

# Television Digest

with **ELECTRONICS REPORTS**

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## SUMMARY-INDEX OF THE WEEK'S NEWS — July 5, 1958

**RADIO STATIONS MULTIPLY** until mid-year finds 3353 AMs authorized, 636 FM's. Still more seek licenses; 353 AM, 60 FM applications pending (p. 2).

**SENATE ALLOCATIONS HEARING** concentrates on possibility of obtaining more vhf channels via swap with military. Congress urged to step in (p. 2).

**FCC 'SMALL-TOWN TV' INQUIRY** elicits first comments. Familiar arguments repeated. Stations, boosters, common carriers filed (pp. 3 & 4).

**PRESS PREVIEWS OF TV SHOWS** proposed by sponsor DuPont to guide viewers to best live programming. "Startling" effects seen by Jock Gould (p. 5).

**NETWORK RULES VIOLATED**, FCC tells CBS, NBC & ABC and 2 stations. Demands strict adherence from here on but inflicts no penalties (p. 6).

**NAB GOES TO BAT** against baseball TV "blackout" bill as Senate schedules hearings on anti-trust exemptions for pro sports voted by House (p. 8).

**HOLLYWOOD LOSES CAMPAIGN** to keep post-1948 features from TV, reports *Variety*, citing 85 recent movies shown on N. Y. TV screens in one month (p. 8).

**NETWORK BILLINGS CONTINUE RISE** in May, as first 5 months score 13.3% gain over 1957. CBS continues in No. 1 position (p. 8).

**STATE-BY-STATE & REGIONAL** set distribution estimates released by ARF & Nielsen, show TV in 84% of U. S. households, vs. 72.8% two years ago (p. 9).

**WOMEN ENGINEERS RARE** in electronics. Only 4 in broadcast work in professional status but manufacturers have quite a few scientists (p. 11).

### *Manufacturing-Distribution-Finance*

**DuMONT SELLS OUT TV**, phono, hi-fi, stereo labels to Emerson Radio for \$6,000,000 continues all other operations except consumer products (pp. 1 & 13).

**PORTABLE TV INVENTORIES** "no burden" on fall promotions of high-end higher-profit consoles, set makers say. Portables now 35% of production (p. 12).

**CUSTOM BUILT HI-FI** now big business for TV-radio service technicians, survey by Institute shows (p. 12).

**OLD FIGURES IN NEW FORMAT**: Big brokerage house compiles handy index tabulation of TV & radio production and sales figures, 1949-57 (p. 15).

**DuMONT SELLS CONSUMER DIV. TO EMERSON:** Need for ready cash, tenuous state of consumer goods market -- and "a very good deal" -- impelled Allen B. DuMont Laboratories Inc. to make deal this week with Emerson Radio whereby DuMont TV, phonograph, hi-fi & stereo instruments will henceforth be manufactured by Emerson under DuMont label. Emerson pays \$6,000,000 cash over next 3 months, between \$1,500,000 & \$2,000,000 to be paid immediately on account of inventories and other assets.

Emerson has set up new subsidiary, DuMont Television & Radio Corp., headed by its pres. Benjamin Abrams, plans to market DuMont lines separate and apart from Emerson. New firm acquires, besides current inventories, all tools, dies, molds, etc., gets royalty-free patent license from DuMont -- in fact, takes over DuMont's consumer products div. in toto, including sales & service staff headed by Allen B. DuMont Jr. and certain engineering personnel.

Manufacture will continue in DuMont plants in Clifton, N.J. until year's end when it presumably will be moved into Emerson's big Jersey City plant.

Deal was worked out largely by Dr. DuMont and Abrams, old friends -- latter realizing longtime desire to expand in quality field with probability of eventually marketing DuMont brands direct-to-dealer a la Magnavox. DuMont spokesmen said it was "excellent deal" for their company and "Ben got a bargain and should do very well." Formal statement said acquisition "will provide cash enabling DuMont to concentrate its resources on the remaining divisions, which, it is felt, will inure to the benefit of the company's future operating results."

There's no intention of going beyond this spinoff and selling out any of the rest of the big DuMont operation, despite recent talks with Daystrom (Vol. 14:22), which led to naught, and despite reports that DuMont has been talking merger with Borg-Warner and/or one of the big aircraft companies holding electronic contracts (Vol. 14:23). [For further details about Emerson deal and DuMont plans, see p. 13.]

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TV manufacturing field has been forsaken by more than a dozen important companies in last few years, though our last Television Factbook No. 26, published in March, lists 42 U.S. manufacturers and/or assemblers; also 51 makers of radios. The TV "casualty list" had none going out of business; rather, they chose to concentrate on other products. The list: Arvin, Bendix, Capehart-Farnsworth, CBS-Columbia, Crosley, Hallicrafters, Kaye-Halbert, Raytheon, Sentinel, Sonora (revived), Sparton, Stewart-Warner, Stromberg-Carlson, Trav-ler, Wilcox-Gay (Majestic).

**NEARLY 4000 AMs & FMs AUTHORIZED:** And still they come -- the new radio stations, AM and FM. Mid-year analysis of records we maintain to keep current our annual AM-FM Directory discloses new radio outlets are being authorized by FCC at rate of 3 to 1 over new TV starters. Count at end of June is 3353 AMs authorized, of which 3253 are on the air and 100 CPs; 636 FMs, with 548 on air and 88 CPs. Six months ago, at the New Year, there were 42 fewer AMs, 8 fewer FM. TVs on air now total 533, only 17 having started in last 6 months when 4 uhf's went off air and 10 dropped CPs.

Most of the new AMs are small operations, many of them daytimers, capable of a modest livelihood for their enterprisers because cost of installation isn't high, cost of operation also low. Trend to more AM stations began with end of the wartime freeze when many veterans wanted to go into business for themselves. Thus, from 1056 AMs at end of 1945, the growth was continual: end of 1946--1579; 1947--1961; 1948--2131; 1949--2246; 1950--2351; 1951--2410; 1952--2516; 1953--2644; 1954--2782; 1955--2941; 1956--3140; 1957--3289. FM had its big surge after the war, rose to peak of 706, then dropped off as enthusiasm waned; it's back up again largely because of the heightened interest in hi-fi and the expected boom in stereo & multiplexing.

Even more want to go into radio, for right now 353 applications for new AMs pend vs. 328 at start of year; only two AM licenses and 6 CPs were turned in during the half year. There are 60 FM applications pending vs. 46 at beginning of year, 13 licenses having been turned in and 4 CPs dropped.

Note: Last count showed 1751 daily newspapers in U.S., English-language, plus 546 Sunday newspapers. But some are known to have folded and none to have started since the Editor & Publisher Yearbook tabulation of last Jan. 1. And there were 9431 weeklies, according to the latest N.W. Ayer Directory of Newspapers & Periodicals.

**WILL MILITARY HORSETRADE VHF & UHF?** Concept of "getting more vhf from the military" was a prime topic during this week's hearing on allocations, conducted by Senate Committee on Interstate & Foreign Commerce, with FCC members testifying.

Chairman Magnuson (D-Wash.) sounded excited about the idea, said "maybe we ought to call the military in for testimony." And he declared that Committee would take up, at its next meeting, resolution of Sen. Potter (R-Mich.) to create special group to study whole spectrum. But S.J. Res. 106 has been languishing in pigeon-hole for more than a year (Vol. 13:25) with nary a peep from Magnuson -- so it would surprise no one if his sudden enthusiasm quietly oozed out.

FCC's 7 members have approximately 7 ideas about "get more vhf." Chairman Doerfer reiterated thought that "in light of the cold war, so much spectrum for TV may be a luxury" (Vol. 14:26). Clearly, he's dubious about need for more stations. He noted that the 4th station in some markets has economic problems, called some outlets "glorified movie houses." He said he wouldn't hesitate to move 3-4 stations out of New York & Los Angeles if necessary to provide "information service" to other major cities which have fewer than 3 stations. He left the matter there.

Comr. Cross spoke up for first time, apropos discussions with the military:

"This time, I think we have something to trade. FCC didn't before. We have a better chance now." Comr. Lee, who spearheaded last Commission attempt to get more vhf, sounded less optimistic: "ODM Director Flemming gave strong support to the idea, but months of study brought a flat 'no'. I don't know whether we'd be more successful now. I think Congress ought to get into it."

Comr. Ford will be Commission's liaison with defense officials in the discussions but he said that FCC doesn't know how many channels it needs; that FCC staff should conclude its study before Commission decides whether the 25 vhf channels proposed by Comr. Craven (Vol. 14:26) are enough.

Comr. Hyde noted that military says none of its spectrum is idle, but Sen. Potter declared: "No one knows. I'll bet 10-to-1 that they're wasting a lot of valuable spectrum." Sen. Pastore (D-R.I.) stated cynically: "FCC is lucky not to lose anything to the military. Congress ought to move in. Nothing ever gets done."

Sen. Magnuson was impatient with Commission because it hasn't sought more money to conduct allocations study. FCC broadcast bureau chief Harold Cowgill estimated \$150,000 would be needed, unless bureau diverts manpower from other important projects. Doerfer promised to consider requesting the funds.

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There was considerable discussion of vhf mileage cuts. Doerfer repeated that he's willing to cut 2-3 miles for important drop-ins. Even Comr. Hyde, who has generally stood for holding the line on mileages, asserted that new engineering techniques (precision offset, directional antennas, etc.) might be coupled with mileage cuts to affect "limited relief in certain situations." He noted that scarcity produces pressures for more govt. regulation -- such as demands for elimination of option time, to give non-network programmers more access to prime time.

Sen. Thurmond (D-S.C.) read series of questions, obviously planted, aimed at holding line on mileages pending receipt of technical data from TV Allocations Study Organization (TASO). Theme of questions was that adequate station separation is best assurance against reduction of service. Essence of Doerfer's replies was that present separations aren't necessarily sacrosanct.

Hyde is a deintermixture advocate, but he said: "I wouldn't recklessly approve all deintermixture petitions. We must consider each case." Hyde also disputed Craven's estimate that receiver price might double under all-uhf system. FCC chief engineer Edward Allen backed him on that, said that if the uhf channels are grouped properly price might be cheaper than vhf.

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The hearing is over. Special Committee counsel Kenneth Cox has gone back to Seattle, after giving FCC some written questions on allocations, community antennas, boosters, etc., which Commission will answer in due time. He goes to work on his report, aims to finish it before Congress recesses.

It's noteworthy that this week's hearing brought fair turnout of Senators (those mentioned above). It's noteworthy, too, that they gave at least lip service to finding out what the military is doing with the public spectrum -- just as other Congressional committees learn how Defense Dept. spends money on visible weapons. It took air collisions to dramatize need for a single agency to control plane traffic. Perhaps there are tragedies caused by the current split management of the spectrum, but if there are, they're indirect, can't be linked to spectrum problems.

**THE COMPLEX 'HINTERLAND TV' PROBLEM:** You're going to hear more and more about the conflict among TV entrepreneurs attempting to serve the small towns of the nation. In one sense, it's a tempest in a teapot -- involving less than 1,000,000 of the 42,400,000 TV households, some 500,000 of them served by community antenna systems. But it has intense impact locally, and it has important industry-wide implications from a legal standpoint, i.e., the "property rights" issue.

CATV is the most controversial aspect of problem. It reverses the conven-

tional economics of broadcasting: The more isolated the community, the sparser the population -- the greater the price people are willing to pay to get TV.

The rub comes when regular TV stations attempt to operate at the thin edge of traditional telecasting economics -- and when TV-hungry people, aided at times by their own state & local officials, take law into their own hands and establish illegal boosters without engineering rhyme or reason.

A good sample of the conflict may be found in comments filed this week in FCC's inquiry into small-town TV problems. Deadline was extended from June 27 to July 7, but quite a few parties filed in advance. We've digested them below.

"Property rights" issue has bestirred big telecasters who might otherwise be content to sit this one out. NAB has decided to finance a court test. Neither CATV nor stations claim they can predict outcome with confidence. Plenty of able lawyers express frank doubts -- both ways. It will be fought out, probably take years.

**The Small-Town TV Argument:** Though FCC had extended to July 7 the deadline for filing of comments in its "inquiry" into small-market TV service (Vol. 14:21), quite a few parties have filed already—and the arguments are familiar. Only 2 community antenna operators responded; most are waiting for the deadline.

Smalltown TV stations say CATV systems threaten their existence. Big-town stations want "property rights" in their signals to be recognized, presumably paid for, by CATV systems. Illegal boosters want FCC to clothe them with legality. Common carriers don't want FCC to regulate CATV by telling the carriers they must discriminate among customers.

Group of Montana broadcasters states flatly that local TV stations will go by the boards in face of CATV competition. Eight filed joint statement declaring that, for example, KXLJ-TV, Helena, will go dark if CATV system starts there—and that KMSO-TV, Missoula, might do likewise. They insist it's not in public interest to give certain portion of public multiple service via CATV while jeopardizing a single local station—because the station renders services that CATV doesn't. They claim FCC has adequate authority to control CATV, doesn't need new laws.

The Montana stations are: KXGN-TV, Glendive; KFBB-TV, Great Falls; KOOK-TV, Billings; KXLTV, Butte; KATL, Miles City. They were joined by translator operator Hill County TV Club, Havre.

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Big-town TV stations, who filed jointly through firm of Pierson, Ball & Dowd, said there's "simple remedy": Get Congress to amend Sec. 325(a) of Communications Act "to put it beyond any doubt that it prohibits the retransmission of a station's programs by any person, or by any means, including wire, except with the consent of the station whose signals are thus transmitted or rebroadcast."

Stations claim legislative history indicates Congress clearly meant that no one should be able to retransmit stations' signals, but urge any ambiguity be dissolved.

With solid authority, stations asserted, FCC could then prevent CATV from degrading signals, distorting programs, creating confusion and loss of good will by switching channels, interference with local programs, discriminating among stations picked up. They suggest originating stations might ask FCC for permission to let CATV systems pick up their signals—and that complaints

could thereafter be handled in customary fashion.

Stations filing the foregoing: KLZ-TV, Denver; KTVT, Salt Lake City; WKY-TV, Oklahoma City; WTVT, Tampa-St. Petersburg; WSFA-TV, Montgomery; WDSU-TV, New Orleans; WAFB-TV, Baton Rouge; WDAM-TV, Hattiesburg, Miss.; WCAU-TV, Philadelphia.

WCAX-TV, Burlington, Vt., complained that local CATV system switches to CBFT, Montreal, after 3:30 p.m. It suggested that CATV systems "either be required to provide access to the programs of the local station or stations or to guarantee from interference at the receiver of those householders who desire an alternative antenna connection."

KGMB-TV, Honolulu, plumped for virtues of conventional satellites, 2 of which it operates—KMAU-TV, Wailuku & KHBC-TV, Hilo. It also suggested that island of Kauai, with 8500 families, too small even for satellite, might be served by translator or booster.

WBOY-TV, Clarksburg, W. Va., said it suffered from invasion of big-city signals via local CATV: "It is no exaggeration that stations in secondary markets cannot grow or possibly exist where CATV can provide full programming of 3 national networks as retransmitted from distant stations and for which the public has already and continues to pay dearly and for which the advertiser is not charged." CATV should be licensed and controlled with that in mind, it stated.

KWRB-TV, Riverton, Wyo., claimed that CATV "can and will obliterate free TV for the masses." It asserted that one conventional signal "available to all" is better than several signals "for a few." It urged CATV licensing.

Colo. Assn. of Bcstrs. made similar point, said CATV promotes "class distinction," urged govt. control.

A couple of Montana CATV operators filed. Big Mountain TV Inc., Whitefish, claimed that a TV station in area could serve but 38,000 people, provide "submarginal" service at best. If CATV were curbed in favor of a station, it said, "public would be deprived of a choice."

Missoula TV Cable Co., Missoula, which gives 4 channels to 2930 homes, asserted that it helped KMSO-TV get started there by providing ready-built audience; that public benefits from choice of 4 signals instead of the one it would have if CATV were killed off.

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Illegal booster operators mined another vein. Washington State Reflectors Assn. urged Commission to approve vhf boosters with little change from their present operations. "Common sense would dictate," it said, "that once people are able to obtain the necessary and proper TV

service free of charge that the CATV systems would naturally die a natural death." In addition: "FCC should not be in the business of keeping small marginal TV stations in business."

EAO-TV, serving 2000 sets with booster in Entiat, Wash. area, claimed that boosters are far superior to CATV, should be sanctioned. Prescott, (Ariz.) TV Booster Club threw in pitch against uhf translators, said their cost is "prohibitive." People's TV Assn., Soap Lake, Wash., serving 2750 sets, plumped for state regulation of CATV. Apple Valley TV Assn., Wenatchee, Wash., suggested:

"The FCC should prohibit or limit CATV, repeaters, translators or satellites only if, after a public hearing in the area affected, the majority interest would be served . . . The FCC should not be in the business of keeping small, marginal TV stations in business."

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AT&T, Western Union and U.S. Independent Telephone Assn., in similar comments, shunned thought of being required to refuse service to CATV systems. AT&T said its facilities shouldn't be used to achieve "indirect regulation of activities which are extraneous to common carrier regulation."

USITA stated: "Any attempt by the Commission indirectly to prohibit certain users from the use of common carrier facilities, particularly where otherwise such services would be beyond the Commission's direct jurisdiction and subject to state jurisdiction, for the purpose of giving an economic advantage to one class of common carrier subscriber, would be invalid and beyond the scope of any authority under the Communications Act, and at the same time an invasion of regulatory jurisdiction reserved to the states."

ABC allocation petition, recommending several mileage cuts to add vhf channels to important markets (Vol. 14:23), was endorsed this week by uhf telecasters' Committee for Competitive TV. In petition to FCC, CCT stated: "It is strongly urged that the ABC proposal is a significant step toward competitive TV allocations . . . This does not mean that CCT regards the ABC proposal as, by any means, a final answer in allocations. It is urged that the Commission also act with a sense of urgency in deintermixing, market by market, every area where uhf has established operating entities. Moreover, it is strongly urged that the Commission adopt, as a regular practice, the amendment of existing uhf & vhf construction permits in all deintermixture and drop-in cases to give reasonable protection to the equities of telecasters who have operated or are operating in affected markets on either vhf or uhf, as the case may be."

"Radio Allocations Study Organization," presumably patterned on TV Allocations Study Organization (TASO) is goal of group of radio broadcasters seeking to block FCC proposal to increase power of 12 clear channel stations from 50 to 750 kw (Vol. 14:16). F. C. Sowell, v. p.-gen. mgr. of WLAC, Nashville, is temporary chairman of group that met in Washington June 17 and resolved to form RASO. He's now soliciting support with aim of hiring legal & engineering counsel to fight power increase. Deadline for filing comments in case has been extended from July 15 to Aug. 15.

Satellite in Lebanon, N.H. is sought by WWLP, Springfield, Mass. (Ch. 22) which this week petitioned FCC to add Ch. 27 to Lebanon, Ch. 48 to Exeter, N.H., substituting Ch. 33 for Ch. 27 in Hanover, N.H., deleting Ch. 48 from Manchester, N.H.

**Press Critics of TV (Cont.):** Trial balloon on intriguing new idea for newspaper criticism of TV programming—press previews of live shows so viewers will have advance guide on whether they're worth watching—was sent up by Jack Gould in June 29 *N. Y. Times*, but it made little apparent headway this week.

Idea originated in Wilmington offices of big TV sponsor DuPont at time when spokesmen for networks were beginning to hit back in public at press attacks on TV (Vol. 14:25-26). After talking it over with his staff, DuPont adv. director Frederick A. C. Wardenburg wrote Gould, highly esteemed as one of best of the TV critics: Why not try it out next season?

Wardenburg told Gould his company would be willing to provide special, formal performances of TV shows for critics prior to broadcasts. If stage plays and books are reviewed by critics before customers pay out money for them, why shouldn't TV programs be reviewed before public spends its time on them?

Gould responded by enthusing in *Times* that innovation "could have both a startling & beneficial effect on the future of TV." He said it would "invoke a new influence on the course of ratings & production standards and render the viewer a new service . . ."

Calling for "extensive discussion & earnest consideration" by all telecasters, Gould argued: "Next fall many programs are going to be done on tape and could be readily shown in advance without the slightest difficulty."

Wardenburg's staff then sat back to see if idea would catch fire. Report to us from Wilmington at our press time: "All is calm." DuPont spokesman said company still stood by proposal, but that except for "minor, mild repercussions from other TV critics," there was little response.

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TV critics heard from pointed out that even with TV tape, plan wasn't "practical"—that they'd have to be in N. Y. or Hollywood to see show previews. Arrangement would be fine for critics based there, they said, but what about critics elsewhere? They'd find their TV work superseded by syndicated reports from N. Y. & Hollywood. Alternative to previews in 2 TV centers would be closed-circuit showings for all critics—and DuPont says "that would be out of this world financially."

Meanwhile, producer David Susskind of *DuPont Show of the Month* started press-TV project of his own, circularizing newspaper critics to join his new TV Action Committee organized among TV directors & performers in N. Y. to stimulate production there. Susskind's group wants to halt "increasing loss of quality programs," support "development & presentation of better programs."

But at same time press critics of TV came in for another blast within industry. Writing in July 10 *Reporter*, CBS's Eric Sevareid suggested: "TV could do with a sharp drop in the quality of criticism and a sharp rise in its quality." He complained of non-play-reading critics who pose as arbiters of TV drama, "lady journalists" who have no experience, "boy graduates" who presume to instruct networks on how to behave.

Sevareid said he thinks "a shocking percentage of TV fare is lousy," but that situation is "partly due to the fantastically irresponsible, inconsistent pulling & hauling [TV] is getting from the printed press."

**FCC Cracks the Whip:** The 3 TV networks and 2 stations—WMAL-TV, Washington & KBTB, Denver—were rebuked by FCC this week, but not penalized, for violations of chain broadcasting rules.

The violations were uncovered by FCC's network study staff, whereupon Commission asked networks and stations for their explanations. This week, FCC released letters to the "culprits," concluding the investigation. According to FCC, violations involved rules on "exclusive affiliation" [Sec. 3.658 (a)], "territorial exclusivity" [Sec. 3.658(b)], "control by networks of station rates" [Sec. 3.658 (h)].

Commission concluded that CBS violated Sec. 3.658(a) by pressuring WGAL-TV, Lancaster, and applicant Hartford Telecasting (Harry Butcher) into agreeing to "clear primarily or exclusively" for CBS, as against NBC & ABC. FCC said CBS violated Sec. 3.658(h) by pushing certain affiliates to increase their national spot rates.

NBC was found guilty of violating 3.658(b) in its dealings with Crosley stations, announced previously (Vol. 14:21). ABC was held culpable for inducing WMAL-TV and KBTB to raise national spot rates, and the stations were cited for participating in the arrangement.

The following conclusion of FCC's letter to CBS was repeated, roughly, to the others: "The Commission con-

siders that compliance with its Rules & Regulations is a minimum requirement of its licensees. Accordingly, it regards the conduct of the CBS network in contravening the intent and purpose of Sec. 3.658(a) and (h) as a serious matter, to be considered in connection with the overall qualifications of CBS as a licensee to operate in the public interest. No further action against CBS is contemplated at this time, since the conduct in question occurred some time ago, there is no evidence of present violation, and CBS statements of current and future practices and policies in these areas, if adhered to, should prevent future CBS conduct contrary to the rules. The Commission advises you that it expects CBS to adhere strictly to the provisions of Sec. 3.658, and that, in this connection, the correspondence concerning these matters is being associated with the Commission's files for the stations licensed to CBS, for such further consideration as CBS' future operations may warrant."

Copies of the letters are available from Commission—Mimeo. 61152 covering networks, Mimeo. 61153 for the 2 stations.

In a proceeding separate from the foregoing, radio WGH, Newport News, Va. was put on carpet too. Its license renewal was held up pending answer to Commission's charges that it's guilty of overcommercialization (average 20 spots per hour) and carried neither educational nor discussion programs—contrary to its promises to FCC.

CBS's \$20,000,000 purchase of WCAU-TV & WCAU, Philadelphia (Vol. 13:51, 14:18) was passed over again by FCC this week, is due to come up again in 2 weeks. Reasons for delay are numerous. One was need for FCC to clear up charges that CBS violated network rules which was done this week (above). Another was need to clear CBS of charge it was "unfair" in presentation of pay-TV controversy, also accomplished this week (p. 16). Another factor: Justice Dept. has informed FCC that CBS and other networks are charged with pressuring independent program producers to give them piece of their shows before accepting them for networking. FCC has to do something about that.

Single application for TV station filed this week was for Ch. 12, Aguadilla, Puerto Rico by Western Bestg. Corp. of Puerto Rico whose principals are Hector Reichard (licensee of radio WABA there) and Winston-Salem Bestg. Co. (owner of off-air uhf WTOB-TV, Winston-Salem; 80% owner of WAPA-TV, San Juan; owner of WSGN, Birmingham, Ala. and 50% of Ch. 42 grantee WBMG there). Principals have requested withdrawal of their individual applications for the same facilities. This brings total pending to 118 (29 uhf). [For details, see *TV Addenda 26-W*.]

Control of KFMB-TV, San Diego (Ch. 8), radio KFMB, KERO-TV, Bakersfield, Cal. (Ch. 10) & CP for KYAT, Yuma, Ariz. (Ch. 13) will be taken over by oilman Jack Wrather, FCC this week having approved transfer from Wrather-Alvarez Bestg. Inc. to new Marietta Investment Corp. Maria Helen Alvarez gets \$2,916,750 and other remunerations for her 38.89% plus her interests in various other properties (Vol. 14:24). Wrather increases holdings in stations from 38.89% to 63.63%, rep Edward Petry & Co. from 22.22% to 36.36%.

Two appeals filed this week in Court of Appeals: (1) By KSTF, Scottsbluff, Neb. (Ch. 10), seeking to block CP for Ch. 13, Alliance, Neb., granted to KCON. (2) By KBAK-TV, Bakersfield, Cal. (Ch. 29), challenging FCC for failure to deintermix area.

Shift of WNHC-TV, New Haven (Ch. 8) to transmitter site 13.9 mi. from present location should be allowed, FCC examiner Basil P. Cooper recommended in initial decision this week. His ruling came after hearing on protest filed by WWLP, Springfield, Mass. (Ch. 22) which warned of danger to area uhf's from vhf encroachment. Cooper based conclusion on FCC policy, as stated in decision which kept Ch. 3 in Hartford, that "it was not the policy of the Commission to endeavor to protect particular uhf stations from competition and that the ultimate test was whether the allocation will be likely to provide the best TV service to the public." WNHC-TV plans to move from Gaylord Mt., 8.8 mi. N by NW of New Haven, to Mt. Higby, 19.8 mi. N by NE. In another site-move case, FCC made effective immediately examiner Herbert Sharfman's initial decision approving move of KBET-TV, Sacramento (Ch. 10) from Pine Hill to Logtown (Vol. 14:21).

Court of Appeals again ruled it wouldn't interfere with an FCC decision on deintermixture. As in Hartford Ch. 3 case last week (Vol. 14:26), court denied appeal of WTVO, Rockford, Ill. (Ch. 39) which challenged FCC's refusal to add Ch. 3 to Rockford or to reserve it for educational use in Madison, Wis. In *per curiam* decision, Judges Miller, Washington & Burger stated merely: "After consideration of the record in light of petitioner's contentions, we find no basis for disturbing the Commission's action."

San Antonio's WOAI-TV (Ch. 4) this week reached 700-ft. mark of its 1531-ft. Ideco tower, expects to have it with new RCA antenna on air by Oct. 1. It's reputed third tallest structure in world, antenna of KSWB-TV, Roswell, N. M. (Ch. 8), 1610 ft. above ground, being first, Oklahoma City's KWTB (Ch. 9), 1572 ft., second. Empire State Bldg. with masts stands about 1450 ft., Eiffel Tower 984 ft.

Additional uhf channel for Los Angeles isn't needed, FCC ruled this week in decision denying petition of radio KRKD to add Ch. 58 to Los Angeles-Pasadena. Los Angeles has 7 vhf, 3 uhf assignments.

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**Personal Notes:** Charles Vanda, v.p. of WCAU-TV, Philadelphia, awaiting FCC approval of transfer to CBS (Vol. 14:1), resigns to become J. Walter Thompson's Hollywood v.p. for TV programming . . . Howard H. Bell, TV-radio joint affairs asst. to NAB pres. Harold E. Fellows, leaves with wife July 14 on chartered TWA plane for 17-day business-vacation tour of Rome, Geneva, Paris, Brussels, London, sponsored by Washington Ad Club; others in party of 70 include Lloyd W. Dennis, v.p. of radio WTOP; Ross H. Beville, v.p. of radio WWDC . . . Andrew G. Haley, veteran TV-radio attorney and pres. of International Astronautical Federation, leaves July 28 for Spain, Portugal, Switzerland, France & Holland on lecture tour and vacation, ending up at 9th Congress of IAF in Amsterdam; an intense rocket and astronomy hobbyist (Vol. 14:20), Haley has 2 books due off presses in Sept., titled *Rocketry & Space Flight* (VanNostrand-Princeton) and *Law of Outer Space* (Public Affairs Press, Washington) . . . Bob Noble quits Aug. 1 as sales mgr. of radio WABC, N. Y., when Blair rep firm takes over N. Y. representation of station (it already is rep outside N. Y.), now managed by Ben Hoberman . . . Don Norton, ex-national sales mgr., WABC-TV, N. Y. joins Fred Niles Productions, Hollywood, as sales mgr.; Lionel F. Grover promoted to Niles production

**ADVERTISING AGENCIES:** Harry Wayne McMahan, v.p. in charge of TV commercials, Leo Burnett agency, Chicago, named delegate of Theatre-Screen Adv. Bureau to film festival at the Lido, Venice, Sept. 20-25 . . . Andrew Potter resigns as TV director of Reach, McClinton Co., Hollywood to open own TV-radio production firm . . . Marshall Clark, ex-Scott Paper, elected v.p. of Ketchum, MacLeod & Grove, N. Y. . . . Dr. W. C. Davis resigns as v.p. & research director of Fuller & Smith & Ross, succeeded by Walter G. Mitchell, ex-Royal McBee, onetime with GE marketing services . . . Robert H. Eppler and Goodwin Alarik promoted to v.p.'s of Foote, Cone & Belding, Chicago . . . Martin Kiek named v.p. for Latin American services, Foote, Cone & Belding . . . Robert Salter resigns as chief of TV-radio production, Needham, Louis & Brorby . . . Norman Frank, ex-NBC-TV, named TV-radio director, Lynn Baker Adv., N. Y. . . . Franklin C. Wheeler retires as exec. v.p. of Cunningham & Walsh, remains as consultant & director.

CBS's Charles S. Steinberg, recently named TV press information director, is author of *The Mass Communicators* (Harper & Bros., N. Y. 470pp., \$6) which is currently winning highly laudatory reviews. Book is an historical and analytical evaluation of mass media, including TV-radio, and their impact on public opinion. Dr. Steinberg, like his chief Dr. Frank Stanton, has an earned Ph.D. as well as an M.A. from New York U, has been a high school teacher, lecturer at New York U & City College of N. Y., and has written extensively.

supervisor there . . . John Grace promoted to director of sales service, ABC-TV, Chicago, succeeding James Knox, resigned . . . Edgar Kobak, ex-NBC v.p. & ex-MBS pres., and Mrs. Kobak celebrated 42nd anniversary this week at their farm at Pine Orchard, Conn. . . . Irving Gitlin, CBS News director of public affairs in charge of CBS-TV science series *Conquest*, to lecture at Brussels Exposition July 9 under UNESCO auspices; he's doing survey of European TV . . . Robert C. Weigand transfers to gen. mgr. of WKYT-TV, Lexington, Ky. (formerly WKXP-TV), newest station in Radio Cincinnati group, from asst. gen. mgr. of WTVN-TV, Columbus . . . Art Sprinkle, ex-commercial mgr., KULA & KULA-TV, Honolulu, named station & sales mgr., KONA there . . . Redd Gardner, ex-WBBM-TV, Chicago, named gen. mgr. of KCRG-TV, Cedar Rapids, succeeding Frank T. Nye . . . Harry Edelman named gen. mgr. of KELP-TV, El Paso, succeeding Herbert Golombeck, who joins McLendon radio group . . . Frank P. Fogarty, v.p. & gen. mgr., Meredith's WOW-TV & WOW, Omaha, named to board of regents, U of Omaha . . . Howard Stalnaker promoted to mgr., KPHO-TV, Phoenix, Gene Spry promoted to mgr. of KPHO, both reporting to Richard B. Rawls, gen. mgr. of the Meredith stations . . . Blair A. Walliser, ex-John W. Shaw Adv., named MBS administrative v.p. . . . Basil Thornton, ex-BBC, named exec. director of Broadcasting Foundation of America, N. Y. . . . Leonard Spinrad, ex-Warner Bros., past pres. Columbia U School of Journalism alumni assn., joins CBS-TV information div. . . . E. D. Leshin resigns as film production mgr., CBS-TV Hollywood, to work with *Gunsmoke* producers . . . Jerome Hyams promoted to v.p.-syndication Screen Gems; Burton Hanft adds duties of treas., Dan Glass asst. treas. . . . Bill James promoted to Guild Films promotion director . . . Earl Gammons, TV-radio consultant, ex-CBS Washington v.p., convalescing in Washington's George Washington Hospital, will be released in few days.

Frank A. Arnold, original NBC director of development (promotion) and originator of term "broadcast advertising" when others wanted to call it "radio publicity," suffered stroke last week at age of 91, is now confined to a nursing home at 128 Bickley Rd., Glenside, Pa. In excellent health up to now, his eyesight perfect, he has been living with his 6 children, one of whom Frank Jr. is an ex-NBC Chicago executive. On his 88th birthday, NAB pres. Harold Fellows, at NAB convention, presented him with a plaque in honor of his pioneering in radio broadcasting. He lectured frequently on radio, wrote a book titled *Broadcast Advertising*.

H. V. Kaltenborn, whose newscasting began in 1922, celebrates his 80th birthday July 9; he and Mrs. Kaltenborn were host to picnic party July 5 at their home, Stony Brook, Long Island.

Gerald Gross, asst. secy.-general of International Telecommunications Union, Geneva, onetime FCC asst. chief engineer, named acting secy.-general following death of Marco Aurelio Andrada June 18.

D. Malcolm Neill, pres. of CFNB, Fredericton, N. B., elected pres. of Canadian Assn. of Broadcasters, succeeding Vernon Dailin, CFQC-TV, Saskatoon, resigned.

Catholic Broadcasters Assn. elects as pres. The Very Rev. Celestin J. Steiner, S.J., pres. of Detroit U, succeeding Rev. Michael Montoya.

Edward R. Murrow vacationing until Sept. 8 in native Pacific Northwest, Larry LeSueur handling his nightly CBS news broadcasts.

**Baseball TV—New Inning:** Taken aback by overwhelming House passage of baseball TV "blackout" bill (Vol. 14:26), NAB will make determined pitch against anti-trust exemptions for pro sports when Senate Judiciary Committee opens extensive—and perhaps indecisive—hearings on legislation next week.

Powerful battery of Senate support for House-voted exemptions, permitting major baseball clubs to restrict game telecasts without running afoul of monopoly laws, was lined up. But Chairman Kefauver (D-Tenn.) of anti-monopoly subcommittee, scheduling go-slow sessions starting July 9, promised full hearings for all sides of issue, including NAB's.

And proponents of measure (chiefly spokesmen for organized baseball) will be working against mid-Aug. deadline for adjournment of Congress. This could leave measure on legislative base where it can't reach Senate floor in time for vote this year.

NAB's opposition to bill, formally voted at June board meeting in Washington (Vol. 14:25), will be based on "public's interest" in continued free telecasting of games on unrestricted basis. Also to be heard in hearings, following lead-off baseball witnesses: FCC, FTC, Justice Dept. Govt. agencies haven't been heard on sweeping provisions of Keating-Walter-Miller-Harris bill.

Kefauver himself favors terms of bill (HR-10378) sponsored by Rep. Celler (D-N. Y.) and recommended by House Judiciary Committee, which was rejected by House. It would authorize baseball clubs to make "reasonably necessary" TV rules to protect minor game gates, but would withhold blanket anti-trust exemptions from pro sports. Celler version also is opposed by NAB.

Companion Keating-Walter-Miller-Harris Senate bill, sponsored by Sen. Hennings (D-Mo.), has 25 bipartisan co-signers—including Sens. Bricker (R-O.), Bridges (R-N. H.), Capehart (R-Ind.), Douglas (D-Ill.), Humphrey (D-Minn.), Goldwater (R-Ariz.), Ives (R-N. Y.), Kennedy (D-Mass.), Saltonstall (R-Mass.), Symington (D-Mo.), Potter (R-Mich.).

**Post-'48 Film Fight Lost?** Battle by theatre owners and most major movie studios to keep post-1948 features off TV screens (Vol. 14:21) "has already been lost," July 2 *Variety* concludes, counting 85 "new" films shown in May by N.Y. stations alone. "Certainly it can no longer be argued that TV viewers get to see only 'old' films," says show-biz weekly, ticking off TV-released titles ranging from "The Iroquois Trail" (1950) to "Black Rider" (1956). May TV screenings included score of British-made movies, "quite a few" from Republic, which has bucked "Hold the Line at '49" drive by Hollywood.

The editors also wrote off proposal by N.Y.-N.J. movie circuit owner Walter Reade, leader in anti-TV campaign (Vol. 14:6), for licensing by producers of post-1948 features to non-profit organization which would control TV sales. They summarized reaction to Reade plan within industry: "It's okay in theory, but we can't see it working out in practice."

In other movie-TV developments: (1) United Artists filed SEC registration for sale of 300,000 common stock shares (valued at around \$6,500,000 at present market quotes), proceeds from 200,000 to be used for such UA enterprises as TV film production. (2) Guild Films made deal with Television Industries Inc., formerly C&C TV Corp., to eliminate \$6,525,000 debt of latter by exchange of TV time spots; debt originally was contracted by purchase of 1100 shorts, foreign rights to *Minute of Prayer* from Guild. (3) ABC Film Syndication pres. George T. Shupert reported sales for first 1958 half were up 57.3% from year earlier, predicted 90-100% increase by end of this year.

Mitchell Wolfson, chief owner of WTVJ, Miami, past pres. of Theatre Owners of America, named honorary chairman for second year of TOA's next annual convention, to be held again in Miami Beach's Americana Hotel, Oct. 21-25. Co-chairmen are Sumner Redstone, Boston; S. L. Gillette, Salt Lake City; J. B. Schuyler, Butler, Wis.

### Network Television Billings

May 1958 and January-May 1958

(For April report see *Television Digest*, Vol. 14:24)

NETWORK BILLINGS continued to rise in May, but at a slackening rate, putting first 5 months of 1958 total 13.3% ahead of corresponding 1957 period. ABC again showed biggest percentage gain, with NBC well up. CBS maintained its No. 1 position. Complete TvB report for May:

NETWORK TELEVISION						
	May 1958	May 1957	% Change	Jan.-May 1958	Jan.-May 1957	% Change
ABC	\$ 8,477,755	\$ 7,258,807	+16.8	\$ 44,230,215	\$ 33,681,510	+31.3
CBS	20,970,022	20,307,762	+ 3.3	104,314,359	98,405,595	+ 6.0
NBC	18,470,368	15,811,033	+16.8	90,757,770	79,052,967	+14.8
Total	\$47,918,145	\$43,377,602	+10.5	\$239,302,344	\$211,140,072	+13.3

1958 NETWORK TELEVISION TOTALS BY MONTHS				
	ABC	CBS	NBC	Total
January	\$9,168,609	\$22,094,015	\$18,344,111	\$49,606,735
February	8,441,988	19,410,741	16,785,315	44,638,044
March	9,402,407	21,211,070	18,874,597	49,488,074
April*	8,739,456	20,628,511	18,283,379	47,651,346*
May	8,477,755	20,970,022	18,470,368	47,918,145

\*Figures revised as of July 1, 1958.

Note: These figures do not represent actual revenues to the networks, which do not divulge their actual net dollar incomes. They're compiled by Broadcast Advertising Reports (BAR) and Leading National Advertisers (LNA) for TV Bureau of Advertising (TvB) on basis of one-time network rates, or before frequency or cash discounts.

Add agency mergers: (1) Fletcher D. Richards Inc., N. Y., buys Brooks, Smith, French & Dorrance of the Pacific Coast Inc., San Francisco, Richards to operate it as Harris, Harlan, Wood div. with King Harris as pres., Ridge Harlan v. p. & creative director, Parker Wood v. p. & marketing director. Richards also maintains Harrington, Richards & Morgan Los Angeles div., from which pres. Eugene I. Harrington resigned to join Honig-Cooper & Minor, San Francisco, as chairman. (2) Seklemian & North, N. Y., merges with Calkins & Holden, N. Y. Walter H. Lurie, v. p. & TV-radio director of Seklemian, becomes a Calkins v. p. (3) Banning & Co., Los Angeles, merges with Reach, McClinton & Co., N. Y. & Los Angeles. (4) Lennen & Newell, N. Y., acquires Merchandising Factors Inc., San Francisco, which also has San Carlos, Cal. & Seattle offices.

Curbs on triple-spotting—local practice which has been protested by Assn. of National Advertisers (Vol. 14:25)—are being imposed on affiliated stations by CBS-TV in new "full value" amendment written into contracts. More than 100 affiliates already have agreed to attest that CBS-TV programs are broadcast in "entirety" including commercials, credits & network identification. NBC-TV will consider action on multiple-spotting problem at Aug. affiliates board meeting. ABC-TV is considering rewording one clause in its contracts, but plans no major amendment.



**TV Set Distribution Updated:** Insatiable demand of TV industry for fresh circulation figures was met again last week by Advertising Research Foundation and Nielsen in form of county-by-county set distribution estimates as of March 1958. Full tables won't be released to public until Sept. 15 or shortly thereafter—but whole report has gone to all members of ARF and Nielsen subscribers, plus underwriters of the report—NAB, TvB and the 3 networks.

Current report shows 84% of nation's households have TV—42,400,000 out of 50,540,000. This compares with 72.8% two years ago—35,495,330 out of 48,784,600. Regionally, West showed greatest increase, 17%; South, 13.5%. Northeast and North Central sections maintain highest saturation—90% and 88%, respectively.

Only portion released for publication now is a state-by-state and regional breakdown. It's reproduced in next column, with comparable breakdown of previous report, which was as of March 1956. In Sept. 1956, we reprinted entire county-by-county breakdown as a 10-pp. Special Report—copies of which are still available (at \$1 each).

Data is derived from Census Bureau's broad estimates—U. S. and regional only, which showed 83% of U. S. households TV-equipped as of Jan. 1958 (Vol. 14:15). ARF has taken Nielsen's subsequent surveys and the Census report, calculated estimates in the current report. It covers most of nation's 3073 counties individually, presenting the remainder in "clusters." It includes a "Table of Standard Errors," indicating probable deviation from results obtainable by a complete census.

**NBC's Share-Cost Plan:** "Rather good response" by sponsors and station affiliates to new "3-for-1" fall program promotion plan was reported this week by NBC-TV, which proposes that all share cost of newspaper curtain-raiser ads in 60-100 markets. Spokesman for network, confirming trade rumors that plan was in works, told us that commitments for 16-18 ads (½ paid for each by sponsor, station, NBC-TV) already have been signed, that "almost every client" approached so far agreed to participate. NBC-TV assumes all program promotion costs for o-&o stations.

Canada's Bureau of Broadcast Measurement has elected George S. Bertram, adv. director of Swift Canadian Co. Ltd., as its 3rd president in 15 years; also named Ross A. McCreath, All-Canada Radio & TV Ltd., v.p.; Frederick L. Wood, General Foods Ltd., director. Reappointed as chairman of research & development was T. Ralph Hart, Spitzer & Mills Ltd. Charles L. Hoffman continues as BBM exec. v.p.

TV staging & production costs are covered in *Advertising Budget & Cost Control*, published recently by Assn. of National Advertisers, 155 E. 44th St., N. Y., as Vol. IV of 7-vol. *Advertising Management Guidebook* series. First 5 books in series will be made available to non-ANA members following publication soon of Vol. V, *Agency Relations*.

"Spot TV Advertising Cost Summary No. 23," for quick estimating of spot costs in 1 to 242 markets, plus formulas for estimated spot budgets, has been issued by The Katz Agency.

NTA names foreign reps: David Yaffa, Yaffa Syndicate, Sydney, Australia; Akim Shimizu, Pacific TV Corp., Tokyo; Felipe Ysmael, Manila, Philippines.

## TV Ownership by Regions and States

(1958 vs. 1956)

Third Nielsen Coverage Service Report  
Released by Advertising Research Foundation

	SPRING 1958			SPRING 1956		
	Total Homes	TV Homes	% TV	Total Homes	TV Homes	% TV
<b>NORTHEAST</b>	12,863,800	11,599,870	90	12,859,800	10,548,160	82.0
New Eng-						
land .....	2,917,900	2,634,880	90	2,949,800	2,374,400	80.5
Conn. ....	692,600	627,930	91	688,800	565,490	82.1
Me. ....	259,400	226,950	87	263,200	188,510	71.6
Mass. ....	1,449,400	1,318,920	91	1,474,200	1,212,460	82.2
N. H. ....	165,900	147,470	89	164,200	124,510	75.8
R. I. ....	245,300	224,190	91	249,800	213,390	85.4
Vt. ....	105,300	89,420	85	109,600	70,040	63.9
Middle						
Atlantic ..	9,945,900	8,964,990	90	9,910,000	8,173,760	82.5
N. J. ....	1,685,600	1,535,310	91	1,672,100	1,404,970	84.0
N. Y. ....	5,012,600	4,526,020	90	5,011,400	4,139,470	82.6
Pa. ....	3,247,700	2,903,660	89	3,226,500	2,629,320	81.5
<b>NORTH</b>						
<b>CENTRAL</b>	15,154,900	13,294,940	88	14,816,100	11,630,760	78.5
East North						
Central ...	10,549,500	9,483,240	90	10,232,500	8,463,740	82.7
Ill. ....	2,992,800	2,683,800	90	2,983,300	2,445,000	82.0
Ind. ....	1,376,000	1,223,380	89	1,348,000	1,073,630	79.6
Mich. ....	2,266,400	2,042,580	90	2,148,000	1,805,000	84.0
Ohio ....	2,802,000	2,561,850	91	2,670,500	2,328,000	87.2
Wis. ....	1,112,300	971,630	87	1,082,700	812,110	75.0
West North						
Central ...	4,605,400	3,811,700	83	4,583,600	3,167,020	69.1
Iowa ...	834,000	734,600	88	830,600	635,180	76.5
Kan. ...	673,400	530,800	79	688,900	435,330	63.2
Minn. ...	956,600	805,170	84	929,200	661,450	71.2
Mo. ...	1,341,400	1,153,150	86	1,332,500	973,720	73.1
Nebr. ...	432,800	349,200	81	433,100	290,390	67.0
N. D. ...	170,300	115,540	68	169,900	84,400	49.7
S. D. ...	196,900	123,240	63	199,400	86,550	43.4
<b>SOUTH</b>	14,423,800	10,817,410	75	13,723,000	8,440,010	61.5
South						
Atlantic						
Del. ....	6,597,300	5,117,690	78	6,179,800	4,030,450	65.2
D. C. ....	120,100	108,030	90	108,300	92,960	85.8
D. C. ....	246,800	221,500	90	253,000	209,990	83.0
Fla. ....	1,226,700	946,380	77	1,089,900	687,440	63.1
Ga. ....	998,100	743,320	74	948,900	584,880	61.6
Md. ....	823,100	716,260	87	748,700	607,820	81.2
N. C. ....	1,097,600	811,440	74	1,041,200	620,290	59.6
S. C. ....	586,900	423,090	72	559,500	308,190	55.1
Va. ....	983,200	765,170	78	927,900	614,850	66.3
W. Va. ...	514,800	382,500	74	502,400	304,030	60.5
East South						
Central ...	3,159,700	2,178,060	69	3,072,700	1,655,700	53.9
Ala. ....	829,500	589,250	71	803,200	444,070	55.3
Ky. ....	831,500	584,090	70	811,900	463,810	57.1
Miss. ....	557,600	315,240	57	558,600	211,820	37.9
Tenn. ....	941,100	689,480	73	899,000	536,000	59.6
West South						
Central ...	4,666,800	3,521,660	75	4,470,500	2,753,860	61.6
Ark. ....	496,300	327,740	66	509,600	234,610	46.0
La. ....	845,400	630,570	75	804,400	488,110	60.7
Okla. ....	674,500	525,170	78	668,500	444,930	66.6
Tex. ....	2,650,600	2,038,180	77	2,488,000	1,586,210	63.8
<b>WEST</b>	8,097,500	6,687,830	83	7,385,700	4,876,400	66.0
<b>Mountain</b>	1,857,900	1,371,690	74	1,715,100	882,560	51.5
Ariz. ....	322,400	254,950	79	292,200	168,460	57.7
Colo. ....	508,100	398,340	78	465,900	271,050	58.2
Ida. ....	182,600	130,940	72	173,800	87,570	50.4
Mont. ....	208,200	120,750	58	200,400	63,260	31.6
Nev. ....	79,900	57,000	71	71,200	33,010	46.4
N. M. ....	226,100	156,150	69	210,100	89,830	42.8
Utah ....	233,500	201,290	86	209,400	145,630	69.5
Wyo. ....	97,100	52,270	54	92,100	23,750	25.8
<b>Pacific</b>	6,239,600	5,316,140	85	5,670,600	3,993,840	70.4
Cal. ....	4,760,000	4,150,730	87	4,312,300	3,177,350	73.7
Ore. ....	585,300	437,420	75	537,700	285,550	53.1
Wash. ....	894,300	727,990	81	820,600	530,940	64.7
<b>TOTAL U. S.</b>	<b>50,540,000</b>	<b>42,400,000</b>	<b>84</b>	<b>48,784,600</b>	<b>35,495,330</b>	<b>72.8</b>

Filmsmiths-TV, Witherspoon St., Princeton, N. J., is new subsidiary of On Film Inc., to produce TV commercials.

CBS-TV Film Sales reports 56% increase in first quarter sales—\$3,900,000 vs. \$2,500,000 for same 1957 period.

## Clips from the Current Press—

(Digests of Noteworthy Contemporary Reports)

“SIMPLY AND GRIMLY stated, it [the movie industry] is facing a crisis. This we all know. What we do not know is the solution. I believe that what we need today is a ‘blueprint for tomorrow.’ A new concept. A new plan for our business . . . Otherwise, the motion picture will cease to exist and its great influence in the cause of the American way of life will perish . . .

“Films originally conceived and made for theatre audiences should not be sold to TV . . . I want to say quite frankly that it was a tragic mistake to release films to TV and that our business has suffered irrevocably . . . We practically gave it away. We must not make the same mistake again by selling post-1948 films to TV.”—Spyros Skouras, pres. of 20th Century-Fox, addressing Screen Producers Guild.

\* \* \* \*

“In 2 or 3 years, Hollywood will be making only 50 pictures a year but the good ones will make more money than ever. Today it makes about 300. Years ago it used to make 600. What’s hurting the industry most? The shortage of good stories and, of course, television. Why should people go out to see a bad movie when they can stay at home and see a bad movie on TV?”—Sam Goldwyn, interviewed by AP’s Saul Pett.

“The movie industry’s future, as I see it, is assured. The first step is continuing to make spectacular ‘blockbuster’ films for theatres, and, while this is going on, preparing for pay TV. The next step is showing these films both in theatres and on pay TV in order to reach a larger audience than ever before.”—Paramount Pictures pres. Barney Balaban, interview by Judith Crist, *N. Y. Herald Tribune*.

“In the debate over toll TV the mathematics peculiar to a mass media have tended to run away with common sense. Dreams of millions & millions of homes dropping quarters & dollars into the coffers of sports promoters & film producers have excited impressionable beginners in Wall St. and acted as a sedative for leaders of the Hollywood colony who refuse to accept the changes wrought by free TV.”—Jack Gould, *N. Y. Times*.

“For the Church of the 20th Century not to make extensive use of both TV and radio would be as unthinkable as if St. Paul had refused to travel in ships or Luther and Calvin had regarded the printing press as unworthy of use. Yet there are still churchmen and educators who look down their noses at radio and TV. They have reason enough to be troubled about the intellectual and social content of much programming, but the fault lies with the producers and the tastes of the audiences they are trying to reach and not with the medium itself. Broadcasting is the eighth wonder of the modern world. Protestants are gradually discovering the usefulness to the Church of broadcasting . . . leaders of the World Council of Churches have been appearing occasionally on Eurovision, a TV network linking a number of European countries. The World Council is also considering the possibility of adding to its staff a broadcasting executive . . . Greek Orthodox leaders have discussed the possibility of establishing a religious broadcasting station on Mars Hill in Athens. How appropriate it would be to have a Christian radio station on the spot where St. Paul preached one of his famous sermons.”—Rev. Clayton T. Griswold, retired exec. director, TV-radio dept., United Presbyterian Church in the USA.

“There may still be some people who . . . feel that the broadcaster should allow expression of everybody’s opinion but his own. Well, it seems to me that for a young industry, we have gone pretty far along the road of maturity. Our record in the field of news & informational programming is a pretty respectable one when you look at the overall performance of a medium that must serve many functions at once. By this time, we ought to be entitled to have opinions too.”—Westinghouse Bcstg. Co., pres., Donald H. McGannon, guest-columning for John Crosby in *N. Y. Herald Tribune*.

“Everybody who writes news, writes about Sherman Adams . . . [But] how about all the Senators and members of the House of Representatives who travel about the country making speeches at from \$300 to \$1500 apiece and who accept excellent hospitality under circumstances? How about those who travel on airplane junkets or go to the openings of new hotels in all parts of the world? The real truth of the matter is . . . that this is a campaign year and if the Democrats can get anything on the Republicans, or vice versa, it will be done. . .”—George E. Sokolsky, King Features Columnist.

Deficit of WWTW, Cadillac, Mich. (Ch. 13), founded in Dec. 1953, totals \$479,093, according to transfer application filed with FCC this week under which multiple-station owner John E. Fetzer seeks to take over station for \$1,000,000 from Sparton Corp. (Vol. 14:25). WWTW April 30 balance sheet lists \$55,980 current assets, \$34,654 current liabilities, \$382,284 property & equipment, \$888,500 due Sparton Corp. Fetzer, one-third owner of Detroit Tigers baseball club, also owns WKZO & WKZO-TV, Kalamazoo (Ch. 3); radio WJEF, Grand Rapids; KOLN-TV, Lincoln, Neb. (Ch. 10); 49% of WMBD & WMBD-TV, Peoria, Ill. (Ch. 31).

Equipment shipments: RCA shipped custom-built superturnstile antenna June 21 to San Antonio’s WOAI-TV (Ch. 4) & KENS-TV (Ch. 5), planning Oct. 1 move to 1500-ft. tower near Elmendorf, Tex. RCA 2-kw transmitter June 27 to upcoming KCMT, Alexandria, Minn. (Ch. 7), planning Sept. start. Ampex Videotape shipments: Second recorder shipped to KTTV, Los Angeles (Ch. 11); one to upcoming KLOR-TV, Provo, Utah (Ch. 11).

Soviet ban on CBS Moscow correspondent Daniel Schorr, who’s been refused visa to return from U. S. to post he’d filled since 1955, was protested this week as “arbitrary exclusion” by CBS Inc. pres. Frank Stanton in cablegram to Premier Khrushchev. Russians gave no reasons for barring Schorr, just said CBS should nominate someone else for job.

New husband-wife team takes over Washington *Variety* bureau. Elizabeth & Leslie Carpenter, correspondents for group of Tex.-Okla. papers, succeed Herman Lowe, recently named public relations officer for Einstein Medical Center, Philadelphia, and wife Florence. Former *Variety* bureau man Jack Levy, now on leave, is expected back on job in a month.

Sportscaster Harry Wismer is buying 50% of Martha Rountree’s radio WKTF, Warrenton, Va. (5-kw D, 1420 kc) for \$42,000 according to FCC application filed this week. Miss Rountree retains 50%, 25% owned each by Rountree Productions Inc. and Ruth Montgomery going to Mr. Wismer. [For week’s other radio station sales & transfers, see *AM-FM Addenda AA.*]

# Do You Know That . . .

**WOMEN ENGINEERS** are mighty scarce in this business, and they're mighty proud of their work—and none seem to retire, whether for marriage, maternity or what have you.

We know of only 4 women working on broadcast engineering matters with professional status—3 with Washington consultants, one with FCC, none at stations. There are, in addition, quite a few with manufacturers who hold title of "engineer" though they're usually physicists, chemists or mathematicians.

Mrs. Elizabeth Dahlberg, with Lohnes & Culver in Washington, holds A.B. in math from Hunter College, achieved distinction of becoming first registered professional woman engineer in District of Columbia in 1952. She started with Bureau of Standards during World War II, worked for Raymond Wilmotte firm 1945-47, Frank McIntosh 1947-56, before taking present position.

Mrs. Marianna W. Cobb is first woman to set up own consulting practice (Vol. 14:8), leaving Vandivere & Cohen in Washington to set up shop for herself at 3849 N. 30th St., Arlington, Va. She also has math A.B. (from Southwestern College), also is registered in D. C. Her employment includes service with Kear & Kennedy and with Page, Creutz, Steel & Waldschmitt.

Mrs. Virginia I. Page was FCC's first woman engineer, coming there from top engineering jobs with radio stations in Tenn. & Ga. She went to U of Tenn. engineering college 2½ years, got first-class phone operator's license when 16. FCC service was 1946-48, and she left to join Page, Creutz, Steel & Waldschmitt. There, she "married the boss," Esterly C. Page, in 1953—but she's still active, working regularly except for 2 maternity leaves. She holds professional engineering status in D. C.

Mrs. Irma B. Galane remains FCC's sole lady slide-ruler, coming from Navy in Sept. 1957. She obtained B.A. in physics at Johns Hopkins at age of 18, has taken graduate work there and at George Washington U, plus special training at MIT under Navy auspices, is registered engineer in D. C.

Expansion of FM multiplexing uses is subject of new FCC inquiry, initiated this week. Commission asks comments by Sept. 2 on any ideas to enhance value of FM. Commission noted: "Many of the proposed uses contemplate additional sources of revenue by furnishing specialized radio communications services such as price quotations, facsimile, stock market reports, paging services and traffic light control. Stereophonic broadcasting has been proposed both as an improved aural broadcasting system and as a type of subsidiary communications similar to that which may now be offered on a subscription basis."

Multiple-city stereo broadcasts are subject of experiments by CBS as well as NBC (Vol. 14:26). CBS is carrying "Rhode Island Newport Jazz Festival" on these AM-FM stations July 3-6: WCBS, N. Y.; WEEI, Boston; WHYN, Springfield, Mass.; WTAG, Worcester, Mass.; WPRO, Providence; WTOP, Washington; WRVA, Richmond; WDNC, Durham, N. C. July 5-6 only WCAU, Philadelphia, is carrying programs.

Sarkes Tarzian's WTTV, Bloomington, Ind. (Ch. 4), pioneer station that has gradually increased its coverage of Indianapolis over the years, this week petitioned FCC to move its channel to Indianapolis.

Mrs. Galane is very active in engineering association work, says she knows several other women electronics engineers in Govt., but recalls only these: Miss Janet Bigelow, Holloman Air Development Center, N. M.; Mrs. Ethel Perry, Army Ballistic Missile Agency, Ala.; Elizabeth Doyle, Navy Dept. in Washington.

Networks apparently have little luck in corralling the ladies. Only NBC lists one—Louise Fogarty, who's a recording engineer, though she isn't an engineering graduate.

\* \* \* \*

Among manufacturers, Sylvania lists 16 with title of "engineer"; they hold degrees running from B.A. to Ph.D. Here they are, along with plants where employed: Buffalo—Lucille Diamond; Mountain View—Betsy Ancker, Rosalie Farrand, Julie Hemphill, Kathrinee Johnson; Waltham—Carolyn T. Cronin, Judith H. Stone, Barbara Sullivan, Florence McNair; Salem—Martha Jane Thomas; Seneca Falls—Margaret M. Hawxhurst; Bayside—San-Mei Ku, Elaine P. Mariuo, Esther Conwell, Gertrude Rothschild, Shirley W. Harrison.

RCA reports it has 23 lady engineers—11 of them at electron tube div., Harrison, N. J.; 5 at Camden, N. J.; 5 at Lancaster, Pa.; 2 at Moorestown, N. J. RCA declines to identify all, but gives these as representative cross-section: Helen Dean, chemist at Harrison; Ann Hathaway, who has B. A. in English, classified as associate engineer, working with group designing computer-type tubes at Harrison; Betty J. Bell, B.A. math, coordinator of quality control at Lancaster.

Hannah C. Moody, physicist at RCA Lancaster, holds title of a "leader, product development engineering" and her job is to "direct and coordinate an advance color kinescope development engineering group." Edith Mayaud, chemist, is a junior engineer working on circuits, testing equipment, etc. in Lancaster. At Moorestown, mathematician Anne Wardwell works on programming of digital computers and systems.

That's about it. A search among other major manufacturers proved fruitless. One of most expressive responses came from C. H. Atkin, Westinghouse mgr. of industrial relations: "I regret to inform you that our Elmira plant is not graced in this manner."

TV School Bell Awards by National School Public Relations Assn., representing 8 national organizations, presented this week at National Education Assn. convention in Cleveland: NBC—NBC News coverage of "The Contemporary Challenge to American Education," *Today's* "continuous feature coverage of education," "Second Rate Citizen" on *Loretta Young Show*. CBS—"Class of '58" on *Twentieth Century*, "Education for What?" on *The Great Challenge*, "School Year '57." ABC—"Report Card, 1958." Westinghouse's KPIX, San Francisco—"Education, Bay Area." CBS & NBC shared radio awards.

FCC Comr. T. A. M. Craven was only commissioner absent from Senate Commerce Committee allocations hearing this week (p. 2), and his legal asst. Robert Koteen explained to Committee he was confined to home under doctor's orders. He didn't describe Craven's ailment, which kept him from Commission's meetings, too—poison ivy.

New stereo recording & production firm, Sonic Arts Inc., 333 N. Michigan Ave., Chicago, is formed by Elliott M. Moore, currently on leave as TV-radio director of Erwin Wasey, Ruthrauff & Ryan; Robert Oakes Jordan is exec. v.p.; James C. Cunningham secy; Lewis F. Draper Jr., sales mgr. & treas.

**MID-YEAR ASSESSMENT OF TV PORTABLES:** How portables will affect "sell-up" promotions this fall is current concern of set makers, occasioning our mid-year assessment of TV portable production and inventories.

Production of portables for first 6 months ran about 750,000 units, some 35% of production. This compares with about 800,000 units for first 6 months of 1957, which was 31% of total production, and 325,000 units in 1956 -- 9½% of total.

Factory inventories of portables on June 30 were approximately 33% of total inventories compared with 29% last year. However, all unit volumes this year are below 1957 because of the 20% drop in total TV production.

Portable inventories are not regarded as excessive. At distributor levels, portable inventories are down from 31% of total in 1957 to 28%, while distributor sales are up from 26% to 28%. Industry executives point out the factory inventories are probably up now because of pre-introduction runs, will go down sharply in July.

Ratio of 17-in. to 14-in. portable production was almost 10-to-1 during the first 6 months, compared with about 5-to-1 last year and almost a 2-to-1 ratio in 1956. The 21-in. portables are few & far between -- RCA has one in its new line.

Advertising schedules on portables have been moved ahead this year to clear stocks before the fall push on high-end models. RCA and Philco already have broken major promotions on portables in big consumer magazines.

Manufacturers' attitude on portable situation was summed up for us by James M. Toney, RCA v.p. for TV: "Our normal experience has been that the high-end goods sell better in 2nd half. We see no significant change ahead in that pattern."

**TV-RADIO SERVICEMEN GRAB HI-FI BUSINESS:** Some idea of hi-fi business -- that part of it in which the do-it-yourself audiophiles build their own systems or have them installed by specialists -- can be gained from study just completed by Institute of High Fidelity Manufacturers among TV-radio service technicians in all sections of the country. Over-all, Institute estimates this part of hi-fi business will go over \$200,000,000 in 1958; our best guess is "package" hi-fi, including in-coming stereo, will approximate \$500,000,000 this year (Vol. 14:25).

IHFEM survey shows 85% of service technicians now in hi-fi. It accounts for more than 50% of the business of about 3.5% of servicemen; less than 10% of business of 70%. About 67% of servicemen report their hi-fi business grew in 1957. About 10% say that they gross more than \$10,000 annually in hi-fi; 14% do between \$5-\$10,000; balance less than \$5000. Institute sampled 5000 service technicians, and estimates there are about 62,000 in the country, 52,500 in hi-fi business.

**Retail Sales:** May TV set sales at retail declined slightly from April and were 42% below May of last year. Total sales reported by EIA were 237,189 sets vs. 243,132 in April and 399,757 in May of 1957. TV retail sales for Jan.-May period were 1,927,290 vs. 2,420,633 for corresponding 1957 period. Radio set sales at retail increased slightly in May, 411,659 (excluding auto) vs. 402,283 in April and 547,480 in May 1957. Jan.-May radio sales were 2,307,610 vs. 2,909,584 in 1957.

**TV-Radio Production:** TV set production was 77,290 in week ended June 27 vs. 81,999 preceding week & 142,910 in corresponding 1957 week. The year's 25th week brought total TV production to 2,095,448 vs. 2,600,998 last year. Radio set production was 161,764 (57,928 auto) vs. 160,531 (55,453 auto) in the preceding week & 252,299 (98,616 auto) in corresponding week last year. Radio output for 25 weeks was 4,518,506 (1,443,057 auto) vs. 6,739,780 (2,759,068 auto) in same 1957 period.

**The DuMont-Emerson Deal:** That Allen B. DuMont Laboratories Inc. has been hurting badly for the last 3 years, is the best known secret in the trade—its deficits starting in 1955 at \$3,674,397 (\$1.56 per share) and continuing into 1956, \$3,886,734 (\$1.65); 1957, \$534,616 (23¢); first quarter 1958, \$943,000 (40¢).

The \$6,000,000 cash being derived from Emerson Radio & Phonograph Co. (p. 1), which is taking over DuMont's consumer products div. and brand name (TVs, phonographs, hi-fi, stereo, instruments) is therefore a godsend to the diversified electronics firm established by pioneer TV tube inventor and telecaster Dr. Allen B. DuMont. It provides ready cash to carry on the other divisions, some quite profitable.

Emerson Radio's founding pres. Benjamin Abrams has big plans to exploit the DuMont quality-brand name, gets no plant facilities in the deal but will continue its output at the DuMont plants in Clifton, N.J. until end of year when presumably everything will be moved into the big Emerson plant in nearby Jersey City. Nearly all DuMont consumer products div. personnel, including mgr. Allen B. DuMont Jr., are already operating under Abrams.

Though Emerson has been finding the going rough lately, along with most other TV manufacturers, it has stayed well in the black in the face of declining grosses and earnings—and at end of 1957 it had a net worth of \$21,364,277, including an earned surplus of \$9,957,447. On June 4 it revealed (Vol. 14:23) net profit for 26-week period ending May 3, 1958 of \$165,090 (8¢ per share) vs. only \$66,900 (3¢) for comparable period year ago. For whole 1957 fiscal year ending Oct. 31, its net profit was \$138,431 (7¢) on sales of \$54,803,069 vs. \$84,852 (4¢) on \$73,883,029 in 1956 and \$2,468,063 (\$1.28) on \$87,383,028 in 1955.

[For financial history of both companies since 1950,

see our Special Report, *Financial Data on Television-Electronics Companies*, published May 10, 1958.]

Deal apparently is pleasing to all parties concerned, including even Paramount Pictures which owns a considerable portion of DuMont stock (about 26%) and the Carl M. Loeb, Rhoades & Co., banking firm whose partner Armand Erpf engineered the spinoff of DuMont's broadcasting stations in 1955 (Vol. 11:34-35) into what is now the Metropolitan Broadcasting Co.; also obviously pleased were Dr. DuMont, chairman, and David T. Schultz, pres.

Paramount Pictures and the bankers have never wanted Dr. DuMont in the "entertainment electronics" fields—and it's plain that the consumer products div., accounting for some 30% of DuMont's business, was too competitive, too difficult in today's world for men without basic merchandising experience. That's Ben Abrams' forte, while Dr. DuMont in the lab and Schultz in electronics are recognized leaders.

Both Dr. DuMont and Schultz stated all other divisions will continue to function as before, with same management and personnel: industrial & military equipment div., under v.p. Frederick H. Guterman, continuing to sell defense products, 2-way mobile radio, scientific instruments, closed-circuit industrial TV, automatic testing equipment; research & development div., under Robert Cavanagh with Dr. Thomas T. Goldsmith as supervising v.p., continuing in those fields; equipment manufacturing div., under v.p. Maj. Gen. Raymond C. Maude, USAF retired, marketing industrial & military products; tube div., under v.p. Stanley J. Koch, currently working on 3-shift-a-day schedules, turning out TV and various other types of CR tubes; international div., under Ernest Marx, marketing DuMont products all over the world.

Firm quit TV transmitter field about year ago when it became apparent number of new stations starting would be on a declining scale unless and until there's new reallocation.

**Trade Personals:** R. V. Bontecou resigns as marketing mgr. of GE's electronic components div. to become CBS-Hytron sales v.p., succeeding John Q. Adams who retired last week (Vol. 14:26) . . . Wm. J. Anderson promoted to CBS-Hytron west coast mgr. for equipment tube sales . . . Alfred K. Wright promoted to v.p.-operations and Paul Scharninghausen to v.p. & mgr., Tung Sol radio and tube div. . . . Ted Stouffer, v.p. in charge of manufacturing, Pennsylvania Transformer Co., Canonsburg, Pa., has resigned; he's ex-plant mgr. of RCA radio & hi-fi plant at Canonsburg . . . John B. Swan Jr., Philco, reappointed chairman of EIA's traffic committee; Kenneth W. Brown, Westinghouse, reappointed chairman of service committee . . . C. J. Gentry promoted to Motorola car radio sales mgr. . . . Wm. Hinton promoted to head of new Motorola consumer acceptance group . . . J. B. Anger, ex-Motorola, named Zenith merchandise mgr. . . . LeRoy A. Goodwin Jr. promoted to northeast district sales mgr., RCA semiconductor & materials div., headquartering in Needham, Mass. . . . Jay J. Newman promoted to defense planning mgr., RCA semiconductor & materials div. . . . Carmen Ramieh promoted to Westinghouse industrial tube sales mgr. . . . Joseph D. Portanova promoted to v.p.-styling of Hoffman's consumer products div.

**Gauge for TV Trade:** TV manufacturers who see 1958 as worst year since 1951 or as fairly good year (Vol. 14:26) can find general support for both views in govt. reports released this week. Joint SEC-FTC survey of manufacturing corporations showed after-tax first-quarter profits in relation to sales were lowest since 1947—3.4¢ per dollar of sales vs. 5.1¢ year earlier. At same time, Commerce Dept. reported May sales of manufacturers rose from April—up to \$25.1 billion from \$24.9 billion in first such rise since decline started last Aug. New orders totaled \$24.7 billion in May vs. \$24.5 billion in April.

Zenith got p. 1 treatment in July 2 *Wall St. Journal* article by staffer Wm. R. Clabby, titled "Unspectacular Tactics Get Spectacular Results," recounting success story of TV-radio-hearing aid enterprise founded by late pres. E. F. McDonald Jr. "Zenith's technique: A heavy concentration on a relatively narrow range of consumer products, an intense emphasis on quality production, and a rigid control of inventories—both its own and those of its dealers & distributors." Said Zenith treas. Sam Kaplan: "Diversification for diversification's sake can be a cancer.

Senate deleted section of bill to create a National Aeronautics and Space Agency which would have given Govt. full title to all inventions developed by new agency's contractors, following protest by EIA pres. David R. Hull that proposal would "seriously weaken American patent system and unnecessarily impede full cooperation between industry and the agency."

L. F. Hickernell, engineering v.p. of Anaconda Wire & Cable Co., elected pres. of American Institute of Electrical Engineers.

**The Value Train for '58:** That TV-radio-appliance makers are offering customers greatest values in history, is theme of major merchandising programs for fall market. Best enunciation of this sales concept we've seen so far comes from GE chairman Ralph J. Cordiner's speech before Edison Electric Institute in Boston, June 9. Said he:

"Why is it that sales of home appliances have not grown at the rate they should? . . . In the past 10 years, the manufacturers have offered their customers a greater flood of new, exciting products and features than in any previous period. New appliance and entertainment products have been introduced, styling has become much more attractive, and inducements to purchase a coordinated group of appliances, rather than just one appliance have increased . . . While the housewife has found higher and higher price tags on nearly everything she buys in recent years, the prices of electric appliances have actually declined.

"For example, the 12-in. TV set of 1950 cost \$230, while today's 17-in. set, a better product all-around, costs only \$180. The 8 cu. ft. combination refrigerator and freezer, with many new features, sells for less than \$300. A study of the components of the Govt's cost-of-living index reveals that, while the general cost of living has risen 26% since 1947, the prices of major appliances have actually declined 14%. These declines in prices have taken place in spite of a 63% increase in the cost of labor in electrical manufacturing, and a 50% increase in the cost of key raw materials.

"The prices have declined in spite of the fact that today's appliances have many improvements which greatly increase their real value to the customer. I am making the understatement of the year when I say that no sales force in industry has a better value to offer the consumer than the people who sell electrical appliances."

**Color Development:** "Color TV Takes on a New Sparkle" titles 7-pp. article in May *Electrical Merchandising*, which called on its correspondents for nation-wide report. While wrap-up contains little new, it's an excellent summation of color TV situation as it affects distributors & dealers today. Here are some conclusions:

"Color seems to have taken on new gloss and new dazzle among merchants across the land. RCA Victor now has over 9500 color-TV dealers, and reports a 50% leap in sales for early this year over the same period in 1957 . . .

"Exuberant predictions about color's major breakthrough have yielded to a saner merchandising view; that is, that color is gaining momentum through an evolutionary process. Best estimates place the number of sets produced at 300,000, those in use at 200,000." Among points noted:

- (1) RCA is gradually getting company among other manufacturers who are tooled up to take advantage of any break.
- (2) Servicing is no problem, for manufacturers have done excellent job of training.
- (3) Programming has improved in hours and quality, but more is needed.
- (4) Present color tube is likely to remain "it" at least through this year.
- (5) Here and there, dealers are beginning to make money out of color—and they're excited.

Reliability handbook prepared by RCA in 1956 has been released to public by Office of Technical Services, Dept. of Commerce. It's *Reliability Stress Analysis for Electronic Equipment* (182-pp. \$3).

**TV-Radio Production:** Continued decline in factory production of both TV & radio in May was reported by EIA this week. Production was also down from 1957 levels. TV production totaled 266,982 sets vs. 302,559 in April and 342,386 in May 1957. For Jan.-May period TV production was 1,790,840 sets vs. 2,178,361 during the corresponding 1957 period. TV sets with uhf tuners totaled 29,406 in May vs. 22,296 in April and 41,569 in May of last year. Radio production in May totaled 654,803 sets vs. 697,307 in April and 1,023,777 in May 1957. Jan.-May radio production totaled 4,186,869 vs. 6,098,951 in corresponding 1957 period. Revised EIA TV-radio production figures for first 5 months of 1958 follow:

	TV	Auto Radio	Total Radio
Jan. -----	433,983	349,679	1,026,527
Feb. -----	370,413	268,445	876,891
March -----	416,903	234,911	931,341
April -----	302,559	190,435	697,307
May -----	266,982	185,616	654,803
<b>Total -----</b>	<b>1,790,840</b>	<b>1,229,086</b>	<b>4,186,869</b>

**DISTRIBUTOR NOTES:** Motorola appoints Burroughs Radio, Canton, O., for all consumer products . . . Graybar promotes E. J. Hoff to district mgr., Ft. Worth; C. M. Newbill, San Francisco; C. C. Ross, Dallas . . . Decca Distributing promotes Mike Daniels to mgr., Salt Lake City . . . Westinghouse appoints V & H Radio and Electronics, Los Angeles, for tubes . . . Merit Coil appoints Jules J. Bressler Co., N. Y., for all products.

Muntz TV, Chicago, agreed with the Federal Trade Commission this week to stop "exaggerating the size of picture tubes in TV receivers" and advertising that sets are "sold directly from factory." Consent order approved examiner's findings that horizontal measurements of viewable area of picture tubes in Muntz sets are substantially less than sizes claimed in company's advertisements. Also, it was agreed that sets are not sold from "factory outlets" but by retailers who buy them from Muntz.

Factory sales of picture tubes in May totaled 560,559 worth \$11,237,147, EIA reports. This compared with 590,357 worth \$11,591,733 in April and 758,328 worth \$14,031,519 in May last year. Receiving tube sales for May totaled 36,540,000 worth \$31,406,000 vs. 32,582,000 worth \$28,788,000 in April and 32,836,000 worth \$28,147,000 in May 1957. For first 5 months of 1958, total picture tube sales were 2,963,741 worth \$59,024,738 vs. 3,710,646 worth \$67,005,712 during corresponding 1957 period.

Motorola's 1959 TV-hi-fi lines, further details of which were announced this week (Vol. 14:26), include 9 stereo models ranging in price from \$100 to \$500 for Drexel-fashioned, AM-FM combination plus \$80 for separate speaker enclosure. All hi-fi instruments are equipped for stereo conversion. TV prices range from \$175 for 17-in. portable to \$540 for 21-in. French Provincial console.

Westinghouse vacation: Production facilities at Westinghouse Elmira tube plant will close down for vacation during next 2 weeks, July 7-20 (not July 14-27 as reported in these columns last week). Sales and shipping activities will not be interrupted.

Aluminized flying-spot scanner for use with high quality objective lenses is latest CR tube offered by Syl- vania for commercial & military applications.

Symphonic Radio moves executive & sales depts. from New Brunswick to 10 Columbus Circle, N. Y.

# HANDY TV & RADIO MANUFACTURING AND SALES INDEX, 1949-1957

(All Unit and Production Figures in Millions)

	Industrial Production Index <sup>1</sup> (1947-9=100)	Radio Unit Production (1949=100)	TV Set Unit Production (1949=100)	Radio Sets, Units <sup>2</sup>			TV Sets, Units <sup>2</sup>			Components Factory Sales Value <sup>2</sup>		
				Dealer Sales	Prod.	Mfg. Value	Dealer Sales	Prod.	Mfg. Value	Picture Tubes <sup>3</sup>	Receiv- ing Tubes	Diodes & Trans- istors
1949	97	100	100	N.A.	11.4	\$310	2.7E	3.0	\$ 580	\$102	N.A.	N.A.
1950	112	127	250	N.A.	14.6	375	6.1E	7.5	1350	215	N.A.	N.A.
1951	120	110	180	N.A.	12.6	316	5.9E	5.4	957	131	N.A.	N.A.
1952	124	96	203	7.7	10.9	250	6.1	6.1	1049	179	\$259	N.A.
1953	134	117	240	12.2	13.4	298	6.4	7.2	1170	245	191	N.A.
1954	125	91	243	10.6	10.4	229	7.3	7.3	1040	206	385	\$ 15
1955	139	127	260	13.7	14.5	291	7.4	7.8	1080	221	358	33
1956	143	123	248	13.4	14.0	298	6.8	7.4	1000	212	374	74
1957	143	135	213	15.1	15.4	374	6.6	6.4	850	183	384	128

<sup>1</sup> Federal Reserve Board Bulletin. <sup>2</sup> Electronic Industries Assn., as reported monthly in *Television Digest*. <sup>3</sup> Includes other cathode ray tubes up to & including 1956. E—Estimate. N.A.—Not Available

**B**ASED ON STATISTICS available piecemeal, generally published as released in *Television Digest*, which it credits as source, the N. Y. Stock Exchange firm of Alex. Brown & Sons, with offices also in Baltimore, Washington, Winston-Salem and other cities, devotes its *June Industry Review Service* to the TV industry and has tabulated financial data on TV broadcasting and TV-radio manufacturing in unusually handy index-reference format.

The broadcasting figures for 1949-57 include Dept. of Commerce tables, *Printers' Ink* totals on all advertising expenditures, TvB's (formerly P. I. B.'s) on TV advertising expenditures, and respective CBS, NBC & ABC annual billings—all of which have been so fully reported by us that we're not reproducing them here.

General Instrument had profitable first fiscal quarter, record backlog of \$22,000,000 in period ended May 31, and 1958 should surpass last record fiscal year (Vol. 14:22), pres. Martin H. Benedek of big components manufacturer told annual meeting in Newark this week. He had no figures for first quarter, but said they'd approximate earnings of \$77,454 (6¢ per share) on \$7,042,665 sales year earlier. Benedek reported sales of TV components are holding up despite 15% drop in set production by industry, that semi-conductor sales are exceeding projections, that subsidiary Radio Receptor has been "operating profitably" last 2 months. Company's diversification "has made it possible to counter the effects of a temporarily depressed radio-TV market," Benedek said.

General Transistor Corp. plans public sale of 100,000 shares common stock, 26,112 to be issued in own behalf, 73,888 for account of chairman Arnold Malkan & family, according to notice to SEC. Hayden, Stone & Co. would be principal underwriter for sale, part of proceeds to be used for elimination or reduction of \$250,000 short-term bank loans.

Ling Electronics, Los Angeles, completes acquisition of United Electronics, Newark (Vol. 14:15), for \$750,000 cash, 65,000 shares of Ling common stock. Charles A. Rice remains as pres., Dr. John R. Beers as research-&engineering v. p. of United, which makes high-energy thermionic tubes, fixed & variable ceramic vacuum capacitors.

Dividends: Amphenol, 30¢ payable July 25 to stockholders of record July 11; General Dynamics, 50¢ Aug. 9 to holders July 11; IBM, 65¢ Sept. 10 to holders Aug. 12; Daystrom, 30¢ Aug. 15 to holders July 28; Howard W. Sams, 12¢ July 25 to holders July 15.

The manufacturing figures, however, are the most convenient we've yet seen put together in one table, and we're reproducing them herewith. Says the Brown review, noting TV stocks in general have rallied after lagging behind the market for 2½ years: "TV broadcasting has been much more resistant to the current recession than the manufacturing end of the industry . . . The TV manufacturing industry, like other consumer durable industries, has been hard hit by the recession. . ."

Report then goes on to analyze the business in general and RCA, CBS, AB-PT, Sylvania, Philco, Magnavox, Motorola, Zenith in detail. The text is available on request from any Alex. Brown & Sons office. The table of manufacturing figures appears above.

Merger completed: Thompson Products Inc. and Ramo-Wooldridge Corp., which formed subsidiary Thompson-Ramo-Wooldridge Products Inc. last year to make electronic process control instruments (Vol. 13:52), combine into Thompson Ramo Wooldridge Corp. Thompson had held 57½% of Ramo-Wooldridge stock, will exchange 271,455 common shares of consolidated company for balance, held primarily by Ramo-Wooldridge officers. Thompson pres. J. D. Wright becomes chairman; Dean E. Wooldridge, pres.; Simon Ramo, exec. v. p.

Only 4 TV-radio-electronics firms—GE, RCA, Westinghouse, Corning Glass—are listed by Hemphill, Noyes & Co. in new roster of 150 "institutional favorites" for investment by colleges, foundations, insurance companies, etc. Copies of statistical survey of firms are available from investment house at 15 Broad St., N. Y.

Raytheon increases its govt.-guaranteed V-loan bank revolving credit limit to \$75,000,000 from \$35,000,000 with maturity extended to Dec. 31, 1960, to meet requirements for rapid growth in military electronics & missiles. Eleven banks will participate in credit agreement.

Reports & comments available: On CBS, report by Courts & Co., 11 Marietta St., Atlanta. On CBS and IT&T, comments by A. M. Kidder & Co., 1 Wall St., N. Y. On RCA, analysis by Hornblower & Weeks, 40 Wall St., N. Y. On Magnavox, sketch by Dreyfus & Co., 50 Broadway, and report by E. F. Hutton & Co., 61 Broadway, N. Y. On GE, study by Laurence W. Fairfax of Dominick & Dominick, 14 Wall St., N. Y. On Time Inc., study by G. S. Colby of DuPont, Homsey & Co., 31 Milk St., Boston. On Litton, review by Sartorius & Co., 39 Broadway, N. Y.





# Television Digest

with **ELECTRONICS** **REPORTS**

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## SUMMARY-INDEX OF THE WEEK'S NEWS — July 12, 1958

**CRAVEN 25-CHANNEL VHF** proposal has "insurmountable" problems, according to Defense Dept. communications coordinator. Craven still hopeful (pp. 1 & 6).

**BARROW & CO.** seeks to deliver coup de grace to network practices, concentrating on option-time and must-buy in FCC testimony (pp. 2 & 6).

**TV-RADIO TIME SALES** up in all categories for 1958. Reps reap nearly \$50,000,000 in commissions on spot. Some pertinent and handy tables (pp. 3 & 4).

**OTHER MEDIA DOWN, TV-RADIO UP** in forecasts for 1958 time sales by Printers' Ink; 1957 ad volume figures revised (p. 5).

**REPLY TO SARNOFF BLAST** against press coverage of TV is made by N. Y. Herald Tribune's John Crosby, who lauds NBC chief's "common sense & courage" (p. 6).

**SMALL-TOWN TV INQUIRY** draws flood of comments, stations urging protection via regulation of CATV. NCTA says public must be arbiter (p. 7).

**'ECONOMIC INJURY' POLICY OF FCC** reversed by Circuit Court, which urges new licenses be denied if established stations show public injury, too (p. 9).

**WJR GETS FLINT'S CH. 12** in final FCC decision. Court dismisses St. Louis appeal. Examiner being reversed in Buffalo, WKBW due for Ch. 7 (p. 9).

**KINTNER NEW NBC PRESIDENT** as Bob Sarnoff moves to chairman; they divide duties, Adams, Bilby completing Big 4. Barry Wood quits, rejoins CBS (p. 10).

**BASEBALL TV BLACKOUT** legislation runs into Senate Judiciary subcommittee opposition despite backing (p. 16).

### Manufacturing-Distribution-Finance

**TOP TV BRANDS** in 22 markets shown in 1958 Consolidated Consumer Analysis based on member newspapers' surveys. Second choices also noted (pp. 12 & 13).

**ELECTRONIC INVESTMENT FUNDS'** latest reports: Holdings of Group Securities Inc., Television-Electronics Fund, Electronics Investment Corp. (p. 15).

**MORE VHF SPECTRUM FOR TV?—MANY A SLIP:** There isn't the proverbial Chinaman's chance of getting more vhf spectrum from the military to effectuate FCC Comr. T.A.M. Craven's proposal for 25-channel TV band starting at present Ch. 7 (Vol. 14:23-27).

Authority for that is Paul Goldsborough, staff director for communications in office of Defense Secy. McElroy. Craven proposal would mean that military would have to move out of 225-324 mc. "A move of the Defense Dept. out of this band," Goldsborough told us, "presents insurmountable technical, economic and logistic problems. Even if this condition did not prevail, I'm not at all sure it's the best solution for the requirements of TV."

He emphasized that opinion was his own, but you can be sure he wouldn't be so emphatic unless he knew where the military stands.

We asked whether military might be willing to give up to TV some space between Ch. 6 & 7 (88-174 mc, which includes FM's 88-108 mc). Goldsborough said he has no opinion on that, would have to study it.

Craven is well aware of Goldsborough's views, in fact discussed matter with him this week. He doesn't seem fazed, says his proposal was "only a starting point" and "you've got to start somewhere."

Some allocations experts believe military would be more amenable to giving up space between Ch. 6 & 7 if it were given a chunk of TV's Ch. 2-6 (54-88 mc). Goldsborough said he hadn't considered whether Ch. 2-6 could take care of military services now located in 225-324 mc. Obviously aware of hornet's nest that would be stirred up by any effort to take TV's Ch. 2-6, he stated: "The Dept. of Defense has no designs on the lower TV band." He recalled that Rear Adm. J. N. Wenger, speaking

for Defense Dept. in response to our query last year (Vol. 13:15), had scotched the rumors of such designs "very effectively." As for "scatter" communications, which work well around 50 mc, he noted that Defense Dept. has no plans to use it in U.S.

Goldsborough emphasized that all our allies, in addition to U.S. forces, use 225-324 mc for air-ground-air tactical & non-tactical communications. And he made it clear that if U.S. regards conversion problems "insurmountable," our allies consider them several times more difficult than that. "The military has hundreds of millions of dollars invested in equipment in that portion of the spectrum," he said. "We've been shifting into it for 10-12 years, from the 100-156 mc used during the war. If we started to shift to a new portion of the spectrum, there would be tremendous duplication until everything had been shifted."

Asked if uhf TV's 470-890 mc could serve air-ground-air needs as well as present 225-324 mc, Goldsborough said: "For communications purposes, we're as high as we can go technically," and he indicated there are numerous reasons.

"Something constructive" can be done, he said -- and that's to implement proposal of Office of Defense & Civilian Mobilization that top-echelon liaison with FCC be established to guide long-range planning. FCC has already accepted ODCM's offer and Comr. Ford is Commission's man, Craven assisting.

Goldsborough is in good position to speak for military, since his job is to advise Defense Secy. on problems cutting across all services. He studied law at U of Minn., served as a captain and pilot in Signal Corps during World War I. He was pres. of Aeronautical Radio Inc., the non-profit clearing house for civilian aviation, 1930-41, was called to active duty in Navy in World War II, served under director of naval communications and as air communications officer for Adm. Nimitz in Pacific. He retired as Navy captain, served as gen. communications mgr. for Trans-World Airlines 1946-56, retired, was called to present job in Jan. 1957. He's a full member of Society of Automotive Engineers and just this week was named a senior member of IRE. He's 67 years old, and vigorous.

\* \* \* \* \*

Craven is optimistic about prospects of getting more vhf for TV eventually, doesn't believe FCC must necessarily strive for the 225-324 mc he suggested. He's pleased that FCC & ODCM (Defense Dept. works through latter) will consult at policy level. "It's difficult to shift anyone," he says, "but you've got to try."

Another idea getting some consideration nowadays is that of snagging perhaps only 2-3 more vhf channels between Ch. 6 & 7. Argument is that this would be enough to make third TV network competitive. Arguments against it are that such channels would require conversion of existing sets, always a real problem; that extensive channel shifts of many stations might be involved; that 2-3 more channels still aren't enough to create a truly "nationwide competitive system."

Alternatives to getting more vhf spectrum: Extensive deintermixture; all-uhf; vhf mileage cuts and drop-ins. But there are lot of people in the industry, and some in FCC, who see no need for all the hullabaloo. They assert that U.S. is supporting virtually all the stations it can; that economics of TV preclude support of TV stations in numbers anything like that in radio.

Another factor was thrown into picture this week when Senate Commerce Committee reported out Potter resolution (S.J. Res. 106) to create 5-man commission charged with scrutinizing govt. use of spectrum (for details, see p. 6.)

**BARROW'S FINAL LICKS IN NETWORK HEARING:** Positions of several FCC members on network rules changes, as recommended by its provocative Network Study Staff Report, seemed to be fairly apparent this week -- as chief architect of Report Roscoe L. Barrow testified, flanked by economist Jesse W. Markham and attorney Louis H. Mayo.

Chairman Doerfer and Comr. Craven are clearly skeptical of conclusions in Report, showed this several times in their questions. Comr. Bartley tends to side with Barrow & Co. "Directivity" of other commissioners is less apparent -- but of

course, these current "leanings" are frequently deceptive, don't necessarily predict the final positions taken when chips are down and decision is to be written.

Barrow and aides are deeply steeped in their subject, having lived with it for 2-3 years, know much more about it than most commissioners. They've had chance to analyze all the anti-Report testimony -- and their work is far from sloppy. They are academicians, true, but they're sharp. Barrow is dean of the Cincinnati U Law School. Mayo is asst. dean of George Washington U Law School. Markham is youngest full professor of economics at Princeton, and the former chief economist of FTC.

Though these witnesses assert networks won't be hurt by changes they recommend, networks make no bones about their worries concerning "the climate in Washington." With committees of both houses of Congress seemingly against them, with the Dept. of Justice breathing down their necks, with Barrow Report closing in on them -- they look finally to FCC commissioners themselves to hold that current network practices are in the public interest, shouldn't be changed.

Quite illustrative of Doerfer's and Barrow's attitudes was one colloquy during hearing. Barrow stated that networks cried "wolf" before, said they'd be destroyed when present network rules were adopted just before World War II, but that they've prospered since -- yet they now say that those once-feared rules are fine.

Doerfer: "We all talk about the story of the wolf -- but the wolf finally did come, didn't it?" Barrow: "The wolf may come in the form of common carrier regulation if competition is not preserved. This, for all of us, is the wolf."

Barrow returns July 14 for questioning on his general statement. Mayo goes into anti-trust, rates, compensation, affiliation. Barrow then winds up with testimony on network spot representation, multiple ownership, application of FCC rules to networks. [For details of this week's testimony, see page 6.]

**ALL CATEGORIES OF TV-RADIO UP THIS YEAR:** It may be somewhat early to prognosticate and some rough months may lie ahead -- but even with the hills & valleys of the 1958 business recession it's apparent that both TV & radio broadcasting will do more business this year than last. There are variations for various parts of the country, of course, and there will be individual exceptions, but the telecasters and broadcasters as a whole will show fair increases in all major categories of time sales -- network, spot, local -- regardless of the downtrends in other media (Vol. 14:25).

Station Representatives Assn. (Lawrence Webb, managing director) is authority for this conclusion. At our request, it has compiled tables for each category of the business which are the handiest we've seen yet. Since they come from govt. reports, trade sources and reasonable projections, and since SRA's membership derives a big share of nearly \$50,000,000 in rep commissions on national spot, the figures going back to 1949 for TV and 1935 for radio (see tables, p. 4) offer a good index against which any station operator may equate his own actual and prospective business.

How closely national non-network (spot) runs against national network for the TV advertiser's dollar, is indicated in its predicted \$310,000,000 volume for 1958, after all discounts but before agency & rep commissions and not including talent and production costs. SRA predicts \$400,000,000 for networks, \$182,000,000 for local -- for a grand total of \$892,000,000. Spot will be up 6%, local 5%, network 4%.

Good rule-of-thumb, we're told, is that the reps get average of 10% on TV's national spot sales, so their "take" should be more than \$30,000,000. (Better guesstimate probably is \$25,000,000, or thereabouts.)

Radio's best billings are local, which SRA predicts will rise \$25,000,000 to \$325,000,000 for 1958, with national spot going up only \$9,000,000 to \$192,000,000, network up \$5,000,000 to \$55,000,000, regional network holding own at \$4,000,000 -- for a grand total of \$576,000,000 as against \$516,409,000 in 1957, continuing 4-year upsurge. Since reps usually get their traditional 15% on radio spot, their share ought to run \$28,700,000, which we think can be safely rounded down to \$20,000,000.

So the rep business is really Big, approaching \$50,000,000 in commissions on

reps' dealings with some 3000 advertising agencies handling (in TV alone) more than 4000 accounts. In TV, the reps were revealed in recent FCC hearings as placing very close to 50% of major stations' income. How the reps divide the business, is known only to themselves, individually, for they make no reports even to SRA -- but there is scant doubt that the big ones like Blair, CBS Spot Sales, Katz, Peters, Petry, NBC Spot handle most of the business, probably more than the 50-odd others combined.

Note: Printers' Ink, whose estimates of total advertising volume by media, prepared in collaboration with McCann-Erickson, have become standard reference, has revised its 1957 preliminary figures to show grand total of \$10,310,600,000 spent by advertisers (over-all) last year as against previously estimated \$10,432,000,000. At same time, it forecast drop to \$10,125,000,000 for 1958 on basis of first-quarter figures -- with TV up 7% for year, radio up 2%, newspapers down 10%, magazines down 6%, business papers down 5%. [For complete tables, see p. 5.]

### TELEVISION TIME SALES—NETWORK, SPOT & LOCAL, 1949-1958

Compiled for *Television Digest* by Station Representatives Assn. from Govt. & Trade Sources

Year	National Network	% Increase From Preceding Year	National non-Network	% Increase From Preceding Year	Local	% Increase From Preceding Year	Total	% Increase From Preceding Year
1949	\$10,796,000	....	\$ 7,275,000	....	\$ 9,460,000	....	\$ 27,530,000	
1950	35,210,000	226.1	25,034,000	244.1	30,385,000	221.2	90,629,000	229.2
1951	97,558,000	177.1	59,733,000	138.6	51,304,000	68.8	208,595,000	130.2
1952	137,664,000	41.1	80,235,000	34.3	65,171,000	27.0	283,070,000	35.7
1953	171,900,000	24.9	124,318,000	54.9	88,474,000	35.8	384,692,000	35.9
1954	241,224,000	40.3	176,766,000	42.2	120,131,000	35.8	538,122,000	39.9
1955	308,900,000	28.1	222,400,000	25.8	149,800,000	24.7	681,100,000	26.6
1956	367,700,000	19.0	281,200,000	26.4	174,200,000	16.3	823,100,000	20.8
*1957	382,323,000	4.0	292,408,000	4.0	174,604,000	0.2	849,233,000	3.2
†1958	400,000,000	4.0	310,000,000	6.0	182,000,000	5.0	892,000,000	5.0

\* Estimated. † Predicted by SRA on basis of TvB reports. Note: Foregoing are billings after all frequency and promotional discounts but before payment of commissions to agencies, sales representatives, etc. Talent and production costs not included. Figures are those officially reported by the FCC, except for 1957, which are estimated, and 1958, which are predictions, by Station Representatives Association.

### RADIO TIME SALES—NETWORK, SPOT & LOCAL, 1935-1958

Compiled for *Television Digest* by Station Representatives Assn. from Govt. & Trade Sources

Year	National Network	% Change From Preceding Year	Regional Network	% Change From Preceding Year	National non-Network	% Change From Preceding Year	Local	% Change From Preceding Year	Total	% Change From Preceding Year
1935 <sup>1</sup>	\$39,737,867	....	1.....	....	\$13,805,200	....	\$26,074,476	....	\$79,617,543	....
1936 <sup>2</sup>	.....	....	.....	....	.....	....	.....	....	.....	....
1937	56,192,396	41.4	2,854,047	....	23,117,136	67.4	35,745,394	37.1	117,908,973	48.1
1938	56,612,925	0.7	2.....	....	28,109,185	21.6	32,657,349	-8.7	117,379,459	-0.6
1939	62,621,689	10.6	2.....	....	30,030,563	6.8	37,315,774	14.2	129,968,026	10.7
1940*	71,919,428	13.1	1,869,583	....	37,140,444	23.8	44,756,792	20.0	155,686,247	20.5
1941	79,621,534	10.7	2,752,073	47.2	45,681,959	23.0	51,697,651	15.5	179,753,217	15.4
1942	81,744,396	2.7	3,444,581	25.2	51,059,159	11.8	53,898,916	4.2	190,147,052	5.8
1943	99,389,177	21.6	6,256,508	81.6	59,352,170	16.2	64,104,309	18.9	228,102,164	20.0
1944	121,757,135	22.5	7,612,366	21.7	73,312,899	23.5	84,960,347	29.3	287,642,747	26.1
1945	125,671,834	3.2	8,301,702	9.1	76,696,463	4.6	99,814,042	17.5	310,484,046	7.9
1946	126,737,727	0.8	8,043,381	-3.1	82,917,505	8.1	116,380,301	16.6	334,078,914	7.6
1947	127,713,942	0.8	7,012,689	-12.8	91,581,241	10.4	147,778,814	27.0	374,086,686	12.0
1948	133,723,098	4.5	7,329,255	4.3	104,759,761	14.4	170,908,165	15.6	416,720,279	11.4
1949	128,903,467	-3.6	5,994,858	-18.2	108,314,507	3.4	182,144,301	6.5	425,357,133	2.1
1950	124,633,089	-3.3	6,897,127	15.0	118,823,880	9.7	203,210,834	11.6	453,564,930	6.6
1951	113,984,000	-8.5	8,481,000	23.0	119,559,000	0.6	214,519,000	5.6	456,543,000	0.6
1952	102,528,000	-10.0	7,334,000	-13.5	123,658,000	3.4	239,631,000	11.7	473,151,000	3.6
1953	92,865,000	-9.4	5,192,000	-29.2	129,605,000	4.8	249,544,000	4.1	477,206,000	0.9
1954	78,917,000	-15.0	4,767,000	-8.2	120,168,000	-7.3	247,478,000	-0.8	451,330,000	-5.4
1955	60,268,000	-23.6	3,809,000	-20.1	120,393,000	0.2	272,011,000	9.9	456,481,000	0.7
1956	44,839,000	-25.6	3,585,000	-5.9	145,461,000	20.8	297,822,000	9.5	491,707,000	7.7
1957†	50,000,000	9.8	4,000,000	9.5	183,987,000	26.5	300,000,000	0.4	516,409,000	5.0
1958‡	55,000,000	....	4,000,000	....	192,000,000	...	325,000,000	....	576,000,000	....

<sup>1</sup> Nation-wide and regional networks combined. <sup>2</sup> Data not available. \* Figures prior to this date not comparable in all categories. † 1957 figures estimated by Station Representatives Assn. ‡ 1958 figures predicted by SRA. All other figures from FCC reports.

**Ad Taxes Struck Down:** Baltimore's special municipal taxes on TV-radio and other advertising are unconstitutional, Md. Circuit Judge Joseph L. Carter ruled this week. In first legal test of levies (4% on sales, 2% on media receipts), judge said they "violate the fundamental guarantees of freedom of the press." City Council already had voted repeal of taxes effective next Jan. 1, and Md. legislature passed law banning such local levies (Vol. 14:10), but Baltimore officials wanted ordinance to stay on books this year, had already collected \$750,000. Money must be refunded unless city wins expected appeal to state Court of Appeals. Judge Carter held taxes "invalid & void," said he found only one parallel since "infamous stamp taxes imposed by England" before Revolution: Huey Long's La. tax of 2% on certain newspapers, which U. S. Supreme Court invalidated in 1936 as discriminatory.

**NAB Spot Policy Okayed:** Station Representatives Assn. agrees with NAB that multiple spotting restrictions in latter's TV Code are adequate as they stand and need no tightening such as requested by Assn. of National Advertisers (Vol. 14:25,27). Following review of triple-spot problem by its TV trade practices committee, SRA managing director Lawrence Webb issued statement concurring with NAB's interpretation of Code "that 2 back-to-back announcements and an ID shared by an advertiser are acceptable." Meanwhile, July 5 *Sponsor* reported that "triple spotting controversy is a real boon" to TV monitoring services because more & more sponsors are checking commercials. It estimated monitoring business at \$3,000,000 annually, with Bass Films, Elliot, Unger & Elliot, Video View, National TV Monitor, Broadcast Advertisers Reports, TV Time among leaders in field.

**Rate increases:** WCHS-TV, Charleston, W. Va. July 1 raised base hour from \$650 to \$800, min. remaining \$175. WKRG-TV, Mobile, July 1, raised hour \$450 to \$500, min. \$90 to \$120. WICS, Springfield, Ill. plans adding Class AA hour about Aug. 1 (7-10 p.m. daily) at \$400, min. at \$80, Class A hour going from \$250 to \$350. KID-TV, Boise, Ida. July 1 raised hour \$225 to \$250. Canadian increases: CFCM-TV, Quebec City, July 1 raised hour \$475 to \$525, min. \$120 to \$140. CJON-TV, St. John's, Newfoundland, July 1, hour \$230 to \$250. CKNX-TV, Wingham, Ont., July 1, hour \$235 to \$250.

MCA-TV's Paramount library of 700 pre-1948 films has signed up WCAU-TV, Philadelphia, making 6 buyers to date. Others: KETV, Omaha; WOOD-TV, Grand Rapids; WBZ-TV, Boston; KNXT, Los Angeles; WCBS-TV, N. Y.

KOA-TV, Denver (Ch. 4) & KOA start construction of new studio-office quarters on 12½-acres on Lincoln St., between E. 10th & 11th Aves.—30,000-sq. ft. project due for Spring 1959 completion.

KTVU, San Francisco-Oakland (Ch. 2) is moving into new quarters at Jack London Square, Oakland. The 25,000-sq. ft. structure includes 80x50-ft. & 50x45-ft. studios.

**Sign of FM revival:** CBS plans full operation of its o-&o WBBM-FM, Chicago, which since 1941 has duplicated WBBM-AM feed. Programming will emphasize hi-fi, stereo.

Kit of 26 case histories on successful use of TV by banks and savings & loan associations has been issued by TvB; it's titled *How to Build Interest and Dividends*.

New reps: WNTA-TV, New York-Newark, July 15 to Katz for sales outside N. Y. (from Forjoe).

**Other Media Down, TV-Radio Up:** National advertising volume (all media) looks like it's facing decline of 2% to \$10,125,000,000 in 1958, with newspapers, magazines & business papers bearing brunt of drop while TV network & spot go up 7% (to \$1,090,000,000) and radio network & spot up 2% (to \$265,000,000). Preliminary projections for year were released July 10 by *Printers' Ink* on basis of first-quarter calculations (Vol. 14:25), at the same time that 1957 preliminary estimates were finalized and graded downward to an over-all grand total of \$10,310,600,000 from previously estimated \$10,432,000,000. The new tables, which represent total expenditures by advertisers, not merely receipts by media:

**ESTIMATED ADVERTISING VOLUME BY MEDIA, 1958 vs. 1957**

Medium	Expected 1958 total advertising revenue (millions)	1957 final estimate (millions)	% change 1958 vs. 1957
Newspapers (national)	\$ 730.0	\$ 809.7	-10%
Magazines	765.0	814.3	- 6
Television (network & spot)	1,090.0	1,022.6	+ 7
Radio (network & spot)	265.0	259.8	+ 2
Business papers	540.0	567.6	- 5
Outdoor (national)	140.0	139.1	+ 1
Other investments by national advertisers	2,645.0	2,640.1	0
Estimated total investments by national advertisers	6,175.0	6,253.2	- 1
Estimated total investments by local advertisers	3,950.0	4,057.4	- 3
<b>GRAND TOTAL</b>	<b>\$10,125.0</b>	<b>\$10,310.6</b>	<b>- 2%</b>

**FINAL ESTIMATES OF 1957 ADVERTISING VOLUME WITH BREAKDOWNS BY MEDIA**

	1957		1956		% change 1957 vs. 1956
	Millions	% of Total	Millions	% of Total	
<b>Newspapers</b>					
total	\$ 3,283.3	31.9	\$3,235.6	32.7	+ 1.5
national	809.7	7.9	788.9	8.0	+ 2.6
local	2,473.6	24.0	2,446.7	24.7	+ 1.1
<b>Magazines</b>					
total	814.3	7.9	794.7	8.0	+ 2.5
weeklies	451.4	4.4	439.5	4.4	+ 2.7
women's	164.4	1.6	165.6	1.7	- 0.7
general	160.9	1.5	152.5	1.5	+ 5.5
farm, national	37.6	0.4	37.1	0.4	+ 1.3
<b>Television</b>					
total	1,290.9	12.5	1,206.7	12.2	+ 7.0
network	660.7	6.4	625.1	6.3	+ 5.7
spot	361.9	3.5	329.0	3.3	+10.0
local	268.3	2.6	252.6	2.6	+ 6.2
<b>Radio</b>					
total	622.5	6.0	567.0	5.7	+ 9.8
network	66.6	0.6	60.5	0.6	+10.1
spot	193.2	1.9	161.0	1.6	+20.0
local	362.7	3.5	345.5	3.5	+ 5.0
<b>Farm Publications</b>					
regional	33.7	0.3	36.0	0.4	- 6.4
<b>Total Farm publications*</b>	(71.3)	(0.7)	(73.1)	(0.8)	- 2.5
<b>Direct mail</b>	1,470.9	14.3	1,419.2	14.3	+ 3.6
<b>Business papers</b>	567.6	5.5	496.0	5.0	+14.4
<b>Outdoor</b>					
total	206.1	2.0	201.3	2.0	+ 2.4
national	139.1	1.3	135.9	1.3	+ 2.4
local	67.0	0.7	65.4	0.7	+ 2.4
<b>Miscellaneous</b>					
total	2,021.3	19.6	1,948.2	19.7	+ 3.8
national	1,169.2	11.3	1,115.3	11.3	+ 4.8
local	852.1	8.3	832.9	8.4	+ 2.3
<b>Total national</b>	<b>6,253.2</b>	<b>60.6</b>	<b>5,925.6</b>	<b>59.8</b>	<b>+ 5.5</b>
<b>Total local</b>	<b>4,057.4</b>	<b>39.4</b>	<b>3,979.1</b>	<b>40.2</b>	<b>+ 2.0</b>
<b>GRAND TOTAL</b>	<b>\$10,310.6</b>	<b>100.0%</b>	<b>\$9,904.7</b>	<b>100.0%</b>	<b>+ 4.1</b>

\* Bracketed figures identify advertising directed to farm markets through national, regional and state farm publications. These figures are already contained in the other media total and are not to be added into national or local totals.

CBS-owned WCBS-TV, N. Y., sets up own sales staff for N. Y. area as of Oct. 1, continues to use CBS Spot Sales for rest of country and is hiring 8 more salesmen. Reason for change, according to Craig Lawrence, v.p. for owned stations and spot sales, is that "advertising dollar volume in the N. Y. area is so large, and the competition for it from all media is so intensive that we believe this is the time to form a sales staff whose time can be devoted exclusively to selling WCBS-TV."

**Military Spectrum Hog?** Sen. Potter (R-Mich.) has profound suspicions that Defense Dept. is sitting on frequencies it might well turn over to TV (see p. 1), and he was happy that Senate Commerce Committee reported out his "let's find out" resolution. After Committee acted this week, he said:

"This is the only means of really knowing whether this vital national resource, the radio-TV spectrum, is being used efficiently. It will break the cloud of secrecy the military have placed over their use of this precious property." Senate still has to approve the measure, and House has yet to consider its companion (H.J. Res. 381), offered last year by Rep. Bray (R-Ind.).

Resolution would establish a "Commission on the Allocation of Radio & TV Frequencies"—2 members appointed by President, one by Vice President, one by Speaker of the House, one by FCC chairman. Its job would be to study whether Govt. is using spectrum efficiently, whether any govt.-used spectrum can be turned over to civilian use and "what are the likely future requirements of the various agencies and instrumentalities of the Federal Govt. for radio & TV frequencies."

Members would be non-Govt. allocations experts, would have access to all govt. information, secret or otherwise, and would have to report in 6 months.

Industry had endorsed Potter's resolution warmly, but Office of Defense Mobilization (now ODCM) saw no need for it, said that if any studying were done it should include evaluation of civilian-use efficiency (Vol. 13:33). And military allocations specialists still assert they need everything they have. FCC Comr. Craven isn't excited about the resolution, says that the liaison with ODCM should be able to do the job.

**TV Critic Talks Back:** "Robert W. Sarnoff's bleat of anguish at the newspapers [was] a step in the right direction of common sense & courage on the part of the broadcaster," *N. Y. Herald Tribune* columnist John Crosby wrote this week, commenting on NBC chief's recent speech blasting press coverage of TV (Vol. 14:25).

Nevertheless, Sarnoff "is on pretty delicate ground" when he "starts impugning the motives of newspapers," Crosby said in column titled "Sarnoff Talks Back." Syracuse speech was "breath of fresh air," but if there is a deliberate campaign by press against TV because of advertising competition, "it must be underground because I haven't heard about it," he wrote.

Meanwhile, *N. Y. Times'* Jack Gould reported that "practical obstacles appeared to be growing" against DuPont proposal for press previews of TV shows next season to guide public to better programming (Vol. 14:27). Gould noted such difficulties as "fabulous expenditures" needed to provide previews for critics outside N. Y.. quoted "executive of one network" who "was very cool to the whole idea": "It's silly to give critics such power."

DuPont continued to be willing to try out plan, however. Invitations went out to N. Y. critics to see performance of "Harvey" on *DuPont Show of the Month* day before Sept. 22 telecast.

Swap of kinescopes with French & Belgian TV systems was arranged during recent visit to Brussels Fair by staffers of Westinghouse's KPIX, San Francisco: Wm. Dempsey, program mgr.; Al Barraci, publicity mgr.; Peter Abenheim, of *Capt. Fortune* children's show. They shot film, appeared on shows there, rendered video accounting of their trip on station's *What's Your Opinion?*

**Barrow Team at Bat:** Roscoe L. Barrow is a soft-spoken man who used hard words in this week's network hearing (p. 2). Though he appears mild-mannered, he has some rigid attitudes. For example, he never permitted an industry man to buy him a lunch; he made his staff adhere to same rule.

Industry testimony against his Report was purely self-serving, he said. He noted that industry didn't contest facts presented, and asked:

"Can it be possible that a staff can be so consistently correct on its facts and so consistently erroneous in its evaluation and conclusions? To me this is inconceivable."

As opposed to industry testimony, he said, Senate Commerce Committee, House Judiciary Committee and Attorney General—"groups representing the public"—support Report's recommendations, or go even further.

\* \* \* \* \*

Why did affiliates back networks? Said Barrow: "Most of them are dependent upon the networks for their economic life." Why did station reps and film producers also support option-time? "Almost every component in this industry wants a shield against some form of competition. It must be remembered, also, that when the stations, through mutuality of interest with the networks, support the network position, it would be difficult for their agents, the national station reps, publicly to take a position contrary to their clients."

Barrow noted that program syndicators once opposed networks, then changed position, whereupon they increased their income from sales to networks from 6% in 1955-56 to 25% in 1956-57. "I draw no inference from this fact," he said, "but the coincidence . . . is an interesting one."

Minimum regulation of networks is proposed, Barrow said. And, instead of heading toward common carrier regulation, he insisted Report's recommendations would forestall it by increasing competition.

He pooh-poohed networks' testimony that TV time sales are "soft"—therefore networks shouldn't be restricted now—by noting that network billings in first 5 months of 1958 were 13.3% higher than last year and that CBS Inc. earnings in first quarter of 1958 exceeded those of comparable 1957 period.

"Unquestionably, the greatest problem in broadcasting is that of allocations," Barrow stated. "Scarcity of outlets does affect many problems studied in the Report. However, these problems would not be solved even if a 4th national network were possible." Trouble, he said, is that networks dominate the affiliation relationship.

\* \* \* \* \*

Option-time really isn't needed by networks, Barrow asserted, noting that clearances in non-option-time are quite good. Networks claim they need option-time, he said, because they offer unique service. "But," he said, "the anti-trust laws do not permit businessmen to decide with whom they will or will not compete, and against which groups they may seek 'protection' from competition."

Barrow noted that networks claim option-time is mere "thread" holding networks together, but: "Whether option-time is regarded as a 'thread' or a rope, I submit, depends

on whether the end is held in the hand, as in the case of the network, or is draped around the neck, as in the case of the station."

Networks claim that option-time is necessary to preservation of networks, thus in the public interest, despite informal opinion of Attorney General that it's *per se* violation of anti-trust laws (Vol. 14:25). But, said Barrow, "if option-time is a *per se* violation . . . the issue of the necessity or reasonableness of the practice is irrelevant." At any rate, he added, option-time isn't in the public interest. He also said, sarcastically: "I am surprised that the networks have so little confidence in their organization as to depict it as resting on the foundation of a restraint."

What would happen if option-time were abolished? Barrow's answers: Stations would be free to select programs. Programs would rise or fall on merit alone. Non-network producers would have crack at choice time. Program variety and quality would improve. Local, regional and national advertisers would have better access to good time.

\* \* \* \*

Must-buy has got to go, Barrow said, because it forces advertisers to take markets they don't want and because networks can use it to force better clearances from affiliates. Though network study staff found few advertising agencies complaining about being forced to take stations they don't want, Barrow said there's considerable additional evidence that pressure is exerted.

Minimum (dollar) buy, as operated by ABC, can work perfectly well, Barrow said, and he recommended CBS & NBC be permitted to employ it. Aside from the "public interest" aspects of must-buy, Barrow stated, the practice seems clearly prohibited by anti-trust laws. Louis H. Mayo, of Barrow's staff, is due to testify on anti-trust aspects of option-time and must-buy July 14, but his statement was released this week—and it comprises lengthy legal argument quoting numerous court

**Hinterland TV Pros & Cons:** Surprising volume of comments was filed this week at deadline in FCC's inquiry into impact of CATV, boosters, etc. on "orderly development of TV broadcasting." In addition to large number of stations, some of which we reported on last week (Vol. 14:27), both ABC and NBC filed (CBS didn't), as did NAB and Assn. of Maximum Service Telecasters—to mention major organizations. For community antenna industry, almost entire burden was carried by National Community TV Assn. in document some 200-pp. long.

Almost universally, theme of stations was this: Best way to get service to public is through conventional stations. If anything interferes with this—be it CATV, boosters, translators, satellites—it must be eliminated. It's better to give many people one signal than to give fewer people several signals. And FCC should be the arbiter. Best way to control is to require CATV, etc. to get originating stations' permission to use signals.

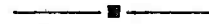
CATV's position: Let public choose. FCC can't and shouldn't be an arbiter. And, anyway, CATV doesn't kill off conventional stations. Other economic factors do.

One thing abundantly clear, from huge mass of legal and "public interest" arguments, is that courts will even-

decisions, notably recent *Northern Pacific Railway* case on "tie-ins."

Testimony of economist Jesse W. Markham was designed to show that national TV advertising is unique, isn't substitutable by other media—and that networks dominate it to unhealthy degree. "The real test," he said, "is whether one cigarette producer, one soap producer, one auto producer, etc., would find itself seriously disadvantaged if denied the use of national TV while its rivals were using it. If so, other media are not considered good substitutes."

FCC Chairman Doerfer isn't too impressed with anti-trust arguments. For example, he said, Eastman Kodak was forced to permit other companies to process its film. "I get poorer service now, and it costs more," he said. "All it does is subsidize some people who shouldn't be in the business. Justice Dept. says that option-time and must-buy are *per se* violations but the networks haven't had their day in court."



TV networks are finding sponsors in a "torrid and rather ungenerous mood," reports July 11 *Wall St. Journal*, which surveys their fall season schedules, finds NBC-TV with 5 hours a week of option time between 7:30-10:30 p.m. unsold, CBS-TV with about 3 hours on its hands between 8-11 or 5½ hours between 7:30-11, ABC-TV with 8 hours unsold. This is more "empty time" than the networks usually show by this time of year. Daytime hours are well sold out, however, but will get more competitive with ABC going on air this fall at 11 a.m. instead of 3 p.m. as now. Stations are worried, too, it's reported, though "many affiliates say they're doing fine in lining up advertisers for time openings outside those available to the network." *Journal* concludes: "Network TV, in a way, is just beginning to feel the intensified struggle for the advertising dollar that's come with the recession. Newspapers began to suffer as early as last fall . . . Most magazines have also suffered lineage losses."

tually have to rule on many matters involved. Meanwhile, FCC action or inaction will vitally affect profits, even the existence, of a lot of entrepreneurs.

ABC's parent American Broadcasting-Paramount Theatres, argued that CATV, etc. are okay if they don't deprive towns of own conventional stations. It said that CATV is last choice among ways to serve small towns—because they don't reach rural areas. It asked that relayers of signals be required to get originators' consent, should not be allowed to "reap where they have not sown."

In brief statement, NBC also urged the "originators' consent" principle.

NAB insisted that: (1) Satellites & translators be allowed only where there's no local station and must quit or "upgrade" service when local station starts. (2) Boosters & repeaters be permitted only to fill gaps in regular stations' coverage areas, and must get originating stations' permission to retransmit. (3) Microwave applicants seeking to serve CATV must show they have originators' consent. (4) FCC regulate CATV as common carriers—or get Congressional authority to do so.

AMST urged FCC to take elaborate precautions to make certain no facility—illegal booster, translator, CATV, or what have you—be permitted to increase interference to regular stations. It suggested variety of stringent controls.

Some 30 stations, large and small, pressed argument that FCC's "First Priority" in its 1952 end-the-freeze

Sixth Report & Order is proper guiding philosophy: "To provide at least one TV service to all parts of the U. S." Generally speaking, the smaller the station the more it insisted on this principle. For example, KHAD-TV, Laredo, Tex. said that it has only 16,500 sets in its area; that loss of only a few thousand to CATV planned in Laredo by Vumore Co. (Video Independent Theatres) might well result in KHAD-TV's demise. KMSO-TV, Missoula, Mont. reported CATV is really hurting it, stated that it had operating loss of \$54,534 in 1955, reduced it to \$10,120 in 1956, but blamed CATV for increasing it to \$51,158 in 1957.

Quite a few stations filed similar comments, giving this recommendation: FCC should control CATV indirectly, as it does networks. Way to do this is to recognize that stations have common law property rights in their signals, make stations enforce these rights by demanding that CATV get permission to use signals. If originating station fails to enforce such rights to protect small-town stations, penalize it.

Among those making the recommendation: KOA-TV, Denver; KHAD-TV, Laredo; WSIL-TV, Harrisburg, Ill.; KLTV, Tyler, Tex.

Several stations addressed themselves to satellite aspect of FCC inquiry. Those who operate satellites don't want flat prohibition against satellites in cities where regular stations operate, prefer case-by-case consideration. Such position was taken by KOTA-TV, Rapid City, S. D. and WICS, Springfield, Ill., among others.

Most stations insist that FCC already has adequate power to deal with CATV; they shy from urging Commission to seek more authority from Congress.

\* \* \* \*

Court of Appeals may have given station operators an assist this week in their fight against CATV, in form of decision ordering Commission to reexamine its philosophy on "economic injury" (see p. 9). FCC majority, led by Chairman Doerfer, has consistently argued that law forbids it from considering whether prospective competition will produce "economic injury" to existing stations. Court said Commission is bound to consider whether public will be hurt through loss of service stemming from too much competition.

NCTA relied on FCC's past policy on "economic injury" in its comments. Though NCTA's comments were written before Court of Appeals' decision, it presented some of problems FCC now faces:

"It has been determined, and wisely so, that broadcast stations should not be subjected to rate regulation. However, the Commission could not make a determination concerning the effect of CATV system on a local TV station without studying the operation of the individual station so as to determine that the operation is being conducted in a prudent and efficient manner. The Commission would also have to study the rate structure of the station in order to make a determination that the inability of the local TV station to obtain sufficient revenues is not attributable to disproportionate rates.

"In this regard, the Commission would also have to study all other advertising media which are available in the market and would have to make determinations on those media. Thus, the Commission would be required to first make the specific determination that a properly operated TV broadcast station could survive financially in the given market and that the same TV station would fail due to the presence of a CATV system or translator or satellite stations.

"The Commission, in making this determination, would have to evaluate expenses including salaries, approving or disallowing them as circumstances dictate, and in addition determine what constitutes a proper return on investment for the local TV station in the light of all pertinent circumstances. These determinations relate to an unregulated phase of broadcasting.

"If a broadcast station in a given community would request that the public be deprived of the TV services brought to it by CATV systems or satellite and translator stations, then it must be willing to submit the economics of its operation to what would be tantamount to public utility review by the Commission."

\* \* \* \*

NCTA devoted much of its comments to legal argument that CATV is not a common carrier and that microwaves cannot be foreclosed from serving CATV. It also made an unusual analysis of used & unused allocations in CATV cities, concluded that CATV isn't a factor detrimental to establishment of local stations.

Discussing multiple service vs. local service, NCTA said any attempt to regulate this would be "utterly impractical." It insisted that "to be consistent, such a regulatory policy would apparently have to provide for discontinuance of the multiple services, if a local station were constructed, or at least if it began to falter after being placed in operation. It would take a courageous citizen indeed who would undertake to provide a local service if it meant discontinuance of the multiple services to the community."

Jerrold Electronics Corp. argued, with some bitterness, that FCC has ruled on the important issues several times before and that "there is no justification for tolerating this continuous harassment of the CATV industry by a small group of broadcasters."

Nineteen microwave operators and applicants, serving or planning to serve CATV systems, submitted similar comments asserting that they are common carriers and that FCC can't legally block them from feeding CATV systems or any other customer. They urged that Commission lift its freeze on such microwave grants.

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Hot community antenna problem has developed in New York. Bell System, in hearing before Public Service Commission, disclosed it is permitting no more CATV systems in state to use its poles—refusing "attachment rights." Proposed CATV operator Antenna Systems Corp., Massena, had protested refusal to PSC. N.Y. Bell Telephone Co. witnesses asserted that CATV operators don't adhere to national safety code and Bell specifications; that they interfere with phone service; that Bell doesn't get enough income to justify trouble. National Community TV Assn. is seeking to intervene. If Bell's action in N.Y. is bellwether, it would have enormous implication for CATV industry—for most systems use phone company poles, most of them Bell's.

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**Is Economic Injury Injurious?** New legal area for protection of broadcasters from new competition was opened up this week by Court of Appeals for D. C. It ruled FCC has power & duty to reject license applications if established stations prove grants would be "detrimental" to public as well as to stations economically.

"This opinion is not to be construed or applied as a mandate to the Commission to hear & decide the economic effects of every new license grant," Judge Prettyman cautioned in decision, involving 2 small radio stations in Georgia.

But Court made it plain that FCC is expected to reverse long-standing policy of ignoring economic impacts of its grants on existing broadcasters—and consider their effects on public service if contestants in area raise issue.

FCC is expected to appeal decision to Supreme Court quickly, holding it would create chaos in hearing procedures. "We'd have to adopt all sorts of new standards and regulatory tools characteristic of public utility commissions if this ruling stands," FCC spokesman told us. He said "public interest" device could be employed for years by established stations to delay entry of competition.

Ruling was on appeal of Carroll Bcstg. Co. (WLBB, Carrollton, Ga.) from 1955 grant by FCC of CP to W. Ga. Bcstg. Co. for WWCC at Bremen, 12-mi. away. FCC had

refused to take up issue raised by WLBB that grant "would result in such an economic injury to the protestant as would impair the protestant's ability to [continue] serving the public." Commission held—as it has repeatedly—that "Congress had determined that free competition shall prevail in the broadcast industry."

On FCC's "free competition" point, Court commented: "To license 2 stations where there is revenue for only 1 may result in no good service at all. So economic injury to an existing station, while not in & of itself a matter of moment, becomes important when on the facts it spells diminution or destruction of service. At that point the element of injury ceases to be matter of purely private concern."

Case was remanded to FCC by Court "for findings on this point." Ruling said: "If the protestant fails to bear the burden of proving his point (and it is certainly a heavy burden), there may be an end to the matter. If his showing is substantial, or if there is a genuine issue posed, findings should be made."

FCC Chairman Doerfer is due to leave Sept. 12 for conference of telephone & telegraph div. of International Telecommunications Union, opening in Geneva Sept. 29. He'll be gone 6-8 weeks, will head U. S. delegation, expected to include FCC's common carrier bureau chief John J. Nordberg and Marion H. Woodward, chief of bureau's international div. Comr. Hyde will be acting FCC chairman.

**WJR Finally Gets Flint:** One of most litigated cases in recent FCC history ended this week with final award of Flint Ch. 12 to WJRT (WJR, The Goodwill Station Inc.)—4 years after Commission's original grant. Case had been in & out of FCC and Circuit Court, reached semi-final stage last Sept. when examiner Herbert Sharfman reaffirmed first recommendation (Vol. 13:27). Final vote was 3-1, Comr. Lee dissenting, Comrs. Craven, Ford & Cross not participating. Decision for WJRT once more rejected contestants Trebit Corp. and W. S. Butterfield Theatres Inc.

In separate decision by same vote, FCC tossed out protests against change in WJRT transmitter site from Clarkston to Chesaning, Mich. Stations complaining that move would invade their territory: WKNX-TV, Saginaw (Ch. 57); WTOM-TV, Lansing (Ch. 54); WWTW, Cadillac (Ch. 13). Reviewing complex proceedings in case, 43-pp. decision concluded: "Overall, the basis for our decision of May 12, 1954, remains unchanged."

Two other big-market situations were emerging from legalities. Court of Appeals this week dismissed appeal of St. Louis Amusement Co., one-time Ch. 11 applicant, against decision awarding the channel to CBS. Decision will allow 220 TV Inc. to build on Ch. 11, CBS having turned it over when it bought KWK-TV (Ch. 4), now KMOX-TV (Vol. 13:34 et seq). Text of decision hasn't yet been issued by Court.

Buffalo's Ch. 7 should go to WKBW-TV Inc. instead of Great Lake TV Inc., which had received examiner's favorable nod, FCC ruled tentatively this week. It instructed staff to draft final decision that way.

\* \* \* \*

Waiver of rules was granted WXYZ-TV, Detroit (Ch. 7) to move studio & transmitter to point 1½ mi. outside city limits, increase height to 1000 ft. KCEN-TV, Temple, Tex. (Ch. 6) petitioned for waiver to identify itself

as Temple-Waco; WMT-TV, Cedar Rapids, Ia. (Ch. 2) asked for Cedar Rapids-Waterloo identification.

Allocations change sought by Fla. Educational TV Foundation: Shift educational reservation in Panama City from Ch. 30 to Ch. 13. And, off our United Press International wire this week: "English & Spain, a partnership, asked FCC to allocate TV channel 9 to Williamsport, Pa." They're John W. English, principal of WSEE, Erie (Ch. 35) and Frank K. Spain, partner in WTWV, Tupelo, Miss. (Ch. 9).

WINR-TV, Binghamton, N.Y. (Ch. 40) filed application for experimental 10-watt Ch. 40 co-channel booster to use vertical polarization. Project is co-sponsored by RCA. WINR-TV also filed for regular translators: Ch. 78 to serve Johnson City & Vestal, Ch. 81 for Hillcrest & Chenango Bridge.

WVUE, Wilmington-Philadelphia (Ch. 12) asked FCC to issue show cause orders to WIBG-FM (Ch. 231) and WPEN-FM (Ch. 275) to swap channels—stating that WPEN-FM causes serious second harmonic interference to visual signal of WVUE "in substantial areas surrounding the WPEN-FM transmitter site."

One translator was authorized: Ch. 78, Myrtle Point, Ore.

Two applications for new TV stations filed this week were for Ch. 8, Jonesboro, Ark. by George T. Hernreich, ex-50% owner of KNAC-TV, Ft. Smith (Ch. 5) who has first refusal rights on any future resale of station, and for Ch. 2, Portland, Ore. by *Tacoma News-Tribune*, owner of Tacoma's KTNT-TV (Ch. 11) & KTNT. This brings total pending to 117 (29 uhf). [For details, see *TV Addenda 26-X*.]

Call letter change: KULA-TV, Honolulu (Ch. 4), now owned by Kaiser interests (Vol. 14:19, 24), changes to KHVH-TV July 16 when old KHVH-TV (Ch. 13) goes off air.

**Sarnoff, Kintner Move Up:** Robert W. Sarnoff moves up to chairman, Robert E. Kintner to pres. of NBC in new streamlining of big network organization approved July 11 by NBC board, effective immediately. This ends spate of rumors about their corporate and personal plans, intensified lately by departmental trimming for sake of economy that already has resulted in 100 or more staff releases.

Onetime Washington newspaper columnist Kintner, 49, is NBC's sixth pres. He joined NBC in Feb. 1957 after serving 7 years as ABC pres., previously as that network's exec. v.p. Bob Sarnoff, 40, continues as chief exec. officer, with Kintner and exec v.p.'s David C. Adams and Kenneth W. Bilby reporting to him.

Sarnoff, son of RCA chairman and NBC co-founder Gen. David Sarnoff, has no intention of joining parent RCA organization, where pres. John L. Burns has 10-year contract; he will be an active NBC officer, concerned largely with policy matters. He had been elevated to NBC pres. from exec. v.p. in Dec. 1955, succeeding Sylvester L. (Pat) Weaver, who became chairman, later resigning; preceding Weaver, NBC's presidents had been J. H. McConnell, Niles Trammell, Lenox Lohr and the late M. H. Aylesworth.

Oilman-showman Jack Wrather, who now controls KFMB-TV, San Diego (Ch. 8) and KERO-TV, Bakersfield, Cal. (Ch. 10) as result of buying out Helen Maria Alvarez's interests (Vol. 14:24), who holds uhf CP for Boston and Ch. 13 CP for Yuma, Ariz., is expanding his widening TV film operations into foreign syndication—this week announcing appointment of ex-Ziv sales executive Walter Kingsley to head new Independent TV Corp., capitalized at \$2,500,000. Reciprocal arrangements have been made with Britain's Associated Television Ltd., commercial program contractor, and Incorporated Television Programme Co. Ltd., headed by Prince Littler and Val Parnall, managing director of London Palladium. On new ITC board are John L. Loeb, Clifford Michel & Walter Walz, of bankers Carl M. Loeb, Rhoades & Co., who are deeply involved in DuMont, having spun off its TV station operations and expanded them into radio as Metropolitan Broadcasting Co. Millionaire Wrather, who owns such features as *Lone Ranger*, *Lassie*, *Sergeant Preston of the Yukon*, upcoming *Adventures of Tom Swift*, also recently acquired control of Muzak Inc. and Disneyland Hotel, has as fellow directors on new board showmen Michael Nidorf & Jack Shay, and lawyer Monte Livingston.

New consulting engineering firm of Silliman, Moffet & Rohrer begins operating Aug. 1 in expanded quarters of senior partner Robert M. Silliman, 1405 G St. NW, Washington (phone, Republic 7-6646). Mr. Silliman, '36 U of Minnesota engineering graduate, has been in Washington practice since 1946, previously served with FCC except for wartime duty with Harvard Radio Research Lab. John Moffet, Swarthmore '37, associated with Silliman since 1952, is ex-v.p. of Wm. L. Foss Inc., served with Signal Corps during war, holds reserve commission of Lt. Col. in U. S. Air Force. Raymond E. Rohrer is presently in charge of broadcast allocations, Jansky & Bailey, is Case Tech graduate '44, served 3 years in Signal Corps. Staff includes Carl M. Kowalski, Wm. V. Goodell, Gretchen Huff, Harry Seabrooke, Donald F. Ledford.

Complex nature of the burgeoning TV-radio broadcasting business was given as main reason for the changes—involving as it does intricate problems with Washington, stations, advertisers, agencies, artists, etc. Moreover, Kintner had earned his spurs, being given credit for up-building NBC's business, program structure and audience. Major dept. heads reporting to him are exec. v.p. J. M. Clifford, administration, and v.p.'s Matthew J. Culligan, radio; Robert F. Lewine, TV programs; Walter D. Scott, sales; P. L. Sugg, o-&o stations and spot sales.

Reporting to Adams, concerned largely with Washington and other policy problems, are v.p.'s Harry Bannister, station relations; Hugh M. Beville, research; soon also, legal v.p. Thomas E. Ervin. Reporting to Bilby are v.p. Sydney H. Eiges, press relations; John H. Porter, national adv. & promotion; Stockton Helffrich, continuity acceptance; Alexander S. Rylander, exploitation; Lester Bernstein, information.

Note: This week, NBC lost producer Barry Wood, one-time singing star of the old *Lucky Strike Hour* and recently exec. producer of *Wide Wide World*, who resigned to re-join CBS in an executive capacity. One of TV's top producers, who formerly headed NBC's color TV and handled major shows and stars, Wood is scheduled to handle a daily daytime TV strip starring Jimmy Dean. His resignation is linked with failure of General Motors to renew the highly popular and successful Sun. documentary show.

Publisher-broadcaster Donald W. Reynolds proposes to take over KHAD-TV, Laredo, Tex. (Ch. 8) under 5-year \$190,000 lease from partners H. C. Avery Jr. & David H. Cole, according to FCC transfer application. He also has signed contract to purchase KNAC-TV, Ft. Smith, Ark. (Ch. 5), his home base, where he publishes *Southwest American* and *Times Record*, to replace his uhf KFSA-TV (Ch. 22) there. KNAC-TV, which has involved sales history (see *Television Factbook No. 26*, p. 308), is being acquired from Harry Pollock interests for \$350,000, plus liabilities of approximately same amount—provided former 50% owner, Ft. Smith jeweler George T. Hernreich, doesn't exercise first refusal rights to take over station on same terms. In addition to Ft. Smith TV & radio, Reynolds presently operates KLRJ-TV, Henderson-Las Vegas (Ch. 2), with radio KORK; KOLO-TV, Reno (Ch. 8) & KOLO; radios KHBG, Okmulgee, Okla. and KBRS, Springdale, Ark.; holds CP for KNDA, Elko, Nev. (Ch. 10), and is applicant for Ch. 9, Hot Springs, Ark.

Allen S. Clarke, who was founder-owner of WBTM, Danville, Va., 1930-33 and Washington consulting radio engineer, 1947-50, and who now heads highly successful Nems-Clarke Co., Silver Spring, Md. electronics manufacturer, reports signing new business totaling \$2,720,000, giving firm about \$3,000,000 backlog. Among items made for TV-radio are field intensity meters, phase meter, video & audio jack panels and plugs.

Fight between KLTV, Tyler, Tex. and local community antenna system, described by CATV operator Glenn Flinn (Vol. 14:26), brought reaction from KLTV mgr. Marshall Pengra. Latter makes it clear that principals of KLTV weren't seeking any tieup with Flinn; that 40% of KLTV was offered to Flinn by attorneys for estate of late Gerry Lansing; that KLTV principals never disclosed to Flinn any record of station earnings.

Pay-TV study committee to formulate future contract policy has been named by Writers Guild of America, West, which sees medium becoming "big factor" in show business. Karl Tunberg is chairman.

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BERYL D. HINES

**Personal Notes:** Walter J. Damm, founding-v.p. of *Milwaukee Journal's* WTMJ & WTMJ-TV, gen. mgr. of those stations, long prominent as an industry leader, having been pres. of NAB and currently chairman of NBC-TV affiliates board, retires as of Sept. 27, age 65, plans to live in Fla.; George Comte, TV-radio mgr., will succeed him, asst. mgr. Robert Heiss moving up to Comte's post . . . Robert M. McGredy promoted to v.p. in charge of TV for WCAU-TV Inc., Philadelphia, where he's been sales v.p. since 1956, succeeding Charles Vanda, resigned (Vol. 14:27); Marvin L. Shapiro promoted to director of TV sales, E. Gordon Walls, to TV sales mgr.; Mel Levine, to administrative mgr.; Jack Dolph continues as program mgr. . . . Hal Hough, WCBS-TV program director since 1952, named director of program services for CBS o-&o stations, succeeded by Dan Gallagher . . . Lester Gottlieb promoted to new CBS-TV post of program development director, reporting to program v.p. Robert M. Weitman . . . Larry B. Gumbinner promoted to CBS-TV transmission facilities mgr. . . . William Self, TV producer (*Frank Sinatra Show*, etc.), joins CBS-TV, Hollywood, as exec. producer . . . Nick Zapple, communications counsel of Senate Committee on Interstate Commerce, and Mrs. Zapple are parents of a son, Peter James, their 5th child, born July 5 . . . Lester W. Lindow, exec. director of Assn.

**ADVERTISING AGENCIES:** Burt Cochran, recently retired McCann-Erickson v.p., joins Barton A. Stebbins Adv., Los Angeles, which changes name to Stebbins & Cochran . . . Cal J. McCarthy Jr., ex-Kelly, Nason Inc., named v.p. of Foote, Cone & Belding . . . Gerald M. Miller & Charles V. Hicks promoted to v.p.'s of Brooke, Smith, French & Dorrance . . . Joe Moran retired July 3 as v.p. of Young & Rubicam, N. Y. . . . Thoburn Wiant promoted to v.p., Young & Rubicam's Detroit office . . . Robert L. Whitehead, ex-Roy S. Durstine v.p., joins Guild, Bascom & Bonfigli, San Francisco . . . Kenneth J. Worland, ex-Lybrand, Ross Bros. & Montgomery, named v.p. & treas. of Erwin Wasey, Ruthrauff & Ryan . . . Thomas P. Crolius & Henry S. Jacobson promoted to v.p.'s of Reach, McClinton . . . John S. Wiggins, ex-H. W. Kastor & Sons, named v.p. of Herbert Baker Adv., Chicago . . . Richard E. Goebel promoted to mgr., San Francisco office of Compton Adv. . . . Norman Frank, ex-NBC-TV, named TV-radio director of Lynn Baker, N. Y. . . . Lawrence H. Johnson, ex-Bernard Relin Assoc. v.p., named public relations director of D'Arcy Adv., succeeding Orville Anderson, resigned . . . Bernard Kobres, sales mgr. of WSUN-TV, St. Petersburg, organizes Kobres Adv., 517 Bay Shore Blvd., Tampa . . . David Aldrich, ex-BBDO, TV writer for DuPont *Cavaleade* series and adviser to Robt. Montgomery, joins Ketchum, MacLeod & Grove.

Broadcasters Club of Washington, eating & drinking meeting place for TV-radio executives, holds formal opening 6-9 p.m., Fri., July 18. Address: 1737 DeSales St. NW.

of Maximum Service Telecasters (AMST), was promoted last week to Colonel in the Army Reserve, having served as wartime deputy director of PRO in Germany, as public relations officer for Generals Eisenhower & Clay there, then as chief of Radio-TV Branch, Defense Dept., Washington . . . James A. Pike, WNAC-TV, Boston, film director, named v.p. of Yankee div., Teleradio Pictures . . . Horace S. Fitzpatrick promoted to mgr. of WSLs-TV and WSLs, Roanoke, Va.; Gus Trevilian promoted to commercial mgr. . . . Jack Heintz, ex-station mgr., recently TV-radio consultant at Van Nuys, Cal., returns to Springfield, Ill. as publisher of *Illinois State Journal* and *State Register* . . . Harry E. Travis, sales v.p. of WNEM-TV, Bay City-Saginaw, Mich., resigns to establish own adv. agency in Bay City; Russell Gohring, v.p. of WNEM-TV & Gerity Bestg. Co., assumes sales responsibilities . . . James Bonfils resigns as mgr. of DuMont's WTTG, Washington, succeeded by John McArdle from affiliated WABD, N. Y. . . . Roger Garrett, ex-WSEE, Erie, Pa., named sales mgr. of WSTV-TV, Stubenville, O. . . . Kenneth N. McClure, ex-WMBR-TV, Jacksonville, now promotion director, KENS-TV, San Antonio . . . Ted Himstreet named promotion mgr. of KTVT and radio KDYL, Salt Lake City, succeeding Tim Monroe . . . Jack Lubell promoted to v.p. of Sports Programs Inc. . . . James E. Bailey, v.p.-managing director of Storer's radio WSPD, Toledo, for last 2½ years, onetime mgr. of old WAGA-TV, Atlanta, returns to Atlanta as managing director of radio WAGA, Reggie Martin succeeding him at WSPD, promoted from sales mgr. . . . David F. Milligan, onetime gen. mgr. of WWTW, Cadillac, Mich., appointed gen. mgr. of Gannett group's WINR-TV & WINR, Binghamton, N.Y.; Robert Trevitt named TV sales mgr., Kenneth Cable, radio sales mgr.; Shirley Ricciardelli promoted to program director . . . John L. McClay promoted to gen. mgr. of KYW-TV, Cleveland, Westinghouse stations v.p. Rolland V. Tooke now supervising separate TV-radio operations; Gordon Davis continues as radio KYW gen. mgr.

Thomas H. Brown Jr., acting director since last Nov. and an executive of Radio Free Europe since 1951, named director under Lt. Gen. Willis D. Crittenberger, USA ret., pres. of Free Europe Committee. Newly named European director is Erik Hazelhoff, onetime NBC-TV network sales director, who was born in Java of Dutch parents and who has been RFE's deputy European director for last year.

AB-PT pres. Leonard H. Goldenson was given testimonial luncheon July 11 by 50 AB-PT executives at Hotel Plaza, N. Y., in celebration of his 25 years in entertainment business. He joined Paramount Pictures in 1933, just out of Harvard Law School.

A. Davidson Dunton resigns as chairman of Canadian Broadcasting Corp. to become president of Carleton U, Ottawa, succeeded as acting chairman by J. Alfonse Ouimet, formerly gen. mgr.

### Obituary

Dr. Frank C. Goodman, 80, who retired in 1948 as exec. secy. of radio dept., Federal Council of Churches, predecessor of National Council of Churches of Christ in the U.S.A., died July 11 at his home in Amityville, N. Y. Pioneer in religious broadcasting, he founded the National Radio Pulpit in 1927, also the program *National Vespers*, now known as *Pilgrimage*. Son Wesley is associate director of National Council's broadcasting & film commission.

Joel F. Jacobs, 55, v.p. of Doherty, Clifford, Steers & Shenfield, died in N. Y. June 29.

**TOP TV BRANDS-IN-USE IN 22 MARKETS:** So much interest was expressed by subscribers in the survey of TV set preferences by major markets which we printed last October (Vol. 13:40), that we have obtained permission from Consolidated Consumer Analysis to bring you the 1958 figures just off the press (see p. 13).

Consumer surveys in 22 markets form the basis for the consolidated report on brand preferences of about everything from air conditioners to wieners. Newspapers in these markets distributed questionnaires to a cross-section of area households. Then the results were consolidated in the national report.

Survey sample families for 1958 totaled 69,240, out of 22-market total of 5,000,000 households. Most of the surveys were conducted in Jan. 1958, few earlier.

TV table is cumulative -- that is, it gives percentage of all TV households which owned each brand of set in each market, together with ranking of each brand.

1958 TV survey was expanded to include 2nd set homes. Thus, we are able to bring you this year the first really informative study on 2nd set purchases, just beginning to loom importantly in the TV market. It is particularly interesting to note that 12.9% of the TV households in the 22 markets surveyed now have 2 sets, as compared with our latest over-all estimate of about 9%. Also, of particular importance is the tabulation of families planning to buy a 2nd TV set in each market.

Consolidated TV table is limited to 14 most popular brands. Therefore, some brands which rank relatively high in certain regions don't appear in the 22-market consolidated report -- such as Magnavox, Hotpoint, Muntz, Airline, etc.

RCA ranked first in all 22 markets, tied with Admiral for first in Chicago. RCA was first choice for 2nd set in 12 markets, GE & Admiral were first in 4 cities, latter tying RCA for first in Wichita.

Median set saturation in 22 markets was 94.8% at time surveys were taken. This was increase from 92.5% in 1957, 88.7% in 1956.

\* \* \* \* \*

Newspapers conducting the mass survey on foods, drugs, toiletries, home furnishings, appliances, automobiles, beverages, etc.: Chicago Daily News, Cincinnati Times-Star, Columbus Dispatch-Ohio State Journal, Denver Post, Duluth Herald & News-Tribune, Fresno Bee, Honolulu Star-Bulletin, Indianapolis Star & News, Long Beach Independent & Press Telegram, Milwaukee Journal, Modesto Bee, Newark (N.J.) News, Omaha World-Herald, Oregon Journal (Portland), Phoenix Republic & Gazette, Sacramento Bee, Salt Lake Tribune & Deseret News, San Jose Mercury & News, Seattle Times, St. Paul Dispatch & Pioneer Press, Washington Star, Wichita Eagle.

**Trav-Ler Very Much Alive:** Researcher's error was responsible for listing of Trav-Ler among the companies which in the last few years have forsaken the TV manufacturing field in connection with our report on the sale of DuMont's consumer products div. to Emerson (Vol. 14:27). Trav-Ler is very much in business in Chicago, despite operating deficits of last few years; still makes TVs, in fact plans expansion of TV capacity, also makes radios, hi-fi, other equipment. Also claiming to be still making some TVs is Leonard Ashbach's Wilcox-Gay (Majestic), though he's been identified primarily of late with import-export items.

**TV-Radio Production:** TV set production was 55,884 in week ended July 4 which included the holiday vs. 77,290 preceding week & 117,337 in corresponding 1957 week. Year's 26th week brought total TV production to 2,151,332 vs. 2,722,139 last year. Radio set production was 97,205 (19,741 auto) vs. 161,764 (57,928 auto) in preceding week & 200,242 (80,129 auto) in corresponding week last year. Radio output for 26 weeks was 4,615,711 (1,462,798 auto) vs. 6,928,096 (2,834,676 auto) in 1957 period.



**Trade Personals:** Adm. James E. Leeper (USN ret.) named Philco v.p. & govt. liaison officer; John B. Hunt, ex-McKinsey & Co., named asst. gen. mgr., govt. & industrial div. . . . Fred D. Wilson, ex-RCA v.p., ex-pres. of Capelhart-Farnsworth, currently IT&T v.p. for industrial relations, will retire early in the fall . . . Thomas P. Collier, ex-Bruce Payne Assoc., appointed Motorola director of international operations . . . A. J. Kenerleber named mgr. of new GE picture tube plant, Augusta, Ga., transferring from similar post at Joliet plant . . . J. K. Van-Gallow, ex-Redisco, elected v.p. & gen. mgr., Admiral Credit Corp. . . . Walter F. Hermann promoted to v.p.-operations of Standard Coil Products . . . Dr. Morton R. Shaw promoted to product engineering supervisor, Corning Glass electronic components dept., succeeded by Charles J. Lucy as applications engineering supervisor . . . Dr. Arthur Bramley, ex-DuMont Labs, named technical specialist at Stromberg-Carlson's San Diego plant . . . Arthur J. Christopher Jr. promoted to mid-Atlantic sales mgr. of Sprague Electric, succeeding the late Wilmer S. Trinkle . . . Bob Krueger promoted to sales & promotion mgr., RCA Victor records, Los Angeles . . . Richard E. Stockwell, ex-GE, named adv. & public relations director of Avco's Crosley div.

Edwin Cornfield resigns as exec. secy. of Institute of High Fidelity Manufacturers in Aug., succeeded by Abe Schwartzman, onetime editor-publisher of *Brooklyn Standard*.

J. L. Singleton, v.p. of Allis-Chalmers, elected pres. of National Electrical Manufacturers Assn. to complete term of late W. V. O'Brien.

**Obituary**

Albert M. Elliott, 58, Bell Labs traffic studies engineer who worked on early manufacturing tests for vacuum tubes and served in World War II as First Army signal officer, then as communications officer for Tenth Army in Philippines, Okinawa & Korea, died July 11 at his home in Brooklyn. Widow and 2 sons survive.

Robert J. Whittier, 46, engineering mgr. of Raytheon's industrial tube div., died at Watertown, Mass., July 1.

EIA's Committee on Electronic Imports called on newly appointed Defense & Civilian Mobilizer Leo A. Hoegh Friday to acquaint him with "possible adverse effects on the defense program" of mounting electronic equipment and parts imports from Japan, West Germany and other countries. Robert C. Sprague, chairman of Sprague Electric, headed group in absence of committee chairman Paul V. Galvin, Motorola chairman. In general, visitors told Hoegh threat of mounting imports hampered expansion of electronics industry in this country, needed to keep pace with ever-growing military demands for electronic equipment.

Mergers of electronics firms accounted for 11% of all industrial mergers and acquisitions in the country between Sept. 1957 to May 1958, according to a compilation in July 11 *Electronics*. Of 853 publicly announced mergers, 94 involved electronics firms. Main buying reasons: to strengthen management, diversify, take advantage of tax loss, add new products, improve earnings. Main selling reasons: management's desire to retire, inheritance tax considerations, inadequate expansion capital, limited product lines and resulting high distribution costs.

IT&T will build plant at Roanoke, Va. to manufacture special purpose vacuum tubes.

**ELECTRONICS PERSONALS:** Fred C. Alexander, former deputy asst. for telecommunications, Office of Defense Mobilization, named acting director of "Opal" (Operation Alert) Communications Agency of new Office of Defense & Civilian Mobilization; latter is combination of ODM and Federal Civil Defense Administration, now under Leo A. Hoegh, former FCDA administrator . . . Capt. Wm. C. Eddy (USN ret.), TV pioneer (founded WENR-TV, Chicago, now WBKB), wartime head of Navy radar school in Chicago, returned July 7 from Middle East where his Television Associates Inc., Michigan City, Ind., is planning a communications network . . . Robert G. Petersen of I-T-E Circuit Breaker, named adviser to director of electrical equipment div., Business & Defense Services Administration, Dept. of Commerce . . . Dr. William O. Baker, Bell Labs v.p.-research, and Dr. Lee DuBridge, pres. of California Institute of Technology, elected trustees of Mellon Institute, Pittsburgh . . . David Packard, pres. of Hewlett-Packard, elected a director of Stanford Research Institute . . . James L. Anast resigns as technical director of Airways Modernization Board to become asst. to pres. of Lear Inc., with headquarters in Washington . . . J. S. Anderson, pres. of Acronautical Radio, Washington, also heads new subsidiary ARINC Research, with headquarters at 1700 K St., NW. . . . Henry Arnhold elected chairman of General Ceramics, Keasbey, N. J., succeeded as pres. by John Bouwmeester . . . Maxwell C. Scott promoted to asst. mgr. of Sylvania's Buffalo operations . . . L. Rene Gaiennie promoted to v.p. for industrial & public relations, ACF Industries . . . G. H. Rathe promoted to marketing mgr. of IBM's military products div. . . . H. Gill Manifold promoted to treas., Servomechanisms, Hawthorne, Cal. . . . Col. James W. Anderson (USAF ret.) heads new Magnavox astrophysics labs div., Rochester, N.Y. . . . Donald M. Culler promoted to director of new IT&T astronics lab, Hicksville, N.Y.

Five new v.p.'s of Federal Telecommunication Labs, new consolidated research facility of IT&T, Nutley, N. J.: Louis A. de Rosa, electronic countermeasures; Sven H. Dodington, avionics; Armig G. Kandoian, communications systems; Arnold M. Levine, missile systems; Charles D. W. Thornton, physical sciences, components & instrumentation.

Radio receiving set kits "made up of substandard components"—and sold as toys—aren't subject to Federal excise tax on "entertainment type" sets, Internal Revenue Service has decided (Rev. Rul. 58-333). It described toys this way: "When assembled, the sets are capable of only a semblance of audio production and do not meet the performance standards characteristic of a commercial radio receiving set with respect to tone & volume. From the standpoint of selectivity, only one station is obtainable."

Dormant fair trade: House Commerce subcommittee reviewed proposed fair trade legislation (HR-10527) by Rep. Harris (D-Ark.) this week but deferred action. Meanwhile, Senate Commerce Committee scheduled 2-day hearing on similar fair trade bill (S-3850) by Sen. Humphrey (D-Minn.) July 21-22—a date proponents agree may be too late to permit Congressional consideration this year.

Factory sales of transistors in May reached highest point this year and 5-mo. total was substantially ahead or last year, according to EIA. May transistor sales were 2,999,198 units worth \$7,250,824 vs. 2,856,234 worth \$7,025,547 in April. Cumulative sales for 1958 totaled 14,894,230 worth \$34,582,743 vs. 8,954,000 worth \$25,128,000 in corresponding 1957 period.

**Big Fund Portfolios:** Electronics & electrical equipment shares group represented only \$2,929,100 of the \$111,905,929 total net assets of Group Securities Inc., big Jersey City investment trust, as of May 31, 1958, and they had net asset value of \$6.40 per share on 457,669 shares outstanding as of that date, according to 6-mo. report just released. Group's realized net capital gain since inception of the company was \$378,899, and for the 6 months to May 31 it was \$49,584. These are the group's holdings, with market value as of May 31:

8000 shares Allis Chalmers, \$184,000; 3500 Bendix Aviation, \$180,250; 7000 CBS 'A', \$210,875; 5000 Cornell-Dubilier, \$80,000; 1500 Cutler-Hammer, \$74,625; 5400 GE, \$322,650; 2000 Hazeltine, \$73,750; 500 Hoffman Electronics, \$13,875; 200 Int'l Bus. Machines, \$69,750; 8000 Int'l Tel. & Tel., \$280,000; 1500 McGraw-Edison, \$52,125; 4000 Motorola, \$150,500; 10,000 Norden-Ketay, \$28,750; 5200 Philco, \$79,300; 6000 RCA, \$209,250; 2500 Raytheon, \$71,875; 8500 Sperry Rand, \$154,062; 2500 Square D, \$53,438; 6000 Sylvania, \$215,250; 3000 Westinghouse, \$174,000; 3000 Zenith, \$238,125.

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Latest report on biggest of the electronics funds, Television-Electronics Fund, reports net assets of \$155,400,000 and 14,857,031 shares outstanding in 6 fiscal months ended April 30 vs. \$135,100,000 and 13,038,227 as of Oct. 31, 1957. During 2nd quarter these were changes in its portfolio:

New stocks added: 15,000 shares American Electronics, market value \$204,375; 10,000 Foxboro, \$287,500. Also added were \$200,000 American Electronics 5 1/4% convertible subordinate debentures, due 1973; \$170,000 Douglas Aircraft 4% convertible subordinate debentures, due 1977; \$250,000 Lockheed Aircraft 3 3/4% convertible subordinate debentures, due 1980; \$125,000 Northrop Aircraft 4% convertible subordinate debentures, due 1975; \$500,000 Olin Mathieson 5 1/2% convertible subordinate debentures, due 1983; \$100,000 OR- Radio Industries 5% convertible notes, due 1973.

Holdings were increased in Allis-Chalmers, American Bosch Arma, AT&T, Carborundum, Carrier, Douglas Aircraft, Dresser Industries, Ex-Cello-O, General Dynamics, GE, General Precision Equipment, Robertshaw-Fulton Controls, Sprague Electric, Union Carbide, United Aircraft, Chance Vought Aircraft, National Cash Register.

Part of holdings were sold in Beckman Instruments, General Tire & Rubber, Hammond Organ, Otis Elevator, Penn Controls, Ryan Aeronautical.

RCA was struck again this week at Camden, Cherry Hill & Moorestown, N. J. plants, about 1500 design & development engineers in independent Assn. of Professional Engineering Personnel walking out in contract dispute centered on merit pay increases. Company said rest of 15,000 employes continued on jobs. Strike followed brief walkout last month by AFL-CIO American Federation of Technical Engineers at 3 facilities (Vol. 14:26).

Owens-Illinois, CR bulb supplier and manufacturer of other electronic glass forms, should have been included in our list of TV-radio-electronic firms culled from *Fortune's* annual roster of 500 largest U. S. industrial corporations (Vol. 14:26). Owens-Illinois ranked 78th in 1957, 79th in 1956. Last year company had \$510,487,000 sales, \$417,456,000 assets, \$35,810,000 net profits, \$267,267,000 invested capital, 32,275 employes.

Reports & comments available: On CBS, comment by J. R. Williston & Co., 115 Broadway, N. Y. On Ampex, brief by Bache & Co., 36 Wall St., N. Y. On Guild Films, memo by Van Alstyne, Noel & Co., 52 Wall St., N. Y.

Dynavox 1959 line of portable phonos includes 2-piece stereo instrument at \$180. Also, 4-speed portable transcription record player at \$80 weighs 17 lbs.

Daystrom forms Daystrom Ltd. of England, London, to manufacture Heathkits, "do-it-yourself" hi-fi and amateur radio assemblies.

Stock eliminated: 4200 International Nickel.

Unchanged during quarter were holdings in ACF Industries, Addressograph-Multigraph, Admiral, Aerojet-General, Allegheny Ludlum Steel, AB-PT, American Chain & Cable, American Machine & Foundry, AT&T, Ampex, Amphenol, Babcock & Wilcox, Barry Controls, Bell & Gossett, Bendix Aviation, Boeing Airplane, Bullard, Bulova Watch, Burroughs, Cincinnati Milling Machine, Clark Controller, Clevite, CBS Inc., Columbia Pictures, Conrac, Consolidated Electrodynamics, Consolidated Electronics, Cornell-Dubilier, Corning Glass, Curtiss-Wright, Cutler-Hammer, Dictaphone, DuMont Labs, du Pont, Eastern Industries, Eastman Kodak, Eaton Mfg., Eitel-McCullough, Electronic Assoc., Elox, Emerson Electric, Fansteel Metallurgical, Food Machinery & Chemical, Friden, Garrett, General Bronze, General Mills, GM, General Railway Signal, General Telephone, G. M. Giannini, Globe-Union, Goodyear Tire & Rubber, Harris-Intertype, Hazeltine, Hewlett-Packard, Hoffman, Indiana Steel Products, Industrial Electronics, IBM, Johnson Service, Leeds & Northrup, Liquidometer, Litton Industries, Machlett Labs, Magnavox, P. R. Mallory, Marchant Calculators, Martin, W. L. Maxson, Mergenthaler Linotype, Minneapolis-Honeywell, Minn. Mining & Mfg., Motorola, National Acme, Neptune Meter, North American Aviation, Oak Mfg., Paramount Pictures, Philco, Pullman, RCA, Reliance Electric & Mfg., Royal McBee, Servomechanisms, Sperry Rand, Square D, Statham Instruments, Stewart Warner, Storer, Sylvania, Taylor Instrument, Technicolor, TelAutograph, Telecomputing, Television Assoc., Texas Instruments, Thompson Products, Tung-Sol, 20th Century-Fox, United-Carr Fastener, United Utilities, Varian Assoc., Vitro, Walt Disney Productions, Westinghouse Air Brake, Westinghouse Electric, Zenith.

[For status preceding quarter, see Vol. 14:10]

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Electronics Investment Corp., mutual fund founded & headed by ex-San Diego broadcaster Charles E. Salik, reports net assets of \$14,352,695 in fiscal year ended April 30. Portfolio included \$12,150,834 of common stock, \$553,875 preferred, \$1,218,537 bonds, \$857,702 U. S. Govt. obligations. Portfolio changes during Jan. 31-April 30 quarter:

Purchases: 2100 shares of AB-PT (making total of 15,000); 1800 American Machine & Foundry (total 7000); 1300 Amphenol (total 8000); 4395 Beckman Instruments (total 8000); 1500 Bell & Gossett (total 13,500); 2001 CBS Inc. "A" (total 5000); 900 Consolidated Electrodynamics (total 7400); 6000 Cook Electric (total 6000); 724 Eastern Industries (total 724); 2000 Eitel-McCullough (total 4000); 700 High Voltage Engineering (total 3700); 400 Hoffman (total 7000); 1000 IT&T (total 10,000); 2500 Ling Electronics (total 17,500); 5000 Lockheed Aircraft (total 5000); 6000 Machlett Labs (total 6000); 1000 RCA (total 10,000); 2200 Raytheon (total 12,600); 4600 Sprague Electric (total 10,000); 9000 Varian Assoc. (total 10,000); 1500 Eastern Industries pfd. (total 9200); 2000 General Precision Equipment 6% pfd. (total 3000); 7500 Ling Electronics pfd. (total 7500); \$50,000 Emerson Electric 5 1/2% convertible debentures due 1977 (total \$200,000); \$50,000 Epsco 5 1/2% convertible debentures due 1963 (total \$65,000); \$100,000 ORRadio Industries 5% debentures due 1973 (total \$100,000).

Sales: 1852 AMP; 4500 Daystrom (holds 5000); 4000 Epsco (holds 3500); 10,000 Ling Industries; 13,655 Philco; 5700 Square D; 1000 Thompson Products; \$200,000 U. S. Treasury bills due March 27.

[For status in Oct. 31-Jan. 31 quarter, see Vol. 14:12]

Cohu Electronics, which last Dec. acquired Millivac Instrument Corp. and Volkens & Schaffer Inc. (Vol. 13:49), expands again with purchase of Massa Labs, Boston, for \$1,500,000 in stock & cash. Maker of TV cameras (Kintel div.), underwater sound equipment, sonar devices & ultrasonic products will be operated as Cohu div., with Frank Massa remaining as pres. and becoming a Cohu v.p. Massa is expected to add 20% to Cohu's 1958 sales, pres. La Motte T. Cohu said. Cohu earned \$190,177 (20¢ per share) on sales of \$5,428,093 in 1957 vs. \$252,700 (31¢) on \$3,392,247 in 1956.

Universal Pictures, 81.4% owned by Decca Records, cut consolidated net loss to \$92,349 in 13 weeks ended May 3 from \$426,000 in preceding quarter (Vol. 14:12). For 26 weeks ended May 3 loss was \$519,249 after \$720,000 tax credit vs. net income of \$1,727,623 (\$1.74 per share) in same period year earlier.

Hi-fi shows scheduled by Institute of High Fidelity Manufacturers: N. Y. Trade Show Bldg., Sept. 30-Oct. 4; Philadelphia, Hotel Benjamin Franklin, Oct. 10-12; Milwaukee, Wisconsin Hotel, Oct. 23-26; Los Angeles, Biltmore Hotel, Feb. 16-21, 1959.

Langevin Mfg. is new name of Maxson Instruments, subsidiary of W. M. Maxson Corp., Long Island City. Company makes audio & electronic equipment, amplifiers, transformers.

**Baseball Blackout Lightens:** Threat of Senate passage of House-approved measure to exempt organized sports from anti-trust regulation, permitting inter-club bans on game telecasts (Vol. 14:26-27), lifted this week.

Drive by baseball owners to complete Congressional action this session on exemption bills (HR-10378 & S-4070) had lined up more than half of Senate on their side. But increasingly vocal opposition to legislation developed as Judiciary anti-monopoly subcommittee started slow-going hearings on the measure—and scheduled adjournment of session was little more than month away.

Subcommittee chairman Kefauver (D-Tenn.) said: "Parts of the bill [sponsored by Sen. Hennings (D-Mo.), co-signed by 50 colleagues] worry me considerably. To give just a blanket waiver to anti-trust laws is a big request."

Sen. O'Mahoney (D-Wyo.) pointed out: "If this bill becomes law, nobody in Govt., nobody in Congress, could question the actions of those managing baseball." Sen. Mundt (R-S. D.) announced he would seek to tack on modifying amendments if legislation reaches floor. Sen. Langer (R-N. D.) said he had some searching questions.

First telecaster heard at Senate hearings was pres. gen. mgr. Stuart T. Martin, WCAX-TV, Burlington, Vt. Sen. Aiken (R-Vt.) introduced letter from him protesting

his station was in danger of losing CBS-TV's *Game of the Week* as result of agitation by minor leagues against telecasts of major games in their home territories. It was cited as example of what would happen to stations if legislation is passed. Martin said Montreal's minor club objected to *Game of the Week* although Canadian city is 100-mi. from Burlington—outside 50 mi. radius "which heretofore has been the accepted distance to protect minor league ball clubs."

Kefauver recessed hearings until July 15 after first day spent questioning N. Y. Yankees' Casey Stengel, lead-off witness for organized baseball. FCC, FTC & Justice Dept.—all reported opposed to bills—are scheduled to appear July 15. Also on tap in opposition next week will be NAB.

Stengel's answers to questions frequently left subcommittee baffled. Langer wanted to know if telecasting of games would lead ultimately to pay-TV. "Well, now," said Stengel, "if I was starting out I'd like to be in that end of the business. All the big movie theatres went broke—you know that." O'Mahoney asked if minor clubs were suffering badly from big-game telecasts into small towns. "I should say so," Stengel said. "Now, if Bob Hope & Greta Garbo came to town—well, you're not going to watch baseball."

Kefauver pressed Stengel to explain why baseball interests wanted legislation. "Well," Stengel said, "I don't know for sure. I guess they want it to keep baseball the same game and baseball is run cleaner than any other business in 100 years."

**House ETV Hearings Set:** Move toward House action on Senate-passed Federal aid to educational TV bill (Vol. 14:22) was made this week, Chairman Harris (D-Ark.) of Commerce Committee taking time out from his frenzied legislative oversight subcommittee proceedings to schedule hearings starting July 15. Senate supporters of \$51,000,000 measure (S-2119), sponsored by Sen. Magnuson (D-Wash.), count on strong backing if bill reaches House floor before adjournment of Congress. Chances of House Commerce Committee voting on measure in time to meet deadline next month aren't regarded as good, however, and White House is opposing it. Hearings will be conducted by transportation & communications subcommittee—also headed by Harris—but at our press time this week no witness list had been drawn up, no schedule beyond July 15 set.

Another TV investigation—this one probing use of foreign-made music recordings—is demanded by Sen. Morse (D-Ore.) and Rep. Thompson (D-N. J.). They introduced resolutions (S. Res. 320 & H. Res. 620) authorizing committees to look into effects of imported sound tracks and picture film on employment of U. S. musicians, Morse assailing TV-movie "cut-rate" practice as un-American, Thompson calling it "pervasive threat to the future of American music." Both acted in response to protests by AFM pres. Herman D. Kenin, who said less than 12 of 125 filmed TV shows are scoring plots to union-made music, that half of AFM's 264,000 members are unemployed.

AFM's 30-year monopoly on music in the Hollywood film capital ended this week with NLRB announcement that Musicians Guild of America won bargaining representation election by 580-484 vote.

TV boom in West Germany sent production skyrocketing to 349,000 sets in first 4 months of 1958—a 55% increase over 1957.

Jacksonville's radio WMBR (1460 kc, 5-kw U, CBS), acquired by *Washington Post* in 1953 in \$2,470,000 purchase with WMBR-TV (Ch. 4), was sold this week for slightly more than \$400,000 to Ben Strouse, pres. of Washington's phenomenally successful WWDC (1260 kc, 5-kw, U) and member of NAB board. Reason for sale, handled by broker Howard Stark, was simplification of TV management at Jacksonville, where Glenn Marshall continues as pres. Station is now embarked on new TV studio-office building project. Strouse takes over radio staff intact, including mgr. Sidney Beighley, remains in WMBR building as tenant for 6 months until he builds or rents new quarters. Sale does not mean, according to John S. Hayes, pres. of *Washington Post* broadcast div., that his company intends also to sell its higher-billing radio WTOP (operated under same roof as WTOP-TV) or that it is letting up in quest for more TV or TV-radio properties, preferably in the South. Strouse will retain WMBR call letters, but TV call is due for change soon. [For news about other radio station sales and transfers, see *AM-FM Addenda BB*.]

Referendum on 5th Amendment issue raised by 2 members who refused to answer questions at House Un-American Activities hearing—and were promptly fired from TV network jobs (Vol. 14:25)—is being conducted by Radio & TV Directors Guild. Question posed to rank & file is whether "invocation of his constitutional privileges" by witness constitutes grounds for dismissal under "good & sufficient cause" or "gross misconduct" provisions of network contracts. Ballots returnable July 15 will determine whether Guild pursues arbitration of cases of 2 balky witnesses, both fired—director Charles S. Dubin of NBC TV's *Twenty-One*, floor mgr. Joseph Papp of CBS-TV's *I've Got a Secret*.

Swedish TV by 1962 plans 14 stations, 500,000 sets reaching one-fifth of population.



## SUMMARY-INDEX OF THE WEEK'S NEWS — July 19, 1958

**MULTIPLE INDUSTRY HEADACHES** concern Washington despite summer heat. Review of the main "crises" being talked about by the experts (p. 1).

**TV-NEWSPAPER WARFARE** for ad dollars deplored by top media man, who urges publishers adopt TV techniques. Jack Knight replies to Sarnoff (p. 3 & 16).

**BELL SYSTEM RESTRICTING** use of poles by new community antenna systems, according to CATV operators. NCTA fights Massena, N.Y. turndown (p. 3).

**NO ALLOCATIONS CHANGES** in sight yet. Potter willing to amend resolution to cover civilian spectrum as well as military. FM channels to TV? (p. 4).

**QUIZZICAL FCC CONFRONTS BARROW** as Chairman Doerfer and others question him and Mayo on anti-trust analysis. More Barrow-Mayo arguments (p. 5).

**34½ UNSOLD OPTION-TIME** half hours next season worry networks, force cuts in prize shows and staff, threaten heavy sustainer burden (p. 6).

**ALL MEDIA EXCEPT TV-RADIO** down in May from year ago, down also for first 5 months (p. 7).

**EVEN TV WHISKY AD BAN** isn't safe from Congressional criticism of broadcasters (p. 7).

**WOMEN ATTORNEYS** more numerous than lady engineers in TV and related fields, hold substantial jobs in networks, private practice, FCC (p. 8).

**PUBLIC WON'T BE INJURED**, FCC holds in denying protests against grant of WJRT, Flint. Pittsburgh gets 2nd educational channel (p. 10).

**BMI DEATH SENTENCE BILL** dying in Senate subcommittee, "music monopoly" unproven (p. 10).

**FCC, FTC, JUSTICE DENOUNCE** TV blackout terms of baseball anti-trust exemption bills, which probably won't get past Senate subcommittee (p. 11).

**FOREIGN TV STATIONS** total 560 June 30, sets-in-use 20,184,300, USIA reports; 161 more stations, 5,000,000 sets, seen by year's end (p. 16).

### Manufacturing-Distribution-Finance

**NEW PRODUCTS ON THE WAY** present challenge for "creative retailing," Motorola pres. Robert W. Galvin tells NARDA Management Institute (p. 13).

**TV INVENTORIES DROP SHARPLY** particularly at retail level; retail sales decline "bottoming out" (p. 13).

**BIG APPLIANCE OPPORTUNITY** in next 10 years, prospect of 294,000,000 unit sales, envisioned by advertising executive at NARDA session (p. 14).

**MAIN PROBLEMS & PROSPECTS OF TV-RADIO:** What they're talking about on the Washington TV-radio scene these hot & humid summer dog days:

(1) The explosive international situation, of course -- with the alerting of all TV-radio facilities involved, and their increasingly important job of covering the news. Consensus is that they've acquitted themselves splendidly thus far. For example, the 3 networks cancelled 9 shows night of July 17 to carry the UN Security Council debates, and are continuing to overturn schedules regardless of cost, as are many stations. Headline over TV-radio editor Larry Laurent's July 19 column in Washington Post epitomizes popular reaction: "Networks May Lose Dough But Not Respect."

(2) How's business? From very good to fair in telecasting, good to bad in radio, with a few very bad spots like those dependent on the motor car economy. At least, that's gist of what we've heard tell by visitors to town and in several dozen widely scattered long-distance calls over the last few weeks.

There's no specific pattern or even trend, except that TV and radio are doing better than other media in that they're not falling behind last year and generally are a bit ahead (see p. 7). SRA projections for whole of 1958, which we published last week (Vol. 14:28), forecasting TV spot up 6%, local up 5%, network up 4% ought to hold up pretty well, according to consensus -- with some top-dog stations doing even better. All categories of radio will be up, too, but on a smaller scale.

(3) TV-radio set production and sales crawl along, disturbingly low even for summer and quite profitless -- and no one seems to have the answer to the problem of better movement of goods. Some equate the set market with the recession economy, now "bottoming out" according to the fiscal pundits. Some insist the good old days can come back only with "something new" -- what with 84% of all homes now TV-equipped (Vol. 14:27) and an estimated 8% having more than one set. The "something new" could be color TV, but no one really has yet licked its prodigious merchandising problems.

(4) Harris subcommittee is off FCC's neck at the moment, happily, but its investigators have been nosing over several comparative TV cases and station sales (Vol. 14:20) and can be expected to bust loose again. Then there's that Washington grand jury combing through the rubble bulldozed up by Harris -- and a lot of folk are quite apprehensive about possible indictments.

Attorneys and consulting engineers tell us they're busier than ever, mostly with radio clients seeking new & improved facilities. FCC is working at as great speed as may be expected of a govt. agency so short-staffed and with its heads under constant blandishments of Congressional committees, to say nothing of Congressmen & Senators now a bit more circumspect about seeking favors in pending cases.

(5) Network rules: Will FCC be persuaded by the Barrow arguments (p. 5) or, what's more likely in an agency so politically oriented, yield to Justice Dept.'s young but strong-minded Mr. Bicks (Vol. 14:25), who appears to have backing of his anti-trust div. chief Victor Hansen and of Attorney General Rogers himself?

Bicks more than hints that if FCC doesn't exercise "original jurisdiction" and ban the practices, Justice Dept. will go to court -- this despite the parlous condition of network business right now (p. 6) and despite fact that overwhelming industry opinion goes along with present system which, like Topsy, "just growed."

It's possible that the FCC, knowing realities of telecasting life and being a policy board, will not approve the Barrow recommendations; that Justice will then take networks to court on anti-trust grounds; that litigation will take years; and that there may be new faces and philosophies in the Justice Dept., Congress and FCC before this thing is finally threshed out.

(6) Will there be a serious reallocation, a shakeup of the whole TV spectrum such as the Craven proposal would necessarily bring about? Comr. Craven's original proposal -- creating 25 contiguous channels starting at Ch. 7, dropping Ch. 2-6 -- just isn't in the cards, according to Defense Dept. (Vol. 14:28). There may be some sort of shuffle someday, but no one really knows what it might be. Right now, prospects are greater that FCC will make changes that don't require military cooperation such as more deintermixture to make greater use of uhf.

Then too there's always been a school of thought that FCC is bound to start chopping away at engineering standards to squeeze more stations into the existing 12 channels, sooner or later. (For further developments on allocations, see p. 4.)

(7) Will FCC step into station-CATV controversy? It certainly hasn't wanted to, up to now, but there are some powerful Congressional pressures at work -- though against stiff potential opposition -- to force the Commission into regulating CATV. We guess FCC will shy away from trying to change status quo, whereupon anti-CATV legislation will be introduced, precipitating quite a battle. Prolonged court fracas seems inevitable, too, with large number of telecasters eager to attain the comforts and potential financial benefits which would accrue if stations knew they retained "property rights" in the signals they emit.

\* \* \* \*

There are multifarious other problems, ranging from individual contests for prize TV channels (not many left) to disposal of the bewhiskered radio clear-channel issue, from multiplexing to tall towers, from FCC scoldings for "unfair" editorializing to the headaches of political broadcasts. But the foregoing are the ones that cut across most industry "party lines" and, we find, are the ones most talked about over the Washington teacups and in the Federal corridors.

**WHY NOT BENEFICIAL CO-EXISTENCE?** Refreshing new peace-with-profit plan to end newspapers' sniping at TV in drives to recapture lost advertising (Vol. 14:25, et seq), is advocated by Cunningham & Walsh senior v.p. & media director Newman F. McEvoy. At recent convention of New England Newspaper Adv. Executives Assn., he observed:

"I am convinced that [TV] is here to stay: it has proved itself a very productive service to advertisers..." Therefore, he suggested that, since they can't lick TV, they should join it in collaborating, co-existing, integrating techniques.

Instead of frontal attack on the rival TV medium -- tactic which was exposed by NBC's Robert Sarnoff in his much-discussed Syracuse speech last month (see our June 21 Special Supplement captioned "Are Newspapers Deliberately Derogating TV?") -- McEvoy urges 3 ways dailies might become "better contestants":

(1) "There are merits to [collaboration] when you are losing a battle...If I were a newspaper publisher, I would study TV in my city very carefully and [horn] in on every promotion device running on TV so that every deal (10¢ off, 2-for-1, money back offers, etc.) would hopefully be made available to my readers."

(2) On co-existence with TV: Newspapers should "adopt some of TV's selling tools and build a complementary story" to match cost-per-1000 and "I would concentrate on reach and frequency of 1000-line ads."

(3) On integration of newspaper and TV advertising: "I feel that ROP newspaper advertising as well as TV [can] benefit in a properly developed tandem operation. I am suggesting that 1-&-1 make 3 -- that the sum of the parts is greater than the whole -- that instead of dog-eat-dog...we should all run as a team."

The ANPA Bureau of Advertising should set up a task force to promote understanding that "TV advertising is good and so is newspaper advertising; used together they add strength to each other." Dailies thus would do better job for themselves.

Note: Newly released bulletin of Bureau of Advertising (No. 40) this week roused ire of TvB pres. Norman Cash, who charged its claim that newspapers are doing 40% better for advertisers than night TV spots, on cost basis, is based on false and undisclosed premises. Titled "Valuable Data About Newspapers," it's the sort of material newspaper salesmen use as ammunition in the now open warfare for ad dollars.

Because newspapers haven't done good job selling themselves to advertisers, ANPA Bureau's pres. Charles T. Lipscomb Jr. told combined Carolina press groups this week, big research program into media costs, media buying practices, consumer interest, etc. has been undertaken, to be implemented in 1959 by "a national promotional selling phase which the industry has never before attempted" -- involving "new and intensified activity in the field of advertiser and agency solicitation" and "new selling themes and new presentations to carry the newspaper story individually to all the important accounts in every national advertising classification."

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Another sort of response to Sarnoff's speech, not quite so conciliatory, came this week from group newspaper publisher John S. Knight, who also has some TV interests. It's worth reading and is excerpted on p. 16. Noteworthy in both McEvoy and Knight arguments is absence of one compelling point: Newspapers have benefited and are benefiting to the tune millions of lines in the advertising of TV sets as well as so-called "spotlight" advertising of TV shows. Like radio, TV created a vast new source of lineage and dollars for all publishers and will continue to do so.

**BELL SYSTEM & CATV FIGHT OVER POLE USE:** As if community antenna operators didn't have enough troubles with FCC and Congress (Vol. 14:28), they're running into real difficulties with Bell System -- which seems to have adopted policy, here and there, of declining to permit use of its poles for cable of new CATV systems.

Conflict has been brewing for months, broke into open last week when National Community TV Assn. found out proposed CATV system in Massena, N.Y. had gone to hearing before state public utilities commission, and N.Y. Bell had disclosed new policy of refusing "attachment rights" (Vol. 14:28). NCTA has filed petition to

reopen record, wants to rebut Bell testimony to effect that it loses money on CATV; that CATV doesn't comply with national safety code; that its phone service is hurt.

NCTA gen. counsel E. Stratford Smith asserts that several Bell System companies have been refusing attachment rights. These include: Pacific Telephone & Telegraph Co., Mountain States Telephone & Telegraph Co., Southwestern Bell Telephone Co., Bell Telephone Co. of Pennsylvania. Says he: "It's now impossible to get attachment rights in several substantial areas."

Bell System spokesman makes this response: "There has been no change in basic policy of the system companies with respect to attachment rights. They are continuing to negotiate each case on its own merits."

Matter is quite serious, for many proposed systems must get such rights from Bell before they can build. In some cases, Bell uses local power company poles, but it generally controls "communications" uses of those poles, including CATV. There hasn't been any problem, apparently, with independent phone companies.

CATV operators pay \$1.50-\$3 per pole per year for attachment rights, but Bell is currently talking of higher rates, up to \$6.

Bell is very happy to build & lease cable systems to CATV operators. In Bartlesville, Okla., cable-theatre system operator Video Independent Theatres built system, sold it to Southwestern Bell, leased it back.

Cable-theatre prospects may be very important element in Bell's planning. Pacific T. & T. wouldn't permit Skiatron or International Telemeter to wire up Los Angeles or San Francisco when the pay-TV outfits were generating a lot of publicity about it last year (Vol. 13:24); PT&T would have facilities at a price. So far, CATV has been only piddling business for Bell. Cable theatre, if it has a future, may have a huge one -- involving major markets.

**Whither TV Allocations?** The well-stirred TV allocations cauldron hasn't congealed anything new. Defense Dept. has knocked out idea of giving TV chunk of spectrum just above Ch. 13 (Vol. 14:28). However, it's willing to engage in top-level long-range discussions with FCC. It's impossible to guess what latter may lead to, eventually—whether something major, minor, or nothing.

Sen. Potter's resolution to create 5-man commission to study govt. spectrum use (Vol. 14:28) is given no better than fair chance of passage this session. However, Potter tells us he's willing to amend concept to include study of civilian uses—"though that's not the crying need." This ought to sweeten up the idea in several important quarters. For one, Office of Defense & Civilian Mobilization should be more willing to go along. Last year, it saw no need for study but urged that evaluation include civilian uses if Congress decides to go ahead anyway (Vol. 13:33). ODCM chief Leo Hoegh is the man to make the decision now, having succeeded ODM chief Gordon Gray, and Hoegh is still learning ropes.

Electronic Industries Assn. has long sought complete spectrum analysis and it, too, would be more willing to go along with Potter resolution. Potter says he'd like to see industry well represented on proposed commission—which would please EIA, of course. Some industry experts feel Potter may have antagonized military unnecessarily by charging that it's sitting on unused spectrum. They'd hate to see study devolve into "witch hunt" against the military. They really want an honest-to-goodness scientific evaluation.

FCC is expected to have no objection to the study. It is already reexamining virtually entire civilian spectrum

via 2 broad inquiries—25-890 mc and 890-&-up—and its findings would be readily available to new commission.

Near East situation throws a big imponderable into the pot. Naturally, if it gets hotter, any idea of military spectrum shift is bound to diminish.

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FCC suffers from absence of firm majority favoring any major move. It flip-flops 4-3 and 3-4, thus essentially maintains status quo, particularly on deintermixture. As for vhf mileage cuts and drop-ins, Commission is loath to move until TV Allocations Study Organization (TASO) finishes sharpening its coverage & interference "tools."

But all the discussions and investigations are provoking more thought in Govt. & industry. For example, one pioneer telecaster again broaches idea of carving TV channels out of FM (he operates an FM) and shifting FM to other frequencies. In letter to us, he says that "FM is still in its infancy," can be shifted far more easily than TV.

The idea has always been mighty explosive, probably is touchier than ever—what with some FM operators beginning to make money.

FCC's big 25-890-mc inquiry, started last year (Vol. 13:48) and covering all allocations involved in that portion of spectrum, will go to oral hearing some time after Oct. 1, FCC announced this week. Seeking to keep proceeding from getting unwieldy, Commission asked each party planning to testify to submit name of witness and outline of testimony by Oct. 1—after which Commission will determine whom to invite. FCC also requests each group or industry association to select spokesman or spokesmen; if individual members of such groups want to testify in addition, they must give Commission detailed reasons explaining need.

# FCC Quizzical—But Barrow Firm for Reform

FCC BEGAN WARMING UP this week to job of querying Roscoe L. Barrow and assistant Louis H. Mayo, as latter defended their recommendations for changes in network operations (Vol. 14:28). They're not through yet, will continue July 21.

One of most conspicuous features of this week's session, July 14, was the way Chairman Doerfer kept pounding at Mayo's legal arguments that option-time and must-buy are illegal *per se*. Doerfer is obviously well briefed on subject, went into considerable detail. He noted, for example, that recent *Northern Pacific* "tie-in" decision made exceptions for "industrial leases" and said that perhaps option-time might therefore be okay. Mayo said decision wasn't clear on the point. Doerfer observed that "conspiracy" was involved in *Paramount* case but that none is charged against networks. Mayo insisted that court struck down movie distributors' "block-booking" practices as illegal, totally aside from "conspiracy" angle.

Doerfer noted that Sherman Act provides for criminal penalties for infractions, said that Commission should be careful about declaring networks guilty. Mayo said FCC doesn't have to make such declaration but that it should be aware of probability of illegality. However, he said, option-time and must-buy are against the public interest, illegal or not. He opined that option-time would be illegal even if it were limited to an hour a day; that it's illegal even if administered leniently; that courts don't give a hoot whether practices help or hinder competition.

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Barrow argued that option-time is a "shield" which permits networks to shove inferior programs down affiliates' throats. For example, he said: "The highest budget programs usually straddle option-time or are outside of it. Networks need something, blockbusters, to take place of the shield."

If FCC believes option-time is mandatory, Barrow & Mayo argued, it must ask Congress to legitimize it. "If you insist you need option-time," Barrow asserted, "you'll probably have to go into time rationing and have to look at rates. That gets you toward common carrier regulation. We've tried to avoid that."

Mayo said he guessed Justice Dept. might take action if FCC doesn't, might go even further—attack "first call" (which Barrow Report endorses), seek to divest networks of o-&o stations (Report would limit ownership to 3 vhf's in top 25 markets). Barrow also suggested networks' long-term contracts with talent need anti-trust scrutiny.

An important feature of Mayo's legal argument is that each network program is distinct and that option-time "ties" them together illegally. Several commissioners are skeptical about that. Comr. Ford wondered whether network service might be regarded as "crate of eggs" as distinct from several dozen. Mayo insisted each program is separate "product"—a "monopoly" or "limited monopoly."

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Barrow and Mayo released statements covering additional facets of their recommendations, but their testimony on them was delayed until next week. Barrow has 34-pp. treatment of multiple ownership, station sales, network spot representation, application of FCC rules directly to networks. Mayo covers affiliation, rates & compensation.

"With the decline in the number of independent newspapers in many of the largest centers of the country," Barrow states, "it becomes more important than ever for

the Commission to promote diversification of ownership and viewpoints in this new, vital medium of communication.

"There are those who tend to minimize the significance of TV as a force in the shaping of attitudes and values and in the forming of opinions. They tend to look upon TV primarily as an advertising billboard and as a source of entertainment. I do not stand in this camp. I have profound respect for this medium, for what it has accomplished in its moments of greatness and for its potentialities."

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One-to-a-customer ownership should be FCC's ultimate goal, Barrow says, along with diversification, local ownership, and similar oft-stated FCC objectives.

Good start in that direction, according to Barrow, would be to limit ownership to 3 vhf's in top 25 markets. He rejects arguments presented by multiple owners in hearing, though he's sorry Westinghouse would get hurt in the process, since it has "an excellent record." "However," he goes on, "the Report recognized that many single-station owners also have an excellent record of performance. To 'grandfather' a multiple owner . . . seems unfair to potential station owners who deserve an opportunity to serve the public."

There are no advantages to multiple ownership, he claims. In big markets, "where multiple owners congregate," singly-owned stations make plenty of money and can afford to plow it back into programming. They can call on all kinds of specialists for help, don't need multiple owners' staffs.

An absentee owner just can't be as interested in community as local owner, according to Barrow—and it's the owner who counts, not staff. "Some multiple owners have been known to sell stations in smaller markets," he says, "in order to acquire stations in larger markets as opportunities arise. This suggests that profit may sometimes be a stronger motive than interest in the particular community."

Noting that ABC testified it would have to stop network operations if it could own only 3 vhf's, Barrow says that "CBS developed into the top network while owning only 3 vhf stations . . . A strong case can be made for proposition that CBS & NBC can continue networking without any station ownership whatever."

Barrow also states that ABC network operations produce profit, albeit small, and the 3 o-&o's it would retain in N. Y., Chicago & Los Angeles produce 63% of its o-&o income, which is "substantial."

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If radio networks were jeopardized because of reduction of networks' profits from loss of o-&o stations, Barrow states, FCC should then consider "(a) how many networks, and in what form, would be necessary for national defense; and (b) what alternative means of financial assistance, and in what amounts, are necessary to insure the forms of networking necessary for national defense."

Barrow doesn't like networks' control over o-&o's: "As an arm of the network, the owned station is used to serve as an example to affiliated stations, when the network is striving to sell a policy which is not popular with affiliates."

However, Barrow concludes that if FCC doesn't want to divest anyone, it should "grandfather" them but prevent anyone else from acquiring 5 vhf's in top 25 markets.

Barrow also wants to tip scales in favor of local and

non-broadcast applicants—but he'd give them "rebuttable presumptions" so that "performance record of the [absentee and station-owning applicants], if it has been impressive, could still win the race."

\* \* \* \*

Station-sale procedure, according to Barrow, "is a frustration of the most vital function" of the FCC because selection of licenses has "largely passed from the hands of the Commission to the hands of individual broadcasters." Hence, Report recommends cash sales, publicly announced, not to be consummated until other bidders offer to meet price and comparative hearing is conducted among bidders. This, he claims, will give smaller operator better crack at stations. He says situation is "extremely serious," with 58 of the 81 vhf stations (72%) multiply-owned in top 25 markets.

Report recommends monetary forfeiture sanctions be imposed. Says Barrow: "One would reasonably expect that station owners would prefer to have the sanction for violation of a rule reduced from revocation of a license to a reasonable forfeiture. Why do they oppose this? The only reasonable answer is that they know that the Commission is unlikely to enforce a sanction so drastic as revocation of license but that it probably would be more disposed to enforce a more reasonable sanction. This is precisely why the monetary forfeiture sanction should be adopted."

\* \* \* \*

Networks ought to be forced out of spot rep business, Barrow asserts, because: "I think it is obvious on its face that the public interest is ill served when networks, which have such a dominant position in TV networking, also participate in the only telecasting area which competes with networking . . . It is quite obvious that the national spot sales division of CBS and NBC could expand greatly, and it seems likely that they have refrained from doing so only because of public attention focused on this problem."

Barrow dismisses as "rationalizations" the arguments of networks and their repped stations that networks have kept lists small in order to give superior service, stating that other reps have big lists yet satisfy some pretty finicky stations. "If [networks] pursued their business in-

terest, as competitors would be expected to do, and expanded to the extent that the dominant position of the network in its relations with affiliates enabled them to do, it would be demonstrated that they can also readily dominate the national spot field."

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Control of networks through rules applying to stations was called "ridiculous" by Barrow. "The only penalty within the Commission's power to impose is denial or revocation of license, a drastic sanction which is never invoked. Thus, the regulatory approach follows along lines which Gilbert & Sullivan might have appreciated. The victim of the crime is brought to trial and the only punishment which can be inflicted is capital punishment. But the Judge is unwilling to decapitate the victim, so both the victim and offender go free."

Network witnesses, says Barrow, "conjure up all manner of horrors which future Commissions might somehow decide to impose on them . . . Has the Commission tyrannized and oppressed stations?"

\* \* \* \*

Public disclosure of affiliation, rate and compensation details, recommended in Barrow Report, is discussed by Mayo. Terming Report's proposals "modest," he says there's nothing smacking of "common carrier" involved. He calls attention to disclosures required by Lobbying Act, new Automobile Information Disclosure Act, the filing of ownership information with Post Office by newspapers.

"The purpose of such disclosure," he asserts, "is not to promote greater governmental intervention. Quite the contrary, the purpose is to minimize governmental supervision through self-regulation induced by public knowledge of the activities affected."

Mayo notes, a bit acidly: "In this respect, I should like to point out that a number of changes in affiliation, rate, and compensation policies have been announced by the networks subsequent to the publication of our Report and the investigations of Congressional committees. While it has been denied that these new policies were influenced by the Report and investigations, it seems more than a coincidence to me that these newly announced policies closely follow the recommendations of the governmental bodies."

**Unsold Network Time:** Hard facts about open network time are rather cogently pointed up in this observation by *Variety's* crack observer George Rosen: "If the amount of total unsold half hours in prime evening time on the 3 TV networks were stacked back-to-back, it would almost add up to a full week's programming 7:30-10:30 p.m." What happens in a sales way in next 60 days, *Variety* states, will be of major consequence "to the future of a 3-web economy based on present-day sales concepts."

Altogether, 34½ unsold half hours (9 on CBS, 11½ on NBC, 14 on ABC) are giving the network executives plenty of pause these days; it takes 42 half-hour option-time periods to program a network for 7 nights. If each 30-min. segment averages about \$4,000,000 per season for time & talent, the presently unsold time for next season represents some \$138,000,000—to say nothing of costs for sustainer replacements.

"All of which has contributed," says Rosen, "toward the virtual decimating of the more lofty out-of-pocket programming." Also, sharp staff cuts are still going on. And that's why there won't be any NBC Opera next season, no *Project 20*, no *See It Now*, among others. Among the hardest-to-take casualties of the sponsor season: General Motors' *Wide Wide World*.

Bright spots: More day time sold by all, CBS Sun.

schedule after 5 p.m. and its daily 7:30-8 p.m. & 10:30-11 p.m. well sold out. But those unsold 34½ half hours (as of July 18) still bulk large against the 22 unsold at this same time last year.

**CBS Shifts Option-Time:** As of Sept. 15, CBS changes option-time primarily to meet advertisers' requests that evening time start and end half hour later, to take advantage of flexibility offered by video tape and to express Central time stations' option-time in terms of local time, conforming with practice in other 3 zones. New schedule will be:

Time Zone	Mon.-Fri.	Sat. & Sun.
Eastern	10 a.m.-1 p.m. 2-5 p.m. 8-11 p.m.	10 a.m.-1 p.m. 2-5 p.m. 7:30-10:30 p.m.
Central	9 a.m.-12 noon 1-4 p.m. 7-10 p.m.	9 a.m.-12 noon 1-4 p.m. 6:30-9:30 p.m.
Mountain	10 a.m.-1 p.m. 1-4 p.m. 6-9 p.m.	10 a.m.-1 p.m. 1-3:30 p.m. 5:30-9 p.m.
Pacific	9 a.m.-12 noon 1-4 p.m. 7-10 p.m.	10 a.m.-1 p.m. 2-5 p.m. 6:30-9:30 p.m. Sat. 7:30-10:30 p.m. Sun.

U. S. population went up 2,907,000 in year to total 173,888,000 on June 1, reports Census Bureau.

**Downtrend in Ad Volume:** Increasingly noticeable effects of current recession on advertising volume are reflected in *Printers' Ink* monthly National Advertising Index for May, which emphasizes downtrend manifested in April (Vol. 14:25). Total ad volume is down 5% from May, 1957, so that cumulative Jan.-April gain has been wiped out and cumulative index now shows no change from last year.

Network TV and radio are only media reporting gains in May—former up 10%, latter 11%, their cumulatives for 5 months now running 14% & 3% up. Newspapers are down 13% for May, all magazines down 15%, so their year through May runs minus 10% and minus 6%.

Coincident with release of these index figures, TvB released May roundup of network TV expenditures by top 15 advertisers, top 15 brands, by day parts, by product classifications—available from its headquarters office on request (444 Madison Ave., N. Y.). The *Printers' Ink* index and percentage figures for all media for May and Jan.-May:

Medium	Index		% change from		% Cumulative change
	May 1958	May 1957	1 month ago	1 year ago	
General Index	202	213	- 1	- 5	0
Total Magazines	150	177	0	-15	- 6
Weekly	172	207	+ 2	-17	- 8
Women's	111	121	- 1	- 8	- 3
General Monthly	169	191	- 3	-12	- 3
Farm	94	110	+ 7	-15	-18
Newspapers	181	207	- 1	-13	-10
Network Television	417	380	- 3	+10	+14
Network Radio	31	28	+11	+11	+ 3
Business Papers	208	214	+ 3	- 3	- 3
Outdoor	155	162	- 3	- 4	- 1
Direct Mail*	—	—	—	—	—

All indexes have been seasonally adjusted. The index shown for each medium is based on estimated total advertising investments in the medium, including talent, production and media costs. For each medium, the base (100) is an average of total investments in the years 1947-49 except for the TV base which covers the years 1950-52. "Cumulative change" in the last column refers to the change, from the same period last year, of the index average from January through May, 1958.

\*Direct mail is not included in the general index, as data usually lag one month. The data for May are not yet available.

**CBC's Big Operating Deficit:** Canadian Broadcasting Corp. had gross operating deficit of \$4,968,478 on gross income of \$70,567,216 in fiscal year ended March 31 vs. loss of \$1,561,211 on \$61,803,188 year earlier. Unlike other years (Vol. 13:39), CBC report this week to Parliament didn't give net figures, board of governors explaining "gross basis more properly reflects the manner in which income is derived and expenses are incurred." Govt.-owned system, supported by commercial sponsorships, took in \$16,831,850 from 15% TV-radio set excise taxes vs. \$18,923,029 in 1956-57 fiscal year, \$28,410,514 from TV-radio sponsors (\$26,380,672 TV, up 19.9%; \$2,029,842 radio, down 17%). It paid out \$4,790,221 in commissions to agencies & networks vs. \$3,846,158 year earlier, \$42,491,864 on programs vs. \$36,860,090, \$11,410,983 on engineering vs. \$9,451,903. Gross operating cost of TV service was \$58,070,145 vs. \$46,581,000. Gross radio expenditures rose to \$15,188,827 from \$14,814,000. CBC's working capital dropped to \$5,320,000 from \$15,238,000. Report said system "continued to face rising costs common to all industries in Canada as well as additional costs attendant upon the continuing development of national TV across the country." It predicted further increase in costs in current fiscal year.

TV advertising in Great Britain totaled \$89,572,000 in 1957 vs. \$36,372,000 year earlier, reports *Statistical Review of Press Advertising*, predicting continued increase to \$126,000,000 in 1958.

**No-Liquor TV Rule Hit:** Spirited correspondence between NAB pres. Harold E. Fellows and Rep. Celler (D-N. Y.) on broadcasters' voluntary ban on hard liquor commercials came to light this week, peppery chairman of House Judiciary Committee protesting that TV Code rule is "timid & pusillanimous."

For once, Capitol Hill complaint against TV-radio didn't lead to prompt demand for still another Congressional investigation of industry policies & practices. But Celler's criticism of no-whisky rule was good example of damned-if-you-do-damned-if-you-don't spot on which broadcasters repeatedly find themselves. Just 3 months ago they were defending themselves on Hill against bill (S-582) by Sen. Langer (R-N. D.) to make beer & wine commercials illegal (Vol. 14:18).

Introduced in appendix to July 15 *Congressional Record* by Celler as blow-by-blow account of his argument with Fellows, exchange of letters started innocently when NAB pres. mailed copy of 4th edition of Code to Judiciary chairman, suggesting he might like to have one for files.

Always-unpredictable Celler reacted sharply: "Prohibiting whisky to be advertised, to my mind, is timid & pusillanimous. How can TV deny the advertising of a legal product which is carried in the newspapers & magazines? . . . You demand good taste & discretion in beer & wine advertising . . . Would that the canons of good taste were followed in all TV advertising & programming."

Fellows replied mildly that broadcasting & distilling industries agreed on proscription 20 years ago, suggested that for long time American public had made distinction between beer & wine and hard liquor, conceded that "distinction is not based entirely on logic."

Celler was not mollified. "Why should your industry be so myopic?" he demanded in follow-up letter to Fellows, pointing out that hard liquor is part of "our everyday existence," arguing that "mores change and broadcasting & telecasting must change" too. "Otherwise, your industry puts the dead hand on progress"—and distillers "have been most ill advised" to go along with broadcasters.

Issue rested there—for this week, anyway.

**Daytime ABC-TV Push:** Ambitious new ABC-TV daytime program plan was launched July 18 at affiliates meeting in N. Y., where details of special contiguous rate schedule were explained. Hitherto on air only from 3:30 p.m., network is moving heavily into 11 a.m.-3:30 p.m. field with such shows as *Man in Your Life*, *Divorce Court*, *Touch & Go*, *Peter Lind Hayes*, *Liberace*. Maximum discounts based on 4 quarter-hours daily are offered sponsors. Already signed, through Young & Rubicam: Beech Nut, American Home Foods, Drackett, Johnson & Johnson, General Foods, Bristol-Myers.

Eight one-hour color shows will be sponsored on NBC-TV by Bell System next season—4 on science, 4 on music & dance. Warner Bros. will film 2 new science shows; other 2 will be repeats. Henry Jaffe Enterprises will produce the live music-dance series from N. Y.

"Plans Board for Spot TV" is new slide-rule-type of cost estimator being distributed by Blair-TV. It supplies cost & rating data for variety of schedules—10, 20 & 60-sec. for various times of day, differing length of campaigns, in combinations of markets ranging from top 21 to top 100.

# Do You Know That . . .

**WOMEN ATTORNEYS** aren't too plentiful in the TV-radio-electronics industry, but there are some mighty competent people among them—and they add a gracious note to industry gatherings. They're more plentiful than lady engineers, about whom we reported recently (Vol. 14:27), and we're informed that current college enrollments indicate both categories are bound to show substantial increases in near future.

Possibly dean of the group is **Geraldine Bone Zorbaugh**, CBS Radio v. p. & gen. attorney. She's '32 graduate of Washington Square College, N. Y., received law degree from NYU in '41. Before joining CBS in 1957, she served with ABC 1943-56, rising to v. p. & special asst. to pres. Her husband is Prof. Harvey W. Zorbaugh, exec. officer of NYU's communication arts group.

NBC has no women lawyers but ABC has 3: **Edith Schaeffer**, asst. secy. of AB-PT, graduate of St. John's pre-law and law schools; **Joan Tighe**, on staff of v.p. & gen. attorney **Mortimer Weinbach**, went to Rosary College and St. John's law school, took graduate work at Loyola U and NYU; **Susan Bittel**, a clearance editor in continuity acceptance, graduate of Radcliffe and Harvard Law Schools. At Metropolitan Bestg. Corp. (formerly DuMont) **Muriel Henle Reis** is asst. gen. counsel. She's graduate of Vassar and Columbia law school, started at ABC in 1952, joined Metropolitan this year. Her husband is **Arthur Reis Jr.**, pres. of Robert Reis & Co., big clothing manufacturer.

Sole lady practitioner we found among advertising agencies is **Sigrid H. Pedersen**, who obtained A.B. at Duke U, LL.M. at NYU, LL.B. at Fordham U; she's with **J. Walter Thompson**. Her husband is **Howard S. Foley**, v.p. of **Doherty, Clifford, Steers & Shenfield** adv. agency.

BMI has 3 "Portias": **Mrs. Theodora Zavin**, former staff attorney is now asst. v.p. in charge of publisher relations. She's product of Hunter College and Columbia Law School; her husband is a playwright. **Evelyn Buckstein** is a BMI staff attorney and **Eva Marie Wiederer** is staff attorney of BMI subsidiary **Associated Music Publishers**. At ASCAP, there are: **Gloria Messinger Mandelstam** (Smith A.B., Yale LL.B.), whose husband is an attorney; **Anne Gross Feldman** (Antioch A.B., Yale LL.B.), also married to an attorney.

Here's a related group: **Ann Rosenthal Stein**, at **Wm. Morris Agency** (talent) Los Angeles office; **Isabelle Marks Friedman**, at **Decca Records**, married to a dentist; **Vivienne W. Nearing** (of *Twenty-One* fame), **Warner Bros.**, whose husband is also a lawyer. Among firms with substantial entertainment business practice in N. Y., there are: **Freida Tannenbaum**, who works with husband in firm of **Johnson & Tannenbaum**; **Floria Lasky**, with **Fitelson & Mayers**; **Bella Gralnick**, of **Schulman, Klein & Stern**; **Harriet Pilpel**, with **Greenbaum, Wolf & Ernst**.

\* \* \* \*

In Washington, there are several private practitioners. **Lenore G. Ehrig**, an associate of **Harry J. Daly** since 1955, worked previously with **Haley & Doty** and **Pike & Fischer**. She's v. p. of **Women's Bar Assn.** for the District of Columbia. Her undergraduate work was at **George Washington U**, her law school **National U**. **Sylvia D. Kessler**, former FCC attorney who rose to chief of **Office of Opinions & Review**, opened own office after stint with **Cohn & Marks**. She went to **George Washington U**, obtained law degree from **Southeastern law school**. **Frieda Hennock**, the

former FCC commissioner, left FCC in 1955, joining firm of **Davies, Richberg, Tydings, Beebe & Landa**, now has practice of her own. She obtained LL.B. from **Brooklyn Law School**. **Fanny N. Litvin**, after career with FCC, including service as a hearing examiner 1947-55, retired in 1955, maintains a small practice. Her undergraduate work was at **Montana State College**; law degree came from **George Washington U**.

\* \* \* \*

FCC has a substantial lineup, headed by **Commission secy. Mary Jane Morris**, who obtained both B.A. & J.D. degrees from U of Mich. There are 2 examiners: **Annie N. Huntting**, with B.A. from **Sweet Briar College**, LL.B. from **Wake Forest**; **Elizabeth C. Smith**, who holds A.B. from **Okmulgee Law School**, LL.B. from **National U**. Legal asst. to **Chairman Doerfer** is **Evelyn F. Eppley**; her schools are U of Pa. for B.S. & M.S., **Temple U** for LL.B. **Sarah Ann Mobley**, in **Office of Opinions & Review**, obtained B.A. & LL.B. from U of Cal.

In general counsel's office, there are **Anne A. Mooney**, with B. A. from **Columbia U** and LL.B. from **NYU**, and **Ruth V. Reel**, who took undergraduate work at **Boston U**, received A.B. from **Mt. Holyoke College**, LL.B. from **Yale**. **Broadcast Bureau** has **Natalie R. Yeager**, holder of A.B. from **Immaculata (Pa.)**, LL.B. from **Catholic U**, and **Lynne A. Kaufman**, with B.A. from **Neb. Wesleyan U** and LL.B. from **George Washington U**. There are 2 in **Safety & Special Radio Service Bureau**: **Violet Haley**, who has an A.A. (Arts Associate) degree from **George Washington U**, an LL.B. from **National U**; **Alva J. Richey**, with both B.A. & LL.B. from **Southern Methodist U**.

Manufacturers seem to have no place for the lady lawyers. We've queried several of the larger companies. So far, the following report they have none: **RCA**, **Motorola**, **Westinghouse**, **Admiral**. If others have any, they want to keep them to themselves—apparently.

**Grounded TV Pilots:** Many TV pilot films never have a chance of being sold because producers don't know TV business—and private investors in sample shows have spent \$19,500,000 in last 3 years to find this out. Appraisal of market for pilots comes from pres. **George F. Foley** of **Gothic Corp.**, which has set up new pre-test sales service offices in N. Y. (730 Fifth Ave.) & **Los Angeles** (5907 W. Pico Blvd.) for program developers.

Ex-v.p. of **Cecil & Presbrey** agency. later a TV packager himself, **Foley** announced plans this week for his company to handle maximum of 10 programs per year. **Gothic** will give advice & counsel to TV packagers (at 10% of pilot production costs), act as liaison with potential program buyers to promote "worthwhile" offerings. **Foley** said need for pre-test service was shown by results of 3-month survey by **Gothic** among network executives, advertising managers & agencies:

- (1) More than half of all pilots produced at average \$47,000 cost and shown to agencies in 3 years have been poorly executed.
- (2) Agencies spend more than \$1,000,000 per year to screen new programs, more than half of which were never discussed beforehand with agency, network or sponsor.
- (3) More than third of pilots were financed by persons with no previous TV industry experience.

"This, at a time when ad agencies are looking harder than ever before for good new properties," said **Foley**.

— ■ —

**CBS o-&o** station promotion & publicity mgrs. meet Aug. 14-15 at **Berkshire Hotel**, N. Y., for informal exchange of ideas—first such meeting.



# Television Digest

with ELECTRONICS REPORTS  
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**Personal Notes:** Joseph M. Bryan, pres. of Jefferson Standard Life Insurance Co. and its broadcasting subsidiary (WBTW & WBT, Charlotte; WBTW, Florence, S. C.) given honorary LL.D. degree by Belmont Abbey College, Belmont, N. C. . . . Don McGannon, pres. of Westinghouse stations, and Mrs. McGannon are parents of a daughter, Martha, their 10th child, born July 7; they have 5 boys, 5 girls, ranging up to 14 years of age . . . Rodney Erickson, for 10 years Young & Rubicam v.p. for TV, formerly producer-director at both NBC & CBS, named Warner Bros. v.p. in charge of TV sales . . . Harold Melniker resigns as asst. business affairs director, CBS-TV, to produce own TV series on Army Intelligence . . . Robert J. Sullivan, ex-CBS Radio Spot Sales, ABC, DuMont, WOR-TV & WOR, Aug. 1 joins Corinthian (Whitney) stations headquarters staff as director of promotion & adv. . . . Ira Dilworth promoted to CBC program director, succeeded as Ontario & English networks director by H. G. Walker . . . Ned Cramer promoted to asst. program director, WCBS-TV, succeeding Dan Gallagher, now program director (Vol. 14:28) . . . Nicholas J. Zehr, ex-KWK-TV, St. Louis, named gen. mgr. of KDRO-TV, Sedalia, Mo.; J. E. Henderson, ex-KTVI, St. Louis, named commercial mgr. . . . Charles Keys promoted to gen. mgr. of KOCO-TV, Enid-Oklahoma City, succeeding Ashley L. Robison . . . J. L. Spring promoted to station mgr. of WIMA-TV, Lima, O. . . . Paul Mills, ex-gen. mgr. of Westinghouse radios WBZ, Boston & WBZA, Springfield, named WBC midwest TV sales mgr., Chicago, succeeded by Paul G. Friel . . . Junius R. Fishburn, ex-Simmons Assoc., named midwestern sales mgr. of WABD, N. Y. and WTTG, Washington . . . George Gingell promoted to public affairs mgr., WRBL-TV & WRBL, Columbus, Ga. . . . Ned L. Jay named sales development mgr., WTVT, Tampa; Robert E. Edrington now promotion mgr. . . . George Chernault promoted to asst. operations mgr., WSLV-TV, Roanoke, in staff reorganization; J. P. Briggs, to asst. engineering

**ADVERTISING AGENCIES:** L. C. MacGlashan & Wright Nodine elected v.p.'s of Geyer Adv. . . . Dan Seymour, J. Walter Thompson v.p., elected a director . . . James A. Stanton heads new Young & Rubicam Mexico City office . . . John R. West retires as pres. of West-Marquis, Los Angeles . . . James P. Anderson, ex-Crook Adv., named v.p. of Fitzgerald Adv.'s new Dallas office . . . Alden Grimes promoted to v.p. of Campbell-Mithun's Chicago office . . . Kenneth V. Moore, ex-Johnson & Lewis, named western states v.p. of Ross Roy's Hollywood office . . . Charles B. H. Parker, ex-v.p. of Wilson, Haight, Welch & Grover, joins Charles W. Hoyt Co., N. Y., as asst. to chairman Winthrop Hoyt . . . Charles Boland, ex-Parkson Adv. TV-radio director, forms Creative TV Services, 480 Lexington Ave., N. Y. . . . Thomas A. McAvity, ex-NBC, now McCann-Erickson v.p., named chairman of adv. & publishing divs. of USO Fund of N. Y. . . . Thomas M. Morton promoted to v.p., Wm. Esty Co.

mgr.; Eunice McGeorge, to business mgr.; Fred Corstaphney, to public relations director; Charles R. Garrison, to sales service director . . . Bob Day, ex-KGO-TV, San Francisco, named Ampex asst. mgr. for video products adv. . . . Chet Behrman to program mgr. of WFIE-TV, Evansville, succeeding James R. Keen, now asst. gen. sales mgr. . . . Edmund Scott, ex-*See It Now*, named press relations mgr., WNTA-TV, N. Y.-Newark . . . John Horn, ex-*Person to Person* staff, joins CBS-TV press information dept. as feature editor . . . Leslie Biebl promoted to operations mgr., of Metropolitan's recently acquired WHK, Cleveland, S. G. Ruderman, ex-WNEW, becoming program mgr. . . . Truman Hendrix, ex-Paramount & 20th Century-Fox, named NTA SW sales mgr., Dallas . . . Len Firestone promoted to syndication sales mgr., Ziv TV; Edward J. Broman to national sales mgr. of new Cincinnati div.; Ray McGuire to syndication sales mgr., north central div., also Cincinnati; Donald S. Brogon to syndication sales mgr., Dallas . . . John Mahler, ex-Sarkes Tarzian, appointed asst. sales mgr., Foto-Video broadcast equipment div. . . . Dan Norton, ex-WABC-TV, named Hollywood sales mgr. of Fred A. Niles Productions . . . Robert A. Lazar, ex-WBEE, Chicago, named midwest sales mgr., Forjoe & Co. . . . Harold J. Pennepacker, ex-WRCV-TV sales, promoted to mgr. of radio WRCV, Philadelphia . . . Ray Diaz, ex-ABC, appointed MBS director of station services dept., which consolidates Mutual's old station relations and sales service depts.

James E. Greeley, for last 10 years in charge of Washington office of Cahill, Gordon, Reindel & Ohl, handling RCA-NBC legal work, among others, resigns as of Aug. 1 to open own law office in Bowen Bldg. (telephone, Metropolitan 8-1100); Richard N. Beaty continues to handle RCA-NBC Washington work for Cahill firm, with Eugene Sikorovsky, of N. Y. office, due to be transferred to Washington Sept. 1.

Hugh B. Hutchison, FCC hearing examiner since 1940, a Commission employe since 1935, retires from Govt. Sept. 1 after 30 years of service. He's 57, a bachelor, plans to leave in mid-Aug. for year in Europe. His govt. service includes positions with Judge Advocate General, Justice Dept., Indian Affairs, Census, House Judiciary Committee.

Henry G. Fischer, of Fischer, Willis & Panzer law firm in Washington, leaves for Europe with family July 29 on *Cristoforo Colombo*, planning to spend up to 11 months on "sabbatical" away from job. Children Beth Anne, 15, and Peter, 11, will be placed in European schools. Plans are "open end," Fischer says. "We'll see how it goes."

## Obituary

Frank A. Arnold, 91, who left agency field to become NBC director of development when network was founded in 1927, died July 16 in Roslyn, Pa. Author of several books on radio, he was credited with originating the term "broadcast advertising" (Vol. 14:27). Surviving are 3 sons, 2 daughters, 10 grandchildren, 14 great-grandchildren.

James E. McCarthy, 61, v.p. for education & public affairs of Gerity stations of Mich. (WNEM-TV, Bay City, and WABJ, Adrian) ex-dean of Notre Dame School of Business, died in Chicago July 11 after undergoing heart surgery.

Ralph D. Jones, 69, chief of services & facilities branch, telegraphic div. of FCC common carrier bureau, died July 17 in Chicago Presbyterian Hospital while on inspection trip. He's survived by wife, 2 sons, daughter.

**'Economic Injury' Weighed:** Court of Appeals' decision of last week in Carroll Bestg. Co. case (Vol. 14:28) was acknowledged hurriedly by FCC this week as it revised and released text of decision turning down protests against grant of WJRT, Flint, Mich. (Ch. 12). Court had reaffirmed old *Sanders* decision which held that Commission must determine, in considering applications for new stations, impact on public if existing service is alleged to be jeopardized.

In Flint case, WKNX-TV, Saginaw (Ch. 57) had said it would close down if WJRT were granted CP to build at Chesaning; WWTV, Cadillac (Ch. 13) said it might go under, too. Here's Commission's view of applicability of *Sanders* and *Carroll* decisions:

"At its assumed worst (an assumption not supported by the evidence), it is a situation where an admittedly vigorous station will substitute its service for that of others unable to meet its competition. That Saginaw and Cadillac might be deprived of their TV stations would be an obvious loss, but no more obvious than that Flint, a city of greater population than Saginaw and Cadillac combined, would be benefited by the inauguration of its first TV service . . . Assuming the worst possible consequences, in overall service the public would gain and there is no showing that any substantial area would be deprived of its only grade A or B signal."

\* \* \* \*

Pittsburgh will have 2 educational stations, if all goes according to plan, now that FCC has reserved Ch. 22 for educational use there—at behest of Metropolitan Pittsburgh Educational Station, which now operates WQED (Ch. 13) and said it needs more facilities for its ambitious program. City becomes first in nation with 2 educational TV channels. Commission also proposes to swap Ch. 22 for off-air WENS' Ch. 16, to which WENS assents. Comr. Ford dissented from action but issued no statement.

Move is accomplished by shifting Ch. 22 from Clarksville, W. Va., substituting Ch. 33 for Ch. 73 in Youngstown, Ch. 73 for Ch. 47 in Pittsburgh. Grantee WXTV, Youngstown, is to be modified from Ch. 73 to Ch. 33.

Commission this week also granted these CPs: Ch. 13, Fajardo, P. R., to WHOA, San Juan; educational Ch. 6, Tucson, to U of Ariz.; Ch. 73 translator in Littleton, N. H. and Ch. 77 translator in The Dalles, Ore. [For details, see *TV Addenda 26-Y* herewith.]

WNXP-TV, Scranton, Pa. (Ch. 16) requested waiver to identify itself as Scranton-Wilkes-Barre.

Latest mileage-cut proposal opposed by Assn. of Maximum Service Telecasters is petition of New Orleans Ch. 12 applicants Oklahoma TV Corp. and Coastal TV Co., which seek site near WDSU-TV's. AMST argues that both co-channel and adjacent-channel rules would be violated.

Anti-TV rating crusade by Sen. Monroney (D-Okla.), who held one-day Senate Commerce Committee hearing for 5 competing research services last month (Vol. 14:26), will be resumed if he has his way on Capitol Hill. Dissatisfied with inconclusive results of initial investigation of what he regards as evils of rating systems, Monroney wants to reopen probe before Congress adjourns, summon heads of 3 networks to tell how they use figures. Monroney also wants to question ex-NBC pres. Sylvester L. (Pat) Weaver, whose criticism of network program

**Anti-BMI Bill Buried:** Except for formalities of legislative funeral, it was all over this week for ASCAP-inspired bill (S-2834) by Sen. Smathers (D-Fla.) to kill off radio-created BMI by forbidding broadcasters from engaging in music publishing or recording business (Vol. 14:21).

Anti-BMI ASCAP members, banded together in American Guild of Authors & Composers (formerly Songwriters Protective Assn.), this week had their last chance in rebuttal testimony before Senate Commerce communications subcommittee to prove "music monopoly" charges against BMI. They got nowhere.

Subcommittee Chairman Pastore (D-R.I.) flatly told ASCAP group's counsel John Schulman, who presented 24-pp. statement supported by 110-pp. brief ("Broadcaster-BMI Domination of the Music Industry"), that case against BMI hadn't been made—and that lot of time had been wasted on bill since intermittent hearings started in March (Vol. 14:11 et seq).

"I question myself sometimes whether there aren't other problems which deserve as much time," Pastore said plaintively at one point in all-day testimony by Schulman July 15.

Squirming with impatience, Pastore sat at end of long conference table in hearing room. At one side were Schulman and group of AGAC-SPA aides who helped him with exhibits intended to show that BMI conspires to control music public hears. At other side of table, with little to do but listen, were BMI's chairman Sydney Kaye, senior v.p. Robert Burton, counsel Judge Samuel I. Rosenman.

"I'm all by myself in this subcommittee," said Pastore, who had conducted one-man hearings from outset. "All I have is lawyers on the one side and lawyers on the other side. Where is your big public interest?"

Schulman said that public would have to judge broadcast music issues ultimately, but that if Pastore would study record of hearings carefully he'd "come to the conclusion that we're right—that there is thought control in music," and that the villain is BMI.

But Pastore wasn't moved. Said he: "The tangible, physical evidence that has been produced is the evidence on the part of the broadcasters themselves—and that is that they are free agents, that they play the music they want to play, whether it's ASCAP or BMI."

Subcommittee hearings will be closed formally July 23 after brief sur-rebuttal testimony for BMI by Judge Rosenman. Then Pastore will shut up shop on S-2834, sending bulky transcript of hearings to Justice Dept. & FCC for any comment. Bill thus dies in this Congressional session. It's unlikely Sen. Smathers will try to revive it next session.

policies was aired on recent ABC-TV *Survival & Freedom* show (Vol. 14:24). Other Committee members have displayed little interest in subject, however, and Monroney was unable this week to get additional hearings scheduled.

New \$300,000 building for KOCO-TV, Enid-Oklahoma City, housing 2 studios, film processing lab, is scheduled for completion in Oct. Transmitter remains at Crescent.

New reps: WTEN, Albany, N. Y. Aug. 1 to Blair-TV (from Harrington, Richter & Parsons); KOOK-TV, Billings, Mont. July 22 to Gill-Perna (from Headley-Reed).

**Baseball Blackout Blasted:** Solid govt. phalanx of opposition to blackouts of baseball telecasts, which would be authorized in proposed anti-trust exemption bills (HR-10378 & S-4070), appears to doom the Walter-Hennings measures to death in Sen. Kefauver's Judiciary anti-monopoly subcommittee. This week FCC, FTC & Justice Dept. joined in denouncing the proposed legislation. TV-radio are yet to be heard from, though hearing goes into third week (Vol. 14:28) with pro football problems due for airing starting July 21, to be followed week thereafter by witnesses from basketball & hockey. Congress hopes to adjourn in Aug.

NAB has had bid in with subcommittee to testify against bills since House passed and sent legislation to Senate. But no TV-radio spokesman had been added to witness list this week—and subcommittee sources tell us NAB appearance may not be needed, hearing record already being loaded with objections to blackout provisions.

FCC Chairman Doerfer testified that anti-trust exemptions permitting baseball club owners to decide when & where—and if—games could be telecast would be “contrary to the public interest.” He pointed out FCC has no direct jurisdiction over programming, but: “In our judgment the public interest is best served by having available to the public the widest choice of programs.” Effect of proposed legislation, Doerfer said, would be to “deny a very popular sort of programming.”

FTC gen. counsel Earl W. Kintner said his agency frowns on any exemptions from anti-trust laws, protested terms of blackout legislation which he said would give

**Delay Pay-TV—Harris:** Consideration of pay-TV tests should be delayed by FCC until mid-1959—until Congress can study subject—Rep. Harris (D-Ark.), chairman of House Commerce Committee, has suggested to Commission. Commission's last previous word to Harris was that it wouldn't consider applications for tests until 30 days after current Congressional session ends (Vol. 14:9).

Commission is considering reply, is expected to imply something like this: “We've got to consider applications, conduct hearings if necessary, but we recognize that you've been very busy with other important matters—so we'll continue to check with you. In short, we aren't so foolish as to thumb our noses at you. On other hand, we can't set precedent of letting you dictate to us—except through amendment of the laws or passage of Congressional resolution, which amounts to same thing.”

Main reason FCC didn't act this week was that Comrs. Lee & Bartley were absent, participating in annual Federal “Operation Alert.” Noting Harris' letter, pay-TV proponent Teleglobe Pay-TV System Inc. urged FCC not to close door to “educational” pay-TV—special service to physicians, college students, etc. It said such service could be inaugurated without prejudging “final future decisions on free-TV versus pay-TV in entertainment.”

\* \* \* \*

FCC's series of rebukes to stations for “unfair” editorializing on pay-TV was lengthened this week with addition of WSOC-TV, Charlotte, N. C. Commission said its presentations were “essentially, entirely one-sided”—that station didn't make “timely effort” to present pro-subscription side; that station's otherwise good record protects it from punishment. WSOC-TV had joined WBTW in anti-pay skit *Now It Can Be Told* (Vol. 14:25), carried telecast

blank-check immunity to owners of baseball franchises.

Even more vehement objections to bills came from Asst. Attorney General Robert A. Bicks, who testified that monopoly exemptions proposed for baseball are “unparalleled,” warned: “The pending [bills] could conceivably result in a virtually complete blackout of sports broadcasts & telecasts.”

Bicks produced chart showing 2/3 of country could be affected by blackouts, said bills' provisions “would permit the games to be seen & heard by the public to be determined by the small group of people who control broadcasting & telecasting rights to sports contests.”

Principal defender of blackout authorization was Baseball Comr. Ford Frick, represented by ex-FCC chairman Paul Porter. He argued that owners must have control over telecasts in minor league territory if smaller clubs are to be spared from competition of big games available free on home TV screens.

“Minor league towns are being wrecked,” Frick asserted. “We have got to be able to handle this problem, or within 10 years there will be no problem because there will be no baseball.”

One of subcommittee's critics of the legislation—Sen. O'Mahoney (D-Wyo.)—suggested that maybe everybody would be satisfied if it were amended to prohibit TV blackouts of baseball and pay-TV sports as well. But Frick and other baseball witnesses insisted they needed legislation as proposed.

Another subcommittee critic—Sen. Carroll (D-Colo.)—observed that “being for baseball is like being for mother love and against sin.” But he said baseball “ought to clean its own linen” without looking to Congress for immunity from monopoly laws.

of Congressman opposing toll TV, presented 43 spots against subscription TV. WSOC-TV had argued that newspapers, magazines, etc. had given pay-TV plenty of support; that its presentations balanced the picture. But Commission asserted that “requirement of fairness” forces stations to give all sides of controversies “irrespective of the position which may be taken by other media.” Stations previously chastised: WABT, Birmingham; WBTW, Charlotte; WBTW, Florence (Vol. 14:22, 25). FCC held that networks were “fair” (Vol. 14:27).



Crews are now in London, Ont., preparatory to start of cable theatre system “in first part of 1959,” according to International Telemeter Corp. (Paramount Pictures) sales mgr. Howard Minsky. In U. S., ITC systems are due about same time in 2 unidentified cities—one on east coast, one on west; Minsky says the local “franchisees” will disclose locations and plans “in the near future.” Canadian operator is under Famous Players Canadian Corp. (J. J. Fitzgibbons, pres.), 51% owned by Paramount, which recently retained Paramount sales executive Clay V. Hake to assist in project. London has some 30,000 homes, now has a conventional community antenna system picking up 3 Cleveland stations. Minsky says that no tieup with the CATV system is planned; that cable theatre system will not feed station signals to subscribers—thus differing from the discontinued Bartlesville, Okla. experiment which fed Tulsa station signals in addition to first-run movies (Vol. 14:21).

Single TV application filed this week was for educational Ch. 13 in Dallas, Tex. by Area Educational TV Foundation there. This brings total pending to 116 (29 uhf). [For details, see *TV Addenda 26-Y.*]

**ETV Aid Bill Unopposed:** Senate-approved legislation authorizing \$51,000,000 Federal aid to educational TV systems (Vol. 14:28) was rushed through 1½-day hearing by House Commerce transportation & communications subcommittee this week, meeting no opposition—but outlook for final approval this year remained dim.

Subcommittee, chaired by Rep. Roberts (D-Ala.), voiced few doubts as to need for unprecedented govt. financing of school TV equipment purchases by state & local bodies, asked few questions, as succession of ETV professionals took stand in support. Despite anticipated speedy consideration of ETV proposals by subcommittee at executive session next week, it was doubtful that legislation could be cleared for floor action before scheduled Aug. adjournment.

Administration opposition to ETV bill (S-2119) by Chairman Magnuson (D-Wash.) of Senate Commerce Committee and to companion House measures (HR-12177 & HR-13297) by Reps. Udall (D-Ariz.) & Boggs (D-La.), disclosed at earlier Senate hearings (Vol. 14:22), was not repeated—and subcommittee didn't ask for its testimony.

Only govt. agency spokesman appearing this week was FCC Comr. Craven. He merely expressed FCC's "favorable attitude toward educational TV," reiterated Commission's position that it "does not have any special competence as to whether or not Federal appropriations should be used" to promote ETV.

House testimony was largely repetitious of Senate hearing arguments in favor of aid to ETV. Witnesses included pres. Frank Schooley, National Assn. of Educational Broadcasters; gen. mgr. Raymond D. Hurlbert, Ala. Educational TV Commission; supt. Wm. M. Brish, Washington County, Md. (Hagerstown) schools; exec. secy. Franklin Bouwsma, Detroit Educational TV Foundation; secy. Mrs. Paul W. McIlhenny, Greater New Orleans Educational TV Foundation; exec. secy. Robert W. Pharr, Tenn. Educational TV Commission; director Dr. Wm. Tudor, So. Ill. U area services div.; Washington TV-radio lawyer Leonard H. Marks of Cohn & Marks.

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Harte-Hanks Affiliated Newspapers Inc., onetime substantial radio operator, is acquiring KBST, Big Spring, Tex. (1490 kc, 250-w U) for \$100,000. Texas chain publishes *Big Spring Herald*, *San Angelo Standard-Times*, *Corpus Christi Caller* and *Times*, *Greenville Herald-Banner*, *Marshall News-Messenger*, *Denison Herald*, *Paris News*. Sellers also own KEDY-TV, Big Spring (Ch. 4), operated under 5-year lease by owners of KDUB-TV, Lubbock (Ch. 13) who have option to buy 50% of stock after lease expires. Lewis O. Seibert, one of sellers, also owns KGKL, San Angelo and 50% of KCTV (Ch. 8) there. [For news about radio station sales and transfers, see *AM-FM Addenda CC*.]

Another newspaper sold: David Stern's *New Orleans Item* has been sold to Times-Picayune Co. for \$3,400,000, subject to proviso it be re-sold before Sept. 15; if it isn't, it will be combined with *New Orleans States*, afternoon paper published by *Times-Picayune*. Latter is licensee of radio WTPS, held pre-freeze CP for Ch. 7 which it dropped in 1949, then in 1956 was unsuccessful applicant for Ch. 4 which went to Loyola U's WWL. Dept. of Justice's anti-trust div. approved sale of *Item*.

General Tire & Rubber Co., reporting 6-mo. sales down about 2% and earnings off 46%, states this week that its RKO Teleradio subsidiary is getting out of theatrical film business, recently entered into agreement for foreign distribution by Rank International. "The decision to transfer responsibility for the disposition of RKO's film product to others," said pres. William O'Neil, father of RKO Teleradio chairman Tom O'Neil, will involve the recognition this year of substantial costs and expense, the amount of which is not presently ascertainable, that would otherwise be spread over future years. It will, however, result in substantial savings and, henceforth, the income from the highly profitable radio and TV properties [in N. Y., L. A., Boston, Washington, Memphis, Detroit-Windsor—see *TV Factbook No. 26*] will be unhampered by offsetting film losses. We are, therefore, looking forward to the usual good profits in RKO Teleradio in 1959 and the years ahead."

'Ethics' Study Demanded: Quickie passage by Senate of "sense-of-Congress" code of ethics for FCC, other govt. agencies and members of Congress was protested on floor this week. Sen. Bush (R-Conn.), supported by Sen. Javits (R-N. Y.), said code—approved by House year ago—is "excellent statement of general principles" as far as it goes, but "fails to come to grips with the difficult problems" of agency-Congressional-White House relations. Bush pointed out Senate voted last week on 10-point do-good code (H. Conc. Res. 175) without advance notice or debate. He asked action by Judiciary Committee on his proposal (S. Conc. Res. 98) for "thorough study of this whole problem."

Control of WLOS-TV, Asheville, N. C. (Ch. 13), along with radios WLOS & WLOS-FM, passes to Mitchell Wolfson's WTVJ Inc., FCC this week approving transaction whereby WTVJ increases holdings from 36.9% to 72.1% by purchase of 4276 shares of stock for \$277,950 from Charles B. Britt group (Vol. 14:13). After this transaction is consummated, WTVJ Inc. plans to exercise option for additional 4276 shares of unissued stock under option acquired from *Asheville Citizen* and *Times* (Vol. 14:10). In addition to WTVJ, Miami (Ch. 4), Wolfson group also owns 20% of WFGA-TV, Jacksonville (Ch. 12).

Sale of KVII, Amarillo, Tex. (Ch. 7) to Television Properties Inc. of Dallas, headed by oilman & realtor Jack C. Vaughn (Vol. 14:26), was approved this week. New owners acquire 77.7% stock control for \$136,052, along with option to buy remaining 22.25% held by pres.-gen. mgr. Murray Woroner for \$2.50 per share, plus 3-year employment agreement at \$800 monthly. Television Properties is owned by Jack E. & Grady H. Vaughn Jr. (47.8% each) and Cecil L. Trigg (4.25%), who are also principal owners of KOSA-TV, Odessa, Tex. (Ch. 7) & KOSA.

Transfer of KRBB, El Dorado, Ark. (Ch. 10) to new Arkansas-Louisiana Television Co. Inc. and change of call to KTVE will take place about Oct. 1, writes gen. mgr. & ½ owner Wm. M. Bigley. Corporate change will come after station completes move to new 1000-ft. tower and boost to 316-kw at site near Bolding, Ark., approximately 20-mi. E of El Dorado and 40-mi. N. of Monroe, La. Other owners, W. C. Blewster Jr. & Dr. Joe F. Rushton, as well as Bigley, will own stock in new firm, but exact holdings and additional stockholders haven't been determined yet.

Equipment for triplexing FM into Ch. 6 antenna, newly offered by RCA, is available only for Ch. 6 because of channel's adjacency to FM band. This minimizes problems of maintaining circular FM pattern, etc.

**GALVIN 'SELLS UP' INDUSTRY FUTURE:** What this industry needs is "something new" -- and it looks like it's going to get quite a few such things in the near future. One of TV-radio's youngest and most vigorous top executives, 36-year-old Motorola pres. Robert W. Galvin, ticked off a number of them in talk before 100-plus distributors & dealers attending annual Management Institute sponsored by National Appliance and Radio-TV Dealers Assn. at American U in Washington this week. Crystal-balling the new items which he said call for a new era of "creative selling" and which show the "amazing vitality" of the industry, he forecast:

- (1) A truly portable, battery-operated TV in 2 years. Lab models now are moving swiftly through engineering to production.
  - (2) Stereo sound will bring back \$100 to \$200 radios. Multiplex broadcasting will make listening public "good-music conscious," create demand for fine radios, revive radio drama because of "sense of presence" that comes with stereo.
  - (3) "Service-free" TV in 5 years, made possible by perfection of the printed circuit technique, improved transistorization.
  - (4) Color TV. "You can bank on color TV prices coming down so that color will become the great, new business we all have been looking for."
  - (5) Stereo tape magazines -- as easy to handle as records -- for new hi-fi phonos should be ready for big market in 6-9 months. "Discs & tape will ride along together, creating 2 new markets for the dealers."
  - (6) Total revolution in radio. "All of today's radios will be obsolete five years from now. The cordless radio, fully transistorized, service-free, is coming."
- These technological opportunities challenge manufacturers, distributors and dealers to start "thinking creatively," said Galvin. "For many years, our industry has been sucked along by the vacuum of demand for our products. Those days are now gone. There's a premium on creativity. I look forward to a good, solid economy for the next 2 or 3 years -- but no boom as we have known it."

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Advertising dollars are being wasted in mediocrity, Zenith advertising v.p. Erik Isgrig told Institute at its July 14 seminar. He urged closer attention to advertising programs all the way from manufacturer to dealer.

Keeping abreast of new product development is key to good merchandising, said John T. Barnett, Washington mgr. for Sears Roebuck. Successful retailing requires a full knowledge of what's new -- as well as what the old & new are doing saleswise.

[For more Management Institute news, see p. 14.]

**TV Inventories:** Stocks on hand at midyear were 2,106,000 sets, a healthy cut of 231,000 sets from the 2,337,000 on hand a year ago. And, of particular significance, was fact that almost the full cut was at retail level. Factory stocks were 629,000 sets vs. 692,000 a year ago; distributor inventories totaled 848,000 sets vs. 834,000. Heartening reduction in inventories was regarded by top industry spokesman as another indication of improved business conditions this fall.

Meanwhile, Federal Reserve Board reported this week that one of the signs of recovery from the recession is "increased production of TV sets." We checked this optimistic report against our weekly production figures which showed a sharp decline in TV production from high of 417,000 sets in March to 275,000 in May, as well as the fact that June production returned barely to the May level of 302,000. FRB told us TV index actually rose from 293 in April to 320 in May (1947-49=100) when all the figures were adjusted for "seasonal factors."

**Retail Sales:** Despite low retail sales in June -- only 240,000 sets, down 40% from June 1957 -- steady month-by-month drop in sales since first of year came to a halt. This led Wm. Long, head of EIA's market data dept. and collector of industry statistics, to predict retail sales decline has "bottomed out". Adding that retail sales curve is an historic indication of future production and, on the basis of relatively better May & June sales, he expects production upswing in about 2 months.

**Note:** TV-radio production figures were not available this week. We'll report on them next week, bringing your tabulations up to date.

**Trade Trends Studied:** The Management Institute for appliance-TV dealers, sponsored by NARDA (see p. 13), came to weekend close at American U with consensus of both first and second year "students" that problems analyzed were basic and discussions constructive. Manufacturing officials attending—including Westinghouse distribution v.p. Richard Sargeant, Motorola merchandising director David Kutner, GE manager of dealer development Charles Wood, Philco asst. sales mgr. Bruce Lambert, et al.—had opportunity to examine dealer problems and listen to pet peeves.

Institute joint chairmen were H. B. Price of Norfolk and Mort Farr of Darby, Pa. Industry speakers included Motorola pres. Robert W. Galvin, Zenith adv. v.p. Erik Isgrig, Geyer Adv. v.p. Dan Packard, Frigidaire southern sales mgr. Wm. Anderson, Whirlpool exec. v.p. J. Hurley.

Packard, an ex-Norge v.p., told dealers there is an opportunity to sell 294,000,000 appliance units in the next 10 years—133,000,000 to replace appliances now more than 10 years old, 111,000,000 to increase saturation of all appliances to 50% of homes, 50,000,000 to equip new homes. He deplored decline in annual rate of appliance sales from 14,000,000 in 1948 to a rate of about 11,000,000 this year. Said he:

"It is time the appliance business got back on a foundation of sound business practices. We have seen our great industry sacrificed on the cross of price. Instead of working together to build a strong business, a few selfish leaders have thought only of price. They have granted excessive advertising allowances which have been passed along to consumers. They have made discount operations possible. Dealers have diverted 95% of their advertising money to price displays and have forgotten the necessity of creative selling.

"Industry must realize that there is something to doing business besides cutting prices; that value sells merchandise. The money that is being diverted by manufacturers to lower prices should be put back into research, engineering and better quality."

Packard said the solution to the "builder market" problem was for appliance makers to "get out of it" and start selling these appliances again through distributors. He said manufacturers are not making money on builders sales, which only help keep "excess production" capacity in operation. He recommended that NARDA, which he said now is a strong, responsible organization, take its problems to the manufacturers and work them out so that everyone in the business can make money once again.

Ten percent excise tax on tape recorders now seems assured in absence of any industry opposition to proposed tax included in Excise Tax Technical Changes Bill by Rep. Forand (D-R. I.) at Senate Finance Committee hearing this week. Measure passed House in June 1957, appears slated for final passage before adjournment of Congress.

**TV & Radio Shipments:** TV shipments to dealers in May nearly equaled April shipments, ending the month-by-month decline since the first of the year, EIA reported this week. However, May total of 210,197 sets was 37% below May last year. TV shipments for the first 5 months were 1,780,476 vs. 2,121,267 in corresponding 1957 period. Radio shipments to dealers for the first 21 weeks of 1958 were 2,198,909 vs. 2,167,016 during the corresponding 1957 period. First 5 months' TV-radio shipments by states:

State	TV	Radio	State	TV	Radio
Ala. ....	22,483	27,943	N. J. ....	63,173	84,853
Ariz. ....	12,978	13,269	N. M. ....	7,804	7,380
Ark. ....	14,576	12,248	N. Y. ....	214,487	311,334
Cal. ....	174,374	170,522	N. C. ....	34,236	37,982
Colo. ....	16,110	17,726	N. D. ....	5,432	6,835
Conn. ....	28,731	29,756	Ohio ....	91,296	123,988
Del. ....	4,774	4,934	Okla. ....	21,027	22,328
D. C. ....	18,565	24,716	Ore. ....	18,250	21,750
Fla. ....	68,309	65,467	Pa. ....	127,394	158,285
Ga. ....	34,256	43,666	R. I. ....	9,879	11,430
Ida. ....	5,726	6,119	S. C. ....	14,499	17,537
Ill. ....	108,935	164,794	S. D. ....	6,222	5,422
Ind. ....	41,192	38,753	Tenn. ....	28,398	33,049
Iowa ....	19,218	27,762	Tex. ....	88,965	111,986
Kan. ....	20,433	23,731	Utah ....	9,486	8,742
Ky. ....	28,486	30,603	Vt. ....	3,574	5,132
La. ....	31,026	28,424	Va. ....	31,266	35,274
Me. ....	9,462	12,438	Wash. ....	28,649	31,826
Md. ....	26,403	43,292	W. Va. ....	17,390	13,727
Mass. ....	58,026	81,492	Wis. ....	28,988	45,620
Mich. ....	60,284	75,783	Wyo. ....	5,849	2,976
Minn. ....	26,644	41,456			
Miss. ....	14,343	14,706	U. S. TOTAL	1,774,623	2,189,075
Mo. ....	40,444	60,124	Alaska ....	1,079	1,942
Mont. ....	9,116	7,701	Hawaii ....	4,774	7,892
Neb. ....	15,391	12,401			
Nev. ....	2,978	3,965	GRAND TOTAL	1,780,476	2,198,909
N. H. ....	5,096	7,273			

Westinghouse TV-phono combinations were introduced this week at Chicago Music Show, described by gen. sales mgr. T. B. Kalbfus as "especially designed for budget-conscious young families." Prices range from \$200 to \$235. Also shown were 4 new 17-in. portables, 6 stereo hi-fi phonos with companion amplifier-speaker units. Portable prices range from \$160 to \$180; phono prices were not announced. Kalbfus said rest of Westinghouse TV line will be introduced next month.

Packard-Bell's 1959 TV, radio & hi-fi line, shown distributors in Los Angeles this week, is longest in company's history, includes TV-radio-phono combination, equipped for stereo, at \$480 & \$500. Line is one of few to have color TV, with 3 models priced at \$800 & \$825. Black-&-white TV models range from \$180 for 17-in. table model to \$420 for 24-in. console. Also introduced was remote "Control Master" for both black-&-white and color TV. Stereo phonos range from \$180 to \$725.

Hoffman's 1959 TV line, shown distributors in Las Vegas this week, includes 12 basic models, ranging from 17-in. portable at \$180 to 21-in. console at \$420 with automatic push-button tuning, wireless remote control, 4 speakers. New line includes 6 basic hi-fi phonos, all equipped for stereo or readily converted, ranging from \$190 to \$625. Sales v.p. Paul E. Bryant said stereo models will play all records in current use.

New 8-in. monitor picture tube for industrial TV receivers, Type 8FP4, is offered by Sylvania.

**Trade Personals:** Westinghouse names 5 TV & hi-fi sales managers in major realignment of factory sales organization, TV-radio div. gen. sales mgr. T. B. Kalbfus announcing these new zone managers and their headquarters: L. S. McCloud, central-eastern zone, Cleveland; J. G. Adams, southeastern, Atlanta; C. R. Beatty, southwestern, St. Louis; J. P. Adams, Pacific, San Francisco; Gordon MacDonald, northwestern, Chicago . . . Frank M. Folsom, chairman of RCA exec. committee, returned from European plant inspection trip July 11, plans to go to Japan on similar mission next winter . . . Chester E. Johansen & Wm. T. Rapp promoted to v.p.'s of IT&T Labs, Nutley, N. J. . . . Harold J. Schulman, ex-Trav-Ler, named assistant to Allied Radio v.p. Alex Brodsky . . . R. E. Wilson promoted to RCA mgr., communications mfg.; A. John Platt to mgr. audio-visual & sound sales . . . Alfred S. Ross promoted to sales mgr., Sylvania Sales Corp., Newark; Roland H. Martin to northwest electronics sales mgr., Seattle . . . Frank M. Girard, ex-GE, named Philadelphia dist. sales mgr., DuMont mobile communications div. . . . David A. Sokolov promoted to field engineering mgr., govt. & industrial products, CBS-Hytron tube and semi-conductor div. . . . Frank A. Flower promoted to mgr., new Washington office of Thompson Products, currently merging with Ramo-Wooldridge . . . Bennett Cook, ex-Fotolines, named adv. mgr., Chicago Transformer Corp. . . . Edward M. Lisowski, ex-Philco, named General Precision Lab's sales rep. at Dayton Air Force procurement headquarters . . . A. A. Sroka promoted to Ampex national sales mgr. for instrumentation, succeeded as central Atlantic district mgr. by Edmund J. Keane . . . Robert F. Doran named exec. v.p. of CFI (Ceramics for Industry) Corp., formerly unit of Sylvania, now operating independently with plant at Mineola, L. I. . . . John E. Gingrich promoted to special programs director, IT&T, succeeded as pres. of subsidiary Federal Telephone & Radio by Delbert L. Mills . . . W. Raymond Burrows promoted to director of new Raytheon govt. relations office, Rome, N. Y.

**DISTRIBUTOR NOTES:** Motorola appoints Tecca Distributing, Cleveland, for consumer products . . . Hoffman appoints Crandall Wholesale, Detroit, for radio . . . Hotpoint promotes Carl A. Pfitzer to dist. mgr. of new Nashville distribution center . . . Graybar promotes L. A. Peterson to district mgr., Seattle; A. N. Saxon to branch mgr., Jackson, Miss.; E. P. Kempen, Corpus Christi, Tex.; M. J. Sullivan, Youngstown, O. . . . Southern States Distributors (Admiral), Miami, adds 29 Fla. counties formerly handled by Jacksonville branch . . . Paramount Enterprises appoints Pan-Mar Corp., N. Y., to export Hallmark line of stereo sound systems & records . . . Erie Resistor appoints: James Eckersley, Portland, Ore.; Branum Sales, Dallas; Harold Moyer, Haddonfield, N. J.; Martin & Dial, Highland Springs, Va.

Ira Hirschmann, pres. of TV Systems of America and Ira Hirschmann Co. Inc., installers of master antenna and closed-circuit TV systems for hotels & office buildings, elected chairman of board of Pennsylvania Exchange Bank, N. Y.

Admiral appoints Henri, Hurst & McDonald Adv., Chicago, for all divisions.

### Obituary

John H. Cashman, 58, founder & former pres. of Radio Craftsmen, Chicago, past chairman of Assn. of Electronic Parts & Equipment Mfrs., died in Chicago July 10. Widow, son survive.

## Financial Reports:

GE earnings declined to \$54,197,000 (67¢ per share) on sales of \$1,014,000,000 in second quarter ended June 30 from \$63,817,000 (74¢) on \$1,072,000,000 year earlier. Attributing decreased earnings to such factors drop in consumer goods sales, high volume of low-profit defense business, chairman Ralph J. Cordiner pointed out that 15% decline in profits and 5% in sales in June quarter nevertheless represented progress from declines of 23% & 8% in first quarter (Vol. 14:16). In first 1958 half, net profit was \$103,381,000 (\$1.18 per share) on sales of \$1,978,000,000 vs. \$127,823,000 (\$1.47) on record \$2,121,000,000 year earlier.

General Instrument earned \$87,916 (6¢ per share) on sales of \$8,679,027 in first fiscal quarter ended May 31 vs. \$77,454 (6¢) on \$7,042,565 year earlier, when results for period did not include Radio Receptor subsidiary, acquired in April, 1957. Leading TV-radio component manufacturer was able to "hold the line" on earnings in first quarter largely because of profitable operations of Radio Receptor and increase in semi-conductor sales, chairman Martin H. Benedek reported. Profit showing also included tax benefits. General Instrument "enlarged its share of the TV components market" in face of depressed prices and lower set production, looks to record sales and improved operating profits in current year, Benedek said.

Collins Radio earnings in fiscal year ending July 31 will drop to about \$1,000,000 on sales of approximately \$100,000,000 from \$2,699,179 (\$1.63 per share) on \$123,912,221 year earlier, exec. v.p. R. S. Gates told *Wall St. Journal* this week. New contracts & orders (chiefly in commercial aircraft communications market) are increasing, however, and backlog as of July 31 will be about \$115,000,000 vs. \$100,000,000 Jan. 31 (Vol. 14:11), Gates said.

WJR, The Goodwill Station Inc., big Detroit broadcaster just awarded Ch. 12 in Flint (p. 10) suffered drop in both gross and net for first 6 months of 1958; sales were \$1,860,868, profit \$196,340 (34¢ per share), down from \$1,771,065 & \$238,765 (41¢) in same 1957 period.

Ampex Corp., big video tape developer, reports earnings of \$1,540,000 (\$2.10 per share) in fiscal year ended April 30 vs. \$1,087,000 (\$1.51) year earlier, confirming earlier estimates by pres. George L. Long Jr. (Vol. 14:19).

Gross Telecasting Inc. (WJIM-TV & WJIM, Lansing) reports 6-mo. revenues up 4% to \$1,372,000 vs. \$1,325,000 in 1957 period, net increasing to 89¢ per share vs. 86¢.

Reports & comments available: On Amphenol, analysis in *Weekly Review* of Fahnstock & Co., 65 Broadway N., Y. On CBS, analysis by Harris, Upham & Co., 14 Wall St., N. Y. On Sprague Electric, report by Merrill, Lynch, Pierce, Fenner & Smith, 70 Pine St., N. Y. On Daystrom, item by Green, Ellis & Anderson, 61 Broadway, N. Y. On Victoreen, study by Greenwald & Co., 1441 Broadway, N. Y.

Dividends: Magnavox, 37½¢ payable Sept. 15 to stockholders of record Aug. 25; Hazeltine, 35¢ Sept. 15 to holders Aug. 29; National Theatres, 12½¢ July 31 to holders July 17; International Resistance, 5¢ Sept. 2 to holders Aug. 15; Gross Telecasting, 40¢ Aug. 8 to holders July 25; Class "B," 7¢ Aug. 8 to holders July 25.

GE Credit Corp., which finances GE & Hotpoint time sales, launches first adv. campaign through BBDO with schedules in Aug. distributor-dealer trade magazines.

**Publisher Knight Replies:** John S. Knight, a leading figure in American journalism, publisher of 5 major newspapers (*Chicago Daily News, Detroit Free Press, Miami Herald, Akron Beacon-Journal, Charlotte Observer*), part owner of several TV-radio stations (WKAR-TV & WKAR, Akron; WCKT, Miami), past pres. of American Society of Newspaper Editors, replies rather trenchantly to NBC chairman Robert W. Sarnoff's recent charges that the newspapers, hurting badly as an advertising medium while TV continues to do quite well, are deliberately derogating TV (Vol. 14:25).

Whether you agree with what he writes, like it or not, Jack Knight's July 13 signed editorial, out of the scores published since young Sarnoff's provocative address at Syracuse (for text, see our Special Supplement of June 21), merits attention in our opinion because it's the most cogent and least emotional exposition yet of the other side's viewpoint. He writes:

"Speaking as one editor, I can assure Mr. Sarnoff that there is no conspiracy on our staff either to overplay the investigative difficulties which must inevitably plague a government-licensed medium, or to give TV the muddy end of the stick in our program reviews.

"Investigations are news whether they concern TV networks, Sherman Adams or the Government's anti-trust actions against the *Kansas City Star*.

"The TV editor, who watches more shows than I would care to, is a man of his own mind. He praises or

criticizes according to what he sees. No one tells him what to write.

"Sometimes, when wearing the publisher's hat, I am appalled at the amount of space we give to TV in program listings and general comment. And all of it for free [sic!] even though the TV stations seldom mention our newspaper unless we get sued for libel.

"Now when Mr. Sarnoff mentions that newspapers are taking a calculated aim at TV in terms of its effectiveness as a sales tool, he is dead right.

"Newspapers, as the basic medium, certainly are fighting for the major portion of the advertiser's dollar.

"To do this, they not only sell the worth of newspapers but also present facts and figures debunking the more fantastic coverage claims of TV's statistics jugglers.

"But that's competition, Bob, not a conspiracy.

"TV should be eternally grateful that it merits so much attention from the newspapers."

"John Crosby, recalling the days when radio wasn't considered worthy of criticism, says that if TV gets any blander, Mr. Sarnoff won't have to complain about rough treatment, but about no treatment at all.

"Sylvester (Pat) Weaver, who was chairman of the NBC before Sarnoff's elevation to that post, predicts: 'The television set will become like a jukebox in the corner of the room, to keep the kids quiet.'

"In exaggerated form, Pat Weaver is saying that TV is failing to fulfill its role in a democratic society.

"Most Americans don't take TV that seriously and I'm one of them. I like TV and I like Bob Sarnoff.

"But if he really thinks that newspapers are deliberately 'derogating TV' he should listen to what his own boys tell the advertisers about newspapers."

**USIA Foreign TV Report:** Quarterly analysis of foreign TV developments, released by U. S. Information Agency, concludes that growth has exceeded expectations—with total sets-in-use reaching 20,184,300 as of June 30, expected to hit 25,000,000 by year's end. Report covers all nations except U. S., Canada and U. S. Armed Forces stations abroad.

USIA reports 560 foreign TV stations operating (vs. 503 as of April 1, 1958), 161 more planned by year's end, broken down as follows: Western Europe, 350 operating, 36 planned; Latin America, 66 & 44; Near East, So. Asia & Africa, 7 & 10; Far East, 35 & 31; Communist bloc, 102 & 40.

The 25-pp. report, available from USIA at 1776 Pennsylvania Ave. NW, Washington, gives 'country-by-country breakdown of TV activity during 1958 second quarter, is based on official & unofficial sources and estimates. It cautions, properly, that sources vary greatly in reliability—particularly in Communist bloc.

Our own new Foreign TV Directory, carried regularly in our semi-annual *TV Factbook*, is in process of revision in preparation for publication in our Fall-Winter issue. Because of some difference in sources and in evaluation of reliability, our information varies from USIA's in some cases—but there's fairly close correlation on basic figures. We go into considerable more detail—covering location of each station, name of licensee, technical standards, channel, power, date station started, commercial or non-commercial operation, etc. (see pp. 285-293, *Spring-Summer TV Factbook*). Following is USIA's compilation of number of stations on air and sets-in-use as of June 30, 1958:

Country	Stations	Sets	Country	Stations	Sets
<b>Western Europe</b>			Uruguay	1	4,500
Austria	10	40,000	Venezuela	10	200,000
Belgium	5	300,000	<b>Near East, South Asia &amp; Africa</b>		
Denmark	6	150,000	Algeria	1	15,000
Finland	5	8,000	Cyprus	1	1,000
France	24	800,000	Iraq	1	3,000
West Germany	81	1,666,400	Morocco	2*	5,000
Italy	167	881,000	Saudi Arabia	1	700
Luxembourg	1	1,600	Turkey	1	500
Monaco	1	10,000	<b>Far East</b>		
Netherlands	5	338,100	Australia	6	320,000
Norway	1	300	Hong Kong	1**	2,500
Portugal	5	12,000	Japan	25	1,452,200
Spain	1	20,000	Korea (So.)	1	2,700
Sweden	4	150,000	Philippines	1	18,000
Switzerland	7	39,700	Thailand	2	20,000
United K'dom	25	9,000,000	<b>Communist Bloc</b>		
Yugoslavia	2	4,500	Bulgaria	1	500
<b>Latin America</b>			Czechoslovakia	4	250,000
Argentina	1	150,000	E. Germany	9	200,000
Brazil	7	700,000	Hungary	1	8,000
Colombia	9	140,000	Poland	6	31,000
Cuba	20	315,000	Rumania	1	12,000
Dominican Rep.	3	7,500	USSR	79	2,500,000
El Salvador	1	7,000	<b>TOTAL</b>	<b>560</b>	<b>20,184,300</b>
Guatemala	2	11,000			
Mexico	11	375,000			
Nicaragua	1	2,000			

\*Off air. \*\*Closed-circuit cable system; not included in station total.

Veteran broadcaster Benedict Gimbel Jr., gen. mgr. of Gimbel Bros. pioneer radio WIP, Philadelphia (5-kw, 610-ke) heads local group of business men, including other staff executives, purchasing WIP with WIP-FM, will continue as mgr. His family's dept. store gets around \$2,500,000 in deal, which sets at rest reports station was being sold to Todd Storz, et al (Vol. 14:23).

TV-radio techniques are taught in 85 colleges and universities according to new *Directory of College Courses in Radio & TV, 1957-58*, available free from author Gertrude G. Broderick, TV-radio specialist, Office of Education, Dept. of Health, Education & Welfare, Washington.



**THE  
AUTHORITATIVE**  
WEEKLY NEWS DIGEST  
FOR EXECUTIVES OF THE  
VISUAL BROADCASTING  
AND ASSOCIATED  
RADIO & ELECTRONICS  
ARTS AND INDUSTRIES

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# Television Digest

with **ELECTRONICS REPORTS**

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## SUMMARY-INDEX OF THE WEEK'S NEWS — July 26, 1958

FCC AND/OR JUSTICE DEPT. have next move in network inquiry as hearing ends with testimony on multiple ownership and station sales (pp. 1 & 5).

PAY-TV TESTS BLOCKED for at least another year; FCC tells Rep. Harris it will delay approval but will accept and process applications (p. 2).

STUDY OF 'SPECTRUM WASTE' among govt. users approved by Senate; House yet to act. ABC mileage-cut drop-in plan strongly opposed by AMST (p. 2).

NEWSPAPERS FEELING PINCH of recession, hence sale of Taft's Cincinnati Times-Star to Scripps-Howard. Publishers in TV-radio fare well (p. 3).

'PUBLIC-BE-DAMNED' BILLS authorizing blackouts of sports telecasts denounced by Celler; football starts proponents' retreat from measures (p. 4).

LEGAL DEFENSE OF NETWORKS gets strong assist in brief filed by NBC attorneys who attack "gross distortion of the per se concept" (p. 6).

BIG FCC AGENDA before vacation produces final grants for Toledo and Cheboygan, Mich. Buffalo Ch. 7 and Parma-Onondaga, Mich. Ch. 10 up next week (p. 7).

REVIVAL OF UHF in Worcester, Mass. planned this fall, as WWLP, Springfield, acquires WWOR-TV in merger. Other upcoming stations (p. 7).

LAST LEGISLATIVE RITES for anti-BMI bill held by Senate subcommittee; ASCAP supporters stay away (p. 9).

CBS PURCHASE OF WCAU-TV & WCAU, Philadelphia, approved by FCC, showing policy unchanged despite arguments of Barrow on multiple ownership (p. 9).

### Manufacturing-Distribution-Finance

HI-FI STEREO WINS ACCLAIM at NAMM's Music Show in Chicago where 10,000 visitors, 4500 buyers, swamp 52 stereo demonstrations (p. 10).

TOP INDUSTRY YACHTSMEN Allen B. DuMont and Clayton Ewing win national racing classics. Reports on others yachting enthusiasts (p. 11).

FAIR TRADE BILL gets another hearing—probably its last—before Senate Commerce subcommittee. Prospect for adoption nil (p. 12).

SYLVANIA SALES-PROFITS UP in 2nd quarter, continued improvement predicted. Packard-Bell also reports "definite profit trend" (p. 13).

**NETWORK CASE CLOSES; FOCUS ON JUSTICE DEPT:** FCC wrapped up its vital and mammoth network hearing July 21, and next move is up to Commission -- or Dept. of Justice.

Commission staff will now digest testimony, place it before commissioners some time this fall or winter. If it weren't for Justice Dept., it would be fairly safe prediction that majority of Commission wouldn't buy major changes recommended by network study chief Roscoe L. Barrow and his staff -- most important of which are elimination of option-time and slicing networks' ownership of vhf stations.

But Justice's intervention threw a big imponderable into the picture when it insisted flatly that option-time and must-buy are illegal and must be thrown out regardless what anyone says (Vol. 14:25). Initially, Commission was very much taken aback by Justice's attitude. But there are signs lately that FCC is no longer quite so disposed to rubber-stamp Justice lawyers; that it might conclude network practices are both legal and necessary -- letting Justice anti-trust division's young Mr. Bicks take networks to court if he believes otherwise.

Vigor of FCC Chairman Doerfer's skeptical questioning on legal points is regarded as an augury of that (Vol. 14:29). CBS's legal memorandum (Vol. 14:26) also is serving to shake foundations of Justice's arguments; and NBC's, filed this week (see p. 6), further strengthens networks' case with the Commission. [For details of this week's concluding testimony, see p. 5.]

**PAY-TV DEEP FREEZE GETS EVEN DEEPER:** Subscription TV has been knocked in the head and tromped into the ground by Congress (Vol. 14:8). This week, it was given a strong kick to make sure it's still dead. Action came in form of letter from FCC to Rep. Harris (D-Ark.), chairman of House Commerce Committee. Harris had recently asked the FCC to hold off any consideration of subscription-TV tests until end of next session of Congress -- mid-1959 -- because Congress couldn't study it now.

Commission has agreed to do that -- though it told Harris it would receive and study applications for tests. To date, Commission has received but one application -- from uhf grantee WSES, Philadelphia (Ch. 29), which is quite lacking in the details FCC needs before it can consider it (Vol. 13:52). None has been filed by the "Big 3" among pay-TV proponents -- Zenith, Skiatron, International Telemeter.

FCC noted "Congress' active interest" in pay TV, said it would wait until adjournment of first session of 86th Congress, concluded with this statement about accepting and processing applications:

"It may be noted, however, that should applications conforming with the requirements set out in the First Report of Oct. 17, 1957 be received, the detailed information they would have to provide may furnish a much sounder basis for evaluating the effects and desirability of authorizing trial operations than can be found in the broader and less detailed proposals put forward by the parties at earlier stages of the proceeding." No commissioner dissented.

**SENATE APPROVES SPECTRUM STUDY; ABC PLAN HIT:** Senator Potter's "spectrum analysis" resolution (S.J. Res. 106), which would create a five-man commission to determine whether Govt. is wasting frequencies that could be used for TV (Vol. 14:29), was passed by Senate so quickly July 21 that Potter didn't even get to amend it. It's understood he planned to get it changed to include evaluation of civilian uses.

Measure hasn't been considered yet by House Commerce Committee, though Rep. Bray (R-Ind.) has been trying to get Chairman Harris (D-Ark.) to move it. Resolution isn't very palatable to military, which is main govt. user of spectrum, but it would be considerably less onerous to Defense Dept. if civilian angle were included.

Military hasn't made any bones about it. Dudley C. Sharp, Asst. Secy. of the Air Force, who was Defense Dept. spokesman, last year told Senate Commerce Committee that study of 50-300 mc concluded no vhf channels could be turned over to TV -- and FCC concurred in that opinion. He doesn't see any need for looking again at military use of 50-300 mc; but he doesn't oppose study of all uses of spectrum, civilian and military, outside the 50-300 mc band. He stated:

"Since there is evidence that the most efficient use is not being made of the FM broadcasting and uhf TV bands, the Dept. of Defense would not oppose a study of frequency usage of non-Govt. users between 50 to 300 mc; similarly the Dept. of Defense would not oppose a study of the frequency usage made by all users, both Govt. and non-Govt., of the frequency spectrum exclusive of 50-300 mc."

Report on the Senate resolution, released this week, shows rest of govt. agencies joined Defense Dept. in opposition. They didn't get anywhere with Senate, and it's dubious whether they'll persuade House.

Govt. users work together through Interdepartment Radio Advisory Committee. FCC is not a member, but has liaison with IRAC. [For membership, see p. 6.]

\* \* \* \*

ABC's proposal for adding 3rd vhf station to some 25 major markets, mostly through co-channel mileage cuts (Vol. 14:23), drew strong protest from Assn. of Maximum Service Telecasters. Three educators also objected, while two broadcasters endorsed proposals affecting their markets, in comments filed with FCC.

AMST protested strenuously on grounds that no one knows much about interference that would be caused by cutting spacings as much as 59-mi., as proposed by ABC. AMST insisted that TV Allocations Study Organization (TASO) will provide the

data by year's end. Meanwhile, it said, there's no reliable data showing that directional antennas and precision offset would give the protection ABC says they would.

AMST throws ABC's own words back at it. In 1955, ABC told FCC that DA's are "speculative techniques" -- and AMST claims ABC offers no new data to contradict its earlier position. AMST also asserts that 8-9 of the 12 drop-ins proposed by ABC can be made without mileage cuts.

WTVK, Knoxville (Ch. 26) favored idea of adding Ch. 2 and Ch. 8 to city, making Ch. 2 educational (as it now is in Sneedville, Tenn.). Radio WSAY, Rochester, N.Y. endorsed Ch. 13 drop-in, asked that it be used at Pinnacle Hill antenna farm.

Joint Council on Educational TV opposed any change in vhf educational channels, including short-spaced vhf drop-ins which would affect them. Similar comments came from U of Tenn. and Knoxville City Schools.

**TV-RADIO STATIONS AS NEWSPAPER BUFFERS:** Same day that latest economic casualty of the newspaper business was announced -- sale of Cincinnati Times-Star to Scripps-Howard and its merger with the Post into one afternoon daily, now called Cincinnati Post & Times-Star -- Dean Roscoe Barrow of U of Cincinnati Law School was testifying before FCC in support of his embattled network TV reform Report (see p. 5).

Noting what had happened in his home town, Dean Barrow remarked that increasing concentration of newspaper ownership and the decreasing number of newspapers are further reasons why the Commission should try to promote diverse ownership in a mass medium such as TV. "FCC should be concerned," said he, "about what's happening to newspapers, for there's probably some relationship between the development of TV and what has happened to newspapers."

Whereupon Comr. Craven asked whether newspapers should be precluded from TV ownership. Barrow avoided direct reply by saying his staff had not studied newspapers; that his Report doesn't recommend they be barred from TV ownership.

Thereby hangs a tale of economic revolution in the business of journalism, wrought to considerable extent first by the incursions of radio as an advertising and news medium, aggravated in recent years by the more enormous impact of TV.

We try to spell out some significant recent facts and figures (below), for it's a subject that has long intrigued us. Indeed, a disagreement with the powerful anti-radio newspaper forces around 1930, when we were urging our then news syndicate customers to get into radio instead of fighting it in favor of the futile alternative of govt. ownership, led to the founding of radio's first trade newsmagazine.

**Whither the Newspapers?** If it weren't so tragic to so many people, it might seem a bit ironical that the major newspaper demises of the last year or so—since *Editor & Publisher's* 1958 Yearbook count of 1755 U. S. English-language daily newspapers as of Sept. 30, 1957—involve publisher-broadcasters prospering very nicely in their TV and/or radio operations but suffering severe losses in the newspaper business.

It goes without saying that if radio and TV had never emerged, there would be more dailies (perhaps even more than the nearly 9500 weeklies) in this country; some newspapermen tried unavailingly to stem the onrush, some are still fighting TV-radio as competitors (Vol. 14:25, 29)—but the smart ones are those who joined the forces they couldn't lick.

The legend even persists, though it can be proved only when figures come out in the sad sale of a newspaper property, that some of the 150-odd TV stations on the air that are identified with newspaper ownership (even more radio stations) actually support newspaper parents aching

from burdens of towering costs. Some day, Govt. may step in to prohibit TV-radio-newspaper combinations—but happily for most enterprisers in these fields, many of them early risk-venture pioneers, there seems to be no disposition at the moment to separate them (see above).

\* \* \* \*

Scripps-Howard's purchase this week of the Taft-Ingalls families' afternoon *Cincinnati Times-Star*, now published as afternoon *Times-Star & Post* by the big newspaper-radio-TV chain which also bought up *Cincinnati Enquirer* a few years ago, was avowedly the result of newspaper losses which publisher David S. Ingalls said have persisted since 1952 and reached as high as \$1,000,000 for fiscal year ended last March 31.

Hulbert Taft Jr., son of the former editor-chairman of the newspaper, turned to TV-radio when he came out of war service and has built up his famed family's holdings to large and prosperous proportions. The TV-radio stations were not involved in this week's Cincinnati deal, Scripps-Howard already owning WCPO & WCPO-TV there as well as a TV in Cleveland, a radio in Knoxville and both TV-radio in Memphis.

The Taft holdings have been built up gradually by the younger Mr. Taft with apparently plenty of family

money poured in—and all but one of them are quite profitable. Taft stations are WKRC-TV & WKRC, Cincinnati; WTVN-TV & WTVN, Columbus; WBRC-TV & WBRC, Birmingham (for which Taft family paid Storer close to \$6,500,000 last year); WKYT, Lexington, Ky., uhf recently purchased for its \$150,000 indebtedness plus \$65,000; 30% of WBIR-TV & WBIR, Knoxville.

\* \* \* \*

“Casualty of the TV Times” was the way we captioned recent sale of David Smiley’s morning *Tampa Times* to afternoon *Tampa Tribune* (Vol. 14:22), which continues to publish *Times* from own plant. Mr. Smiley had failed in 1954 competition for Ch. 13, but he retains his prosperous radio WDAE. On other hand, early last year Edward Lamb sold his *Eric Dispatch* (evening) to competitor evening *Times* and morning *News* for reported \$2,000,000 (Vol. 13:1); they scrapped *Dispatch*, but Lamb retained pre-freeze WICU-TV (Ch. 13) which he founded and which has been a consistent money-maker.

Recent sale of David Stern’s *New Orleans Item* to Times-Picayune Co., which will merge it with its afternoon *New Orleans States* if it isn’t re-sold before Sept. 15 (Vol. 14:29), has no TV-radio connotations—but it’s recalled that the elder Stern some 10 years ago sold his *Philadelphia Record*, *Camden Courier-Post* and radio WCAU with CP for TV to *Philadelphia Bulletin* for something over \$3,000,000; *Bulletin* closed down *Record*, sold *Courier-Post*, only this week concluded deal with CBS whereby it gets \$20,000,000 for WCAU-TV, WCAU and their real estate (p. x).

Walter Annenberg’s Triangle Publications Inc., which publishes *Philadelphia Inquirer*, *TV Guide* and various others, recently bought out tottering noonday tabloid *News*, is still publishing it separately; but its best earners on basis of investment are its local WFIL-TV & WFIL and various other TV-radio properties.

It may be worth noting, too, that Ambassador to Britain John Hay Whitney, who happens to be a brother-in-law of CBS’s Bill Paley, recently invested a reported \$1-\$2,500,000 in ailing *N. Y. Herald-Tribune* (Vol. 13:40); Whitney’s Corinthian Broadcasting Co. has purchased and operates 4 TV, 2 AM stations, all highly successful.

Checking with ANPA this week, we find it leans heavily on *Editor & Publisher’s* compilations, but it had records of 11 new dailies started in U. S. & Canada in 1957 as against 9 going out of business, 2 eliminated in mergers, 3 going to weeklies. Most are small-town.

The 1957 starters were *Muscle Shoals* (Ala.) *Sun*; *Williams* (Ariz.) *News*, *Banning* (Cal.) *Record*, *Sonora* (Cal.) *Union-Democrat*, *Grand Junction* (Colo.) *Sun* [founded by ITU]; *Lima* (O.) *Citizen*, *Haverhill* (Mass.) *Journal*—and in Canada the *Kelowna* (B.C.) *Courier*; *Penticton* (B.C.) *Herald*; *Prince George* (B.C.) *Citizen*; *Pembroke* (Ont.) *Observer*.

Quitting last year were *W. Memphis* (Ark.) *Sun*; *Lewiston* (Ill.) *News*; *Vicksburg* (Miss.) *Herald*; *Suffern* (N. Y.) *Rockland Independent*; *Portsmouth* (Va.) *Times*; *Altoona* (Pa.) *Tribune*; *Vancouver* (B.C.) *Herald*; *Montreal Herald*; *Montreal LaPatric* (French). Eliminated in mergers were *Portales* (N. M.) *Tribune & News*; *Laramie* (Wyo.) *Republican-Boomerang*. Going from daily to weekly: *Albertville* (Ala.) *Sand Mountain Reporter*; *Burlingame* (Cal.) *Advanc-Star*; *Hicksville* (N. Y.) *Mid-Island Times*.

Casualties among dailies so far this year, other than the aforementioned, were all small-town: *Muscle Shoals Sun*, suspended; *Paragould* (Ark.) *Big Picture*, now weekly; *Sonora* (Cal.) *Daily*, merged into *Union-Democrat*; *Walsenburg* (Colo.) *World-Independent*, now weekly; *Staunton* (Va.) *News-Leader*, now Sun. only.

\* \* \* \*

There may be balm for surviving publishers in fact that audited circulation of 309 morning editions showed year’s gain of 679,052, or 3.01%, to reach 23,170,552 as of Sept. 30, 1957; for 1453 evening editions, circulation aggregated 34,634,893, up only 24,883, or .07%. Circulation of 544 Sunday papers was 47,044,349, down 117,897, or .24%. Figures are *Editor & Publisher’s* which explains that “all-day” papers have been included in both morning & evening categories, therefore they total more than the actual 1755 daily newspapers.

With no new starters, and recent demises, it will be interesting to note at next count whether aggregate circulation continues up; if it has, it means simply that the survivors are getting bigger, which is to be expected apace with population. But meanwhile, the fact remains that radio stations continue to increase, rising to 3353 AMs as of last June 30 and 636 FMs (Vol. 14:27). And TV outlets, while increasing more slowly, now number 533, which compares with 521 at start of year.

TV has had its casualties, too, also economic—most of the 100-odd stations which have quit the air since TV’s post-war emergence having been uhf’s.

**Retreat from Blackout:** Never very bright, outlook for Senate action this year on House-approved TV blackout legislation exempting organized sports from anti-trust regulation (Vol. 14:29) grew dimmer this week, most ardent supporters beginning to concede that blanket bills (S-4070 & HR-10378) go too far.

Retreat by pro clubs themselves from earlier position in favor of legislation, permitting club owners to control telecasting of games, was signalled by National Football League Comr. Bert Bell. He told Senate Judiciary anti-monopoly subcommittee, whose members have been increasingly critical of bills, that compromise would suit him. “Whatever you gentlemen do is all right with us,” said Bell.

His change of attitude came as Chairman Celler (D-N.Y.) of House Judiciary Committee denounced “public-be-damned” legislation, scored baseball & football lobbyists who’ve “descended on Washington like locusts” to press for passage.

“Perhaps there ought to be a separate investigation of the baseball & football lobby—the like of which I’ve never seen, and I’ve seen some lobbies,” said Celler.

Hitherto-solid sports front also was broken this week by spokesmen for National Football League Players Assn. They told subcommittee headed by Sen. Kefauver (D-Tenn.) that lifting of all anti-trust restrictions could lead not only to TV blackouts at will of club owners but to blacklisting of players.

And Sen. Langer (R-N.D.) joined growing Senate opposition to blanket exemptions. He said any legislation should ban pay-TV baseball, such as has been planned by Los Angeles Dodgers & San Francisco Giants (Vol. 14:14).

NAB pres. Harold E. Fellows is scheduled to testify against bills July 29 as subcommittee goes into 4th week of take-it-slow hearings. Other witnesses yet to be heard are spokesmen for pro basketball & hockey. And legislative time is running out for 85th Congress, which hopes to adjourn in Aug.

**Network Hearing Finale:** Multiple-ownership and station-sales recommendations were subjects of last day's testimony by network study chief Roscoe L. Barrow and his lieutenant Louis H. Mayo (see p. 1)—and they went through a brisk cross-examination. Chairman Doerfer and Comr. Craven were particularly insistent in trying to find out what Barrow believes is wrong with multiple ownership. They asked for examples of "abuse," for "documentation of the evils." Barrow's response:

"There's a safer atmosphere for politics, etc. in a diversity of opinion. I can't say to you that great harm has resulted. But you do have the diversity principle in your multiple-ownership rules. It's up to you to implement it. I think you've gotten too far from it. But if you feel it's unimportant, it's up to you. It's your responsibility."

"Wouldn't 15-20 multiple owners in the top 25 markets be enough?" Doerfer asked. "We have absentee ownership in food stores, hardware, etc.—and the public is happy with it." Barrow: "You're not dealing with food & nails. You're dealing with ideas." Doerfer mused: "I wonder where some critics, not you, were in the days when the going in TV was tough." Barrow: "You must consider the public interest."

Answering Craven's request for examples of "abuse," Barrow stated: "We haven't found abuse. It's a mass medium, affecting our opinion and culture. We won't know for a generation or two the depth of its impact. We need diverse opinions in mass media." He insisted single-station owners can program as well as multiple owners. He expressed concern about dwindling number of newspapers and their concentration in fewer hands (see p. 3).

\* \* \* \*

"Cash sale recommendation" of Barrow Report, referring to station transfers (Vol. 14:29) took up much of questioning. Commissioners, by and large, didn't seem enthusiastic about his suggestion for revival of Avco rule

**BBC vs. Commercial TV:** Gains of commercial TV in Britain were acknowledged by BBC this week when it reported that during April-June 64% of viewers preferred commercial programs when they had choice between the 2 services. This is 2% gain for commercial TV over first quarter. July 28 *Time Magazine* summarizes: "Today a host of ecstatic advertisers attest that commercial TV has come to the Isles to stay . . . Sponsorship is forbidden. Result is that, more than any other televiewers in the world, Britons have spots before their eyes. Sandwiched between programs and at 'natural breaks,' the commercials sometimes run 5 or 6 in a row. But they have demonstrated their power as Britain's most effective advertising force. This year advertisers will plunk down some [\$140,000,000] to fire their TV messages into almost 6,000,000 British homes. Already British admen are agitating for a third channel—commercial, of course."

**Manual for TV producers**—giving pertinent information on 24 production centers in U.S., 4 in Canada, one each in Cuba, Mexico & Puerto Rico—will be issued about Sept. 1 by International Screen Production Handbook Inc., 507 Fifth Ave. N.Y. (John E. Allen, gen. mgr.). It will give data on theatres, arenas, convention halls, wage scales & rules, photographic permits, police assistance, etc.

but on a cash-&-carry basis (Vol. 14:29). Several members wondered whether purchasers might have trouble financing cash purchases, since station sellers frequently grant terms much more lenient than those of lending institutions. Barrow thought that they may have a little more trouble; that buyers have to be "financially substantial" anyhow; that the question isn't important when weighed against policy of having FCC, not seller, pick purchaser.

Barrow said tax situation for seller is about same under present and recommended procedures, though he conceded seller can get break when he's retained on "consultant" basis. However, he said: "I don't know that the FCC should be concerned about a tax gimmick for someone going out of the business. Some of these little things have to give way to the public interest. You're not taking a lot away from him; it's a public property."

Hyde wondered where Communications Act requires FCC to search out the best applicant in uncontested situations. Barrow replied that Commission doesn't have to conduct a search but that "opportunity should be there" for prospective purchasers. Hyde questioned whether there would be any "takers" under new procedure, noted that there aren't any applicants contesting station renewals.

Barrow claimed that there would be plenty of takers for profitable stations; that new procedure would bring into picture new and better purchasers because FCC would pick them; that renewal situation isn't apropos, because everyone knows renewals are virtually automatic. He interjected: "If FCC did examine marginal operators and deny renewals, new applicants would come forward at renewal time."

Doerfer wondered whether enthusiasm for station purchases would wane because of prospective drawn-out competitive hearings. Barrow said hearing time could be reduced. This irked Doerfer who said: "We've cut that about to the bone." In any event, Barrow said, length of hearings is minor matter compared with policy of purchaser selection.

Hearing ended with a flock of amicable expressions such as: Barrow—"Great privilege to assist you." Doerfer—"Appreciative of your tremendous amount of work." Ford—"Compliment the staff for fine work."

**Hong Kong closed-circuit TV system,** starting little more than year ago with 1500 sets (Vol. 13:22), now has 2500 in operation at \$9-per-mo. rental fee to subscribers, according to report by Rediffusion Ltd. programs controller Roy G. Dunlop. Film & live commercial programming runs about 40 hours per week. Rediffusion also operates Hong Kong's commercial wired radio service which has 67,000 subscribers at \$1.25 per month.

### An Editorial Note

The editorial by Charles Crutchfield on p. 14 may seem somewhat offbeat for a publication like ours—but we were so struck by its cogency, its timeliness, its public service aspects that we decided to make it available to the rest of the industry as a contribution to the industry and to public service. To an extent, the editorial deals with a controversial issue, involving as it does governmental funds—but we doubt whether even the FCC will cite the Jefferson Standard or any other stations for being one-sided on this one! Reprints of p. 14 are available on request.

**Attack on 'Per Se' Charges:** FCC received high-powered legal ammunition rebutting arguments of Justice Dept. and of KTTV, Los Angeles, that option-time and must-buy are illegal *per se* (see p. 1)—in form of memorandum of law submitted this week by NBC attorneys. As did CBS lawyers (Vol. 14:26), NBC's legal battery dissects cases cited by opposition and stresses reasonability and necessity of the practices. Basic theme of memo:

"Decisions declaring certain practices illegal *per se* in the context of a given industry cannot be converted by analogy into formulas and automatically applied to different practices in a different industry. Any attempt to do so is a gross distortion of the *per se* concept."

Brief notes that Supreme Court approved option-time in its 1943 chain broadcasting decision when it accepted contention of Justice Dept. and FCC that option-time "is a plainly reasonable solution of the networks' business demands on the one hand, and the demands of free competition, station responsibility, service of local interests, and maximum use of facilities on the other."

Memo also distinguishes option-time from the outlawed movie "block-booking" practices by pointing out that networks don't sell anything to stations; that they obtain periods of time, hedged with considerable limitations, and pay stations for use of the time; that networks don't "tie" one "copyrighted" article with another.

To be illegal *per se*, the NBC lawyers assert, a practice must have a "pernicious effect on competition and [a] lack of any redeeming virtue." But, they say, practice allows "both the networks and local stations to compete effectively with other advertising media."

Memo also quotes, very effectively, 1948 decision of Appeals Court Judge Augustus N. Hand in decision favoring ABC in suit brought by WSAY, Rochester:

"Plaintiff misconceives the function of a network [which] sells to the advertisers its facilities and the services of those [affiliated] stations as an aggregate . . . Such control by a network, operating as a single coordinating agency, would seem to be at least desirable in order that it might compete with other networks and advertising media." Memo notes, incidentally, that it was the same Judge Hand who had only 2 years before written the *Paramount* decision so heavily relied on by Barrow Report.

There's nothing illegal about must-buy, brief asserts, because: (1) There are no "tied" products; rather, network sells "a national service for national advertisers." (2) Practice doesn't foreclose competition; it enhances it by enabling networks to compete with other national media. (3) Must-buy has no "pernicious" effect, for Barrow Report itself states that few advertisers say they are forced to take stations they don't want and that there's "no significant restraint on the independent station."

Memo was prepared by firm of Cahill, Gordon, Reindel & Ohl, with NBC v.p. & general attorney Thomas E. Ervin listed "of counsel."

**AMA, ADA Laud TV Code:** Endorsement by American Medical Assn. & American Dental Assn. of NAB's tightened TV Code rules on "man in white coat" commercials (Vol. 14:25) was reported this week by review board chairman Roger W. Clipp, v.p.-gen. mgr. of Triangle Stations. AMA exec. v.p. Dr. F. J. L. Blasingame said new ban on actors portraying doctors in commercials was "realistic approach." ADA secy. Dr. Harold Hillenbrand said revision of Code limiting such presentations to accredited physicians & dentists is "definitely in the public interest." Clipp said ban precludes use of "man in white coat" actors "even though such portrayals are visual only," and forbids "use of any props or settings which might give the impression that the individual speaking could be a member of the medical, dental or nursing professions." But he said filmed commercials produced prior to June 18, in which professional roles are acted, may be used under old Code until next Jan. 1—and references by announcers in commercials to "comprehensive scientific research, studies or surveys, fully supported" aren't affected by ban.

**No Action on ETV Aid:** Chance of House vote this session on Senate-approved \$51,000,000 Federal aid to education bill (S-2119) dimmed this week as Congress approached adjournment deadline. Commerce transportation & communications subcommittee, following quick hearing on proposal for \$1,000,000 grants to states, Hawaii, Alaska, D. C. (Vol. 14:29), failed to make any recommendations to full Committee. Subcommittee headed by Rep. Roberts (D-Ala.) had planned executive session to draft favorable report, but members said they were unable to get together—and at week's end no date for meeting had been set. In other ETV developments: (1) Broadcasting Foundation of America chairman Robert Redfield reported it had received \$41,000 grant from Creole Petroleum Corp.'s Creole Foundation for training program to help Venezuela establish ETV system. (2) NYU announced its successful *Sunrise Semester* series on WCBS-TV, N. Y. (Vol. 14:15) will be expanded in fall term to 4 college credit courses. (3) Boston's educational WGBH-TV is going in for higher mathematics with *Calculus Through Television* college credit series starting July 28.

Membership of IRAC (Interdepartment Radio Advisory Committee), which handles non-civilian spectrum allocations (see p. 2): chairman, Wm. E. Plummer, Office of Defense & Civilian Mobilization; exec. secy., Paul D. Miles, ODCM; Agriculture Dept., E. C. Wagner; Air Force, Col. James D. Flashman; Army, Lt. Col. Earl J. Holliman; Commerce, Allen Barnabei; Interior, S. L. Windes; Justice, Lyman G. Hailey; Navy, Comdr. L. R. Raish; State, Dr. Arthur L. Lebel; Treasury, J. L. Stewart; USIA, George Jacobs; E. R. Quesada, special asst. to President (on air safety). FCC's liaison is A. L. McIntosh.

New AFTRA contract demands for industry agreements expiring Nov. 15 were drafted at 26-hour session of 155 delegates to union's annual convention last week end in N. Y., actors, singers & dancers taking turns to tell what they want. Precise proposals weren't disclosed, but AFTRA spokesman said working conditions rather than wages top list—that "only modest increases" in TV pay and "about the same rates as are paid now" in radio will be sought. Clayton (Bud) Collyer was reelected pres.; Ken Carpenter, 1st v.p.

Community antenna system near Lancaster, Cal., about 40 mi. north of Los Angeles, is planned by Home Vision Inc., details handled by L. A. attorney Neil D. McCarthy.

NAB re-schedules fall conference in Washington (Vol. 14:26) from Oct. 23-24 to Oct. 27-28, from Shoreham Hotel to Statler Hotel, to avoid conflict with another industry meeting.

**FCC Pre-Vacation Rush:** FCC tackled massive agenda this week, has another huge one on tap for next week, as it tries to clean up backlog of pending matters before starting vacation Aug. 2—to reconvene Sept. 3. In addition to approving CBS purchase of WCAU-TV & WCAU (see p. 9) and a score of radio station sales (see *AM-FM Addenda DD*, herewith), it punched out 2 vhf final decisions:

For Toledo's Ch. 11, FCC picked WTOL, headed by Frazier Reams, ex-GOP Congressman, reversing examiner J. D. Bond who had favored non-broadcaster Great Lakes Bcstg. Co.—whose pres. is adman Arthur W. Reichert. In 6-0 vote, Cross not participating, Commission denied other 6 applicants; Great Lakes; *Toledo Blade*, owned by Block family which operates WWSW, Pittsburgh, and shares ownership in WIIC (Ch. 11) there; Edward Lamb's Unity Corp., whose interests include WICU, Erie (Ch. 12) and radio WTOD, Toledo; Citizens Bcstg. Co. (UAW Local 12); Anthony Wayne TV Corp., whose Harold Gross controls WJIM-TV, Lansing (Ch. 6); Maumee Valley Bcstg., whose numerous stockholders include Hulbert & David Taft, with interests in WKRC-TV, Cincinnati (Ch. 12); WTVN-TV, Columbus (Ch. 6), etc.

For Cheboygan, Mich. Ch. 4, Commission agreed with examiner Basil P. Cooper, selected Midwestern Bcstg. Co. (Les Biederman, pres.) which operates group of radio stations and WPBN-TV, Traverse City, Mich. (Ch. 7). Loser was Richard E. Hunt, who operates radio WCBY, Cheboygan. Comrs. Bartley & Ford dissented; Cross didn't participate.

FCC didn't release texts of decisions this week (because of overloaded mimeograph facilities) so reasons for its selections aren't available. [For technical details, etc., see *TV Addenda 26-Z* herewith.]

Commission is striving to get out 2 more decisions next

**New & Upcoming Stations:** Unusual resuscitation of uhf station is proposed by vigorous uhf proponent Wm. Putnam, head of WWLP, Springfield, Mass. (Ch. 22)—who plans to reactivate WWOR-TV, Worcester, Mass. (Ch. 14) as soon as FCC approves agreement wherein his Springfield TV Bcstg. Corp. acquires station by giving WWOR-TV stockholders 20% of the Springfield corporation. He hopes to have it back on air sometime this Sept. after hiatus since Sept. 5, 1955 (Vol. 11:37).

Initially, station will operate as satellite of Putnam's WWLP and its semi-satellite WRLP, Greenfield, Mass. (Ch. 32); latter now does considerable local programming.

"There are some 600,000 people in Worcester County," Putnam says, "and that's one of the largest groups in the country without a local station." WWOR-TV began Nov. 16, 1953, operated with 16.2 kw from 200-ft. Stainless tower 810 ft. above average terrain. Putnam says it has excellent plant but needs repairs, which will be supervised by chief engineer James McMahon, now at WWLP.

Distribution of WWLP stock among WWOR-TV principals is to be determined by 3 trustees—pres. John Z. Buckley and treas. Kenneth P. Higgins of WWOR-TV and director George Vadnais of WWLP.

\* \* \* \*

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

WTAE, Pittsburgh, Pa. (Ch. 4) is getting 25-kw RCA

week—for Buffalo's Ch. 7 and Parma-Onondaga, Mich. Ch. 10.

Three-way Norfolk Ch. 13 contest is likely to be dissolved through merger. Principals may reach agreement over week end. They are: WVEC-TV (Ch. 15); WTOV-TV (Ch. 27); Virginia TV Corp. (interlocking ownership with WBOF, Virginia Beach, and WRNB, New Bern).

\* \* \* \*

FCC put 2 radio stations on hook in several rare actions: (1) It told Howard W. Davis that hearings are necessary on renewal of his KMAC, San Antonio, and his proposed purchase of KANN, Sinton, Tex. because of financial misrepresentations he'd made during a TV hearing. (2) KHCD, Clifton, Ariz. was ordered to show cause why its license should not be revoked for technical violations and failure to respond to notices of violations.

Two translators were granted to WHIZ-TV, Zanesville, O. (Ch. 18)—Ch. 71 for Coshocton, Ch. 80 for Cambridge.

Allocations changes granted: (1) Added Ch. 74 to Springfield, Vt., substituting Ch. 76 for Ch. 75 in Concord, N. H., Ch. 69 for Ch. 74 in Bennington, Vt.—at request of WWLP, Springfield, Mass. (Ch. 22) which plans translator in Springfield. (2) Shifted Ch. 7 from Pine Bluff to Little Rock at request of Ch. 7 operator KATV.

Request of grantee KCMT, Alexandria, Minn. (Ch. 7) to move Ch. 12 from Brainerd to Walker, Minn. was rejected.


WFLB-TV, Fayetteville, N. C. (Ch. 18), which recently quit operating (Vol. 14:25), petitioned for shift of Ch. 8 to Fayetteville from Florence, substituting Ch. 13 in latter city; it also seeks shift of educational reservation in Charleston, S. C. from Ch. 13 to Ch. 7.

Two uhf grantees turned in CPs: WFTV, Duluth (Ch. 38), which had operated May 31, 1953-July 11, 1954; WKAR-TV, E. Lansing (Ch. 60), which had been on air Jan. 13, 1954-June 28, 1958. [For details of foregoing, see *TV Addenda 26-Z* herewith.]

transmitter ready for tests, but won't begin programming with ABC-TV until Sept., writes exec. v.p. Leonard Kapner, also pres. of Hearst's radio WCAE, co-owner of TV with Television City Inc. RCA antenna has been installed on 1060-ft. Blaw-Knox tower; transmission lines are to be installed in two weeks. One studio is to be ready in early Sept., with other 2 due to be ready in Oct. Base hour will be \$1800. Rep will be Katz.

WJRT, Flint, Mich. (Ch. 12), held up by litigation since it got CP in May, 1954 (Vol. 14:28-29), now hopes to be on air in early fall, reports pres. John F. Patt. It has 50-kw RCA transmitter in storage, as well as 12-bay antenna, will use 990-ft. Emsco tower. It also plans to add to studio facilities it has leased from off-air WTAC-TV (Ch. 16). A. Donovan Faust will be gen. mgr. Network affiliation hasn't been signed as yet. Base hour hasn't been set—"but it will be competitive with other stations in the area." Rep will be Harrington, Righter & Parsons.

Dogged losers in Flint case—WFDF, Flint, and W. S. Butterfield Theatres—sought to block construction in petitions filed with FCC this week. They asked Commission to stay effectiveness of CP and reconsider its final decision on grounds that: (1) WJRT was granted after it "unlawfully" amended application. (2) Losers were deprived of "mandatory" comparative consideration. (3) WJRT isn't going to get CBS-TV affiliation, so it can't carry out program promises.

 <p><b>Television Digest</b> with <b>ELECTRONICS REPORTS</b> WYATT BUILDING, WASHINGTON 5, D. C.</p>	<p>MARTIN COEEL, Publisher ROBERT CADEL, Bus. Mgr. ALBERT WARREN, Senior Ed. WILLIAM WIGHT, Managing Ed.</p>
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<p>Weekly newsletters Published Saturdays Television Factbooks Published in February &amp; August AM-FM Directory Published in January TV and AM-FM Addenda Published Weekly</p>	<p>Copyright 1958 by Television Digest, Inc.</p>

**Personal Notes:** Giraud Chester, ex-Ted Bates, named ABC-TV v.p. for daytime programming; Armand Grant promoted to daytime programming director; Sid Mesibov, exploitation director, named also co-ordinator of marketing activities between network and AB-PT . . . J. G. (Gil) Paltridge resigns as gen. mgr. of ABC's o-&o radio KGO, San Francisco; John H. Mitchell, ABC v.p. & gen. mgr. of KGO-TV, also assumes KGO responsibilities . . . Alfred H. Morton, ex-NBC v.p., ex-20th Century-Fox, named TV research & sales v.p., Gothic Corp. . . Steere Mathew retires Aug. 1 as NBC traffic coordinator after 30 years with network . . . Paul E. Taft, pres., gen. mgr. & 10% owner of KGUL-TV, Galveston-Houston, resigns to devote himself to personal business affairs; assigned as acting gen. mgr. by majority-owner Corinthian (Whitney) group is James C. Richdale Jr., one time with Petry, Yankee Network & WNAC-TV, Boston, presently v.p. & gen. mgr. of Corinthian's KOTV, Tulsa, which he will also continue to manage, with Corinthian pres. C. Wrede Petersmeyer becoming pres. of licensee Gulf TV Corp. . . Jack DeWitt, pres. of WSM & WSM-TV, Nashville, and Mrs. DeWitt flew July 24 to Paris; he plans motor tour before going to Moscow as delegate to International Astronomical Union, Aug. 10-12, returns in about month . . . Robert T. Quinlan, ex-WCBS-TV, N. Y. joins KTLA, Los Angeles, as program mgr. . . George Cranston, mgr. of WBAP-TV, Ft. Worth, is home recuperating after 2 weeks in hospital . . . Tom Parrington promoted to national sales mgr., WKY-TV, Oklahoma City, succeeding Jim Terrell, now asst. station mgr. . . Robert C. Burris promoted to sales v.p. of KEYT,

Kansas City's WDAF-TV & WDAF, now under National Theatres Inc. ownership, having been purchased from *Kansas City Star* (Vol. 14:17), this week realigned staff under gen. mgr. Wm. A. Bates, who succeeded now-retired H. Dean Fitzer. Most of changes are promotions, most important being Jay Barrington, TV program director, to asst. to gen. mgr., E. Manne Russo to national sales mgr. Other changes: Jud Woods, ex-Bruce B. Brewer Adv., director of promotion & research; Lyndell Mayberry, from Fox-Midwest Theatres, controller; Bob Wormington, upped to TV program director; George Moore, ex-KTHS & WKY, radio program director; Walter Bodine, news director; James Schmidt, chief engineer; James Necessary, ex-K.C. mgr. for MCA-TV & ex-Brewer, local TV sales mgr.; Cliff Atkinson, local radio sales mgr.; Wm. Wormington, identical-twin brother to Bob, TV production mgr.

Gordon Gray, owner of WSJS & WSJS-TV, Winston-Salem, publisher of local dailies, ex-Secy. of Army, ex-pres. of U of No. Carolina, sworn in July 23 as asst. to President Eisenhower on national security affairs.

New FCC hearing examiners: Forest L. McClenning, from office of opinions & review, has been with FCC since 1948; Isadore A. Honig, from broadcast bureau, had been temporary examiner Nov. 1953-March 1955.

Santa Barbara . . . Robert D. Willis promoted to promotion and publicity mgr., WHTN-TV & WHTN, Huntington, W. Va.; David H. Marcum to merchandising mgr. . . . John H. Battison, ex-gen. mgr. of KAVE-TV, Carlsbad, N. M., which he and wife recently sold (Vol. 14:8), sailed for London July 26 where he joins Associated Rediffusion, commercial program contractor, as an asst. program controller under 2-year contract . . . Howard A. Chinn, CBS-TV, named chairman new SMPTE video tape recording engineering committee . . . Al Pryor promoted to sales development mgr., KTTV, Los Angeles . . . Joseph K. Keating, MBS exec. producer, promoted to network program director; James F. Simons, ex-John Blair, named midwest operations director, Chicago . . . Henry W. Simmen, ex-WNEW, N. Y., named gen. mgr. of radio WHK, Cleveland, recently purchased by Metropolitan group (ex-DuMont) from *Cleveland Plain Dealer* as K. K. Hackathorn moves over to newspaper . . . Robert Green promoted to administrative asst. to gen. mgr. John Barton, KUAM-TV & KUAM, Guam . . . Manny Reiner, TPA's v.p. for foreign operations, on business trip to Russia, Poland, Czechoslovakia, Scandinavia and England, calling on officials of govt.-owned TV systems . . . Samuel Gang, NTA's foreign rep, now on extensive South & Central American business tour . . . Ben Strouse, pres. & gen. mgr., WWDC, Washington, named chairman of NAB FM radio committee . . . Richard Hildreth, ex-Fisher, Wayland, Duvall & Southmayd, joins Washington law firm of Spearman & Roberson July 28 . . . Fred Hamilton promoted to NBC-TV film programs director, Pacific div., Hollywood.

**ADVERTISING AGENCIES:** Thomas F. McAndrews promoted to head Ted Bates Hollywood office, succeeding H. Austin Peterson, resigned . . . Perry L. Brand, ex-Campbell-Mithun, named v.p. of Clinton E. Frank Inc., Chicago . . . Morris Kinnan promoted to TV-radio supervisor, Needham, Louis & Brorby, N. Y. . . Alfred R. Tennyson, TV-radio v.p. of Kenyon & Eckhardt, N. Y., shifts to same post in L. A., succeeded by John W. Murphy . . . Norman F. Best, ex-Erwin Wasey, Ruthrauff & Ryan, Los Angeles, joins Campbell-Mithun, Minneapolis.

**FCC vacation plans:** Taking a breather in one of most hectic years in FCC's history, commissioners have these plans: Doerfer—Stay in Washington, go to office on irregular basis, perhaps take long week ends out of town. Hyde—Back home to Downey, Ida. Bartley—Two weeks in Washington, 2 "in the mountains." Lee—On the job, with afternoon off now & then. Craven—At New Hampshire cottage. Ford—Back home to Beckley, W. Va., perhaps also some time at shore. Cross—Back to Eureka Springs, Ark., helping wife run motel.

Late RCA-NBC v.p. Manie Sacks, beloved of American show people, may be memorialized in an NBC-TV 90-min. spectacular for benefit of his personal charity, Philadelphia's Albert Einstein Memorial Center, reports *Variety*. Biggest names in show business, many of whose TV-radio contracts he negotiated, would participate.

Frank Stanton, pres. of CBS, named by Secy. of Commerce Weeks to new high-level study group of 9 industrial leaders & economists undertaking special study of "current and world economic practices" for Dept. of Commerce's Business Advisory Council.

James F. Macandrew heads N. Y. Metropolitan Educational TV project on WPIX (Ch. 13) this fall (Vol. 14:26), taking leave of absence from N.Y.C. board of education.



**ASCAP Bill's Funeral:** Lonely last rites for anti-BMI bill (S-2834) sponsored by Sen. Smathers (D-Fla.), which in its brief life had no supporters on Capitol Hill except die-hard group of ASCAP members (Vol. 14:29), were conducted this week by Chairman Pastore (D-R.I.) of Senate Commerce communications subcommittee.

Funeral oration over ill-fated legislative attempt by Songwriters Protective Assn. (now American Guild of Authors & Composers) to bar broadcasters from music publishing or recording business—thereby leaving field to ASCAP—was delivered by BMI counsel Judge Samuel I. Rosenman. Said he:

(1) ASCAP members "are seeking to persecute BMI and the entire broadcasting industry" through Congressional action which would aid their private \$150,000,000 suit (Vol. 14:11) against BMI in N. Y. Federal court. (2) Many ASCAP members, yearning for pre-BMI days when ASCAP had no competition, just want to see BMI killed off. "I doubt whether there are any other incidents of such unabashed craving for monopoly." (3) Frustrated ASCAP members who once wrote song hits—but haven't been able lately to repeat successes—need scapegoat for their failures, and pick on BMI.

Pastore formally closed subcommittee proceedings with brief statement that transcript will be sent along to FCC & Justice Dept. for any comments "before I discuss it with the full Committee"—but he indicated he had little further interest in the bill. S-2834 rested there, dead if not forgotten by broadcasters.

**TV Film Tax Problem:** Open invitation through trade press to TV film producers to tell Internal Revenue Service how their income should be taxed was issued this week, director Harold T. Swartz of tax ruling div. asking for advice by Sept. 15 to help him prepare first formal regulations. IRS now has no uniform policy for relatively new TV film industry. Should producers write off costs of productions in one year, or spread them over period of years on progressive scale? What about re-runs, residual rights, foreign revenues? IRS field agents have made decisions on questions in individual cases, but Swartz said overall ruling is needed to end uncertainties in industry. He requested written statements of facts & views from producers be addressed: "Commissioner of Internal Revenue, Washington 25, D. C. Attention: T:R:C-TV."

Videotape presentation of fall programming plans, claimed to be first such, will be offered to N. Y. ad agency representatives by KTTV, Los Angeles, in Grill Room of Waldorf-Astoria July 28-30. Tape will be run off at WOR-TV, fed to meeting via closed-circuit. Last week, station showed off tape to agencies and newsmen in Los Angeles, included its own 60-min. *Divorce Court* which goes into national syndication Aug. 1, independently packaged pilot *Time & Place*, 22 commercials taped at Barker Bros. Los Angeles dept. store at estimated cost of \$100 each.

Community antenna system in Florence-Sheffield-Tuscumbia, Ala. has been bought for undisclosed price by Jerrold Electronics Corp. from Nathan W. Levin, N. Y. investment firm. System has 4000 subscribers, carries Nashville's WSIX-TV, Birmingham's WBRC-TV & WABT. Purchase gives Jerrold 10 systems. Others: Dubuque, Ia.; Flagstaff, Ariz.; Pocatello, Ida.; Ukiah, Cal.; Key West, Fla.; Ventnor, N. J.; Richland, Walla Walla & Wenatchee, Wash.

Station Broker Paul H. Chapman Co. moves N. Y. office Aug. 1 to 1270 Avenue of Americas (Circle 7-2936).

**CBS Gets WCAU-TV & WCAU:** Multiple-ownership policy of FCC remains unchanged, despite recommendations of Barrow Report. That's evident from speed with which it approved CBS's \$20,000,000 purchase of WCAU-TV (Ch. 10) and WCAU, Philadelphia (Vol. 13:51; 14:1, 18, 27) after conclusion of Dean Barrow's testimony on subject July 21 (see p. 5).

Vote was 6-1, Bartley dissenting as he usually does on multiple-ownership purchases. Commission was careful to point out there are "conditions" to its approval, but it's extremely unlikely it would have approved the sale if major policy shift had occurred. Said FCC:

"The grant is without prejudice to such action as the Commission may deem warranted as the result of its final determinations (1) with respect to the conclusions and recommendations set forth in the Report of the Network Study Staff; (2) with respect to related studies and inquiries now being considered or conducted by the Commission; (3) with respect to pending anti-trust matters."

Purchase gives CBS full complement of TV—5 vhf, 2 uhf—others being: WCBS-TV, N. Y. (Ch. 2); WBBM-TV, Chicago (Ch. 2); KNXT, Los Angeles (Ch. 2); KMOX-TV, St. Louis (Ch. 4); WXIX, Milwaukee (Ch. 19); WHCT, Hartford (Ch. 18).

CBS hopes to take over from *Philadelphia Bulletin* late next month, says it has nothing to report yet on organizational or staff changes. It reiterates that WCAU Inc. pres. & gen. mgr. Donald W. Thornburgh, onetime CBS Pacific div. v.p., will remain in charge—though he's due for retirement in about a year.

First international broadcast CP in 20 years was granted this week by FCC to Radio Station KGEI, headed by Marvin R. Steffins of Detroit. Grantee is taking over GE's old KGEI facilities near Belmont, Cal., will use 50-kw transmitter beaming about 600 kw toward Central & South America; frequency requested is 17.8 mc. Station will operate 47½ hours weekly, with ⅓ of programs in Spanish. Income is to be derived from commercials and hoped-for contracts with Voice of America and Organization of American States. Only other international station in U. S., except those operated by VOA, is WRUL, Scituate, Mass., which has 5 transmitters broadcasting about 30 hours daily in English, Spanish, Norwegian & Swedish. About ⅓ of its time is devoted to VOA-contracted programs for Armed Forces Radio Service.

Morgan Murphy interests are selling WMFG, Hibbing, Minn. (1240 kc, 250-U) and WHLB, Virginia, Minn. (1400 kc, 250-U) for \$84,500 each to stations' present gen. mgr. Harold J. Parise and wholesaler Frank P. Befera. Publisher Murphy (*Superior [Wis.] Telegram, Virginia Mesabi News, Lafayette [La.] Advertiser*, etc.) also controls WEAU-TV & WEAU, Eau Claire, Wis. (Ch. 13); WMBV-TV & WMBV, Marinette, Wis. (Ch. 11); 50% of WISC-TV & WISC, Madison, Wis. (Ch. 3); and radio stations WEBC, Duluth, and KVOL, Lafayette, La. (TV applicant for Ch. 3). [For news about other radio station sales and transfers, see *AM-FM Addenda DD*.]

AFM's Hollywood jurisdiction was challenged again this week by new Musicians Guild of America, which already has won bargaining representation for musicians at major movie studios (Vol. 14:28). Guild now seeks NLRB poll of musicians employed by independent producers & studios, AFM having refused to participate in consent election.

**STEREO STEALS THE SHOW IN CHICAGO:** If you don't think stereo looms big in industry planning this fall, you weren't at NAMM's Music Show in Chicago this week. It was a real wing-ding with more than 10,000 visitors, about 4500 of them buyers, jamming the Palmer House. Out of the 235 exhibitors, 52 had hi-fi stereo systems in parade. Many of the "biggies" in the industry were on hand for the first time and a rundown of the names is another clue to importance being attached to stereophonic sound in fall merchandising programs: Admiral, Capehart, Columbia, DuMont, Dynavox, Electro-Voice, Magnavox, Motorola, Olympic, Philco, RCA, Stromberg-Carlson, Symphonic, V-M, Webcor, Westinghouse, Zenith.

Cacophony of stereo was equaled only by the babble of enthusiastic comment from visitors who came to listen, left to cheer. Typical comment: "Stereo is just what doctor ordered to end recession in our industry. At last we're learning from the auto makers -- we're creating obsolescence -- coming out with something new." Or another: "Americans are becoming 'good music' conscious. They'll buy stereo." And, "1958 can beat 1957 record phono sales if it proves as popular with consumers as I believe it will." Down the line, stereo was hailed as a bonanza.

Several companies premiered new lines at Music Show this year -- a departure from past procedure and an indication of the new significance being attached to this annual conclave of music merchants. Among them were Magnavox, Stromberg-Carlson and Westinghouse. Others introduced "drop-ins" to previously announced lines.

Industry leaders addressed a hi-fi stereo clinic. Ampex Audio marketing mgr. J. W. Farrow predicted 4-channel, tape magazines will ultimately be competitively priced with records, forecast time when tape will bring pictures as well as sound into the home. Columbia Records sales director Wm. P. Gallagher predicted phono-record business will triple in 10 years. Zenith marketing services mgr. Philip Wood said radio offers tremendous potential for profit this fall, urged dealers to "sell-up". Magnavox merchandising mgr. George Fezell warned of need for good stereo demonstrations if public is to be educated to stereo sound.

Schism among hi-fi phono makers at the Show developed between advocates of 1-piece stereo and those favoring -- and making -- 2-piece systems. Each plugged his own concept. Single package makers contended extra speaker units merely clutter up the living room, aren't necessary. The 2-piece makers said you can't get true stereo unless separate outlets are properly spaced. It's a feud that promises to go on until public preference finally decides the issue.

Manufacturers also showed TV & radio lines, but it was interesting to note that, in comparison with the 52 hi-fi stereo exhibitors, there were 35 on hand with radios & radio phonos, only 10 with TV. Interest was obviously on stereo.

**TV-Radio Production:** TV set production in the week ended July 11 (which was not available in time for our issue last week) was 54,343 sets vs. 55,884 preceding week & 53,785 in corresponding 1957 week. Year's 27th week brought total TV production to 2,205,675 vs. 2,785,924 last year. Radio production week ended July 11 was 103,490 (43,167 auto) vs. 97,205 (19,741 auto) in preceding week & 76,832 (35,714 auto) in corresponding week last year. Radio output for 27 weeks was 4,719,201 (1,505,965 auto) vs. 7,002,342 (2,870,390 auto) in same 1957 period.

TV set production in week ended July 18 was 56,130 vs. 54,343 preceding week & 65,338 in corresponding 1957 week. Year's 28th week brought total TV production for year to date to 2,261,805 vs. 2,851,262 last year. Radio production was 161,756 (49,771 auto) vs. 103,490 (43,167 auto) preceding week & 110,092 (50,197 auto) same week last year. Radio output for 28 weeks totaled 4,880,957 (1,555,736 auto) vs. 7,108,739 (2,920,587 auto) for corresponding period last year.

# Do You Know That . . .

ALLEN B. DuMONT and his 54-ft. power cruiser *Hurricane III* once again, on July 19, won the predicted-log contest for the Martin Memorial Trophy, taking top honors in the Greenwich Power Squadron's 45.4-nautical-mile run from Captain's Harbor to Stratford Shoals in Long Island Sound against a field of 17, only 10 of which finished. Despite miserable sailing conditions, his percentage of error was only 1.5897 against nearest rival's 2.4119.

So he's by all odds the East Coast champion, possibly the country's best, among power boatmen, having won the trophy 5 times since 1953. His yachting colleagues say he would have won in 1956 too, except that he was on a business trip abroad and didn't compete.

Predicted-log contests, as described by *Popular Boating*, which designated Dr. DuMont as "Boatman of the Month" in its Nov. 1956 edition, require each boatman to calculate, before starting out, the exact time he will pass a series of prescribed govt. marks along a course. He surrenders his watch, and the only one aboard his boat who has reference to a timepiece is the designated observer. Not only a vessel's capacities, but such variables as current, tide, wind, etc. must be taken into account.

"Doc" DuMont, one of TV's great pioneers, is an authentic expert, having pursued powerboating as a hobby even before he founded Allen B. DuMont Laboratories Inc.; his boats, in fact, are floating TV laboratories, and he was probably the first ever to have one TV-equipped and to have studied and written on over-water signal propagation. *Hurricane III* is his third cruiser, custom-built by famed Trumpy shipyards of Annapolis, with twin 275hp engines, double cabin, flying bridge.

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Another great yachtsman in the news these last few weeks is Clayton Ewing, chief owner of WFRV-TV, Green Bay, Wis.—but his forte is sailing and his yawl *Dyna*, out of Sturgeon Bay, Wis. on Lake Superior, rates tops,

was subject of main article in July, 1957 *Sports Illustrated*. Built in Manitowoc in 1957, *Dyna* is 48.7-ft. long, has 13.5-beam, draws 6.2-ft., displaces 23 gross tons, has auxiliary 87hp motor.

This week, *Dyna* beat field of 78 sailing yachts in the great 51-year-old Chicago Yacht Club's Chicago-to-Mackinac classic, sailing a poor wind that dogged the 333-mi. race from its start July 19 to finish July 22. Its time of 60:54:46 gave it the Class A championship. Week earlier, *Dyna* won another Great Lakes classic, the Detroit Bay-view Yacht Club's Port Huron-Mackinac race. In June, ex-paper mill tycoon Ewing took his vessel to the Atlantic, competing in Cruising Club of America's famed Newport-to-Bermuda race, coming in 8th; *Dyna* also participated in Block Island race of the Storm Tri-Sail Club.

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Also preferring to sail with the wind, but motorized just in case, are the *Anzo*, 70-ft., owned by Bill Cherry, of the Providence dept. store family, who runs its WPRO & WPRO-TV and owns 86% of WDBO & WDBO-TV, Orlando; and the 39-ft. Elco *Kia Ora*, with 2 auxiliary 200hp Gray motors, which is the light of the leisure life of veteran Washington consulting engineer C. M. Jansky Jr., who sails it mostly on the Chesapeake.

In smaller boat classes, there are Darrold Cannan Jr., v.p. of KFDX-TV, Wichita Falls, Tex., who competes regularly with that station's exec. v.p. Howard H. Fry in sailing E boats, Snipes, Comets, Lightnings; together and separately, they've won many trophies with *Cynthia Ann*, a Lightning. Fry also sails regularly in the unique Grand Lake (Colo.) Yacht Club's annual regatta—club founded in the '90s by sailing enthusiasts who brought their first boats across Berthoud Pass on flat-bed, horse-drawn wagons from 105-mi. distant Denver, nearest railhead.

Editor's Note: Who else in the industry are yachtsmen? Who has the biggest? We've been gathering data on others, most of them turning out to be power sailors, and should have another interesting column in a week or so.

**Trade Personals:** Paul V. Galvin, Motorola chairman, heads EIA 1958-59 organization committee . . . Harold R. McCormick resigns as Motorola adv. & sales promotion director to join Dancer-Fitzgerald-Sample . . . D. R. Roark named RCA eastern district TV sales mgr., Cherry Hill, N. J.; C. J. Walker named for central district, Chicago, and D. J. Gentile, for western district, Los Angeles—sales districts having been cut from 8 to 3 . . . Dr. James F. Koehler, ex-Philco, named technical consultant to commanding officer, U. S. Army Signal Corps Research & Development Lab, Ft. Monmouth, N. J. . . . Thomas J. Nicholson, ex-GE hi-fi sales mgr., named western mgr., Ampex Audio, succeeded by E. W. Heurong as acting sales mgr. . . . Fred H. Garcelon, ex-CBS-Hytron, named exec. v.p. of El-Tronics Inc. . . . Thomas P. Carmody promoted to mgr., Standard Coil Product's new Jersey City sales office . . . Jay L. Fisher, ex-Curtiss-Wright, ex-DuMont Labs, named production mgr., IT&T industrial products div.

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Howard W. Sams' *Photofact Service* for TV-radio technicians has added General Cement, Walsco Electronics, Rogers Electronics as new listings; in addition, it's now including phono cartridges as well as needles, expanding listings for Jensen and J. W. Miller.

Clay Sherman, pres. of Sherman, Clay & Co., west coast music chain, is new pres. of National Assn. of Music Merchants.

**ELECTRONICS PERSONALS:** Esterly C. Page, pres. of Page Communications Engineers Inc., Washington communications systems contractors, leaves by air with Mrs. Page July 29 for Milan to complete organization of Edison-Page, designed to function as unit of world-wide Italian Societe Edison utilities group, which will be headed by Edison's Dr. Giorgio Valerio; Page will be v.p., may proceed on this trip to Middle East where his firm has big radio installation jobs . . . Wm. B. Hawthorne, ex-branch chief in FCC's aviation div. of safety & special radio services bureau, joins Airways Modernization Board as asst. to George B. Chafee, head of plans office . . . Dr. Ralph P. Johnson promoted to v.p. of Ramo-Wooldridge general electronics divs., Dr. Burton F. Miller to v.p. for advanced systems planning, Milton E. Mohr to v.p.-engineering, Irwin A. Binder to v.p.-manufacturing . . . James S. Locke promoted to v.p. & gen. mgr. of Minneapolis-Honeywell's micro switch div., succeeding late W. W. Gilmore . . . Warren F. Morgan promoted to marketing v.p., Federal Electric Corp., Paramus, N. J.; Robert A. Marshall to gen. sales mgr.

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Bell Labs pres. Dr. Mervin J. Kelly will receive John Fritz Medal for 1959 for achievements in electronics, leadership in industrial lab research, contribution to defense; award by 4 major engineering societies will be presented at meeting of American Institute of Electrical Engineers.

**More Ado Over Fair Trade:** Fair trade legislation got got courtesy hearing this week before Senate Commerce subcommittee, though possibility of Congressional action this year is practically nil. Pro and con arguments were similar to those developed recently before House Commerce subcommittee (Vol. 14:19) and Senate Small Business Committee (Vol. 14:26).

Adoption of S-3850, jointly sponsored by Senators Humphrey (D-Minn.) and Proxmire (D-Wis.) was urged by Proxmire to avert "jungle warfare" among American retailers. Maurice Mermey, director of Bureau of Education on Fair Trade, echoed his views, said current flaws in price maintenance laws threaten chaos in the market place.

Justice Dept., in letter from Deputy Attorney General Lawrence E. Walsh, presented its customary objections to all fair trade legislation. It said bill would "do away with price competition in large portion of country's commerce" and go long way toward repealing Sherman anti-trust law.

Big N. Y. discounter Wm. Masters testified manufacturers like GE, Sunbeam and others did not abandon fair trade because of court decisions but because of "declining sales, overstocked warehouses, clogged channels of distribution and unhappy distributors."

Newly organized National Anti-Price Fixing Assn., through exec. secy. Alex Akerman Jr., recently resigned FTC lawyer, said proposed legislation would increase prices to consumers on many products 30 to 40%.

Phonographs are phonos whether they're equipped with tubes or transistors—and are subject to 10% excise tax, Internal Revenue Service has decided (Rev. Rul. 58-345). Asked for ruling by unnamed manufacturer of transistorized portable phonos "contained in leatherette covered cabinets which resemble small suitcases," IRS said they're taxable so long as they're "of the entertainment type"—and play records. "The determination of taxability is not dependent upon size, type of power used, or the type of components used."

Stromberg-Carlson's new hi-fi line, several models equipped for stereo, was introduced this week at Music Show in Chicago. Stereo models start at \$170 for Mardi Gras low-boy console; Eldorado V model is priced at \$350. Second-channel amplifier-speaker console lists at \$130 and \$135. Radio-phono combinations range from \$310 to \$585. Line includes remote speaker enclosure for stereo at \$60.

Magnavox unveiled new 1959 lines of TV, radio, hi-fi and stereo at Chicago Music Show this week. TV feature is wireless remote control for on-off, station selection, volume and brightness adjustments. TV prices range from 21-in. table model at \$240 to 24-in. phono combination at \$675. Also introduced were several hi-fi models equipped for stereo, including one AM-FM combination at \$800.

Strike of 1500 RCA engineers at Camden, Cherry Hill & Moorestown, N. J. plants (Vol. 14:28) ended this week, unaffiliated Assn. of Professional Engineering Personnel agreeing to contract settlement including graduated 6% wage increase. Another issue in walkout which started July 8—merit review plan—will be worked out by RCA & union in additional negotiations.

New "ceramic-in-glass" tube announced by Sylvania features ceramic sandwich-type "mount"—the structure which produces electrons—enclosed in glass envelope. It's said to be capable of withstanding extreme conditions of vibration, shock, fatigue.

**Pittsburgh's Safety Glass:** Corning Glass now has competition for its picture tube safety-glass substitute (Vol. 14:20) in form of related development by Pittsburgh Plate Glass. Both are designed to reduce reflections and dust-gathering surfaces, but their approaches are different. Corning has curved glass plate with flange; flange is cemented to tube face, and space between the 2 is filled with mineral oil. PPG offers curved safety plate to be cemented directly to tube face, by tube or set manufacturer, with "Selectron" polyester resin—no space between. PPG also etches safety glass to minimize reflections. It claims 8-9% increase in brightness, "important reduction in glare," possibility of designing sets with 3-4-in. less cabinet depth. PPG reports: "Several major manufacturers are studying the feasibility of producing the new unit tube and are engineering for pilot plant production; the tube may reach the public in TV receivers coming on the market in mid-1959."

Patent provisions of new legislation creating National Aeronautics and Space Agency (Vol. 14:27) are "unsatisfactory" to electronics industry, although formal reaction awaits closer scrutiny by EIA Patents & Copyrights Committee. Despite Senate deletion of section which gave Govt. full title to all inventions developed by agency's contractors, House-Senate conference committee reached compromise under which Govt. gets full title to inventions developed under projects fully paid for by Govt., provides for reimbursement for proprietary patents which become part of NASA-sponsored projects. Said EIA spokesman: "Initial study by patent experts indicates the patent provisions of the NASA Act are unsatisfactory and additional legislative consideration may be necessary in the next Congress to insure protection of the patent rights of individuals and private industry."

Add stereo lines: Week saw 6 more hi-fi phono makers introduce instruments equipped for stereo or readily converted. Fanon Electric Co. entered stereo market with 3 automatic portable phonos ranging from \$90 to \$120, plus a line of stereo accessories. Cavalier div. of Hinners-Galanek, in N. Y., showed 5 new portable phonos, 3 stereo equipped, ranging from \$50 to \$120. Hallmark introduced 5 stereo hi-fi models at the Music Show. Also in Chicago, Tandberg showed a new one-piece stereo disc and tape console, together with a new multiband table radio. Capehart unveiled new line of amplifier-speaker enclosures and stereo adapter kit to convert monaural units to stereo. Pilot Radio entered fall stereo market with 10 models, ranging from \$200 to \$1000, and 5 speaker systems.

Some \$14,000,000 in royalties for phonograph stylus invention may be collected by British woman engineer Marsia Killick, according to reports from London. Decision by 2 judges concluded that Pye Ltd. had infringed invention of sapphire stylus patented by the 40-year-old mother of 4 in 1945. Reuters news agency quotes her: "At last I'm a millionaire. Every country in the world owes me money and I'm going to collect it. I've spent all my money in 10 years of legal battles. Now I'm planning a world tour to collect royalties."

Latest converts to magazine tape players are Ampex Audio and Penton. They've joined Motorola (Vol. 14:28) in announcing 4-channel tape playback units using RCA-developed tape magazine.

Tape recorder tax killed: In a sharp about face, Senate Finance Committee this week eliminated House-approved 10% excise tax on tape & wire recorders from Excise Tax Technical Changes Bill now under consideration.

## Financial Reports:

**S**YLVANIA UPTURN in 2nd 1958 quarter raised earnings 21% and sales 5% above initial 3 months, chairman-pres. Don G. Mitchell hailing results as demonstrating that "upward trend" has definitely started, that "more normal levels" for company's markets can be anticipated for 3rd & 4th quarters.

Net income for 2nd quarter ending June 30 was \$1,415,052 (37¢ per share) on sales of \$75,443,673 vs. \$1,167,818 (30¢) on \$72,132,543 in preceding period this year. In second 1957 quarter Sylvania earned \$1,415,052 (46¢) on \$74,970,858. For 6 months of 1958 earnings were \$2,582,870 (67¢) on \$147,576,216, down from \$4,788,669 (\$1.30) on \$162,520,532.

Upbeat report for April-June period this year is "especially significant in view of the fact that 2nd quarter sales have traditionally been lower than 1st quarter volume because of seasonal factors," Mitchell pointed out. He said replacement market receiving tube sales started to increase in April, May was 2nd biggest month in Sylvania's history, June was ahead of June, 1957.

RCA first-half gross and net fell once again, despite subsidiary NBC's higher network billings during first 5 months (Vol. 14:27) and despite profitability of NBC-owned stations—reflecting general business conditions. Net income for first 6 months slid to \$13,544,000 (86¢ per share) on sales of \$542,554,000 from \$20,311,000 (\$1.35) on \$564,990,000 in same 1957 period. Second quarter earnings were \$4,540,000 (27¢) on sales of \$264,215,000 vs. \$7,501,000 (48¢) on record \$269,217,000. For all 1957, RCA's profit was \$38,549,000 (\$2.55) on revenues of \$1,176,277,000 vs. 1956's profit of \$40,043,000 (\$2.88) on \$1,127,774,000 (Vol. 13:9).

International Resistance Co. reports net loss of \$71,248 on sales of \$5,846,958 in 25 weeks ended June 22 vs. earnings of \$255,980 (19¢ per share) on \$7,667,065 year earlier. Rate of incoming orders "is slightly better" now than in early part of year, according to pres. Charles Weyl, and "company is operating profitably at the current low level of sales."

Muter Co. earned \$88,698 (12¢ per share) on sales of \$5,336,508 in first 1958 half vs. \$152,353 (20¢ adjusted for stock dividend in Jan. 1958) on \$6,641,854 year earlier.

**O**FFICERS-&-DIRECTORS stock transactions as reported to SEC for June:

Allied Artists—Samuel Brody bought 5000, holds 75,118; George D. Burrows bought 100, holds 34,786; Sherrill C. Corwin bought 4000, holds 18,000; Maurice Goldstein bought 1000, holds 14,100; Roger W. Hurlock bought 200, holds 14,900; Edward Morey bought 2000, holds 12,350; Sam Wolf bought 2000, holds 22,050.

C&C TV Corp. (now Television-Industries)—Wm. Zeckendorf sold 43,100, holds 19,100 personally, 248,350 in Webb & Knapp.

Cinerama—Hazard E. Reeves sold 5000, holds 117,923.

CBS Inc.—Goddard Lieberman bought 200, holds 200.

Corning Glass—Charles D. LaFayette sold 4390, holds 10,242; Eugene C. Sullivan sold 200, holds 31,695.

Daystrom—Frank H. Van Duzer Jr. sold 175, holds 300.

DuMont Labs—George G. McConeghy sold 200, holds none.

General Instrument—Louis Scadron bought 100, holds 3028.

Guild Films—David Van Alstyne Jr. bought 6400 for trusts, holds 6400 in trusts, 6333 in Van Alstyne Noel & Co., 7207 personally.

IT&T—Robert McKinney bought 14,000, holds 15,000.

Litton Industries—Norman M. Moore sold 1000, holds 14,500; Carl A. Spaatz sold 100, holds 4300; Charles R. Thornton acquired 84 through partnership by failure of performance under contracts of sale to employees, sold 126 through partnership, holds 31,899 in partnership, 123,249 personally.

Loew's—Louis A. Green bought 200 through Stryker & Brown, holds 144,235 in Stryker & Brown, none personally; Francis Whiting Hatch bought 200, holds 300; Joseph Tomlinson sold 26,900, holds 133,100.

Storer Bestg. Co. earned \$1,729,620 (70¢ per share on 2,474,750 shares of common and "B" stock) in 6 months ended June 30 vs. \$4,429,484 (\$1.79) year earlier, when net profit included \$1,966,477 non-recurring capital gain from sale of WBRC-TV & WBRC, Birmingham (Vol. 13:19). Excluding capital gain, 6-month 1957 earnings were \$1 per share. In 2nd 1958 quarter earnings were \$978,416 (40¢) vs. \$751,204 (30¢) in Jan.-March period this year, Storer reporting improved profit figure reflected "substantial reduction" in operating losses of its independent WVUE, Wilmington-Philadelphia, acquired in May, 1957 (Vol. 13:13).

Packard-Bell boosted sales by 12%, net profits by 37% in 9 fiscal months ended June 30 from year-earlier levels, pres. Robert S. Bell foreseeing "profitable fiscal year, with all 4 of our divisions [TV, radio, hi-fi, electronic door openers] showing healthy increases." Earnings in 9 months were \$633,948 (92¢ per share) on sales of \$26,401,343 vs. \$463,120 (67¢) on \$23,503,948 in 1956-57 period. Bell said "definite profit trend" became apparent in 2nd & 3rd quarters of current fiscal year—2nd quarter showing 35% increase, 3rd quarter 274% increase over same periods year earlier.

Trav-Ler increased sales 11.6%, showed small profit in fiscal year ended April 30, reversing deficit trend of recent years. Consolidated net income was \$10,616 on sales of \$15,126,697 vs. net loss of \$370,736 on \$13,045,459 year earlier, pres. Joe Friedman of Chicago company (TVs, radios, hi-fi) pointing out results were accomplished "notwithstanding the business recession." All Trav-Ler factory operations will be centered at Orleans, Ind. plant on completion of new addition.

Daystrom, which had record sales but lower earnings in fiscal year ended March 31 (Vol. 14:25), reports both dropped in first new quarter ended June 30. Net income for period was \$159,000 (18¢ per share on 907,358 shares outstanding) on sales of \$18,811,000 vs. \$546,000 (61¢ on 893,893) on \$19,841,000 year earlier.

P. R. Mallory reports decline in both earnings & sales in 1st 1958 half, net income falling to \$923,645 (58¢ per share) on \$32,093,920 vs. \$1,880,525 (\$1.24) on \$41,342,023 year earlier.

Dividends: WJR, The Goodwill Station, 10¢ payable Aug. 28 to stockholders of record Aug. 14; P. R. Mallory, 35¢ Sept. 10 to holders Aug. 8; Whirlpool, 25¢ Sept. 10 to holders Aug. 29; Siegler, 10¢ Sept. 1 to holders Aug. 15.

Magnavox—Frank Freimann sold 3000, holds 29,499 in trust, 53,601 personally.

P. R. Mallory—Harold C. Buell sold 200, holds 1325; Florence E. Head sold 635, holds 900; Leon Robbin sold 418, holds 229; Ray F. Sparrow sold 300, holds 22,666.

National Telefilm Assoc.—Burt Kleiner bought 400, holds 7000.

National Theatres—Peter Colefax sold 1400, holds 1100.

Philco—Harold W. Butler bought or acquired 2355, sold 1000, holds 9211.

Philips Electronics—Pieter van den Berg bought 200, holds 200.

Raytheon—Wm. Gammell Jr. sold 1400, holds 13,802.

Stanley Warner—David Fogelson bought 2938 through Schwartz & Forhlich, sold 2267 through Schwartz & Forhlich, holds 672 in Schwartz & Forhlich, none personally.

Trans Lux—Harry Brandt bought 2100 personally, 200 through Marathon Pictures, 700 through H. Brandt Foundation, holds 142,400 personally, 500 in Marathon Pictures, 14,105 in H. Brandt Foundation, 200 in Bilpam Corp., 1000 in Brapick Corp., 12,350 in G. Brandt Foundation, 17,900 through associates.

Trav-Ler—D. F. Shea bought 300, holds 300.

Tung-Sol—H. Merle Darling bought 100, holds 3705; George W. Keown bought 100, holds 1432; Anthony Scala bought 100, holds 30 in partnership, 2130 personally; Jean E. Witbeck bought 103, holds 4161.

Westinghouse—Bruce D. Henderson sold 100, holds 800; Leslie E. Lynde bought 300, holds 2428; Gwilym A. Price sold 2000, holds 4116; A. W. Roberston sold 500, holds 500; John M. Schiff sold 500, holds 12,000.

# YOUR FUTURE AND MINE...A Broadcast Editorial

Broadcast over WBT & WBTW, Charlotte, N. C. by Charles H. Crutchfield, executive v.p. & general manager

FOR SEVERAL MONTHS NOW we Americans have maintained a strange skyward vigil. Our traditional certainty and self-confidence have seemed suspended in the orbit of a whirling Soviet satellite. It is reassuring to know at last that we too are catching up in the conquest of space, that we finally have launched our own satellites. America cannot overlook the urgency now and in the future for new and more effective rockets to the stars.

But perhaps now is the time to re-appraise our responsibilities here on earth, for we cannot possibly separate survival in a national sense today from the struggle for survival in a human, personal sense. There is clearcut evidence all around us that, in looking skyward we may have turned our backs unwittingly on a dangerous situation right in our own homes.

Whether we realize it or not, a war is raging right here on earth. It is a war which is taking more American casualties than any previous conflict in our country's history. Yet it remains a war that Americans are fighting with sadly inadequate forces. Consider these casualties: More than half of all deaths—900,000 last year—in this country were caused by heart disease. One out of every six deaths was caused by cancer. And this is not the whole tragic picture. A dismaying array of mysterious mental and nerve diseases and other maladies cripple, handicap and cut short the lives of many hundreds of thousands of Americans.

I should like to mention just a few of these diseases, of which the cause and cure are still to be discovered: shaking palsy, brain strokes, multiple sclerosis, muscular dystrophy, and cerebral palsy.

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In a war, when an army's precious ranks are decimated by enemy weapons, the commanders mobilize all their striking power to destroy these antagonists. There can be no other course for a beleaguered country than all-out development of the strategies and weapons necessary to defeat the enemy. As Americans have demonstrated in every war, no price is too high to pay for the saving of a single soldier's life in battle. But this axiom for military combat is unfortunately not yet a practice for peace-time sickness. A nation which values individual life as highly as we, should face the fact that only a tiny portion of our great wealth is devoted to research into the cause and cure of killing and crippling diseases.

Yet, the overall economic loss to the nation from disability due to disease is staggering. Heart disease, to cite one example, annually deprives industry of the services of more than half a million workers—persons who, if they were well, could earn 3 billion dollars a year. The veteran's hospitals alone spend 42 million dollars a year on the care of heart patients, while the Veterans Administration pays out more than 250 million dollars a year in compensation and pensions to heart disease sufferers.

The battle with human disease extends across the whole world front. The safety and security of America is dependent on the friendship and allegiance of millions of sickly and under-developed peoples in Asia, Africa, Europe and the Americas. By their own testimony, these

peoples will be more indebted to us for a cure for cancer than for bigger and better satellites.

They will esteem us more for the conquest of heart disease than for a victory in the race to the moon. All peoples of the world will be more grateful for relief from the pain and suffering of these diseases than for instruction in the launching of intercontinental ballistic missiles. The "cold war" is going to be decided, whether we like it or not, by those activities which save lives and extend the individual educational and economic opportunity for all mankind.

One thing is clear: American medical research has already repaid its initial investment over and over again.

Medical research has in this century conquered many of the infectious diseases which formerly blighted childhood and curtailed lives in the middle years. It has extended our life expectancy by more than five years in the last decade alone.

Somehow, despite this brilliant pattern of achievement, we have been content to spend a mere trickle on research compared with the amount we are spending in certain other fields. During the fiscal year 1957, our government spent only 100 million dollars for research in fighting all major and crippling diseases. Contrast this with the 4 billion dollars a year the government plans to lay out for the important federal highway system. Or the 33 billion dollars for essential defense against death from military attack.

Conceding the need for stepping up our expenditures in these vital areas, what about the voluntary health agencies? It is true that these groups raise approximately 150 million dollars annually for community service, and allocate about one-fourth of it for research. Without being critical in any way, but for comparative purposes only, did you know that we Americans spend 272 million dollars a year for chewing gum—117 million for shampoos?

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Do we dare fail our heritage as a democratic nation, concerned *first* and *foremost* with the health and welfare of its people and its neighbors? Can we afford to quibble about the amount of money we are prepared to spend for answers to diseases which rob mankind of its birthright? In America 62 million of us are at work turning out a gross national product at the rate of 430 billion dollars a year. Let us bear this figure in mind this year when Congress makes appropriations for the National Institutes of Health of the U. S. Public Health Service.

Our annual expenditure for research into the cause, prevention and cure of disease must be increased appreciably. There can be no question about our giving America's scientist-soldiers the necessary funds, materials and facilities with which to do their jobs.

The whole world is awaiting the outcome of this battle against disease. Let us assert the leadership required for an historic offensive against the forces of death which rack the human organism without mercy and can only be driven out and destroyed by the knowledge which comes from medical research. Let us invest in our own health. Let us invest in mankind's health. The world expects America to show the way.