermixture when final votes are tallied. There are few who will predict that more than 1 or 2 cities—if that many—will be deintermixed.

Commission's decisions will be delayed somewhat because of parties' requests for more time to file comments on proposals to deintermix Peoria, Ill.; Evansville, Ind.; Madison, Wis. and Hartford, Conn. (Vol. 11:14). Deadline for comments was extended this week from May 2 to May 17—and FCC has promised oral argument later. Last week, it extended the deadline for comments on Albany, N. Y. case to May 20.

Next clues may come when Commission decides whether or not to start rule-making on the raft of additional petitions for deintermixture precipitated by the 5 foregoing cases. Stimulated by FCC action in those cities, stations have filed petitions for deintermixture affecting following principal cities: New Orleans & Baton Rouge, La.; Hutchinson & Manhattan, Kan.; Raleigh & Durham, N. C.; Fresno & Sacramento, Cal.; Miami & Jacksonville, Fla.; Spartanburg, S. C.; Norfolk, Va.; Toledo, O.; Corpus Christi, Tex.

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Commission issued no grants this week, though a Ch. 11 CP for Pittsburgh may be in the offing, since competitors WWSW & WJAS are working toward merger giving each 50%. Complication in Miami Ch. 10 case may be expected, Storer Bcstg. Co. having told Court of Appeals last week it would file application for Ch. 10 pursuant to court's decision in multiple ownership case (Vol. 11:9). Ch. 10 hearing has been concluded there, but Storer feels it has right to file, nonetheless. Storer now operates uhf WGBS-TV, Miami (Ch. 23), is seeking to get area deintermixed, this week asked Commission to hold up action on Ch. 7 decision pending consideration of deintermixture.

In first major TV case since returning from work on Senate Commerce Committee's uhf-network investigation,

attorney Robert F. Jones, ex-FCC member, submitted 40-p. protest on behalf of KWTX-TV, Waco, Tex. (Ch. 10) against grant of increased power recently authorized to KTBC-TV, Austin (Ch. 7)—which is owned by wife of Senate majority leader Lyndon Johnson (D-Tex.).

Protest charges KTBC-TV is violating Sherman & Clayton anti-trust acts and will increase dominance with power increase. It states that uhf KANG-TV, Waco (Ch. 34) had been able to obtain only DuMont affiliation until bought by Mrs. Johnson last Dec., whereupon both CBS and ABC "almost immediately" indicated willingness to affiliate. Until then, KWTX-TV said, it had chance of getting CBS or ABC. Now, it went on, KTBC-TV has all 4 networks in Austin and KANG-TV has all except NBC. "The above facts," states protest, "strongly suggest that the networks' decisions to affiliate with KANG-TV were not motivated by ordinary business judgment."

Request of grantee WHTT, Wilmington, N. C. (Ch. 3) for more time to build should be denied, examiner Basil P. Cooper recommended in initial decision this week. He said CP-holder has done nothing to start construction, given no good reason why it hasn't.

Two CPs were dropped—KOPR-TV, Butte, Mont. Ch. 4) and KUSH, San Diego (Ch. 21).

Way was cleared for WWLP, Springfield, Mass. to shift from Ch. 61 to Ch. 22 when FCC finalized allocations substituting Ch. 22 for Ch. 61 there, Ch. 25 for Ch. 52 in Barnstable, Ch. 38 for Ch. 50 in Boston, moving Ch. 61 from Northampton to Easthampton, shifting educational reservation in Providence from Ch. 22 to Ch. 36. Commission also proposed to permit WHYN-TV, Springfield, to shift from Ch. 55 to Ch. 40 by starting rule-making to substitute Ch. 40 for Ch. 55 there, Ch. 57 for Ch. 40 in Montpelier, Vt.



FM functional music decision (Vol. 11:13), scheduled to go into effect May 2, has been stayed by FCC for 30 days, pending study of petition for reconsideration to be filed by WWDC-FM, Washington. Commission has adopted new application Form 318 for the service—called "Request for Subsidiary Communications Authorizations (SCA)."

SUBSCRIPTION TV debate continued this week, a bit shriller if anything, and it becomes even clearer that when battle before FCC eventually ends the Commission won't have much more to go on in reaching a decision than it does now—that it will have to make its decisions on basis of theory, pressures and commissioners' sociological & economic leanings.

Commission doesn't necessarily have to make a flat "yes" or "no" decision, may consider authorizing "temporary commercialization" on broad enough scale to produce factual information.

Yet it may prove impossible, through such a test, to answer opponents' major objection—i.e., pay-as-you-look TV will end up simply charging viewers for what they now get free. And there's question, too, whether fee-TV operators will be able to obtain for the tests the prime program fare they seek—current feature movies.

Zenith's small-scale test with 300 Chicago families several years ago, in TV's infancy, is generally considered obsolete. At that time, Zenith managed to pry loose some Hollywood features by getting Justice Dept. to threaten anti-trust proceedings. Movie producers were terribly touchy about "monopoly" charges then; it's anyone's guess as to what would happen with "commercial" tests now.

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Issues were sharpened up a bit more this week, meanwhile, in debate before FCC Bar Assn. between Zenith counsel W. Theodore Pierson and theatres' counsel Marcus Cohn.

Pierson pinned label "a complete red herring" on opponents' argument that pay-as-you-look TV would result in converting free programs to fee. "They said first that subscription TV would be so successful," he stated, "that it would take over all of the good programs. I submit it could only do that if the public wanted it. We have no means of making the public pay. Therefore, that argument must be based upon the success of subscription TV that is far beyond our wildest dreams.

"At the same time, [they say] that there would be not a minor, but a major revolution in the country, and that everyone would break up their TV sets. Now, I submit both things can't happen. In the final analysis the measure of its succeeding is going to be the public, and if the public gets annoyed with it we are going to get nowhere and lose substantial sums of money."

Cohn put his thesis this way: "The American people have spent approximately \$15 billion since 1948 for TV sets, installations and repairs . . . These people bought their sets on an implied representation by the FCC, by the Congress, and by the local telecaster, that they would never have to pay on their TV sets to see a program . . . All of the arguments which are directed to 'let us give this a try because it is only a new invention' ignore completely the basic problem—that in the process of putting this invention out to the public and getting the public to use it, it is going to deprive the public of something which it already has."

Pierson also analyzed attitude of networks and stations. He said that AB-PT's position is likely to be deter-



mined by its theatre holdings. CBS and NBC "are garnering huge profits out of their power and their operations [and it's easy] to understand why they would not at all like to see a change . . . But should a broadcaster not be in favor of some alternative for success and survival than an affiliation agreement with NBC and CBS? I think we have had demonstrated in the last few months the fickleness of a network's loyalty to its affiliates in terms of an affiliation arrangement." As for NARTB, he asked whether it's "dominated and controlled by the national networks and their sycophants."

Cohn charged Zenith with promising everything to everybody. "Zenith has gone to the newspapers," he declared, "and said subscription TV is a wonderful thing because we don't propose to have any advertising on subscription TV, and therefore the advertising dollar will be more easily accessible to your callers. In still other publicity, Zenith has taken the position that there will be advertising within subscription TV. I would like to know which of the 2 positions is correct."

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Zenith is reaping results, meanwhile, from its get-out-the-vote campaign, urging people to write to FCC. When we first analyzed letters and cards in FCC files 3 weeks ago (Vol. 11:15), there were 360 in the docket—half for, half against. Today, there are more than 2000—about 5-to-1 in favor of toll TV. Zenith has encouraged letters not only from its stockholders, distributors and dealers but has written to owners of Zenith hearing aids and subscribers to program log of its Chicago FM station.

Among recent supporters gained by Zenith are such diverse groups and individuals as Chicago City Council, National Small Business Men's Assn., actress Gloria Swanson, publicist S. I. Neiman, *Life Magazine* Chicago ad mgr. Wm. G. Erickson, et al.

FCC Commissioners and members of Congress are being deluged with mail, reading little of it. How much effect the sheer volume will have—even they don't know.

Zenith pres. E. F. McDonald sent commissioners photostats of card someone is distributing, opposing pay-as-you-look TV and urging people to boycott Zenith products. McDonald called this "the most vicious and unfair tactic that I have ever seen in the course of consideration of a public issue." One commissioner said, with a laugh, referring to publicity about it, "McDonald has given that card greater distribution than its originators have."

Paramount's International Telemeter is speaking up more and more lately. It sought to join CBS-TV's May 1 debate but was turned down, CBS stating that Telemeter hadn't filed petition with FCC whereas Zenith and Skiatron had. Telemeter reportedly will shortly announce names of some exhibitors who have asked for coinbox franchises in event pay system is authorized.

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Uhf Industry Committee attacked NARTB's stand against pay systems, stating: "Certainly, no artificial restriction or restraint should be imposed on subscription TV if it can augment TV service."

Broadway Assn., representing various businesses, informed FCC and N. Y. City Council of its opposition, based on fear that reduced attendance at movies might harm restaurants, hotels, etc. There are reports that City Council is about to take stand against pay-as-you-look, approving resolution introduced by pres. Abe Stark.

Article in April 30 issue of *Saturday Review* was attacked sharply by Alfred Starr, co-chairman of Organizations For Free-TV. Article includes a "ballot" with which readers can express views, and Starr said: "We are shocked and dismayed at the unwarranted and undeniable bias contained in your ballot," adding that his group should be given space to answer the article.

**I**NACTION is killing uhf, FCC Comr. Hennock charges in her "separate comments" on the Plotkin & Jones reports, submitted to Senate Commerce Committee April 29—6 weeks after FCC majority presented its views (Vol. 11:12). She termed the recommendations made by Senate TV investigation's former majority counsel Harry Plotkin and former minority counsel Robert F. Jones "pure temporizing or ineffective expedients [which] do not alleviate the plight of uhf." The Commission's majority report, she said, "completely fails to prescribe any effective remedies for the illnesses it diagnoses, and prefers to let the passage of time take care of them."

In a bristling 68-p. document, the oft-dissenting Miss Hennock, whose 7-year term as a Democratic member of the Commission expires in exactly 2 months (June 30), again poured blame on FCC for uhf's current plight and for failing to do anything about it, reiterating her advocacy of a new allocation plan which would move all stations to uhf over a given period of time.

Diagnosing uhf's troubles, she said neither Plotkin, Jones nor the Commission has "come to grips" with 3 basic issues facing Senate Committee in its uhf probe: (1) Vhf-only sets now being sold are "depriving the public of 85% of TV." (2) "The network monopoly controls every phase of TV and strangles its development." (3) "Inaction is destroying uhf."

Her principal suggested remedies: (1) Senate Committee and FCC should "immediately initiate a national campaign to inform the public that they are purchasing sets that cannot tune into 85% of TV." (2) "This Committee should take all necessary measures to make it possible for the public to buy vhf-uhf sets, including a direction to the FCC that it use its power in connection with licensees who are manufacturers." (3) Committee should direct FCC to start immediate rule-making "aimed at correcting the monopolistic scarcity of network programming and at equitable availability of such programming to uhf as well as vhf stations." (4) Congress should immediately conduct a "vigorous" network investigation, and FCC should be given statutory authority to regulate networks.

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N. L. Bentson group is buying WL0L, St. Paul (5-kw, 1330 kc) from Independent Bestg. Co., headed by Ralph Atlass, pres. of Chicago's WIND, holding CP for WIND-TV (Ch. 20). Application filed this week states sale is for \$300,000 plus 95% of accounts receivable. Sale brings Bentson back to radio in area where his share-time WMIN-TV (Ch. 11) recently went to Bitner interests for \$1,235,000 and his radio WMIN to Wm. F. Johns family for \$75,000 (Vol. 11:15). Actual buyer of WL0L is new BFR Bestg. Corp., 1/3 owners being Bentson, Joseph Floyd and Mr. and Mrs. Edmond R. Ruben. Same interests also operate KELO-TV, Sioux Falls, S.D. & KELO, hold CP for satellite KDLO, Florence, S. D. (Ch. 3).

Transfer of 50% ownership in radio WKAI, Macomb, Ill. and KLIL, Estherville, Ia. to A. G. Bush, chairman of Minnesota Mining & Mfg. Co. executive committee and board member of KSTP-TV, St. Paul, was approved by FCC this week (Vol. 11:15). He assumes the share of Wm. Schons in return for cancelling \$40,000 loan to stations; Edward Schons retains 50%.

The brighter side of broadcasting business — how some radio stations are showing "hometown ad gains"—is subject of April 29 article by *Wall Street Journal's* Joseph M. Guilfoyle, supplementing his recent bearish findings.

Titled RFD, weekly 15-min. farm show produced for U of Missouri's commercial KOMU-TV, now is being carried on film by 8 stations in state.



**Station Accounts:** First quarter *Rorabaugh Report on Spot TV Advertising* (N. C. Rorabaugh Co., 347 Madison Ave., N. Y., 260 pp., \$30), covering accounts on 230 reporting stations (80% vhf, 20% uhf) which are said to share approximately 90% of the total dollars spent on national spot TV time, lists these as the top 25 spot buyers Jan.-thru-March: Procter & Gamble, Brown & Williamson, Sterling Drug, Standard Brands, Block Drug Co., Colgate-Palmolive, Ratner Promotions, Carter Products, General Foods, National Biscuit, Bulova Watch, Miles Laboratories, Carnation, Grove Laboratories, Anahist, Vick, R. J. Reynolds Tobacco, Chesebrough, Ford, P. Lorillard, General Mills, Peter Paul, Kellogg Co., Toni, General Motors . . . Many of these advertisers placed several schedules for their various products, using varying numbers of stations, so the rankings are arbitrary in that respect. Surprise 7th ranking of Ratner Promotions, for example, embraces spots bought for such varying items on different stations as My-O-Lene rug cleaner, Sona cosmetics, cake & pastry decorators, food slicers, kitchen utensils, plastic towels, etc. . . . DuPont, for Zerone & Zerex, signs Frank Leahy, ex-Notre Dame coach, to replace late Norman Sper in handling filmed *Football This Week*; Norman Sper Jr. continues as producer for Station Distributors, with BBDO as agency . . . Sinclair Refining Co., for new Power-X gas, using local TV-radio programs and spots in April 26-to-early July campaign, thru Morey, Humm & Johnstone, N. Y. . . . Oldsmobile to sponsor *Patti Page* twice-weekly next season in 15-min. film produced by Joseph Santley, thru D. P. Brother, Detroit . . . San Francisco Brewing Co. (Burgermeister Beer) buys 1955 pro grid games of 49ers and Los Angeles Rams, thru BBDO, Los Angeles . . . National Lead Co. (Dutch Boy Paints) buys 52 Norman Brokenshire *The Handy Man* how-to-do-it shows, filmed by Princeton Film Center, to be placed by McCann-Erickson . . . Buitoni Foods Corp. (Buitoni macaroni, Perugina chocolates) sponsoring Italian-language panel quiz titled *Dove-sonnato* (Where Was I Born?) on WATV, Newark, Sun. noon-12:30 p.m., thru Albert Frank-Guenther Law, N. Y. . . . Among other advertisers currently reported using or preparing to use TV: Apsco Products, Beverly Hills, Cal. (New Home waste disposal), thru J. P. Shelley & Assoc., Los Angeles; Blevins Popcorn Co., Nashville (Pops-Rite popcorn & Savorol seasoning), thru Simon & Gwynn, Memphis; Leisurehouse Inc., Wichita (Laundry Karts), thru R. J. Potts-Calkins & Holden, Kansas City; Cinch Products Inc., Los Angeles (cake, corn bread & biscuit mixes), thru Hixson & Jorgensen, Los Angeles; General Paint Corp., San Francisco (Faze quick-dry paints) thru Geo. C. McNutt Adv., Oakland; Branchell Mfg. Co., St. Louis (Royal Melmac & Color-Flyte dinnerware), thru Glee Stocker & Assoc., St. Louis; American Bird Food Mfg. Corp., Chicago (American 3 Vees bird food), thru George H. Hartman Co., Chicago; Crosse & Blackwell (frozen soups), thru J. M. Korn Adv., Philadelphia; Chatelier, St. Petersburg, Fla. (Dr. Chatelier's Plant Food), thru Zemp & Chandler Inc., St. Petersburg.

New reps: WTCN-TV, Minneapolis-St. Paul, recently acquired by Bitner interests (11:15) to Katz May 1 (from Blair); WIRI, Plattsburg, N. Y. to McGillvra (from Adam Young); WROM-TV, Rome, Ga. to McGillvra (from Weed); KTVW, Tacoma, Wash. to Adam Young; WBOC-TV, Salisbury, Md. to Burn-Smith.

Rate increases: WCAU-TV, Philadelphia, raises base hour from \$2400 to \$3000, 20 sec. \$500 to \$600; KTTV, Los Angeles, hour from \$1400 to \$1750, min. \$365 to \$460; WOC-TV, Davenport, \$700 to \$800 & \$140 to \$160. Rate decrease: WTVW, Milwaukee, cuts base hour from \$950 to \$800, min. \$190 to \$160.

**Network Accounts:** Last of DuMont's "national" network shows, Bishop Sheen's *Life Is Worth Living*, switches to ABC-TV next fall, probably Thu. 8-8:30 p.m. Programs will also be carried on ABC Radio, will consist of 26 live telecasts, 13 filmed repeats. Spokesman for Bishop Sheen said he was switching networks because of larger audience possibilities and higher financial contribution (which goes to Society for the Propagation of the Faith, of which he's national director). Financial details of long-term contract weren't disclosed. ABC is now negotiating for sponsor—with Admiral, the bishop's sole sponsor on DuMont since program began in 1952, identified as one of the negotiators . . . Full sponsorship lineup for *Warner Bros. Presents* (Vol. 11:12), starting Sept. 13, Tue. 7:30-8:30 p.m., as announced by ABC-TV: Liggett & Myers, 30 min. weekly, thru Cunningham & Walsh; GE, 30 min. alt. weeks, thru Maxon and Young & Rubicam; Monsanto Chemical (All detergent), 30 min. alt. weeks, thru Needham, Louis & Brorby . . . GE to sponsor summer series of live dramas from Hollywood, produced by Fletcher Markle, on CBS-TV, starting June 1, alt. Wed. 10-11 p.m., thru Young & Rubicam; on Sept. 21, GE debuts first of 26 one-hour 20th Century-Fox film programs in same time slot, alt. with *U. S. Steel Hour* . . . New Perry Como show, as yet untitled, due to begin in fall on NBC-TV, probably Sat. 8-9 p.m., will be divided into 20-min. segments with this sponsor lineup: Kleenex, thru Foote, Cone & Belding, Chicago; and Dormeyer (blenders), thru Shaw Adv., Chicago, sharing one segment; Noxzema, thru Sullivan, Stauffer, Colwell & Bayles sharing segment with one other advertiser; Warner-Lambert Co. (cosmetics) occupying full segment . . . American Tobacco (Lucky Strike) renews Jack Benny show on CBS-TV for next season (alt. Sun. 7:30-8 p.m.), while dropping his CBS Radio series after 11 years . . . Dodge due to sponsor Hollywood musical variety show featuring Lawrence Welk orchestra this summer on ABC-TV, Sat. 9-10 p.m., thru Grant Adv., Detroit . . . Associated Products (5-Day Deodorant Pads) to sponsor half of summer *Arthur Murray Party* on NBC-TV, starting June 28, Tue. 8:30-9 p.m., thru Grey Adv.; co-sponsor probably will be Toni . . . Reynolds Metals, which drops *Mr. Peepers* June 15, retains same NBC-TV Sun. 7:30-8 p.m. period probably for its *Frontier* film series; Wally Cox will discard "Mr. Peepers" characterization May 8, assuming various other roles in new-format experiments for balance of series . . . General Foods reported shopping for 30-min. Sat. a.m. network period for re-runs of *Roy Rogers Show*.

New campaign to lure top TV spenders away from the airwaves and onto the printed page is being opened by American Newspaper Publishers Assn.'s Bureau of Advertising, its director Harold S. Barnes told ANPA convention this week in N. Y. He said bureau had new weapon against TV—and is "convinced that the same number of dollars most advertisers are spending in TV will do a better job in newspapers." He gave no details, added: "We're showing TV advertisers what those dollars will buy in newspapers. And how much those dollars will buy in newspapers is making their eyes pop." Bureau of Advertising announced that national advertisers spent \$594,120,000 in newspapers last year, 1.2% below 1953's record of \$601,224,000 — but predicted figure for 1955 would be higher. Although much was made of TV as a competitor for advertising revenue and circulation, some publishers also discussed TV's value as an ally. In one panel discussion, several publishers agreed that both news and "preview" features on TV entertainment helped build readership. Some publishers said televised sports have led to increased demand for newspapers, with women as well as men readers following sports stories more closely as result of viewing them on TV.



**Telecasting Notes:** Paramount has sold 30 films to TV for \$1,550,000, or about \$51,700 each—first major producer to release any old features direct to TV. All releases were pre-1949, produced by Pine-Thomas. Purchaser was Elliot Hyman, head of Associated Artists Productions. The 30 oldies were formerly owned jointly by Paramount and Pine-Thomas, but reverted to 100% Paramount ownership under deal whereby Paramount and Pine-Thomas divided the films they held jointly. Representative titles: *No Hands on the Clock*, *Torpedo Boat*, *I Live in Danger*, *Submarine Alert*, *High Explosive*, *Alaska Highway*, *Timber Queen*. Hyman plans to re-issue them for theatre showing before making them available to TV . . . Top-notch British films, all recent and some still in theatrical release, have been acquired by Ely Landau's National Telefilm Associates, which spent \$1,000,000 for 7-year distribution rights to the 40 pictures, now being offered stations as "Fabulous Forty" package. From Alexander Korda-Elia Lopert, NTA has taken over distribution of *Tales of Hoffman* (Moirá Shearer, Sadler's Wells Ballet), *Captain's Paradise* (Alec Guinness, Yvonne DeCarlo), *Breaking the Sound Barrier* (Ralph Richardson), *Man Between* (James Mason, Hildegard Neff), *Cry, the Beloved Country* (Canada Lee), *Outcast of the Islands* (Ralph Richardson), *Gilbert & Sullivan* (Maurice Evans, Robert Morley). Other films in package were acquired from J. Arthur Rank and Marvin Grievés, featuring such stars as Stewart Granger, James Mason, Deborah Kerr, Jean Simmons, Michael Redgrave, Audrey Hepburn, Dane Clark . . . Top-level MGM executives have been huddling with CBS on TV tieup, expected to be disclosed momentarily; Columbia Pictures, which has done well in TV with subsidiary Screen Gems, reported to be readying weekly one-hour live-&-film show for TV to be titled *Columbia Presents* . . . Gene Autry, who lost Supreme

Court fight to prevent Republic Pictures from selling his pre-war films to TV, negotiating with Columbia Pictures to buy 32 westerns he made for Columbia since the war with intention of releasing them to TV in competition with Republic oldies . . . Unusual film deal: General Teleradio's WNAC-TV, Boston, signs to carry TPA's *Ramar of the Jungle* for the next 5 years—the 52 episodes already completed as well as any produced in future. Series is 2½ years old, has already been shown in Boston, deal costing station about \$100,000 . . . Alfred Hitchcock to shoot 39 half-hour mystery shows for Revue Productions at Republic Studios in July . . . Norman Blackburn, TV veteran, buys novel *Circus Boy* for series of 26 half hours to be produced by Screen Gems . . . King Brothers, movie producers, to film half-hour adventure stories with Latin American backgrounds at Churubusco Studios in Mexico City . . . No glutted market of syndicated shows is foreseen by rep Joe Weed, despite "mass of new TV movie producers"; as he sees it, there will be more good features, greater selectivity by spot sponsors & stations, survival of fittest producers, more exclusive prime bookings, less re-run syndication of network shows . . . Ed Sullivan's *Toast of the Town*, playing one-night stands for sponsor Lincoln-Mercury, will be in Eugene, Ore., Spokane & Seattle, May 4-6, respectively, with latest weekday road shows . . . TV workshop for experimental programs has been set up by New York's WRCA-TV, with goal of presenting "at least one new program concept or idea each week." Tryout features will be incorporated into 1-2 p.m. *Norman Broken-shire Show* beginning May 12 with 30-min. mental health show . . . Bob Hope signed by Associated Broadcasting Co., one of Britain's new commercial TV program contractors, for *Sunday Night at the London Palladium*, one of shows planned for debut of ITA in Oct.

**R**IDING HIGH on crest of praise for "imaginative programming" which first began to be heard following its *Peter Pan* telecast, NBC this week announced it is undertaking a "multi-million dollar talent and show development program" aimed at uncovering new writers, performers and direction & production talent.

Announcement was made by prés. Pat Weaver in April 29 address to Chicago Executives Club. With a rather obvious glance in the direction of Washington, where one TV network investigation is under way and several others have been proposed, he stressed that such a program could be undertaken only by a network—that no "program service" could afford to take such a gamble, in which the decisions often are "in conflict with the safe, quickly profitable action."

Highlights of NBC's program: "Comedy Development Plan, an organized nationwide plan for discovery, development and maturing of comedians of the future, is now being broadened and expedited." In field of music, negotiations are under way with Rodgers & Hammerstein, as well as British composers Benjamin Britten and Sir Wm. Walton, to do original works for TV. And noted impressario Sol Hurok is now searching Europe for TV talent.

Other projects under consideration, as outlined by Weaver: Use of idle NBC interconnection facilities as "audition cable" to permit programming executives to see local acts and shows for possible network use; development of monthly program from local shows picked up from various origination points around country; assisting Broadway producers in casting their plays with hope of building fresh talent for TV; using radio programs as showcases for testing future TV players.

Drama schools of Yale, Carnegie Institute & Iowa State U will share in RCA-NBC scholarship & fellowship grants announced this week. Scholarships are \$800 a year for undergraduates. Fellowships are \$3500 a year for

graduate students, of which \$750 is grant-in-aid to the university. Selections are to be made by the university. In addition, an NBC "Presidents Award" of not less than \$4000 or more than \$6000 will be granted an individual between ages 25-35 who has shown outstanding talent and creativeness in drama, selection to be made by NBC.

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TV-radio critic Jack Gould, *New York Times*, apparently agreeing with recent column by Herald Tribune Syndicate's John Crosby (Vol. 11:16), April 24 gave accolade to NBC—more specifically to Weaver—for "virtual monopoly on TV excitement" during current season, pointing to *Peter Pan* as high point in "first real offensive in years against the pat and repetitious rescheduling of so much broadcasting."

Said Gould: "As was obvious even last summer, CBS chose this season to take a sabbatical in programming. It made lots of money but suffered a severe intangible loss: no one talked about CBS. Now Bill Paley, CBS chairman, is seeking revenge and has made it clear he is not going to let Pat Weaver have another unchallenged year. The battle of the titans has been resumed." As for ABC-TV, which pulled the sustained coup of the season with *Disneyland*, it has had trouble clearing time on enough stations but "it can be counted on to give the competitive pot a few stirs . . ."

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Importance of TV-radio in press association budgets indicated in membership reports this week during ANPA convention: UP listed 144 TV & 1510 radio stations taking its wire services; AP gave total of 1364 stations; INS listed 113 TV stations.

New 15-franc stamp issued by France as tribute to TV shows antennas over Paris skyline with Eiffel Tower dominant; in right corner is screen with letters RTF — Radio-TV France.



**ALABAMA'S SECOND** educational station — WBIQ, Birmingham (Ch. 10) — went on air this week, bringing total stations on air to 430, of which 13 are non-commercial educational outlets. Station began programming April 28 with ceremonies televised on Alabama's 2 educational stations and on commercial WBRC-TV, Birmingham, George B. Storer officially presenting to station 5-kw RCA transmitter, 6-bay antenna and other station equipment formerly used by his WBRC-TV. Station is owned by Alabama Educational Television Commission, whose WTIQ, Munford (Ch. 7) went on air last Nov., and whose WAIQ, Andalusia (Ch. 2) plans to start in Sept. Many programs will be televised by all 3 stations on the educational "network," which now carries 10 hours weekly. Consultant is ex-broadcaster-telecaster Thad Holt; station's chief engineer is James Evans.

No equipment shipments were reported this week. GE reports order from Chicago educational WTTW (Ch. 11), due on air next fall, for complete station facilities including 5-kw transmitter, 12-bay antenna, 2 vidicon film chains, 2 studio camera & 2 portable camera chains, for mid-July delivery. GE also has order from KRLD-TV, Dallas (Ch. 4) for new 5-kw driver.

Standard Electronics Corp., Claude Neon subsidiary, appoints Canadian Westinghouse, Hamilton, Ont., as sales engineering rep for Canada. John H. Fletcher will manage sales of Standard broadcasting equipment.

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In our continuing survey of upcoming stations, these are latest reports received from principals:

WDBJ-TV, Roanoke, Va. (Ch. 7), with 50-kw DuMont transmitter & 12-bay RCA antenna on order, plans start next fall, reports mgr. Ray P. Jordan. It has 73-ft. Blaw-Knox tower on hand, but hasn't started construction except for work on interim studios. Grantee is Times-World Corp., publisher of *Roanoke Times* and *World-News*. It's signed with CBS, has set \$600 base hourly rate. Rep will be Free & Peters.

KLFY-TV, Lafayette, La. (Ch. 10), with DuMont 5-kw transmitter due for installation by May 10, has changed test pattern target to May 15, plans June 3 start as CBS affiliate, reports gen. mgr. Bill Patton. It will use 12-bay RCA antenna on 384-ft. Trilsch guyed tower. Earlier this year it got permission to buy out share-time CP-holder KVOL-TV for \$5,000 out-of-pocket expenses incurred by grantee *Lafayette Advertiser* and KVOL gen. mgr. George H. Thomas (Vol. 11:4). Base rate will be \$200. Reps will be Venard, Rintoul & McConnell and Clark Brown (south-southwest).

KSTF, Scottsbluff, Neb. (Ch. 10), which got STA last week to begin operating from interim site on Abrupt Peak, 10 mi. north of Scottsbluff, now plans June 1 test patterns, reports Wm C. Grove, gen. mgr. of parent KFBC-TV, Cheyenne (Ch. 5), 79 mi. to northwest. On June 15 it plans to begin rebroadcasts of KFBC-TV programs as well as some film originations. RCA transmitter & 6-bay antenna are due to arrive May 15, with antenna scheduled for installation on 120-ft. pole in following 5 days. KFBC-TV chief engineer, R. C. Pfannenschmidt will be in charge of 4-man Scottsbluff operation. Time will be sold only in combination with KFBC-TV. Rep for both is Hollingbery.

CKNX-TV, Wingham, Ont. (Ch. 8) hasn't ordered equipment yet, but hopes to be on air by Oct. 15, writes gen. mgr. W. T. Cruickshank. It will use 650-ft. RCA wavestack tower-antenna. Transmitter house will be built 15 mi. out of town. G. W. Cruickshank will be station mgr.; Don Hildebrand, production director; Vin Dittmer & Scott Reid, from CKNX, sales mgr. & chief engineer, respectively. Rep not chosen.

Set manufacturers attending April 25 uhf conference at invitation of Senate Commerce Committee (see p. 3): Admiral v.p. John F. Gilbarte; Capehart-Farnsworth pres. L. G. Haggerty; CBS-Columbia pres. Seymour Mintz & CBS Inc. v.p. Richard S. Salant; Avco v.p. L. I. Hartmeyer & Crosley-Bendix div. attorney F. J. Ball; Allen B. DuMont & Julian Freret; Emerson pres. Benjamin Abrams; GE attorney Gerald Toye; Hallicrafters pres. R. W. Durst; Hoffman pres. H. Leslie Hoffman; Lion Mfg. Corp. TV-radio gen. mgr. Paul H. Eckstein; Magnavox pres. Frank Freimann & v.p.-secy. Gerald M. Ungard; Motorola exec. v.p. Robert W. Galvin; Philco v.p. James M. Skinner; RCA pres. Frank Folsom, exec. v.p. Robert A. Seidel & v.p.'s Robert L. Werner & Frank Russell; Stromberg-Carlson radio-TV v.p. F. Leo Granger; Sylvania v.p. Arthur L. Chapman & attorney R. E. Anderson Jr.; Traylor v.p. I. Edelstein; Wells-Gardner pres. Robert Alexander; Westinghouse Bestg. v.p. J. E. Baudino, mgr. engineering G. C. Larson, counsel John Steen & J. E. Walsh; Zenith sales v.p. H. C. Bonfig & engineering v.p. G. E. Gustafson; RETMA pres. Glen McDaniel & exec. v.p. James D. Secrest. Senators attending: Chairman Magnuson (D-Wash.), Monroney (D-Okla.), Ervin (D-N.C.), Bible (D-Nev.), Schoepfel (R-Kan.), Payne (R-Me.).

New glass shadow-mask for color picture tubes is under development at Corning, whose pres. Wm. C. Decker calls it "the most marvelous article ever made of glass." Aimed as substitute for metal mask, glass unit has some 400,000 holes made by photo-etching process, has rim of photoceramic glass. RCA color tube engineering mgr. C. Price Smith says that RCA hasn't had any samples yet and it's too early to tell whether glass has advantages over metal. "There are problems with it, which Corning readily admits," he said. "For example, there's the problem of fastening and positioning glass and there's the matter of a 'charging effect' on glass, requiring a special coating." From cost standpoint, Price says there's no doubt glass could beat present cupro-nickel masks, but work on mild steel may bring cost of metal way down.

A 3-vidicon color camera chain for medical use was introduced by RCA this week at National Academy of Science exhibition in Washington. Designed for portability and compactness, chain comprises 3 suitcase-style units weighing 40-50 lbs. each plus the camera. Dr. Vladimir K. Zworykin, who headed development, stressed compatibility of chain, stating: "The compatibility of this novel system means that information may be televised in color from the operating room or the medical laboratory to doctors and research workers across the country by commercial broadcast facilities as readily as over a closed-circuit. The pictures may be seen on standard home-type color TV receivers with no alteration." Previous RCA color medical demonstrations employed regular studio-type chains (Vol. 11:14).

Upcoming network color schedules: NBC-TV—May 2, *Producers' Showcase*, "Darkness at Noon," with Lee J. Cobb, David Wayne, Ruth Roman, Oscar Homolka & Joseph Wiseman, 8-9:30 p.m.; May 7, *Max Liebman Presents*, "Desert Song," with Nelson Eddy, Gale Sherwood, Otto Kruger, John Conte, Salvatore Baccaloni, Viola Essen & Earl William, 9-10:30 p.m.; May 11, Kraft Theatre, 9-10 p.m. CBS-TV—May 4, *Best of Broadway*, "Broadway," with Joseph Cotten, Piper Laurie, Gene Nelson, Keenan Wynn, Martha Hyer & Akim Tamiroff, 10-11 p.m.; May 12, *Shower of Stars*, "High Pitch," with Marguerite Piazza, Tony Martin, Wm. Frawley & Vivian Vance, 8:30-9:30 p.m.

Experimental color rates charged networks by AT&T for coaxial-microwave facilities will be extended additional 6 months to Dec. 1, phone company notified FCC this week.



**THE MAGIC WORD IS 'ELECTRONICS':** Just about a year ago, under this same caption, we noted (Vol. 10:20): "As magical as TV, which is its commercial keystone, electronics during recent years has attracted many companies which never before had anything remotely to do with it -- some in such a big way that the tail now wags the dog. Hardly a week passes nowadays without word of new ventures, expansions, acquisitions or mergers in various fields of electronics. By and large, the main factor motivating non-electronic companies into the field is the desire to diversify."

Then we pointed out how virtually all aircraft manufacturers have gone into electronics research and manufacture, competing for military orders with old-line TV-radio-electronics manufacturers. Their continuing success is only too well known to many of the old-liners, large and small. We also published, in the same issue, a roundup on unusual entries into electronics field, some of them great industrial names, as prepared for us by Edgar Greenebaum Jr., the Chicago financial consultant.

Proposed merger of Stromberg-Carlson Co., substantial TV-radio-electronics manufacturer and pioneer TV-radio broadcaster, into fabulous General Dynamics Corp., builder of the atomic submarine Nautilus and parent of huge Convair as well as of big Canadair Ltd. of Canada, points up this trend-to-electronics. It's the biggest such merger yet and, unless we miss our guess, it's forerunner of other and similar big mergers of old-line electronics companies with major and minor entities in atomic, aero or other industrial pursuits.

Not only the loss of defense business reflected in balance sheets of some TV-radio manufacturers, but the eagerness of electronics competitors as well as non-electronic enterprisers to expand and diversify, will bring about more mergers. It's in the wind, and it's a logical development of "single weapons system" of procurement whereby defense electronics contracts seem to be tending to go to builders of end items, particularly in aircraft and missile fields.

One of reasons impelling Stromberg-General Dynamics merger, which will be on share-for-share basis, subject to approval of the stockholders of both companies at meetings June 28, is understood to be former's heavy involvement in military sub-contracts with Convair. (For further details about the merger, see p. 15.)

**WHAT PRICE WILL BRING MASS COLOR MARKET?** On eve of RCA's revelation of production plans for new 28-tube color set at May 3 stockholders meeting -- at price expected to be well below the \$895 of 38-tube receiver -- Hallicrafters broke with \$695 price. Pres. Wm. J. Halligan informed distributors that set will employ RCA 21-in. tube and 25 receiving tubes, "using a combination of RCA circuitry and our own."

Set will be introduced in June, he said, and company will "go into immediate production for the fall market." He stated that Hallicrafters' entry into color now is significant because "we have been one of the few major companies in the industry who did not give way before the many hysterically premature surges on color which skyrocketed overnight -- only to burn themselves out before returning to the ground." He estimated industry will produce 100,000-150,000 color sets this year.

In contrast to Halligan's enthusiasm, GE v.p. Dr. W.R.G. Baker, in his first statement on color in many months, expressed doubt that even a \$500 set would be the key to mass market. Speaking to MIT Club in New York April 27, he said that sales of more than 500,000 annually aren't likely until 1957, that 1,000,000 rate won't come before 1958. If programming is sufficient, he said, sales of 5,000,000 annually may be expected in 1960 and thereafter.

Dr. Baker said that surveys conducted at color demonstrations indicate that 3 out of 4 people would buy color when the price is "substantially less than \$500," though how much less wasn't determined. He said that 9 out of 10 prefer color to monochrome but insist on 3-4 hours of color programs each evening before buying.



Reason for concluding that \$500 won't bring mass market, according to Dr. Baker, is that mass market has several levels. He said a "class" group may be willing to pay up to 40% more than high end of black-&-white line (an average of \$600 for color set), but he predicted that lower income groups wouldn't be willing to pay more than 25% extra for color receivers.

A major manufacturer, who asked us not to name him, confessed to us that he has done a lot of "soul searching" about color and avowed he was as anxious as anybody else to get it going. He will make "a few" of the new-chassis sets, he said, and will price them competitively -- but is dubious about their saleability. He also is skeptical about the round tube. "The tube absolutely has to be rectangular," he said. "We've tested audiences, and they don't like the round tube." Moreover, he added, glass tubes are superior.

RCA is turning out some 3000 metal-coned tubes a month at Lancaster, can push this up to 30,000 (Vol. 11:16) -- and it's an open secret that it has been stockpiling them against expected orders from other manufacturers. It's committed to 21-in. rounds as least expensive to make, strongest and most stable. Prime mover for 22-in. glass rectangular, CBS-Hytron, which has sampled its tube to the set makers, is waiting for demand before undertaking production.

On bullish side, Packard-Bell report to stockholders states that company has made "great strides in research and development," is now in "actual production planning stage," will be "among the first companies in the country to produce color TV sets that will meet the practical requirements of the public."

Right picture tube still isn't available, according to Zenith pres. E.F. McDonald (see p. 14), who told stockholders he had color set taken out of his home 3 weeks ago because he was tired of servicing needed to keep it working.

**Topics & Trends of TV Trade:** "Terrific fall season" in TV-radio trade, but only nominal profits on TV receivers due to consumer preference for low-end, seems to express consensus of leading manufacturers as they prepare new lines for summer marts and distributor convention displays. It's usual seasonal slacking-off time right now, hence talk of "lower business" and "trend downward." With some exceptions, factory output has slowed down, though it's still running well ahead of 1954 in both TV & radio. In some instances, workers have been temporarily furloughed.

TV production during week ended April 22, according to RETMA, was 151,593 units, slightly ahead of preceding 2 weeks; radio production was 275,176 units (140,098 auto), up slightly from preceding week. It was year's 16th week, and cumulative output of TVs is about 2,625,000 compared with about 1,790,000 in same 16 months last year; of radios, about 4,475,000 vs. 3,140,000. (Note: Cumulative figures are subject to revisions by RETMA when it makes monthly recapitulations.)

Here's a tabulation of the weekly output figures for TV and radio, with comparisons with comparable 1954 weeks. It points up fact that lower output rate in recent weeks is seasonal; it also shows how TV & radio production has been running ahead of some 1954 periods every week thus far:

Week Ending	TELEVISION		RADIO	
	1955	Comparable 1954	1955	Comparable 1954
Jan. 7	190,895	106,525	278,371	225,481
Jan. 14	166,522	95,915	267,544	221,372
Jan. 21	150,985	111,188	262,949	215,976
Jan. 28	154,421	110,156	226,054	202,837
Feb. 4	171,624	107,853	264,693	192,523
Feb. 11	171,434	107,702	261,827	190,207
Feb. 18	176,030	110,544	271,942	173,833
Feb. 25	176,887	105,721	275,648	192,949
Mar. 4	166,461	113,026	297,457	188,526
Mar. 11	160,995	118,484	297,595	181,710
Mar. 18	164,478	118,284	307,549	202,893
Mar. 26	163,042	124,343	300,568	191,149
Apr. 1	163,746	123,280	287,740	180,726
Apr. 8	150,453	124,771	275,849	198,461
Apr. 15	146,472	108,752	273,639	182,685
Apr. 22	151,593	109,619	275,176	178,752

**DISTRIBUTOR NOTES:** Sylvania appoints big McKesson & Robbins drug firm as distributor for radios & phonographs to be sold through drug stores; 14 M&R branches have thus far been lined up in what may develop into nation-wide arrangement over and above regular channels of distribution to appliance, furniture & dept. stores . . . Hallicrafters appoints Rogers & Baldwin Hardware Co., 315 South Ave., Springfield, Mo. . . Bendix appoints Hynes & Waller, 1015 Ninth St. NW, Washington, D. C. . . Philco Distributors, Philadelphia, reports resignation of northeast district rep Wm. Taschner, who plans to open appliance outlet in Lakewood, N. J. . . F. B. Connelly Co. (Sylvania) transfers Richard L. Connelly from Seattle to Portland, Ore., as temporary mgr., succeeding Eldon N. Dean, resigned . . . Westinghouse Electric Supply, San Francisco, promotes Edward G. Marten to TV-radio sales mgr. . . Stromberg-Carlson appoints Archie Jones, 925 E. Flagler St., Miami, and Mechanical Engineering Corp., 228 Bank St., Norfolk (G. A. Bering, pres.) . . . Admiral appoints Associated Radio Distributors, 1929 Market St., San Francisco (Cecil D. Roarke, owner) for radios only in northern Calif.; Admiral also appoints Coffin & Wimple Inc., 142 Broad St., Bangor (Milton F. Coffin) for Maine and northeast N. H.; firm has sub-distributing operation at 51 Main St., Portland (Harold I. Hamm, mgr.).

Philco's James H. Carmine is subject of *Fortune's* May "Portrait"—a splendid shot by Myron Ehrenberg, in full-page color—and writeup recounting how "he sold his way out of the troubles." Starting with Philco as a salesman in Pittsburgh 32 years ago, Jimmy Carmine became pres. last year at age 51. Article says: "Mr. Carmine exemplifies Philco's corporate personality, noted for hard-working and fast-moving management ever since the company shifted to radios from storage batteries in 1928 and in just 2 years outsold every competitor."

Mrs. Ruth S. Tay, wife of Clarence S. Tay, gen. mgr. of Admiral distributing branches, died April 23 in Evanston, Ill. Besides her husband, a daughter survives.



**Trade Personals:** Harold J. Schulman, CBS-Columbia director of product service, onetime DuMont service director, named asst. to pres. Seymour Mintz in charge of coordinating all company plans & activities; Henry Hinz, chief mechanical engineer and asst. to Mintz, has resigned to form Henry Hinz Assoc., 1888 Grant Ave., E. Meadow, L. I., design engineering consultants . . . C. W. Taylor, recently mgr. of tube parts & machinery sales, appointed to newly created position of mgr., color kinescope marketing, RCA tube div. . . Nils G. Anderson promoted to mgr. of Camden plant of RCA engineering products div., reporting to S. N. Lev, gen. plant mgr. . . Kenneth R. Johnson elected sales v.p. and Jean P. Gleis manufacturing v.p., Packard-Bell . . . Irving Sarnoff, Bruno-N. Y., due back May 5 from tour of Orient, during which he and Mrs. Sarnoff visited their son stationed in Japan . . . S. G. Patterson promoted to pres. & gen. mgr., Rogers Majestic Electronics Ltd. . . E. Arthur Hungerford Jr., mgr. of TV dept., General Precision Lab, named exec. director, Metropolitan Educational TV Assn., whose chairman is Dr. David D. Henry, vice chancellor, New York U. . . Edward F. Hamilton, ex-Admiral, named to newly created post of special representative, Hallicrafters sales dept. . . Dan Creato, v.p. & gen. counsel, RCA Service Co., picked for 1955 "Friends of Service" award by National Alliance of TV & Electronic Service Assns., according to Frank J. Moch, NATESA pres. . . Clarence C. Dixon appointed Southeast district sales mgr., Hoffman radio div., headquartered in Dunedin, Fla. . . Gene Walter, ex-Motorola & Crosley, named district mgr., Granco Products, at Richmond . . . P. T. McCauley, ex-Motorola, elected secy-treas., James Vibrapower Co. . . G. E. Lewis appointed mgr., GE radar & precipitation transformer sales, Holyoke . . . Ned Landon named mgr. of public information, GE research labs, Schenectady . . . Gordon Mead appointed Seattle district mgr., Motorola . . . Wm. T. Higgins, ex-pres., Higgins Distributing Co., Baltimore, joins Zenith Radio's marketing development dept. . . Milton Emmer named national sales mgr., Claremont Tube Corp., Long Island City . . . Dr. Harry E. Tebrock, Sylvania medical director, awarded fellowship in Industrial Medical Assn. . . Edward P. Steele promoted to Admiral mgr. of market research, succeeding Robert L. Anderson, resigned.

Muntz TV Inc., though operating under trusteeship in Chapter X proceedings, claims it earned net operating profit of \$374,246 in 5 months through March; this week, it disclosed plans to manufacture 10-tube receiver (including rectifier & picture tubes) to sell for \$99 for 21-in., \$129 for 24-in., both table models. Recently, Ulysses Sanabria's American Television Inc., Chicago, announced 17-in. plywood table model with 9 tubes and without transformer to retail for \$77 (Vol. 11:15).

Guaranteed annual wage is principal demand in negotiations with RCA, which IUE-CIO spokesman revealed were begun April 12 in behalf of 14,000 RCA employes at Camden, Cincinnati and west coast. Spokesman described the talks to date as "tough going," but expressed confidence in "amicable conclusion."

Excise tax collections from manufacturers of radios, phonographs, TVs, components, etc. totaled \$129,148,000 in calendar 1954, down from \$152,971,000 in 1953, according to Internal Revenue Service.

Dr. Vladimir K. Zworykin left by air April 29 with Mrs. Zworykin for month's visit to Japan to meet with leaders of Japanese electronics industry and deliver several lectures on color TV.

Maj. Gen. J. D. O'Connell becomes chief of Army Signal Corps May 1, succeeding Maj. Gen. George I. Back.

**Electronics Reports:** First transistorized auto radio to be announced as ready for production was demonstrated in Detroit April 27 by Philco and Chrysler Corp. The 11-transistor unit will be special equipment on Chrysler and Imperial cars this fall.

Every maker of car radios has been working on transistorized versions—and Philco-Chrysler announcement is probably first of many. Because of their low power drain, elimination of power components, long life and size-reduction potentiality, transistors are a "natural" for auto radios. Principal use of transistors in consumer products to date has been in hearing aids, although Raytheon and Regency have transistorized portable radios on market.

Auto radio uses Philco Surface-Barrier transistors in place of tubes, eliminating vibrator, power transformer & rectifier. It requires less than 1/10th the battery power used by standard auto radios. Thoroughly tested in laboratory and on road, Philco says radio will withstand severe shock and vibration. Electrical hum and mechanical noises are said to be completely eliminated, and radio starts to operate immediately without warmup. Compactness of transistorized radio makes possible receivers small enough to be installed practically anywhere in the car.

Radio will be priced about \$150, and eventually—perhaps in 1957—it will also be available for Plymouth, Dodge & DeSoto cars. Production will start as soon as tooling has been completed at Philco's Sandusky, O. plant.

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Importance of electronics in atomic energy program is pointed out in April bulletin of Television-Electronics Fund. Net assets of atomic program, article states, are now approximately \$7.5 billion, of which about 15% (or more than \$1.1 billion) has been for electronics equipment. "In the nuclear instrument field alone, the volume of business done by electronic manufacturers has reached an approximate annual rate of around \$25,000,000. Projecting the past growth over the next 5 years, it is expected that a yearly volume of about \$50,000,000 will be done at that time." In the reactor field, bulletin states that specifications for an atomic reactor suitable for driving a steam-power plant provide an allowance of about \$90,000 for electronic instrumentation—or 4% of cost of complete nuclear power package including building.

Technical details of Project Tinkertoy, now known as Modular Design of Electronics (MDE) and Mechanized Production of Electronics (MPE), have been released to industry in 5 reports published by Commerce Dept.'s Office of Technical Services. They contain summary of the system, techniques for converting from conventional to modular design, hand fabrication technique & photographic processing, mechanized production and manufacturing cost determination. The reports are numbered PB 111275-78 & 111315, priced at \$14 for all 5.

For transistorized portable radios, CBS-Hytron this week announced new matched pair of p-n-p junction transistors, known collectively as type 2N108, designed for Class B push-pull audio amplifier stage.

Gen. Walter Bedell Smith, member of RCA board, named chairman & pres. of AMF Atomics Inc., new atomic energy subsidiary of American Machine & Foundry Co.

John J. Christian, ex-chief of armament staff unit, Boeing Airplane Co., joins Avco's Crosley div. as mgr. of plans & programs for defense operations.

Wm. S. Yeager is appointed to new post of mgr., industrial defense planning, Western Electric; he was supt. of labor relations, manufacturing div.

Lawrence A. Apley, pres. of American Management Assn., elected a director of Sylvania; he's also a director of Standard Oil (Ohio), Dayton Rubber Co., Ohio Wesleyan U.



**Financial & Trade Notes:** Zenith first-quarter earnings climbed to \$2,074,960 (\$4.21 a share) from \$827,521 (\$1.68) a year ago, sales to \$40,371,812 from \$29,335,190, paced by TV sales which exceeded previous quarterly unit record (in 1953) by more than 20%. However, pres. E. F. McDonald Jr. told stockholders that dollar volume did not increase correspondingly because of competitive conditions and increased proportion of table models. He added that he expected sales momentum to "carry into the second quarter."

He reiterated Zenith's opposition to present color TV tubes, said the medium is no further advanced than it was a year ago. "When Zenith feels it has found the answer to the color tube, we will go all-out in color TV," he said, "but we have no intention to make guinea pigs out of the public or helping the RCA patent pool."

Pointing to company's use of transistors in hearing aids, he said Zenith is "the second largest user of transistors outside the telephone company." He said Zenith soon will introduce line of special gadgets for the hard-of-hearing, including headphone amplifier for use with Zenith clock radio. Directors boosted quarterly dividend from 50¢ to 75¢.

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Sylvania's net income for first quarter totaled \$3,247,655 (\$1.03 on 2,923,394 shares), best first quarter in company history, on sales of \$73,979,627. First quarter income last year was \$2,121,487 (67¢ on 2,677,726 shares) and sales were \$66,995,451. Pres. Don G. Mitchell said 1955 unit sales of TV sets were highest for any first quarter, though intense competition "prevented dollar volume from being equally strong." He warned that industry-wide TV inventories are increasing, but predicted sales and earnings for 1955 should be ahead of 1954. He added that favorable conditions in the industry and in the general economy "should prevail for the balance of the year," estimating 1955 earnings will exceed \$4 per share. [For 1954 figures, see Vol. 11:11.]

Hoffman Electronics Corp. reports consolidated sales of \$8,988,928 for first quarter, down from \$14,147,572 same 1954 period, with net profits to \$309,906 (43¢ on 719,396 common shares outstanding) from \$470,238 (65¢). Reductions, said pres. H. Leslie Hoffman, resulted entirely from unavoidable delays in production for govt. contracts due to new scheduling. Operations for second quarter are expected to be about same as last year when sales were \$8,768,925 and profits \$348,445; improvement is expected in second half of year from seasonal increase in TV sales and large-scale production of Tacan flight system and other electronic equipment. Profit ratio on govt. work remains about same as 1954, said Mr. Hoffman, while rate of profit on TV production is better than last year.

DuMont Laboratories Inc. shows \$27,000 loss after taxes on sales of \$15,989,000 in 12-weeks ended March 25, which compares with net profit of \$508,000 (20¢) on sales of \$19,770,000 in corresponding 1954 period. Broadcasting losses exceeded manufacturing profits of \$700,000, and statement also reflected elimination of income from Pittsburgh TV station (now KDKA-TV) which was sold last year to Westinghouse.

Olympic Radio & Television Inc. reports sales for first 1955 quarter were \$4,800,986 compared with \$4,860,015 for same 1954 period—higher TV, radio and high-fi sales maintaining volume despite decline in military shipments. Net profit was \$82,631 (19¢ a share) compared to \$58,072 (13¢). Stockholders this week approved increase in authorized shares from 500,000 to 1,000,000.

Standard Coil Products Co. reports sales of \$16,325,635, net profit of \$116,599 (8¢ a share) for first quarter 1955, compared to \$18,971,300 & \$406,306 (28¢) for same 1954 period.

More 1954 officer-director compensation reports to add to those published in Vol. 11:15-16: IT&T—Sosthenes Behn, chairman, \$130,825 (16,747 shares); Wm. F. Halsey, chairman, All America Cables & Radio Inc., \$33,630 (900); Wm. H. Harrison, pres., \$134,115 (43,600); Ellery W. Stone, pres., American Cable & Radio Corp., \$64,413 (14,100); Mark A. Sunstrom, exec. v.p., International Standard Electric Corp., \$53,168 (20,200). Hoffman Electronics Corp.—H. L. Hoffman, pres., \$50,000 (116,192 shares, or 16.15% of total; additional 40,313 held by family); C. E. Underwood, v.p. & treas., \$52,500 (5000); Howard C. Briggs, v.p., Hoffman Laboratories Inc., \$33,333 (2000).

Webster-Chicago sales for first quarter 1955 totaled a record \$8,321,976, with profit of \$192,255 (37¢), compared with 1954 period's sales of \$6,899,586 and profit of \$205,946 (39¢). Pres. Norman C. Owen told annual meeting company has \$14,000,000 military order backlog and prospects for rest of year appear very good. He said Webcor is first to use printed circuits in phonographs, and more than 75% of all amplifiers for company's products in 1955-6 will utilize printed circuitry.

Packard-Bell Co. net income was \$319,238 (46¢ a share) on sales of \$11,038,882 in 6 months ended March 31, compared with \$328,647 (48¢) on \$11,118,097 in same 1954 period. In addition to report on color sets (see p. 12) and military aircraft equipment, exec. v.p. Robert S. Bell stated that company is developing "an amazing transistor wrist radio, for which the company has great plans" and a "greatly improved automatic door, operated on electronic principles."

Trav-Ler Radio Corp. has filed SEC statement covering proposed \$1,250,000 debenture issue to be offered for public sale about mid-May. Funds will be used for working capital. Twelve-year 6% debentures would be issued in denominations of \$500 & \$1000, entitling holder to buy warrants for 50 & 100 shares of Trav-Ler common at unstated subscription price. Lee Higginson Corp., N. Y. and Straus, Blosser & McDowell, Chicago, are principal underwriters.

Magnavox reports sales of \$14,365,079, net profit of \$577,738 (73¢ a share) for quarter ended March 31, compared to \$15,227,147 & \$328,552 (41¢) for corresponding 1954 period. For 9 months ended March 31, net sales were \$42,383,971, profit \$2,110,147 (\$2.65 a share) vs. \$51,147,940 & \$2,030,912 (\$2.55) for same period preceding year.

Skiatron Electronics & Television Corp., promoter of Subscriber-Vision system of subscription TV, had gross income of \$223,119 in 1954, nearly all from govt. contracts, and earned net profit of \$1943—leading pres. Arthur Levey to state in annual report that firm is now paying own way. Deficit from time of organization Feb. 8, 1948 to last Dec. 31 is given as \$58,864. Matty Fox advanced \$129,999 up to Dec. 31 out of committed \$300,000 under his Skiatron TV Inc. franchise deal. Expended up to now on processing of subscription TV application before FCC was \$51,339, on engineering research and designing costs \$48,261. Dean James M. Landis, counsel, is disclosed as holding option on 30,000 shares (out of 1,337,317 outstanding) at \$1.87½, with credit of 12½¢ per share in consideration of legal services.

Dividends: Zenith Radio, 75¢ (up from usual 50¢ quarterly) payable June 30 to stockholders of record June 10; Standard Coil Products Inc., 25¢ May 18 to holders May 9; Servomechanisms, 10¢ May 16 to holders May 2; Stanley Warner, 25¢ May 24 to holders May 4; Westinghouse, 50¢ June 1 to holders May 9; Television-Electronics Fund, 8¢ May 31 to holders April 29; P. R. Mallory, 50¢ June 10 to holders May 23.



**STROMBERG-CARLSON** has no intention of forsaking either the TV-radio set manufacturing or the TV-radio broadcasting business as result of projected merger with General Dynamics Corp. (p. 11). Fact that General Dynamics proposes to utilize Stromberg's electronic know-how in big way, and probably expand facilities at Rochester, was manifest by arrival of several of its top executives in that city day after proposed merger was announced, April 26. They wanted further look-see at plant and personnel.

Stromberg-Carlson is heavily in govt. work, but a spokesman said it does not want to depend entirely on that kind of business. "We need a wider base," he said, "and in every way this seems to be the right move for us in order to add financial strength and expand our operations." Dynamics pres.-chairman John Jay Hopkins said his firm seeks to broaden its base of operations in electronics, and "Stromberg-Carlson's civilian commercial business, particularly its telephone, radio-TV and sound equipment production would consist of a sound source of diversification for Dynamics."

In TV & radio broadcasting, Stromberg's pioneer WHAM-TV has always been a substantial earner and, until the diminution of network revenues, so was its 50-kw radio WHAM. Many offers to buy the stations have been received, but always rejected. Whether General Dynamics will want to continue in TV-radio broadcasting, time alone will tell; the broadcasting operations, headed by Wm. Fay, will have to be separately incorporated and operated as a subsidiary because General Dynamics has 2 Canadians on its board and the law does not permit foreigners on the boards of U. S.-licensed stations.

In the TV-radio receiver business, Stromberg-Carlson has never been a major factor, but it enjoys a fairly good distributor setup which largely overlaps with Kelvinator distributorships.

Firm is particularly strong in the less-publicized telephone equipment business, selling phones and switchboards to some 5300 independent telephone companies. Since it was founded in Chicago in 1894 by Alfred Stromberg and Androy Carlson, young Swedish immigrants, it has

made and sold some 8,000,000 telephones. The business moved to Rochester in 1902. Its payroll is about 5200. Last year, its sales were \$63,509,429, net earnings \$1,981,754, or \$3.65 per share on 509,115 common shares outstanding as of Dec. 31 (Vol. 11:9). It paid \$1.52½ common dividend, had current assets of \$34,450,978, working capital of \$17,389,513, total net worth of \$19,411,348. [For first 1955 quarter sales & profit, see below.]

As of March 31, Stromberg-Carlson had 530,892 common shares outstanding and 58,457 preferred. The preferred are convertible into 1.4 shares of common.

General Dynamics sales zoomed from \$82,600,000 in 1951 to \$134,500,000 in 1952, \$206,600,000 in 1953, \$648,641,000 in 1954, according to Standard & Poor's. Its net income over same span was \$3,870,000 (\$2.27 per share) in 1951, \$4,920,000 (\$2.86) in 1952, \$6,220,000 (\$3.51) in 1953, \$20,800,000 (\$4.72) in 1954 (giving effect to 2-for-1 split in March 1955). It operates through 4 divisions: Convair, with plants in San Diego, Pomona, Cal., Ft. Worth & Daingerfield, Tex., which make many types of military and commercial planes and guided missiles; Canadair Ltd., Montreal, a subsidiary which makes jet planes and guided missiles for Canadian Govt.; Electric Boat, Groton, Conn., which is sole private producer of submarines for Navy and holds orders for 3 more atomic powered subs; Electro-Dynamics, Bayonne, N. J., which makes electrical motors and generators for marine & industrial uses. On April 30, 1954 it merged with Consolidated Vultee. It employs 55,000.

As of March 31, 1954 General Dynamics' stock capitalization was 4,377,991 shares. It has no preferred. It recently sold public issue of \$40,000,000 in 3½% convertible debentures due in 1975. Its current dividend rate is \$2.20. [For first quarter sales & profit, see below.]

No management changes are planned in either corporation, according to Dynamics chairman-pres. John Jay Hopkins. Robert C. Tait, Stromberg pres., will continue as div. pres. and will also become a senior v.p. and director of Dynamics. Wesley M. Angle, Stromberg chairman, and Bernard E. Finucane, pres. of Security Trust Co. of Rochester and a Stromberg director, will also go on Dynamics board.

Sperry Rand Corp. will be name of new company resulting from merger of Remington Rand Inc. and Sperry Corp., with Gen. Douglas MacArthur as chairman; James H. Rand, vice chairman; Harry F. Vickers, pres.; John Sanderson, v.p. & secy.; Bernard O. Reuther, v.p. & treas. Plan is to convert each share of Sperry common into ¾ of Sperry Rand, each share of Remington Rand into 2 of Sperry Rand. One share of Sperry Rand preferred would replace each share of Remington Rand preferred. Assets of new company would be about \$484,000,000. Approval requires vote to two-thirds of outstanding stock of each company, will be voted on at Sperry meeting May 26, Remington Rand meeting May 27.

General Dynamics Corp. had backlog of \$1,035,000,000 in unfilled orders at end of March, chairman-pres. John Jay Hopkins reported to stockholders meeting April 28. Its net sales for first quarter increased to \$142,248,000 from \$129,353,000 last year, estimated earnings to \$3,914,000 (89¢ a share) from \$3,313,000 (74¢). Mr. Hopkins said he expected good 1955, and estimated Stromberg-Carlson's 1955 net income would be \$5.70 a share after allowing for conversion of all preferred as against 1954 earnings of \$3.65.

Stromberg-Carlson first quarter sales were \$17,009,385, net income \$604,577, or \$1.07 per share on 530,892 shares outstanding vs. \$16,285,006 & \$571,553 (\$1.13 on 504,118) in same 1954 quarter. At stockholders meeting this week, all officers and directors were re-elected.

Sales of consumer products were up, heavy apparatus & industrial products about same, defense items down during first 1955 quarter, GE pres. Ralph Cordiner reported to stockholders meeting in Schenectady April 19. Nevertheless, quarter's total volume of \$765,907,000 was up 7% over the \$715,596,000 of same 1954 quarter, and profit increased to \$50,569,000 (58¢ per common share) from \$48,029,000 (56¢). The 1954 quarter came within 2% of record high achieved in first quarter 1953.

Borg-Warner Corp. to merge with Byron Jackson Co., San Francisco, maker of electronic devices & nuclear power components as well as pumps and oil field tools, on basis of 4 shares of former for 5 of latter. Borg-Warner 1954 sales were \$380,317,000, earnings \$24,460,000 (\$3.72 per share). Byron Jackson 1954 sales were \$31,890,000, net income \$1,641,087 (\$3.10). Their total assets as of Dec. 31 would have amounted to \$292,473,000.

IT&T has bought Kuthe Laboratories Inc., Newark (vacuum tubes). Dr. Herman Kuthe, who developed the hydrogen thyratron tube at the MIT Radiation Lab, continues as pres. of new IT&T unit.

In list of 33 non-financial corporations having total assets of \$1 billion or more, compiled by UP, only ones identified with electronics industries are AT&T, \$16.51 billion; GE, \$1.69; Westinghouse, \$1.32; Western Electric, \$1.07. Leader by far is AT&T, then Standard of N. J., \$6.61; General Motors, \$5.13; U. S. Steel, \$3.34; Pennsylvania R.R., \$3.04; DuPont, \$2.74; N. Y. Central, \$2.60.



**F**REE TV-RADIO TIME for political candidates—with U. S. Treasury helping out if it's too heavy a burden on broadcasters—was advocated by Comr. Hennock this week before Senate Rules subcommittee. It was strongly opposed by spokesmen for CBS & NBC, both of which revealed some of their plans for 1956 political telecasting. At issue is S-636, introduced by Sen. Hennings (D-Mo.), to increase national political committees' expenditure ceiling to \$12,300,000, mainly on account of high cost of TV time (Vol. 11:16-17).

Comr. Hennock proposed that Hennings bill be amended to authorize creation of a "joint Congressional & Presidential committee" to develop program which could enable Congress to start free-time policy by the next Presidential election.

NBC financial v.p. Joseph V. Heffernan told Senators the network has several plans to make time more readily available to candidates and at the same time save them money. These included: (1) Cutting short regular 30-min. and hour programs to make available 5-min. segments to candidates and parties in 1956 campaign on "rotation of schedule basis." (2) Offering 1-min. political announcements in *Today, Home & Tonight* shows. (3) Withholding from sale to regular commercial sponsors "a reasonable number" of prime evening periods so that these can be purchased by political parties without necessitating pre-emption charges, which amounted to \$175,000 on NBC-TV alone during 1952 campaign. Hennings thanked Heffernan for "specific and constructive recommendations."

CBS v.p. Richard Salant said his network might be forced to provide less TV-radio coverage of 1956 campaign than it did in 1952. He said if all networks and stations gave 30-min. of free time to all Federal candidates, it would cost broadcasters \$30-50,000,000 every 4 years, and \$7.5-15,000,000 during off-year campaigns. If network donated one half-hour to one presidential candidate, it would eventually cost it and its affiliates \$7,200,000 — because of the demands for free time from all other presidential candidates, of which there were 18 in 1952.

Questioning Comr. Hennock about her free-time plan, Sen. Curtis (R-Neb.) wanted to know what would prevent any number of individuals from organizing political parties merely to take advantage of the free time. The commissioner suggested her plan be confined to "major parties," at least at the start. Sen. Hennings said he's not ready to commit himself on free-time issue, but agreed that TV's growth poses many new problems.

Anti-trust complaint being prepared by Justice Dept. against American Newspaper Publishers Assn., American Assn. of Advertising Agencies and other trade associations doesn't affect NARTB, said NARTB officials after early reports this week indicated it too might be involved. Attorney General Brownell said complaint is based on associations' adherence to flat 15% commission to ad agencies, which he called a price-fixing conspiracy. He said he hoped complaint could be dismissed upon voluntary compliance of associations in dropping the fixed percentage practice. Action was sparked, it was disclosed, by small agencies with insufficient capital to gain membership in AAAA and by big advertisers who sought to build own "house" ad agencies.

First post-freeze station KFEL-TV, Denver (Ch. 2) is revealed in April 26 press release as subject of recent trade ad offering itself for sale at \$750,000, through brokers Blackburn-Hamilton. No longer network-affiliated, KFEL-TV owner Gene O'Fallon issued release, it was indicated, to counteract alleged competitor rumors that "soon there will be only 3 channels in Denver."

Like Storer Broadcasting Co.'s huge upsurge in revenues and profits after it entered TV (Vol. 11:14), Gross Telecasting Inc. (WJIM-TV & WJIM, Lansing, Mich.), which this week marketed 193,000 shares of common stock at \$15.75 (Vol. 11:17), reveals in its prospectus how it too surged upward after it began telecasting service in 1950. Here are its gross revenue and net profit figures, after taking into account chief owner Harold F. Gross' annual salary of \$15,000 and 1950 bonus of \$31,304; 1951, \$68,312; 1952, \$132,282; 1953, \$166,753. In 1954, bonus would have amounted to \$207,070 but was restricted to maximum of \$60,000:

Year	Gross Revenues Television	Gross Revenues Radio	Income Before Taxes	Net Income
1950	\$ 194,070	\$321,247	\$ 177,391	\$107,149
1951	575,615	330,909	387,100	196,508
1952	1,114,939	337,592	749,599	357,077
1953	1,539,951	317,375	927,933	419,891
1954	1,973,031	268,558	1,320,464	639,464

Tenth anniversary of telecasting will be theme of "TV morning," May 26, at NARTB convention in Washington —featuring participation of the presidents of 4 networks in discussion of growth of TV since 1945 and looking ahead to 1965. Session will open with review of events leading up to establishment of TV, by Clair McCollough, WGAL-TV, Lancaster, chairman of Management Conference on TV Day. Other highlights: "First Years of TV," by Dr. Allen B. DuMont. "Management & Growth," tracing development of industry to the present, discussion by pres. Robert E. Kintner of ABC; Harold Hough, WBAP-TV, Fort Worth; John E. Fetzer, WKZO-TV, Kalamazoo & KOLN-TV, Lincoln, Neb. "Television 1955-1965," NBC pres. Sylvester L. Weaver Jr., discussing TV's program structure, and CBS pres. Frank Stanton, examining role of TV in society. Afternoon will be programmed by TvB, featuring talks by director of station relations Norman Cash; co-chairman Richard Moore, KTTV, Los Angeles and pres. Oliver E. Treyz.

Though deadline for comments on AT&T's off-air microwave proposal has been extended until May 20 at request of RETMA and NARTB, quite a few comments were filed this week, most of them from stations urging that they be permitted to build own private microwaves unless AT&T can provide service at same cost. Comments in that vein were submitted by ABC; KOA-TV, Denver; WCMB-TV, Harrisburg, Pa.; WNOW-TV, York, Pa.; WSIL-TV, Harrisburg, Ill.; Dage TV div.; WEAU-TV, Eau Claire; KYTV, Springfield, Mo.; KQTV, Ft. Dodge, Ia. ABC and several others questioned whether community TV systems should also be permitted to use AT&T's off-air service, stating: "In some instances the use of community antenna systems for which the public is obliged to pay is detrimental to the development of free TV service in the area." On other hand, community system operator Cable-Vision Inc., Key West, Fla., urged that they be permitted to obtain such service.

Telecasts from the moon are promised Russian televiewers by Soviet scientists. Moscow Radio reports plans to explore the moon with a rocket-borne remote control caterpillar tank which will beam TV signals to the earth. Tank would be unmanned, controlled by radio. Broadcast said that the "mooncasts" would be beamed to home TVs as well as to scientific observatories. It didn't say when.

Coast-to-coast closed-circuit color transmission will be staged by NBC-TV May 5, when 8 live commercials "with full production treatment" will be beamed from N. Y. to Santa Barbara convention of Assn. of National Advertisers, with NBC pres. Sylvester L. Weaver giving commentary for 30-min. presentation.