

WEEKLY **Television Digest**

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The authoritative service for executives engaged in all branches of the television arts & industries

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Manufacturing & Distribution

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STEREO DE-CONFUSION DRIVE to be launched by EIA phono manufacturers with \$500,000 war chest. Non-technical campaign will stress music (p. 17).

FM AUTO RADIO, to be introduced by Motorola, may give another boost to rising FM market. Hi-fi quality claimed for easily installed deluxe set (p. 18).

RCA RESHUFFLES TV-radio-phono activities into a single home-instrument organization, with J. S. Beldon running marketing, ex-ITT-Federal Pres. D. L. Mills handling operations (p. 19).

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Networks

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AROUSSED FCC BEGINS TIGHTENING SCREWS: Powerful weight of FCC is now in motion. Fully aware of its tremendous strength & responsibilities, Commission is carefully entering the critical field of programming. Momentum is great. Pressure is on, no end in sight.

Commission is moving cautiously on programming, leading off with massive exploratory hearing starting this week (Dec. 7), largely because Chmn. Doerfer is genuinely fearful lest the ponderous hand of govt. constrict freedom of TV & radio in violation of First Amendment. (For list of early hearing witnesses, see p. 6.) But majority of his colleagues see no such danger.

Most indicative of FCC's "let's act" mood is the sweeping nature of its move last week in an area where it has no doubt about its authority—violation of law through payola, which amounts to concealed sponsorship, prohibited by Sec. 317 of Communications Act. Meanwhile, FTC moved swiftly with its first payola complaints, naming names (see p. 12).

FCC wrote to every station in the land, asking them to list by Jan. 4 every instance of payola or "sneaky commercials" of any kind occurring since Nov. 1, 1958. And it asked each licensee to tell what it's doing to stop or prevent the practice.

Commission action raises good question as to how far Rep. Harris will go in his payola investigation. Congressional hearings are designed to explore need for new laws. There seems to be no question that existing law covers payola adequately and that FCC is trying to enforce it.

FCC's attitude is not punitive. It wants under-the-table practices stopped but isn't out to make an example of anyone. But—how about Internal Revenue Service? Evidently, IRS agents will be able to examine stations' responses to FCC's questions, and some sad DJs, et al, will be asked serious questions about their income tax returns. (for exact language of FCC's questions, see p. 6).

Commission's payola inquiry could be a public relations boon to industry, because almost all stations will reply "no payola here" and FCC will report that fact. There's no plan to make replies public. Project has been turned over to FCC's Renewal & Transfer Div., under its experienced & reliable chief, attorney Joseph H. Nelson.

Individual stations which happen to be in trouble with FCC for one reason or another find Commission getting tough. Last week, for example, radio KIMN Denver was asked to show cause why its license shouldn't be revoked because a disc jockey had broadcast material that was "vulgar, indecent, ribald, offensive, in bad taste, suggestive, with double meaning, and/or obscene." The DJ has been fired, and KIMN management has given assurances that such things won't happen again. Once upon a time, that might have been enough for FCC. It isn't now. Revocation proceedings are extremely rare. Also last week, license renewal of radio KMAC San Antonio was designated for hearing because owner Howard W. Davis, in competitive hearing for Ch. 12, misrepresented his financial situation. In May 25, 1956 decision, won by KONO-TV, Commission upbraided Davis for "lack of candor."

According to those canny Washington weathervanes, the TV-radio attorneys, the honeymoon is over. Several have told us that they've been warning clients that they'd better get their houses in order, that FCC is truly aroused & dangerous. You can expect tightened regulation all along the line.

FTC HOLDS FIRE IN BIG TV-RADIO OFFENSIVE: In what had been billed as broadcasting's big ordeal by Federal Trade Commission fire (Vol. 15:48 pl), 6 top TV & radio chiefs lined up warily last week before all 5 FTC members. They came away from face-to-face confrontation 1½ hours later, displaying no more wounds than industry already had suffered from TV quiz scandals.

"We mean business," said FTC Chmn. Earl W. Kintner sternly at outset of unprecedented showdown on questionable advertising practices. He had summoned CBS, NBC, ABC, MBS, and NAB leaders to session to confess their sins, propose self-reforms and prepare to defend themselves against major onslaughts mounted by fraud-policing agency. "We are convinced that you mean business," Kintner observed at end of session, which he described as "very worthwhile & excellent." Closed meeting had first been scheduled, in line with FTC procedures for informal industry conferences, but Kintner at last minute threw it open to public & press—which saw no fireworks (see p. 12).

"The Commission is heartened by all this activity in the industry," Kintner said after CBS's Frank Stanton, NBC's Robert E. Kintner (no relation), ABC-TV's Oliver Treyz and MBS's Robert F. Hurleigh told about self-regulation measures already taken by networks. He also said FTC would count on "close cooperation & liaison" with NAB's Harold E. Fellows & Donald H. McGannon, who reminded FTC that TV Code was being tightened (see p. 3).

"We're very happy over the information we have received here," FTC Comr. Robert T. Secrest chimed in. And all FTC members stressed that despite their apparent concentration on broadcast commercialism now, they are equally concerned about advertising deceptions in print media.

"We are not playing favorites here," Kintner assured broadcasters' spokesmen. "The smoke produced by a few illegal fires has set up a pall of suspicion over [the TV-radio] industry whose genuine usefulness to the nation's economy can ill afford it. I would go further & say that, while the existence of the fires cannot be doubted, they have produced an amazing amount of smoke. Indeed, they have created more public consternation than equally dangerous fires burning in other media."

FTC's heat hasn't been taken off broadcasters & sponsors. But at least no new anti-TV-radio blazes were set at last week's summit meeting, which will be followed by others. We asked Kintner next day if he had had any second thoughts about it. "No," he told us. "I & my colleagues are tremendously pleased with the meeting. We feel that the stage was well set for further cooperation between the Commission & the industry."

NAB'S TV CODE IS TOUGHENED & TIGHTENED: Acting in bitter backwash of TV quiz scandals, NAB's TV Board last week met in emergency session, adopted half-dozen amendments to industry's self-regulating Code. All of them were hopefully drafted as TV's own answer to cries in and out of Congress that what TV needs is more govt. control.

"This is a belt-tightening operation," said Chmn. G. Richard Shafto (WIS-TV Columbia, S. C.) following closed meeting in Washington's Shoreham Hotel, where 14-man TV Board pored over recommendations of Code Review Board (Vol. 15:47 p3) for 3½ hours before agreeing on precise language of revisions.

But it was more than belt-tightening for TV. In open acknowledgment that industry has been badly hurt by quiz exposes, rash of payola disclosures and related troubles, TV Board went over industry's wounds one by one, tried to prescribe sure cures for them.

Whole field of criticism of TV was covered—in more or less stern language—by Code revisions (for texts, see p. 6). New regulations called on telecasters themselves to: (1) Outlaw rigged contest shows. (2) Eliminate payola in all its varied forms. (3) Clean out fraudulent commercials. (4) Prevent fakery in shows. (5) Keep news interviews "ethical."

TV Code now provides "highest possible ethics" for telecasters to observe, Chmn. Shafto said, adding loyally that he thought such ethics already "are portrayed by nearly all broadcasters." The revised Code, he added, is just "a sharper defining of what constitutes good taste."



Big questions left hanging by TV Board's refurbishing job on Code are: (1) Will it satisfy govt. critics of TV practices? Nobody knew at last week's end, although in 5-page letter to one of them—Senate Commerce Committee Chmn. Magnuson (D-Wash.)—Review Board Chmn. Donald H. McGannon said it should. However, Magnuson said he still will call industry on carpet for showdown conference early in Jan. (Vol. 15:47 p5). (2) Will all TV respond to stiffer self-rules of conduct? Nobody had any confident answer to that one, either, although new applications for Code membership (present enrollment: 285) were reported piling up at NAB HQ.

STANTON REPORTS ON CLEANUP: Stricter program control in TV is what a whopping 66% of the U.S. population feels is necessary now, although 2 out of 3 in this group "look to the networks to do the regulating" and only one out of 5 think "the regulation should come from government." That's what CBS Inc. Pres. Dr. Frank Stanton told a capacity audience of the Academy of TV Arts & Sciences in N.Y. Dec. 3.

Stanton's speech echoed much of what he has said earlier about the post-quiz need for tighter self-regulation by networks, but brought several new facts to light. He also quoted a Gallup organization study which shows that 92% of U.S. citizens are "aware of the quiz show scandal."

CBS is moving on 3 fronts in its own self-regulation efforts, reported Stanton: (1) production practices, (2) commercials & advertising, (3) program content & balance. The general philosophy, "to remove all possibility for public deception," is already being implemented at CBS with new directives (see p. 9), and is generally being followed—with somewhat less fanfare—at the other 2 networks.



Special study for CBS-TV has been launched (reportedly with the Columbia U. Bureau of Applied Psychology) to determine "what people want from TV," Stanton told ATAS members. The study will "provide an interpretive dimension to sheer nose-counting" and aid CBS-TV in determining "program balance." Improved quality of programs fitting such a balance, Stanton added, was largely "a challenge to the creative artists of TV."

Research already validates quiz axings on CBS-TV (total of 5 daytime hrs., 30-min. at night), reported Stanton. Gallup's findings showed that 38% of respondents thought the oustings were "the right thing to do;" 20% disapproved of the action.

Networks can't go it alone in the housecleaning process when it comes to commercials, Stanton cautioned. "Any practical attempt to change the standards of commercials involves 3 groups—the advertisers, the networks, and the more than 500 individual TV stations." Stanton also noted "with great satisfaction" the current redrafting of the NAB Code.

FCC PROPOSES SIMPLE BOOSTER STANDARDS: FCC's ideas about minimum standards for vhf boosters (Commission calls them "translators") finally emerged last week as the Commission proposed a set of not-too-tough standards—much as expected (Vol. 15:44 p12).

This may mean that the great Western booster rebellion is all over but the shouting—though it's doubtful. Commission has "decided" the booster situation many times, only to have Western Congressmen undo it. Current move is in form of proposed rule-making, with interested parties given until Jan. 11 to comment.

Important aspect of Commission action is that new rules, if they become final, affect only new boosters. Presumably, the 1,000-1,500 or more existing boosters would be given time to comply with new standards—maybe year or two. Apparently, few now in operation would fit new rules. FCC still awaits new law which would forgive booster operators for having built without Commission approval. Here are major provisions of proposed rules:

- (1) One-watt ceiling.
- (2) No minimum mileage separations from regular TV stations.
- (3) Boosters must cease operations if they interfere with stations.
- (4) Booster operators must settle inter-booster interference "by mutual arrangement."
- (5) Only FCC-approved equipment may be used.
- (6) Operator requirements are "observation & remote control & an automatic cut-off device."
- (7) No "on-channel" operation, i.e., booster must use a channel other than that of station picked up. Since boosters have to "translate" from picked-up channel to another, FCC terms the devices "translators."
- (8) Licensing & operational requirements same as for uhf translators.

Very few existing boosters would meet new standards, we're told, principally because most are "on-channel." This means purchasing of new equipment or extensive re-working of old.

FCC also gave current booster operators an extension of "grace period" (no prosecution for unauthorized construction) to March 31, noting that "forgiveness" legislation is pending in Congress.

Comments of regular station operators are awaited with particular interest, because Commission says nothing about potential competition from boosters. Last week, FCC declined to bar CATV systems from bringing in big-city programs which duplicate those offered by small local stations (Vol. 15:48 p12). Because booster signals are free and may cover more homes than CATV systems reach, potential competition could be greater than that from CATV.

In another significant & related move last week, Commission resumed granting microwaves to serve CATV systems in cities with local TV stations. It granted 4-channel microwave to Antennavision Service Co., for potential CATV in Yuma, Ariz., and authorized modification of microwave feeding Ardmore, Okla. Both cities have stations. This is taken to mean that FCC reaffirms its previous decisions holding that it won't consider economic impact of CATV on local stations.

TELEPROMPTER BREAKS INTO CATV: Lively TelePrompter Corp., which started out making studio cuing devices for TV performers, then spread into closed-circuit show production and big-screen theater showmanship for championship fights, has diversified again—into community antenna TV business.

Cash investments of \$747,000 in 3 CATV systems by TelePrompter—and plans for dozen more acquisitions—were disclosed last week in SEC registration statement by company (File 2-15876) covering 2 proposed stock issues. Rumors that Chairman-Pres. Irving B. Kahn was negotiating in field (where such deals traditionally are played close to chest) had been heard within trade in recent months.

In initial CATV venture, TelePrompter laid out \$150,000 Nov. 2 for purchase of Antennavision's Silver City (N.M.) system (700 subscribers, 1,200 potential customers), SEC was told. On Nov. 25 TelePrompter signed contract to pay \$485,000 and 21,600 common shares for Farmington (N.M.) Community TV Inc.'s setup (3,500 customers, 6,000 potential). As part of that deal, it will buy Shirley Basin Transmission Co.'s microwave facilities for \$90,000. On Nov. 25, TelePrompter also closed deal to buy Rawlins (Wyo.) Community TV Co.'s system (1,400 subscribers, 2,500 potential) for \$110,000 plus 5,066 shares—and Rawlins Music Inc. for \$3,000. Negotiations for TelePrompter were handled by Denver's Daniels & Associates.

TelePrompter has options to acquire at least 11 additional systems "around the country," according to Kahn, who wouldn't pinpoint them. "We have very definite plans for CATV," Kahn told us. He declined to go into any detail pending SEC action on stock registration, but indicated plans included equipment manufacturing as well as operating end of CATV business. "We have a great many ideas in mind," Kahn said. Some CATV operators speculate that one of them may be the use of CATV for pay-as-you-see movies. TelePrompter contemplates no change now in operations or personnel of N.M. & Wyo. systems, however.

"We are in group communications," Kahn pointed out. "And what is more in group communications than community antenna operation?"

TelePrompter's new CATV business will be financed by public sale of 125,000 shares of \$1 par common stock and issuance of 26,666 additional shares for Silver City, Farmington & Rawlins transactions, according to SEC statement. Public offering (price & terms to be supplied in amendment to statement) is underwritten by group headed by Bear, Stearns & Co. Of proceeds, \$150,000 would be used to reimburse company's treasury for Antennavision purchase, \$690,000 for Farmington and Rawlings buys, \$100,000 for prepayment of bank note balance due Dec. 31, 1960. TelePrompter earned 37¢ per share in first 1959 half vs. 40¢ in similar 1958 period (Vol. 15:39 p19).

'LITTLE TASO' FOR STEREO RADIO? In an attempt to bring RCA & CBS back into its fold, the EIA has been sounding out FCC on possibilities of reorganizing its National Stereophonic Radio Committee along lines of the industry-govt. TV Allocations Study Organization—with direct FCC participation. Still awaiting a reply is an Oct. 15 letter from EIA Pres. D. R. Hull to FCC Chmn. Doerfer.

RCA & CBS pulled out of NSRC last winter because their attorneys feared possible anti-trust implications in working with competitors in the all-industry group formed to analyze & test possible stereo broadcasting system proposals (Vol. 15:12 p4). Both RCA & CBS have developed their own AM stereo broadcast systems—and RCA has petitioned for FCC approval of its standards.

TASO pattern for NSRC, as proposed by NSRC's administrative committee, would give members reasonable assurance of immunity from anti-trust prosecution in connection with stereo cooperation. It would involve approval by Justice Dept. of plans for the group. Each meeting would be chaired by an FCC representative and cover an agenda pre-approved by FCC. Matter now lies in lap of Commissioners—although no formal petition has been filed. NSRC hasn't received even informal opinion on FCC reaction yet.

NSRC wants RCA & CBS in on its AM system discussions, although it is now beginning to consider AM proposals without them. As far as FM stereo systems are concerned, its system specifications panel is nearly finished, transmitter & receiver panels are up to date, and one big job remains—field testing.

Field testing of FM stereo systems is about to begin—in Panel 5, headed by NAB engineering dir. A. Prose Walker. Tests will probably be conducted in Washington, using local FM stations, so that FCC members & staffers can easily observe & listen. NSRC obviously isn't going to come up with its findings in time for FCC's Dec. 11 deadline for FM stereo comments. At its meeting in Los Angeles Dec. 4, EIA board voted to endorse NSRC Chmn. C. Graydon Lloyd's request for extension of FCC deadline to March 15.

How soon after March 15 will FCC approve FM stereo standards? If NSRC makes clear-cut recommendation—and there's no opposition—Commission's FM stereo rules could come out as soon as 60 days after deadline, by mid-May. But most Washington observers feel that 6 months may be more realistic. It's good guess, too, that standards for stereo on AM band won't be established by FCC in 1960—particularly if NSRC must go through time-consuming reorganization.

FCC hasn't actually asked for AM stereo proposals yet. But because of interest in subject and because of fear of possible industry stalling, Commission is expected to put out notice very soon setting deadline for submission of system proposals for transmission of compatible stereocasts on AM broadcast band.

Auxiliary Services

Telemeter's Toronto toll-TV project "has been fabulously successful to date [and] solicitors are signing up about 7 out of every 10 families interviewed," Louis A. Novins, International Telemeter pres. said last week. Novins was answering Joseph Strauss, pres. of the Quebec Theatre Owners Assn., who claimed "there is strong evi-

dence in Canada of public disappointment over announced programming content" of the Telemeter project. Strauss claimed subscription solicitation is far behind Novins' schedule. "We are now adding about 250 homes a week," Novins said, "and we have hardly begun our planned promotional campaign."

Translator Grants: Ch. 70 & 74 to Kilauea-Kau Community TV Assn., Naalehu, Hawaii.

The FCC

More about

FCC Payola Questions: Every one of the nation's TV & radio stations, commercial & non-commercial, is being given only a month to come up with a report to the FCC on its payola situation (see p. 1). In announcing its letter to licensees, the Commission underlined the fact that replies must be "verified & in triplicate." The questions:

"1. Since Nov. 1, 1958, what matter, if any, has been broadcast by any of your stations for which service, money or any other valuable consideration has been directly or indirectly paid, or promised to, or charged, or accepted by your station or stations, or anyone in your employ, or independent contractor engaged by you in furnishing programs, from any person, which matter at the same time so broadcast has not been announced or otherwise indicated as paid for or furnished by such person?"

"2. What internal controls & procedures have you established to provide you with information concerning the remuneration, other than that paid by you, that has been or may be received by individuals in connection with participation in the preparation & presentation of programs broadcast by your station?"

FCC Witnesses Line Up: A lead-off list of 19 witnesses among a half-hundred waiting to be heard was drawn up last week by FCC for first 2 days of its big programming hearings (see p. 1). They are:

Dec. 7: National Council of Churches, associate gen. secy. Judge James W. Wine. National Catholic Welfare Conference, Pres. Very Rev. Celestin J. Steiner of U. of Detroit. Jewish Theological Seminary, Provost Dr. Bernard Mandelbaum. National Congress of Parents & Teachers, Pres. Mrs. James C. Parker. National Assn. for Better Radio & TV, Pres. Mrs. Clara S. Logan. National Council of Women, Mrs. Julian Whittlesey. Joint Council on Educational TV, exec. dir. Ralph Steetle. Assn. of Better Business Bureaus, Pres. Victor H. Nyborg. National Grange, Roy Battles.

Dec. 8: American Assn. of University Women, Martha A. Cable. Educational TV Council, Pres. Chloe Gifford. General Federation of Women's Clubs, Pres. Chloe Gifford. National Farmers Union, Dir. Angus McDonald. National Educational TV Assn. Inc., Pres. John White. Greater Washington Educational TV Assn. Inc., Mrs. Edmund D. Campbell. Dr. Walter B. Emory, U. of Mich., American Assn. of Land-grant Colleges & State Universities. Consumers Union, editorial dir. Mrs. Mildred Brady. American Medical Assn., co-chmn. Dr. Eugene F. Hoffman of TV, radio & motion picture advisory committee.

Attacking FCC Logjams: The Federal Communications Bar Assn., goaded by frustrated clients & the overloaded FCC, has called a special meeting in an effort to thaw the almost-congealed Commission processing of applications. The session is scheduled for 8 p.m. Dec. 10 in the Federal Room, Statler Hotel, Washington.

FCC members and top staff people have been invited to attend the meeting, agenda of which was planned by Theodore Baron, to hear discussion of these points (moderators' names in parentheses): Routine application processing (Frank Fletcher), procedures before hearings (Roger Wollenberg), hearings (Norman Jorgensen), post-hearing procedures (Baron), rule-making (Paul Dobin).

Stations

More about

TV CODE—NEW EDITION: Following are textual revisions & additions in NAB's TV Code as adopted Dec. 4 by the TV Board at a special meeting in Washington:

On "acceptability of program material" (Preamble insert): "The intimacy & confidence placed in TV demands of broadcasters, the networks and other program sources, that they be vigilant in protecting the audience from deceptive program practices."

On quizzes (new paragraph Z under "Program Material"): "Quizzes & similar programs that are presented as contests of knowledge, information, skill or luck must in fact be genuine contests and the results must not be controlled by collusion with or between contestants, or any other action which will favor one contestant against any other."

On fakery (new paragraph AA under "Program Material"): "No program shall be presented in a manner which through artifice or simulation would mislead the audience as to any material fact. Each broadcaster must exercise reasonable judgment to determine whether a particular method of presentation would constitute a material deception or would be accepted by the audience as normal theatrical illusion."

On news interviews (new paragraph 10 under "Treatment of News & Public Events"): "All news programs should be governed by accepted standards of ethical journalism under which the interviewer selects the questions to be asked. When there is advance agreement materially restricting an important or newsworthy area of questioning, the interviewers will state on the program that such limitation has been agreed upon. Such disclosure should be made if the person being interviewed requires that the questions be submitted in advance or if he participates in editing a recording of the interview prior to its use on the air."

On payola (new "Production Practices" section): "The broadcaster shall be constantly alert to prevent activities that may lead to such practices as the use of scenic properties, the choice of identification of prizes, the selection of music & other creative program elements, and the inclusion of any identification of commercial products or services, their trade names & advertising slogans, within a program dictated by factors other than the requirements of the program itself. This expressly forbids the acceptance by producer, talent or any other personnel of cash payments or other considerations in return for including any of the above within the program."

On fraudulent commercials (new paragraph H under "Presentation of Advertising"): "The role & capability of TV to market sponsors' products are well recognized. In turn, this fact dictates that great care be exercised by the broadcaster to prevent the presentation of false, misleading or deceptive advertising. While it is entirely appropriate to present a product in a favorable light & atmosphere, and techniques may be used to depict the characteristics of the product as they appear in actuality, the presentation must not, by copy or demonstration, involve a material deception as to the characteristics, performance or appearance of the product."

WKST-TV, shifting from Ch. 45 to Ch. 33 and changing designation from New Castle, Pa. to Youngstown, O., began Nov. 29 as ABC-TV Youngstown outlet.

LEAN YEAR FOR LOOT: In the wake of new payola probes in Washington, plans were afoot among major record labels, we learned in N.Y. last week, to trim the traditional Yuletide TV-radio loot by an average of 50-75% (no more deluxe stereo sets; instead, Scotch, cheese & cookies for disc jockeys & TV personalities).

The cutback is far from one-sided. Several of the top disc jockey names have reportedly advised record industry contact men to "skip Christmas this year"—a direct result of the new trend toward tighter self-regulation by networks & stations in areas where payola or plugs have been an accepted part of the broadcast business.

On other payola fronts, the TV-radio industry was going through further firings, soul-searching and defensive action. In New Orleans, RAB Pres. Kevin Sweeney snapped back at press coverage of payola developments in a speech before the New Orleans advertising club, terming it "the most overplayed newspaper story of 1959," and suggested that newspaper publishers "tidy up your own payola."

At least one major newspaper was taking no chances that the payola finger would be pointed in its direction. *N.Y. Times* publisher Arthur Hays Sulzberger circulated a memo to the paper's staff concerning Christmas gifts from contacts. "I think it appropriate to ask that we not accept gifts of substantial value from such sources," he said.

More Steps by Broadcasters

More anti-payola measures were taking place on the broadcaster level, meanwhile. NBC circulated an affidavit to officials of the network and o&o stations, demanding to know if they had any direct or indirect ownership in the music field (including any held by an executive's wife), whether they acted as personal manager or agent for any artist, or whether they received "anything of value for the use of music on the air."

Disc jockey Alan Freed, bounced from his local TV-radio shows in N.Y. (WNEW-TV & radio WABC), declined to sign a waiver of immunity and refused to appear before a grand jury probing payola. WNEW-TV has already been asked by DA Frank S. Hogan to produce the station's financial records concerning Freed. At WABC, where Freed also refused to sign an I-didn't-take-payola pledge, a station official told us that Freed's replacement, Fred Robbins, had signed without argument, as had disc jockey Martin Block.

Another N.Y. radio station, WMGM (Loew's Theatres), pointedly ran full-page ads in N.Y. afternoon papers portraying a clean cut, smiling American family and headlined "a radio station is known for the company it keeps." Explained a WMGM official: "We want people to know that we reach a family audience with music & news that's not influenced by outsiders."

Another Detroit disc jockey, Mickey Shorr of WXYZ (the 5th DJ to be fired in that city since the payola probe began), found himself parted from his turntables even though he denied taking payola. He had been offered, he said, the choice of resigning or being fired. "I refuse to resign," said Shorr.

In Philadelphia, Storer Bestg. Co., operator of WIBG, established a new programming policy whereby disc jockeys may not play music of their own choice. Station officials will select music they consider desirable. Storer recently began monitoring the daily programming of its 7 radio and 5 TV stations (Vol. 15:48 p5), as part of a "quality control" campaign.

In Hollywood, veteran sportscaster Ted Husing recalled that payola was nothing new. In fact, back in the days when he handled network radio play-by-play accounts of the football games, he was offered "as much as \$100,000 for a plug or series of plugs" for products promoted by "a group of gangsters."

Rock & roll singer Don Anthony, who has conferred with DA Hogan, and has alleged he paid disc jockeys to promote his records, claimed last week he was "intimidated" in a N.Y. subway and that his Bronx home had been "attacked by rock-throwing kids in bebop hats" who yelled "rock & roll isn't going to die . . . you'll die first." Anthony said he has given the DA's office 2 canceled checks which, he claims, represented "payola to disc jockeys."

Payola even had its international angles. In London, British Postmaster Gen. J. R. Bevins refused politely to consider a ban on commercial TV record shows proposed by Labor M.P. Roy Mason, who had charged that there were links between such record firms as Pye, Decca and EMI and TV producers that might make DJs employed by the TV firms "subject to pressure." In Germany, British-born John Paris, one of the top Frankfurt radio disc jockeys, denied there was any payola going at Hessischer Rundfunk and Radio Hamburg: "It's even difficult for a disc jockey to get free records in Germany." Christmas loot for DJ's in Europe, said Paris, consists of small items like "cigaret lighters or writing pads."

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The Grand Jury Assn. in N.Y. instructed its counsel Dec. 3 to appeal the decision of General Sessions Judge Mitchell D. Schweitzer which suppressed the presentment drawn by the grand jury investigating TV quiz shows. "To restrict the functions of a grand jury to indictments for violations of the penal law, and to restrict its reports to derelictions by occupants of public office, would remove one of the most effective deterrents to non-criminal fraud & wrongdoing," Pres. Lee Thompson Smith said.

* * *

Newspapers "newsola" was blasted editorially by radio WPTR Albany in a backlash at print media's holier-than-thou attitude on TV-radio's payola difficulties. The radio editorial described "newsola" as editorial plugs for advertisers, rhetorically asked area newspapers: "How many times have we seen in the . . . and we quote . . . 'news columns' of your papers a slanted publicity story for some big advertiser in another section of the paper?" The station roasted the newspapers for attacking TV-radio while living in a "glass house of newsola."

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"Character qualifications" of admitted TV-quiz fixer Daniel Enright, who is 50% owner (Jack Barry 50%) of radio WGMA Hollywood, Fla. (Vol. 15:44 p10), have been challenged by FCC in a letter to licensee Melody Music Inc., asking it to justify its right to operate the station. Citing testimony in House Commerce legislative oversight subcommittee hearings, FCC said Enright "had knowledge of & approved" rigging of Barry & Enright's *21 & Tic Tac Dough*. The letter said Enright also gave "apparent approval" to attempts to persuade N.Y. grand jury witnesses to lie about practices on the show. Melody Music Inc. was given 20 days "to submit a statement." FCC made no complaint against Barry, who with Enright took over WGMA in Jan. 1958. The station's regular 3-year license expires Feb. 1, 1961.

Crosley Shows its Colors: Crosley's low-light colorcastings (Vol. 15:44 p9) had its first press showcase in N.Y. Dec. 1 at a taped demonstration in the color viewing room of the RCA Bldg. The idea was hatched by Crosley Bestg. Corp.'s WLWT Cincinnati, and developed by GE, which now expects to deliver "reasonable quantities" of its direct-replacement image-orthicon tube, type GL-7629, within 2 months.

The tube represents a major breakthrough in local-level & remote colorcasting. Crosley Pres. Robert E. Dunville made his point the hard way, with a before-&-after taped demonstration of how the new GE tube, originally developed for such military uses as closed-circuit colorcasting of maps to SAC bases, can work successfully in 1/10 to 1/20 the amount of light required by standard color orthicons or even b&w gear.

Implications for color-equipped stations in the new GE tube: It makes possible remote color pickups of special events—night baseball, indoor basketball, boxing, etc.—hitherto impossible to cover in color because of the great amounts of light needed. It means less investment for a station equipped only to rebroadcast network color but thinking of adding studio cameras as well, since high-intensity lights & extra air conditioning are not necessary. It means that stations can now tape local color commercials in locations (within dept. stores, supermarkets, etc.) that could not be utilized earlier.

User price for the GL-7629, we were told by one GE official—tube dept. product sales planning mgr. W. F. McKeehan—will be "slightly higher" than the standard 3-in. orthicon color tube. GE is "looking at" the larger-tube Marconi camera now being sold by Ampex in the U.S., but has no plans as yet to make a low-light color tube for it. There is no "burn-in" on the new tube when pointed at a bright light source, and the tube's system of electron conduction (rather than ion conduction) avoids "stickiness" of image-retention, McKeehan pointed out.

NBC promotion mgrs. contest has been won by Caley Augustine of WIIC Pittsburgh, reports Al Rylander, NBC-TV dir. of exploitation. Runners-up for 2nd & 3rd honors among the nearly 100 entries were Jim Knight of WTRF-TV Wheeling, W.Va., and Charles Cash of WSM-TV Nashville. Henry F. Hines, WBAL-TV, Baltimore, placed 4th, Edna L. Seaman, WFBC-TV, Greenville, S.C., 5th. Winners in the top 5 positions will each receive an 8-day, all-expense trip to Hollywood in Jan. for tours of film studios & network facilities.

KMOX-TV St. Louis won the gold medal award of the St. Louis Art Directors Club for the best over-600-lines newspaper ad. Radio WOOD Grand Rapids won a first-place gold medal and WOOD-TV a 3rd-place bronze medal for their trade publication ads.

Edward Petry & Co. became the 16th station rep to join TvB, the bureau reported last week. In addition, 9 stations, including CFCM-TV Quebec City, have recently joined, bringing station membership to 240. All TV networks are also TvB members.

Sixty-sec. radio spots were most popular with advertisers during the third quarter of 1959, RAB recently reported after analyzing nearly a million spots and 53,000 programs. Favorite program length was 5 min.

National Radio Month, co-sponsored by NAB & RAB, will be observed next May.

Radio background music delivered to subscribers without advertising by WGH-FM Newport News isn't subject to the 8% wire & equipment service excise tax on its regular station operation, the U.S. Court of Claims ruled. Fought by the Internal Revenue Service, which may appeal to higher courts, the Court of Claims decision could result in major tax refunds for FM stations across the country—and big future tax savings. The case was carried to the Court of Claims by WGH-FM's owner Hampton Roads Bestg. Corp. following a 1956 IRS ruling that revenue from background service, delivered over a station's assigned frequency—or via closed-wire circuits—comes under the regular excise tax.

ETV leader among commercial TV stations is WTVW Evansville, claims WTVW gen. mgr. Richard Shively in a friendly note. "From 8:30 a.m. until noon each school day," he reports, "the facilities of WTVW are used by the Southwestern Indiana ETV Council to teach school in classrooms in 102 schools in 3 states. The total enrollment is 24,814. This is the 2nd year for this program which has been acclaimed as one of the most successful of the programs being partially underwritten by the Fund for the Advancement of Education." Shively presents an impressive schedule to back his claim that "WTVW is unquestionably the commercial leader in devoting time to ETV." Anyone for counter-claims?

RCA shipped 6-kw transmitter Nov. 30 to WTTG (Ch. 5) Washington; a superturnstile antenna Nov. 30 to KSWO-TV (Ch. 7) Lawton, Okla. which is planning boost to 316-kw at new site; a pylon antenna Nov. 24 to KLYD-TV (Ch. 17) Bakersfield, Cal.; monochrome TV tape recorders to WHDH-TV Boston, WAVY-TV Portsmouth-Norfolk, Reeves Soundcraft, Danbury, Conn., and Army Pictorial Center, Long Island, N.Y.

KFBB-TV Great Falls, Mont. is not a satellite as was erroneously stated in the story reporting on the fire that forced E. B. Craney's KXLF-TV Butte, Mont. off the air last month (Vol. 15:46 p14). KFBB-TV is owned by Joseph P. Wilkins and is temporarily feeding network programs to Craney's other station, KXLJ-TV Helena, Mont., which had been operated as KXLF-TV satellite.

Off-air KTES (Ch. 19) Nacogdoches, Tex., which has been dark since Aug. 25, plans to resume operation "on or before Jan. 15, 1960" when new microwave connection with Houston will be completed.

TV & radio are musts for politicians now, NAB Pres. Harold E. Fellows said in a speech to the Fla. Assn. of Bestrs. which was read for him by NAB consultant Robert Richards. "The modern public office seeker, unless in a captive area, has little chance of victory unless he employs radio & TV," Fellows told the Orlando meeting.

RAB membership reached 1,100 radio stations last week, realizing its year-end goal, said Pres. K. B. Sweeney.

Station Rate Increases

Station	Base Hour	Minute	Date
WKBW-TV Buffalo	\$1200 to \$1250	\$240 to \$280	Nov. 1
WAGA-TV Atlanta	1100 to 1200	325 to 350	Nov. 1
KOA-TV Denver	800 to 850 ¹	235 to 260	Sept. 1
WTHI-TV Terre Haute ..	600 to 700	120 to 150	Nov. 1
WDBO-TV Orlando	450 to 600	90 to 120	Dec. 1
WEHT Evansville	400 to 440	80 to 88	Dec. 1
KRIS-TV Corpus Christi..	350 to 400	85 to 90 ²	Nov. 1
WUSN-TV Charleston	350 to 400	80 to 100	Oct. 1
WLUC-TV Marquette	200 to 300 ³	40 to 60	Sept. 1

¹New Class AA (time segments not reported), Class A remains \$800.
²20 Sec. only, new Min. rate is \$100 (7-10 p.m. daily). ³New Class AA (6:30-10 p.m. daily), Class A hour going from \$200 to \$225.

Networks

More about

SELF-REGULATION GROWS: As disc jockeys began steering away from payola-suspect rock & roll recordings in favor of adult-appeal ballads—and Jack Benny admitted to viewers he was really 43, not 39 (later in the week amending the figure to 66)—the post-quiz tightening-up process was evident last week throughout the TV industry in new moves designed to combat the ogre of more govt. control of the medium's programs & commercials.

At the network level, CBS-TV continued to set a pace for all 3 webs in announcing the kind of sweeping changes that made headlines & went a long way toward maintaining a good network image in the public's mind. On Nov. 30, an organization-directed memo from CBS Inc. Pres. Dr. Frank Stanton concerning "certain aspects of commercial bribery & payola" detailed a new set of rules. No CBS official, said Stanton, shall "accept from a 3rd party" loot or payola in any form "for the purpose of influencing his decision" in buying shows, services, or giving on-air product mentions. The same rules, Stanton added, applied to the reverse situation in which CBS was in the market to sell something. Restaurants like The Four Seasons, Sardi's East, Danny's Hideaway—which cater largely to expense-account diners—would not have to close their saloon doors to CBS personnel, however. The anti-payola rules, Stanton stated, did not apply to the usual TV "social amenities."

"Vigilance" in News Presentations

On the same day Stanton's memo was issued, Sig Mickelson, CBS News pres., issued a ground-rules memo of his own that was virtually a counterpart of exec. vp James T. Aubrey Jr.'s recent staff memo on program practices (Vol. 15:47, p9). "Special vigilance is necessary," said Mickelson, "to avoid any interposition of fiction into reality" when dealing with TV-radio news. Only genuinely "spontaneous" interviews & discussions may be identified as such on the air, and any editing is to be noted for viewers. All pre-recording, sound effects, "re-created" situations, etc., are to be labelled clearly or avoided, and all "opinion broadcasts" (paid political talks, editorials, etc.) are to be identified.

NBC-TV, in a move similar to the recent creation by CBS-TV of a Program Practices Dept. (Vol. 15:47 p3), named James A. Stabile Nov. 30 to a newly created post of vp in charge of standards & practices. Stabile, who will report to senior exec. vp David C. Adams with "direct & continuing access" to top NBC management, will have broad control over "all practices followed in connection with TV-radio programs presented over NBC facilities." Reporting to Stabile, in turn, will be NBC's long-established Continuity Acceptance Dept. headed by the network's chief censor, Stockton Helffrich. Stabile, prior to Feb. 1957, was vp & gen. counsel for ABC-TV and has most recently been in charge of talent & program contract administration for NBC-TV.

Stabile's first public move Dec. 4 was to announce a new NBC policy toward prize merchandise. Not as stringent as the CBS-TV policy, it stated that NBC "will take direct control of arrangements" for prize loot, and that merchandise giveaways will be "acquired by purchase or in exchange for identification on the program." There will be, however, "no cash payments . . . from the suppliers of merchandise" to NBC shows or producers, and all prize identification "will

conform to the codes of the NAB." Not affected is NBC's *The Price Is Right*, we were told by Goodson-Todman officials, who will now relinquish to NBC the process of rounding up the show's prizes which will continue to get name-brand TV mentions.

On a related front, NBC turned to a powerful ally—the sales ability of the TV medium itself—to get across the message that NBC could, without external controls, provide viewers with a well-balanced schedule of entertainment & cultural-appeal programs. On Dec. 5 & 6, NBC-TV pre-empted a pair of 30-min. time segments to colorcast a condensed version of the Cellomatic presentation recently given by sales vp Don Durgin to station executives gathered for the recent NBC-TV affiliates meeting in N.Y. (Vol. 15:46 p7), with Dave Garroway substituting for Durgin as host. Retitled "Television at Large," the ostensible reason for the telecasts was to fill requests by affiliates who wanted to see it again. Actually, NBC officials hope the presentation will do much to take the quiz-&payola curse off network programming by showing critics, in and out of govt. & FCC circles, that there is much on TV to please serious-minded viewers. The move marked the first time in TV network history that a full scale "prestige presentation" designed for executive consumption was given a public showcase.

At the station level, Triangle Stations vp Roger W. Clipp became the latest broadcaster to urge stations to give full support to the self-regulatory NAB Code, following much the same path as NBC senior exec. vp David C. Adams who had penned a support-the-Code letter to NBC-TV affiliates the week before (Vol. 15:48 p6). Clipp's recommendations were in the form of a letter sent to 270 TV stations which are currently subscribers to the Code. In his letter, Clipp also urged stations to consider the adoption of the NAB Code seal on all commercials & programs conforming to NAB standards, rather than the customary sign-on, sign-off positions of which few viewers are aware. He also urged previewing commercials at the story board.

CBS-TV Bans Brand-Name Price Plugs

This wasn't to be the end of the CBS-TV executive-level cleanup memos. On Dec. 2, the first organizational memo to come from program practices vp Joseph H. Ream, dealing with "identification of products or services," was circulated. In general, Ream stated that there will be "no direct or indirect identification of the brand name or of the manufacturer or supplier" of products & services included in CBS-TV shows "except where reasonable, necessary and natural." Particularly hard-hit was the practice of giving away merchandise loot to contestants or guests on TV shows. Such prizes could be identified generically ("a bottle of perfume imported from France & worth \$25 an ounce"), and might be glimpsed by the audience, but there was to be "no deliberate attempt" to give plugs. On the approved list were credits to "an enterprise associated with a special event or locale from which a broadcast originates" (facilities, transportation, etc.) where the outfit makes a "special & substantial contribution" to a show, but routine transportation plugs were out. Ream's rules have been scheduled to take effect Dec. 31.

* * *

Rating defeat, PR victory—that's one way CBS-TV's Jan. 20 axing of its 60-min. film series *The Lineup* could be described. Aside from the show's production problems (Vol. 15:48 p13) and so-so ratings (a 14.5 AA level in the first Nov. Nielsen national report), CBS yanked the show for "greater over-all program balance."

Add Summit Meetings: There were actually 2 summit-level TV conferences, not one, held in N.Y. during the past fortnight to discuss problems confronting the TV industry, it now appears. In addition to the meeting called by Y&R Chmn. Sigurd S. Larmon (Vol. 15:48 p5), there was also an informal gathering of the top officials of all 3 networks at the St. Regis Hotel. During a session that lasted nearly 5 hours, a number of proposals were made (such as the networks taking turns in airing public service shows on different nights of the week), many quiz & payola problems were discussed, but no general agreement was reached on any major point. Attending the meeting were ABC-TV Pres. Oliver Treyz & program vp Thomas Moore; CBS Inc. Chmn. William S. Paley (who called the meeting), Pres. Dr. Frank Stanton & CBS-TV exec. vp James T. Aubrey Jr.; RCA Chmn. Gen. David Sarnoff and RCA Pres. John Burns, and NBC Chmn. Robert W. Sarnoff, and other network executives.

NETWORK SALES ACTIVITY

Flurry of daytime sales at ABC-TV last week resulted from the network's steady Nielsen gains against CBS-TV & NBC-TV in the daylight hours (Vol. 15:46 p10). With most week-to-week nighttime slots sold out, other sales were primarily in network news & sports specials.

ABC-TV

Prologue 1960, Dec. 27, 9:30-10:30 p.m. Year-end news report.

Armour (Foote, Cone & Belding), *Sara Lee* (Cunningham & Wash), and *7-Up* (J. Walter Thompson)

Daytime programming, participations in daily film rerun strips.

Mastic Tile (S. R. Leon), *Kool-Aid* (Foote, Cone & Belding), *D-Zerta* (FC&B), *Shulton* (Wesley Associates), *Staley Mfg.* (Erwin Wasey, Ruthrauff & Ryan), *Whitehall Labs*, (Sullivan, Stauffer, Colwell & Bayles)

American Bandstand, Mon.-Fri. 3:30-5:30 p.m., participations.

Du Pont (BBDO) new order; *Keepsake Diamond Rings* (Flack Adv.) & *Northam-Warren Corp.* (Doherty, Clifford, Steers & Shenfield), renewals.

Cheyenne, Mon., 7:30-8:30 p.m. & The Untouchables, Thurs., 9:30-10:30 p.m., participations.

Harold F. Ritchie (Kenyon & Eckhardt)

Bourbon Street Beat, Mon., 8:30-9:30 p.m. & Sugarfoot, Bronco, Tues., 7:30-8:30 p.m., participations.

Brown & Williamson (Ted Bates)

CBS-TV

Sunday Sports Spectacular, Sun., 3-4:30 p.m., Jan. 3-April 10, 1960, highlighting sports not frequently seen on American TV. Half-sponsorship.

Schlitz Brewing Co. (J. Walter Thompson)

Daytime programming, 15-min. segs. in various shows.

Dumas Milner (Gordon Best), *Simoniz* (Young & Rubicam), *Bauer & Black* (Leo Burnett), *Armstrong Cork* (BBDO)

What's My Line, 3 programs on alt. wks. starting Feb. 14, 1960.

Florida Citrus Co. (Benton & Bowles)

SPOT-REP DECISION ATTACKED: NBC and 4 TV stations it represents in spot sales have asked FCC to reconsider its decision to make NBC & CBS quit the spot rep business (Vol. 15:45 p10). CBS decided not to ask for reconsideration. Same goes for its repped stations.

NBC petitioned for reconsideration, reopening of the record & oral argument. It asserted that FCC's decision goes too far and that the objectives sought by the Commission can be achieved by adopting the following rule:

"No license shall be granted to a TV broadcast station which is represented for the sale of non-network time by a network organization, or by an organization directly or indirectly controlled by or under common control with a network organization, if such representation resulted from any threat by such network organization to terminate or to refuse to enter into an affiliation agreement with the station so represented or with any station under common ownership or control with the station so represented. Provided, however, that this rule shall not be applicable to stations licensed to a network organization or to a subsidiary of a network organization."

NBC asserted that the Commission's decision is not supported by the evidence, is arbitrarily restrictive and "compels a needless forfeiture of private business interests and is repugnant to principles of due process." Much of NBC's brief is devoted to FCC's concern with "potential" dangers of networks in the spot rep business. Said NBC: "Abolition or divestiture is a drastic remedy and should not be invoked unless there is clear & convincing evidence of actual wrongdoing and of the necessity for imposing this remedy."

4 Stations Back NBC Appeal

NBC-repped stations asking for reconsideration were KSD-TV St. Louis, WAVE-TV Louisville, WRGB Schenectady & KOA-TV Denver. All offered arguments similar to NBC's, plus others. KSD-TV & WAVE-TV included an attack on the validity of FCC's vote. They noted that Comrs. Hyde, Bartley & Craven were absent, that Chmn. Doerfer concurred in the result but "expressly declined to participate in the findings." The stations concluded: "If this voting record does not clearly amount to illegal action, it at least operates to deprive the report & order of much of its presumptive validity."

WRGB reported that NBC never threatened it with loss of affiliation to force it to use NBC Spot Sales and that NBC Spot Sales never sought to favor NBC network sales over spot business. KOA-TV questioned both the wisdom & the legality of FCC's decision, said that it should be accorded an adjudicatory hearing before requiring "the termination of an existing contractual relationship between KOA-TV and NBC Spot Sales."

All questioned how far FCC can go in regulating the business practice of stations.

TV excursions into the *World of the Mind* will begin this month via 6 monthly 60-min. documentaries which will originate at Yale for telecast by the TV outlets of the TV-radio div. of Triangle Publications, Inc., and ABC-TV. The programs will be carried 4 p.m. on Saturdays, beginning Dec. 19. Program format calls for Yale faculty members to explore art, drama, philosophy, medicine, natural history, other scholarship fields. The debut program is slated to examine the history of Christmas in America. The broadcasts will be fed via WNHC-TV New Haven.

SPACE TV RELAY TESTS: In an unprecedented move, National Aeronautics & Space Administration last weekend announced in advance the details of its forthcoming "Project Echo" passive space-satellite tests which could lead to transcontinental & transoceanic space TV relays. First test, in which Bell Labs will participate, is scheduled for next spring (Vol. 15:40).

NASA said it was making the advance announcement to alert U.S. or foreign radio researchers & experimenters who would like to try to bounce radio signals from it or tune in to the signals bounced by NASA, Bell Labs, others.

The first test sphere will be a 100-ft.-diameter aluminum-coated inflatable plastic balloon, to orbit at a 1,000-mi. altitude, taking about 2 hours to circle the globe. It will have no electronic equipment in it—radio waves transmitted from the ground being bounced off its surface to receiving stations. The huge sphere is expected to pass over every portion of the U.S. except Alaska—but the maximum time of "mutual visibility" between East & West coasts will be about 16 min. It will be first of 3 identical test balloon satellites.

NASA's Goldstone (Cal.) tracking station and Bell Labs (Holmdel, N.J.) will attempt to communicate by means of the satellite-bounce during the 16-min. periods. Goldstone will transmit a 2,390-mc signal, Bell Labs a 960-mc signal (a little above the uhf TV band). NASA says the sphere will have a radio-wave reflectivity of at least 98% up to frequencies of 4,000 mc.

While Project Echo is described as the "first step in a long-range investigation of the application of artificial earth satellites to global communications," initial tests aren't expected to involve TV transmission directly, but may shed much light on the feasibility of transoceanic TV transmission via passive satellites.



Aubrey's Star Ascending: More reliable reports that CBS-TV Pres. Louis G. Cowan will soon resign and that he'll be replaced by exec. v.p. James T. Aubrey Jr. were circulating last week. This time there is a date attached and the rumors come not from 485 Madison Ave. but from top-level officials at CBS-TV affiliates. The Aubrey-for-Cowan move, we are told by responsible sources, could take place on, or soon after, Jan. 1. "It won't happen earlier, to avoid any feeling that Lou Cowan is quitting under quiz-probe pressure," an executive of a station group told us, "but it's practically a sure thing that it will happen."

There is a fair degree of evidence to support the theory: (1) Cowan doesn't have to be pres. of CBS-TV to make a living; he's financially comfortable. (2) He has recently been ill and is said to wish a long rest. (3) He's due to go to Salzburg, Austria for a month of teaching in Feb. 1960 and has frequently expressed a desire to join a leading university (possibly Brandeis) in a high position. (4) His former link with now defunct \$64,000 *Question*, is mildly embarrassing to CBS-TV in light of the network's front-running position in self-regulated cleanups.

Cowan is well-liked in and out of CBS-TV. He is affable, articulate and regarded as an executive of high principles. There's no question of ousting Cowan; if he leaves, it'll be under his own power and at a moment that's tactically right for both Cowan & CBS.

When queried by us, CBS-TV provided no comment whatever on the rumor, except that Cowan was scheduled to return Dec. 7 and there's a good chance he'll testify at the coming FCC program investigations.

NBC Takes News Plunge: The network-level trend toward more prime-time news & public affairs shows continued to roll last week as NBC-TV's Program Board—meeting in seclusion at a motel in Suffern, N.Y.—voted late on Dec. 4 to replace the faltering *Five Fingers* telefilm series with a series of blockbuster weekly news specials starting Jan. 23rd. The move verified again our report made earlier this season (Vol. 15:44 p6) that prestige news shows were being planned by all 3 networks as one answer to the quiz show scandals and the prodding of TV critics.

NBC's big-budget series (production costs are expected to average well over \$100,000 apiece) will be to the news field what Hubbell Robinson's Ford specials are to the entertainment world. With dir. of news & public affairs Julian Goodman acting as coordinator, they will draw on the facilities of NBC News, NBC Public Affairs and NBC Special Projects. The series, for which NBC is considering several overall titles, will feature Frank McGee as host, and will draw on the creative talents of such NBC production executives as Don Hyatt, Ed Stanley, Reuven Frank and George Heinemann. The project is a personal favorite of NBC-TV Pres. Robert Kintner, who initiated it about 6 months ago.

Theme of the shows, which will be offered for sponsorship, is news-in-depth. Already blueprinted in the first 13 shows are reports on Fidel Castro's first year, how the world began, a Charles Jackson-Philip Wylie study of alcoholism, a profile of the U.S. astronauts, summit meetings, suburbia, Antarctic exploration, baseball and guided missiles.

Particularly of interest to TV ad men is the deliberate slotting by NBC-TV of the 60-min. news series across from *Have Gun, Will Travel* and *Gunsmoke* on CBS-TV. For one thing, it will serve as an interesting test of audience interest in prime-time news shows. For another, it is a ready-made answer to critics of the medium who complain that the only thing offered viewers by the networks at night is Westerns and crime shows.



Central American Network: Latest move on the international TV scene by ABC-TV finds the network playing godfather to the birth of a 5-nation (El Salvador, Guatemala, Nicaragua, Honduras & Costa Rica) TV film network in Central America. Present at a Dec. 2 Guatemala city meeting of broadcasters from the Spanish-speaking republics was AB-PT Pres. Leonard H. Goldenson, whose company holds a 10% interest in the sole TV station in Costa Rica (Televisora).

Another meeting of the group is scheduled for Feb. 3-5 in N.Y. to enable members to confer with ABC-TV sales & technical staffs and to view the ABC operation in closeup. Inter-station exchange of programming, as well as possible group purchasing of film shows, will serve as "an important step in the breaking down of trade barriers among the participating countries," said Goldenson.

The group (which lacks an official name) has elected a pro-tem board, with A. Frank Katzentine, Miami broadcaster, named chmn. The board has agreed to invite Panama to join the proposed TV network. Donald W. Coyle, vp for ABC's international div., will represent ABC in its association with the group. Katzentine and former FCC Chmn. Paul Porter are part owners of 3½-year-old Guatemala City commercial TV outlet TG-BOL-TV.

Mexican TV station applications on file with the Ministry of Communications now total 57 and 280 radio station applications are pending, according to AP.

Advertising

More about

FTC VS. BROADCASTERS: Last week's Washington FTC-TV-radio summit conference on broadcast advertising evils produced no new quiz-sensations (see p. 2)—and only one piece of hard news: FTC is expanding its campaign against deceptive commercials to take in payola practices, too.

Hints that FTC was getting into the fast-spreading payola-probing field (see pp. 1 & 9) had been thrown out earlier by Chmn. Earl W. Kintner in a radio interview on WAIT Chicago. He made it official by telling network & NAB representatives at the advertising-practices meeting that "payola is under intensive investigation," too.

Kintner wouldn't reveal details of FTC's payola moves to reporters who questioned him after the conference, which was attended by more top TV & radio figures than usually are seen together outside NAB conventions.

But 3 days later, FTC made it clear that it means payola business. On Dec. 5 the commission filed formal complaints against 9 companies—including big RCA—accusing them of violating the FTC Act's Sec. 5, which forbids unfair or deceptive methods in commerce. The firms—3 record manufacturers & 6 record distributors—were accused of acting "alone or in collaboration" to disperse payola to "unidentified disc jockeys" who concealed such payments from their listeners. This "deception has the tendency to mislead the public into buying records" which otherwise might not be bought, FTC said, thereby suppressing competition.

In addition to RCA, record manufacturers named in the FTC complaints were London Records, N.Y., and Bernard Lowe Enterprises Inc., Philadelphia. Distributors cited for paying payola were 5 in Philadelphia—Edward S. Barsky Inc., Chips Distributing Co. Inc., David Rosen Inc., Universal Record Distributing Corp., Sparks Music Distributors Inc.—and one in Cleveland, Main Line Cleveland Inc.

FTC hasn't been overloaded with protests about payola practices—as have investigators for the House Commerce legislative oversight subcommittee, which meets Dec. 9 to decide what to do. But they're beginning to pile up in FTC mail files. At least one record firm complained to Kintner himself that a competitor's use of payola was making music competition tough.

No Public Payola Hearings Imminent

Meanwhile, Chmn. Harris (D-Ark.) of the oversight unit said that there'd be no public hearings on payola before next year, at least. This week the subcommittee will consider only "facts & information thus far looked into" by his staff, Harris said.

Action against payola was a new venture for the fraud-policing FTC, whose stepped-up campaigns against advertising deceptions—particularly in broadcast commercials—already is taking \$2.25 million of FTC's \$7 million budget. Kintner told the TV-radio industry meeting that he'll have to ask Congress for more money.

FTC money alone can't do the job of policing the broadcasting industry, Kintner added. He applauded "far-reaching vigorous and imaginative" steps already taken or undertaken by the networks & NAB for self-regulation, but appealed for more & more of it. Without it, Kintner said, "we can do very little here, even if we doubled or tripled our staff."

Industry representatives & their lawyers had come to the conference prepared for a long day of facing up to a barrage of FTC criticism of broadcasting practice. But there was little of that. None of the 5 FTC members who sat with 6 industry spokesmen at a table in room 432 of the FTC Bldg. brought up specific cases involving specific objectionable commercials.

Comments by FTC Commissioners

Sharpest points were raised by FTC Comr. William C. Kern. Suggesting that "a moral resurgence" on the part of advertisers is needed for any effective broadcasting clean-up job, he said: "I am cynical enough to believe that reformation comes rather hard along Madison Ave." He got a retort from ABC-TV Pres. Oliver Treyz: "It would be a very unfortunate thing if the thrust of this meeting is directed at advertising as an industry."

FTC Comr. Sigurd Anderson said he thought that local stations—even more than networks—could be blamed for many fraudulent or objectionable commercials seen & heard on the air. "There apparently has been a breakdown some place [in industry self-control]," he said. "This calls for real tough supervision by everyone."

Comr. Edward T. Tait suggested that fraudulent "scientific claims" for sponsors' products could be stopped before they got on the air if networks subjected the products to independent laboratory inspection first.

Otherwise, the 1½-hour conference ran along amiably—the industry side of the conference table assuring FTC of "100% cooperation" in advertising reforms, the FTC side reciprocating. "We are so pleased," Kintner said at one point, "that the industry has stepped into the breach."

In addition to ABC-TV's Treyz, industry spokesmen at the table were CBS Inc. Pres. Frank Stanton, NBC Pres. Robert E. Kintner, MBS Pres. Robert F. Hurleigh, NAB Pres. Harold E. Fellows, NAB TV Code Review Board Chmn. Donald H. McGannon.

Among network staffers on hand for the proceedings, filling 2 rows of chairs just behind their chiefs, were:

For CBS: Joseph H. Ream, vp for program practices; Thomas K. Fisher, vp & gen. attorney; Edmund C. Bunker, Washington vp; Leon Brooks, Washington attorney.

For NBC: David C. Adams, senior exec. vp; James A. Stabile, vp for standards & practices.

For ABC: Edward DeGray, radio network pres.; Mortimer Weinbach, vp & gen. counsel; Joseph Jacobs, Washington attorney.

For NAB: Thad H. Brown Jr., TV vp; John F. Meagher, radio vp; Edward H. Bronson, TV Code Affairs dir.; Vincent T. Wasilewski, gov't. relations mgr.

A phalanx of FTC staffers filled another section of chairs. Also present, as observers, were: Asst. Attorney Gen. Robert Kramer, representing Attorney Gen. William P. Rogers; John C. Harrington, legal adviser to FCC's broadcast bureau, representing FCC Chmn. Doerfer; legislative oversight subcommittee staffers Beverly M. Coleman & Hugh M. Hall Jr., representing Chmn. Harris; Nicholas Zapple, Senate Commerce Committee communications counsel, representing Chmn. Magnuson (D-Wash.)

FTC Chmn. Kintner introduced all, one by one, and asked if any had anything to say before the meeting was adjourned. None did.

— ■ —

New reps: KPTV Portland, Ore. to Petry Nov. 1 from Katz. WSFA-TV Montgomery, Ala. to Peters, Griffin, Woodward Jan. 1 from Katz.

Is Identification Important? A clash of viewpoints on TV sponsor-identification enlivened the Dec. 1 RTES seminar luncheon in N.Y., when George G. Huntington, TvB vp & gen. mgr., maintained it wasn't important any more and researcher Horace S. Schwerin, pres. of Schwerin Research Corp., argued that it was. Making what amounted to a case for spot TV and the "magazine concept" of participation programming at the network level, Huntington said he'd rather see "TV's dollars being spent in new research to explore the depth of impression our medium creates than in this hook of sponsor identification." What counts in commercials, he added, is more a matter of "emotional copy points . . . mood & feeling" than whether viewers associate a particular sponsor with a show. He did admit that "sponsor association" such as "the work Dinah Shore is doing for Chevrolet" created impact in special cases.

Schwerin (who explained the workings of his panel-testing of 3,000 shows & 13,000 commercials on 1,250,000 respondents in N.Y., Toronto, Montreal & London) disagreed directly with Huntington. "Commercial effectiveness & program quality are inseparably linked," said Schwerin. "Sponsor identification is important, but it must be identification with the proper vehicle if it is to be commercially effective. Where the program & commercial are in conflict, effectiveness falls off—sometimes down to zero."

Next week (Dec. 15), the RTES timebuying-selling seminar will hear from RAB pres. Kevin B. Sweeney.

Bait-&-switch guide has been issued by FTC to help advertisers stay within the law and customers avoid getting gypped. A companion to an FTC deceptive pricing guide prepared last year (Vol. 14:41 p12), the new manual of bad practices lists these illegal gimmicks which advertisers must not use: (1) "Offer a product for sale when the offer is not a bona fide one." (2) "Misrepresent a product in an advertisement with the intention of later switching customers to other merchandise by disclosing the truth about the advertised product." (3) "Discourage the purchase of advertised merchandise as part of a bait scheme to sell other merchandise." (4) "In the event of a sale of the advertised product, attempt to 'unsell' the product with the intention of selling other merchandise in its stead." Copies are available from FTC, Washington.

All advertising in all media would be deductible from income taxes as "ordinary & necessary" business expenses under an ANPA proposal submitted by gen. counsel Elisha Hanson to the House Ways & Means Committee. In testimony at hearings on possible overhaul of tax laws, Hanson argued that business firms don't advertise "in vanity"—that they spend money for space & time only when it's necessary to their interest. Such committee leaders as Chmn. Mills (D-Ark.) & Rep. Forand (D-R.I.) took a dim view of the ANPA proposal, however, Mills contending that it would "be opening the gambit for other [tax-reducing] expenditures." The Internal Revenue Service recently held that advertising for special legislative or partisan political purposes isn't tax-deductible (Vol. 15:41 p13).

Advertising Federation of America's new Education & Research Bureau has launched a program to tell advertising's story to the public, legislators, and educators & students in schools & colleges. The messages (news articles, TV-radio scripts, lectures) are being delivered via nearly 1,000 company members, 18 national ad associations & professional groups, 134 AFA-affiliated ad clubs.

Mr. Clean Cleaning Up: P&G's Mr. Clean now outsells Lestoil in markets where they are directly competitive, according to a market study released by A. J. Wood Research Corp., Philadelphia. Adell Chemical's Lestoil has been unable to hold onto the sales lead since Mr. Clean and Lever Bros.' Handy Andy moved in, says Wood. At present Clean holds 41% of the national market, Lestoil 25% and Handy Andy 21%. The study is based on 15,000 consumer interviews. No questions on TV advertising's effect on brand preference were posed in the survey.

Lestoil, whose phenomenal sales growth is credited to Adell's use of spot TV as its major ad medium (Vol. 15:29 p11), is being outstripped only by competitive use of its own major tool. TvB estimated for us that P&G spent over \$1 million (gross time) for the all-purpose detergent on network TV during the first 9 months of this year. Lever Bros.' network spending (also gross time) for Handy Andy exceeded \$2.5 million during this period. Spot figures for 1959 are not available by product breakdown, said TvB, but both P&G and Lever are heavy spot spenders and "goodly portions of their multi-million-dollar spot billings will be spent on these 2 products."

FTC consumer conference on "public deception" by "false advertising & tricky selling methods" will be held in Washington Dec. 21-22 for invited representatives of 47 civic, professional and welfare organizations, including NAB & ANPA. Others on list: American Assn. of University Women, American Home Economics Assn., Consumers Research Inc., National Better Business Bureau Inc., National Congress of Parents & Teachers. Announcing the conference, which had been recommended by an inter-agency study group sponsored by the President's Council of Economic Advisers, FTC Chmn. Earl W. Kintner said: "We at the Commission believe that the combination of hard-hitting enforcement plus encouragement of public skepticism toward spurious bargains will go far toward achieving an honest market place."

BBDO's letters to those TV stations whose rates are "out of line" won't be sent, despite a month-old plan to do so. In Oct., the agency mailed similar letters to magazines asking for an explanation of "certain distressing inconsistencies" in recent rate increases. Because of broadcast media's "trick of keeping the prime rate fairly consistent, then juggling hot little things like min. spots in fringe time," the letter plan is not feasible for TV stations, a BBDO spokesman said. "While national magazines have to be somewhat competitive, broadcasters can charge pretty much what they want. Last year . . . IDs were hot. Now they juggle daytime & fringe-time rates," he said.

Ad People: Thomas C. Dillon elected exec. vp, BBDO . . . E. Wallace Lawrence elected Cunningham & Walsh vp . . . Andrew E. Zeis, Compton Chicago div. media dir., elected vp . . . George Milliken named vp & account supervisor, Foote, Cone & Belding.

Arno H. Johnson, J. Walter Thompson vp, re-elected chmn., Advertising Research Foundation; Arthur Hull Hayes, CBS Radio pres., named vice-chmn.; Frank W. Mansfield, Sylvania mktg. research dir., re-elected treas. . . . Edward N. Mayer Jr. resigned as McCann-Erickson vp & exec. vp of its subsidiary, Sales Communication Inc., to join N.Y. office of direct mail & sales promotion agency, Dickie-Raymond Inc., as vp-gen. mgr.

Television Digest

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JAMES T. QUIRK, *Business Manager*
JAMES B. DELEHANTY, *Asst. Business Mgr.*
MERRILL PANITT, *Editorial Director*
HAROLD B. CLEMENKO, *Managing Editor*
DAVID LACHENBRUCH, *Associate Editor*
HAROLD RUSTEN PAUL STONE

WASHINGTON BUREAU

Wyatt Building
Washington 5, D.C.
Sterling 3-1755
ALBERT WARREN, *Chief*
WILBUR H. BALDINGER
WM. J. McMAHON Jr.

MARTIN CODEL
Associate Publisher

NEW YORK BUREAU

625 Madison Ave.
New York 22, N.Y.
Plaza 2-0195
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Hollywood 28, Cal.
Hollywood 5-5210
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Personals: John T. Reynolds, ex-vp-gen. mgr., KHJ-TV Los Angeles, named CBS-TV vp for administration, Hollywood . . . Carl J. Burkland, ex-exec. vp, WAVY-TV & WAVY Portsmouth-Norfolk, Va., and formerly with CBS Spot Sales, named TIO consultant on community relations projects . . . Frederick Eichhorn appointed national sales mgr., KGW-TV Portland, Ore. . . Ken Klein, ex-radio WNEW & Metropolitan Bestg. Corp. ad & promotion dir., named PR dir., the Katz Agency.

Monroe M. Rifkin named TelePrompTer secy.-treas. . . Charles Brakefield, sales mgr. WREC-TV & WREC Memphis, elected pres. of Tenn. Assn. of Bcstrs., succeeding F. C. Sowell, radio WLAC Nashville . . . Peter W. Swanson Jr. named sales service dir., WSPA-TV Spartanburg, S.C.

Don Menke named station mgr., WFBM-TV Indianapolis . . . Sterling Wright promoted from production mgr. & asst. program dir. of WSOC-TV Charlotte, N.C., to succeed Robert Provence as program dir.

NAB's Distinguished Service Award for 1960 will go to Pres.-gen. mgr. Clair R. McCullough of Steinman stations (WGAL-TV & WGAL Lancaster, Pa.; radios WDEL Wilmington, WORK York, WKBO Harrisburg, WEST Easton, WRAK Williamsport). Long active in NAB, TvB and RAB affairs, McCullough is chairman of NAB's TV Information Committee which set up the new TV Information Office in N.Y. Selection of McCullough for the award, to be presented next April 4 at NAB's 38th annual convention in Chicago, was announced by the Convention Committee, co-chaired by Thomas C. Bostic (KIMA-TV & KIMA Yakima, Wash.) and Payson Hall (Meredith stations). The citation goes annually to an individual "who has made a significant & lasting contribution to the American system of broadcasting."

Two new FCC hearing examiners have been appointed, increasing the total to 16: Walther W. Guenther, ex-asst. chief of the Office of Opinions & Reviews, and David I. Kraushaar, ex-asst. chief of Broadcast Bureau hearing div.

Obituary

Samuel L. Slover, 86, chmn. of corporations controlling WTAR-TV & WTAR Norfolk, *Norfolk Virginia-Pilot*, *Norfolk Ledger-Dispatch* and *Portsmouth Star*, died Nov. 29. His widow survives.

Film & Tape

Action on Film Export Ban: A majority of the 17 film companies represented at a Dec. 1 N.Y. meeting of parties interested in the formation of an American TV Program Exporters group indicated they would join the proposed organization. But there was an if, an ATVPE spokesman told us last week—if "a sufficient number of firms sign up so that the proposed dues structure remains intact." Under this dues structure, companies with annual export (including Canada) of less than \$1 million will pay \$7,500 a year; those exceeding \$1 million, to pay \$15,000.

At another ATVPE meeting, Dec. 4, lawyers of interested companies met for discussion of clauses in the charter which may need clarification. A 3rd meeting, for finalization of membership, has been scheduled for next week (Dec. 14) in the Banker's Trust boardroom, Rockefeller Plaza branch.

The Dec. 1 meeting was termed "successful" by William H. Fineshriber Jr., who, with attorney George Muchnic, drafted plans for the organization. Both are on retainer from a film export committee headed by CBS-TV stations div. Pres. Merle S. Jones, (Vol. 15:40 p2). Jones presided at the Dec. 1 meeting.

West Coast companies involved in telefilm program export have been invited to join the proposed N.Y. organization. Ziv, Revue and Desilu have expressed interest to date, we were told by Fineshriber. A similar group, under the auspices of the Alliance of TV Film Producers (Vol. 15:48 p12) is being considered on the West Coast. The purpose of both the N.Y. & Hollywood groups is to consider a telefilm export ban on program sales to countries (such as Japan & Britain) which maintain "restrictive" quotas & low TV prices.

Producer-director Alfred Hitchcock is utilizing facilities & crews of a telefilm company for his current movie, *Psycho*, starring Anthony Perkins & Vera Miles. Hitchcock, whose picture is to be a Paramount release, rented the facilities at Revue Productions, the company which turns out his TV series at Universal City. Revue, incidentally, is so busy meeting production deadlines on *Johnny Staccato*, *Riverboat*, *Laramie* and the pilot, *Overland Stage*, that for the first time since the company was formed in 1950, it will not take the customary 10-12-day Christmas & New Year's break. In TV, Hitchcock will be producer-director of "Incident" and "Girl with a Secret," two 60-min. films to be made for Hubbell Robinson's *Startime* series on NBC.

Betty Hutton, star of *Goldie* & owner of the series' production company, jettisoned her 4th producer, Marvin Marx, after a policy dispute, then called him back to work 2 days later. Miss Hutton hadn't changed producers for over a month (Vol. 15:42 p15). Said Marx: "I don't know myself just what happened."

Screen Gems has signed Charles Fries as exec. production mgr. on the coast. Fries was a production executive at Ziv TV . . . Ziv TV story ed. Frank Price has resigned to join Revue as production asst. to producer Nat Holt . . . NBC has named John Hinsey mgr. of film programs for its network div., succeeding Jerome Stanley, recently promoted to dir. of film programs.

CBS Films has bought "Rogue for Hire," starring Jerome Thor, from Cal. Studios . . . ABC will finance a new pilot of *Snowfire*, produced by McGowan Productions.

NEW YORK ROUNDUP

TCF-TV's *Five Fingers* cancelled by NBC-TV (Vol. 15:47 p13), leaves 20th-Fox in a tough spot. In addition to being regularly over budget (with TCF-TV picking up the \$15-\$20,000 a week extra cost), the show is due to be ousted from NBC-TV after the 20th episode—a number too low to form the minimum package needed for off-network syndication. Latest plans call for TCF-TV to take one more plunge, shooting 6 additional new episodes which will be interspersed with reruns to make a 26-episode package for station sales and the overseas market.

Ziv's latest status report on *Sea Hunt* points out that star Lloyd Bridges, who receives 10% of the series' profits above salary, is now grossing \$300,000 a year from the combined incomes. *Sea Hunt* is sold in 205 domestic & 19 foreign markets, says Ziv.

Canned laughter on film shows is not an effective theatrical artifice, stated Schwerin Research Corp. in N.Y. A panel test with 2 versions of a situation comedy (one with, one without canned yaks) drew 10% negative comment with the no-laughter show, and 37% negative reaction with soundtrack laughs. In general, Schwerin has found that an average of 56% of viewers find canned audience reaction "objectionable," despite protests of producers that it's a necessary part of TV comedy showmanship.

Fremantle International has sold Banner Films' library of 104 cartoon classics to WKAQ-TV San Juan for the Puerto Rican & Cuban TV markets, and to Zuriguel Asociados for Caracas, Venezuela.

CBS-TV has reached outside the TV industry to find a successor to dir. of special programs Richard Lewine (brother of ex-NBC-TV program vp Robert Lewine, now with CBS Films). It has named young Broadway theatrical producer Jerry Leider, mgr. of the Theatre Guild's production dept. Lewine has been upgraded to the new post of dir. of special projects, which will include development of weekly shows and assumption of many duties held by Lester Gottlieb who recently (Vol. 15:47, p13) quit CBS-TV to join General Artists Corp. as a TV vp.

Sid Dorfman & Al Lewis have been signed by Goodson-Todman to write, produce & direct *One Happy Family* . . . Cliff Arquette, star of ABC-TV's *Charley Weaver Show*, will receive the "1959 favorite entertainer of the year award" of the N.Y. Sales Executives Club.

NBC-TV has ordered 13 episodes of the new Revue Productions series, *Overland Stage*, starring William Bendix. The 60-min. series will probably be a year-end replacement, but no time slot has as yet been selected for it. The network, meanwhile, has renewed Revue's *Riverboat* but hasn't decided whether to keep it in its Sun. night slot.

Goodson-Todman has signed Bill Bryant to co-star with Perry Lopez in its new series, *Joaquin Murietta*, being produced in association with Andrew J. Fenady, Irvin Kershner and Bernard Kowalski. The pilot goes into production in Dec.

NTA has named Teleradio Asociados, S.A., exclusive sales representatives in Mexico, Central America and Panama. Eighth NTA series are being dubbed in Spanish for the Latin American market. Among them: *Walter Winchell File*, *Sheriff of Coehise*.

HOLLYWOOD ROUNDUP

CBS-TV offered Tom Tully \$350,000 for his 25% interest in 183 30-min. *The Lineup* telefilms, but the actor rejected the bid. The 5-year co-star of the series (with Warner Anderson) told us he thought he could do better by holding on to his 25%. Meanwhile Tully is preparing a situation comedy series in which he will star.

BBDO vp in charge of program development George Polk and Aaron Beckwith, TV exec. for Lever Bros., are in Hollywood seeking new shows for next season . . . Rexall will cut down on specials next season, preferring a weekly 30-min. film series, even if only as an alternate-week sponsor.

Du Pont has told Four Star Television to change the approach on its June Allyson series, switching the 30-min. series from soap opera to a more general appeal. Four Star is now buying stories aimed at the male as well as the female audience.

Revue Productions will film the pilot of a new series, *Confidentially Yours*, starring Dan Duryea. Richard Irving is producer-director . . . Albert J. Cohen has signed as producer of *The Racer*, a new series to be produced by World Television Programming Inc. (which is owned jointly by ABC Films and Joseph M. Schenk Enterprises) . . . Producer Ben Brady is planning a 30-min. comedy series, *Oh Those Bells*.

Jerry Wald is close to a firm deal with NBC for his services as a producer of specials for the 1960-61 season. Other topflight producers already lined up by programs & talent vp David Levy include Dore Schary and David O. Selznick. Levy's long-term plans involve "theatre-dimension" programming featuring 90- & 120-min. entries.

Producer-director Mervyn LeRoy has been approached by the 3 networks and several major studios to produce TV film shows. LeRoy informed us he is considering them all.

Roncom Productions exec. prod. Alvin Cooperman is planning 2 situation comedy series, *The Girl Next Door*, with Molly Bee, which will feature music as part of the show and an untitled series starring Jane Powell. Copperman believes TV must move away from "violence for violence's sake." Although he is planning an adventure series, it won't feature violence, will rely instead on strongly-etched characters.

Producer Robert Maxwell will film a pilot, *House of Mystery*, for Galaxy Productions in Jan. He is negotiating for Dan O'Herlihy for the lead. Maxwell will also go into production Dec. 14 on the pilot of *National Velvet* for MGM-TV, with Rexall paying.

Sanrok Productions has finished a pilot of *The Legend of Billy the Kid* . . . Richard Anderson will star in *Lariat Jones*, pilot planned by the Levy-Gardner-Laven production team in association with Four Star Television. The pilot will be filmed in Jan. . . . A proposed Hollywood interview show on film, featuring gossip columnist Jimmy Starr, is being offered sponsors in N.Y. . . . Producer Al Simon has optioned a private eye property, *The Life & Hard Times of Barney Benedict*, by Harold Swanton.

Michael M. Sillerman, pres. of NTA program sales, has resigned effective Dec. 31 for "purely personal reasons."

BLOW NO. 2 TO THE BOXOFFICE: Hollywood—emerging from the near-fatal blow to the boxoffice from the release of thousands of pre-1948 movies to TV—now cringes, just as its boxoffice revenue starts up again, under the threat of the release of the *post-1948s*.

There is no question of *whether* these more recent movies will be sold to TV; the only question is *when*. When we asked the opinion of a policy-making executive of the producers' association, he replied that "the present intention is not to sell." While the major companies don't want to sell these assets to TV, he went on, such action will depend on business conditions and how much the companies need the cash for production of new movies.

Our check of a number of Hollywood's leading producers on the effect of a deluge of post-1948s into TV brought uniformly gloomy responses ranging from "It would hurt greatly" to "It would be a death blow to the industry." They differed, however, on whether the talent guilds should get a slice of the revenue from these sales. While the majors have flatly said they won't share this money (Vol. 15:48 p13) producers divide on this position.

Perhaps the harshest critic of the major companies' over-all policy is George Stevens, producer-director of "Shane," "Giant" and "The Diary of Anne Frank." Stevens, conceding that release of the post-1948s to TV is merely a question of time, acidly commented: "This reveals vast possibilities for the industry—possibilities for many theaters being closed, and for giving away another large chunk of the audience to TV." The company leaders who will green-light such sales, he added, "want to harvest the crop, take the wheat, and leave nothing . . . Of course people will prefer to stay home and see these movies, rather than go to rat-infested theaters such as I have seen in Hollywood. But our business will survive."

Post-1948 Sales "Inevitable"

Producer Samuel Engel, expressing the inevitability of post-1948 sales to TV, commented: "The pre-1948s were very harmful to the boxoffice, and nearly sent us down the drain." Sale of the post-1948s may be a "mortal blow."

Engel, unlike Stevens, contends that the majors are correct ethically & legally in their refusal to cut the guilds in on post-1948 revenue. "A man has been paid to do his work, he has done it, and that's that. He can't come back and want to be paid again," Engel declared. The producer pointed out that if post-1948 residuals were to be recognized he personally would profit considerably, but he added, "I don't feel, in good conscience, that this is a legitimate request." If the guilds insist on such payments, he said, the major studios may go out of production and participate only in financing & distribution. Some other comment:

Arthur Freed: "It would be almost a fatal move, it would certainly make the movies a pretty sick industry and would ruin the theaters. There are blockbusters in the post-1948s which would be terrific competition to first-run movies. I'm opposed to such a move. I doubt that the companies will sell them now because most of them are in good financial condition. A company such as Universal-International might sell & go out of production, however."

Mervyn LeRoy: "This would hurt the industry tremendously. I hope they never release these movies to TV."

George Sidney: "It would hurt greatly, but it would also knock out a lot of TV shows in prime time, because these movies would probably be shown in the best time."

Best bet at this point is that when the majors begin to unload, they'll retain the blockbusters for theatrical reissue.

Wanted—A Studio: Heavy telefilm production and an upsurge in movie production are keeping Hollywood studios so busy that you can't buy a big one these days. That's what Four Star Pres. Dick Powell discovered when he considered purchase of a studio to house Four Star Television. That company now leases space at Republic, but needs more. Powell told us he had approached Desilu last year regarding purchase of its Cahuenga lot (then called Motion Picture Center), but the price was too steep. More recently overtures to Desilu, regarding its Culver City lot, brought the statement that it was not interested in selling its 3 studios off one by one. The switch in thinking was probably due to the NT&T discussions regarding purchase of controlling stock of Desilu (Vol. 15:46 p16). Powell won't consider the Hal Roach lot because it's so enmeshed in financial difficulties.

A precedent-setting plan for hospitalization & medical benefits for film industry workers retired under terms of the motion picture industry pension plan has been voted by the board of trustees of the industry health & welfare fund. The benefits include a maximum of \$620 for hospitalization; surgery, \$400; anaesthesia, \$80; medical, in hospital, \$150 in a calendar year; medical, out of hospital, \$100 in a calendar year; X-ray laboratory, \$50 in a calendar year. The benefits become available when the retirement plan goes into effect on Jan. 1, 1960, subject to approval by the U.S. Internal Revenue Bureau. Financing for the program comes from a special fund created by employer contributions provided in contracts between employers & unions. Retiring employes participating in individual company pension plans of Loew's, Technicolor, 20th-Fox and RCA, as well as those in the industry plan, will be eligible for the special fund benefits.

Current impasse of the major film studios & Writers Guild of America over the issue of post-1948 movie revenue was discussed at the semi-annual session of the national council of WGA in Hollywood (Vol. 15:48 p13). The major studios have flatly refused to share any TV revenue on such product with the Writers Guild, and as a result negotiations for a new contract collapsed last month. WGA also discussed negotiations with telefilm producers; live TV, radio and staff contracts; an agreement with agents which is being finalized; the Guild's anthology film series to be made with Screen Gems; and upcoming TV awards. WGA, meanwhile, received support in its demands for a share in TV receipts of post-1948s, from the International Federation of Assns. of Film & Television Writers and the Assn. of French Film Authors.

Hollywood will increase theater film output nearly 20% in 1960 to capitalize on the increasing attendance at movie houses, gleefully reported the Motion Picture Assn. of America last week after a survey of its members (who turn out virtually all U.S. feature films). Findings: Hollywood film producers plan to release 270 feature films in 1960, up from this year's 227. They will invest \$429 million in production costs, compared with \$340.5 million in 1959. The 1960 films will be supported by about \$70 million in ads & promotion, compared with \$51,837,000 spent for drum-beating this year. MPAA Pres. Eric Johnston said that movie attendance increased to 51 million admissions weekly, at an annual rate, during March-Sept., compared with 43 million weekly estimated earlier in the year. "All evidence indicates this is a permanent trend and that it will climb . . . as far as we can see into the future," he said.

Trade Report

DECEMBER 7, 1959

BRIGHT PICTURE FOR FIRST-HALF '60: It's unusual to find such unanimity among business prognosticators, but there's almost complete agreement that consumers are going to be in mood to spend money at faster pace than ever before during first-half 1960. Only factor which could delay this spending, they say, would be resumption of steel strike or other labor upsets—and then the word is "delay," not "block."

Remainder of 1959 should bring merriest Christmas season ever to retailers, with most consumer products sharing boom, trade dopesters say. Over-all retail sales so far this year have been highest in history, and with an anticipated record Yule shopping season, should end up 4%-5% better than last year.

Some of the reasoning behind free-spending predictions for 1960: Disposable consumer income (after taxes) should gain as much as 5% or 6% over last year. Food prices are in a downtrend—expected to continue in 1960—leaving more consumer income for purchase of hard goods.

Most experts think credit buying will maintain its high pace or even increase slightly during next year's first half—but there is less than unanimity on this prediction. Consumers now are paying about 13% of their disposable income for installment payments. The general tightening of mortgage credit—which sharply curtailed new housing starts in Oct.—could be reflected early next year in some difficulties in obtaining money for installment loans.

Inventories of most consumer durable goods are adequate for expected Christmas push—and TV is no exception. As of Nov. 1, TV set inventories at all levels had dropped only slightly from the 2,331,000 of Oct. 1 (Vol. 15:46 p19) to about 2,275,000, distributor inventory falling off about 100,000 during Oct. to 800,000, dealer inventory remaining at 1.1 million, factory supply rising somewhat to about 365,000.

We're still sticking to our guess of 5.8 million TV set sales at retail this year (Vol. 15:43 p16). With 10-month retail sales at slightly less than 4.5 million units (see p. 19), Nov.-Dec. sales would have to total a record 1.8 million to bring year's total near the widely-predicted 6.3-million mark. If sales continue to run 8%-10% ahead of last year, final results will fall short of even our 5.8 million.

INDUSTRY'S STEREO DE-CONFUSION DRIVE: Having thoroughly confused the public about stereo, the phono industry last week decided it was now time to launch a campaign to de-confuse it.

Home electronics' latest wonder baby is suffering from severe case of stunted growth as result of salesmen's ignorance and too much talk about decibels, watts, peak power output, 3-channel-vs.-2-channel and similar jazz (which bears no relation to music). Meeting during last week's annual winter conference in Los Angeles, EIA's consumer products exec. committee unanimously approved a public relations campaign to tell public, in simplest terms, that the object of stereo is to reproduce music.

Weird & strange as the idea of music may seem to admen intrigued by the world of push-pull amplifiers, woofers & balance controls, EIA plans to finance such a campaign with at least a \$500,000 war chest collected from phono manufacturers. Drive would employ such devices as magazine & radio ads, and possibly a book on merits of stereo written by a well-known author for distribution by stereo dealers.

Program is slated for final approval and organization by EIA's new phono section, headed by Pilot Radio vp L. M. Sandwick (Vol. 15:48 p17), at special meeting Dec. 15 in N.Y. Sandwick and EIA consumer products div. Chmn. Marion E. Pettegrew, Sylvania senior vp for TV-radio operations, agreed in their presentations to EIA members that the trade was guilty of confusing public with both technical gobbledygook & price mumbo-jumbo. Said Sandwick of stereo claims & counterclaims: "A disgrace to the business."

That new TV promotion campaign voted at EIA's fall meeting (Vol. 15:39 p16) progressed another step with approval by consumer products exec. committee of preliminary plans. Perhaps as result of recent headlines, emphasis probably will be shifted in this year's drive from quality of TV programming to quality & features of new sets. Final plans for drive will be presented at EIA's March meeting in Washington.

For a report on EIA-NSRC stereo radio activities, see p. 5; for other EIA meeting news, see p. 20.

ANOTHER BOOST FOR FM—CAR RADIO: Motorola has decided the time is ripe to bring out its long-planned automobile FM set. It thus becomes 2nd domestic radio maker to announce it's putting FM on wheels.

Motorola's action comes as home FM radio sales are soaring to point where 1960 sales may well top all-time record made in halcyon days of 1948 (Vol. 15:47 p18). Most other auto radio makers, while readily conceding they have FM radio designs in their labs, disagree with Motorola's opinion that public is ready for auto FM and vice versa, and they disavow any present intention to follow suit.

New auto set is novelty in more ways than one. It's completely self-contained, including speaker, is designed for easy under-dash installation by consumer himself. It's not a tuner, not an FM-AM radio, but completely separate FM-only package. Designed for 12-volt car power supplies, it has 3 transistors, 7 tubes, AFC, 6x9-in. oval speaker. Motorola claims it "reproduces the entire hi-fi audio range from 50 to 50,000 cycles" with 15 watts peak power.

Set is being built for sale to consumers—Motorola's automotive div. having no contractual deals with auto companies to supply FM. The company is pushing concept of this auto radio as an "appliance," rather than part of car. Radio can easily be removed & installed in next car bought by owner. Motorola has released no details on circuits in new set, but best guess is that it uses some new tricks. Set will be available in Feb. at \$125 list—same price as Motorola's high-end AM car radio.

Although Motorola defines market for its car FM as the 15 million families which listen to FM radio at home, several other auto radio makers told us they see no indication that there's substantial market for FM in cars. They point to FM stations' relatively limited range and dearth of FM outlets in many rural areas as limiting factors.

One radio maker which doesn't share this view is Granco Products, whose Pres. Henry Fogel told us 3 weeks ago that it will have low-priced auto FM-AM & FM-only radios and FM tuners on market next spring (Vol. 15:47 p19). Bendix is understood to have made up FM auto radio engineering samples for car manufacturers. It did, in fact, make FM tuners as optional-equipment item for 1959 Lincoln cars.

Among the few FM car radios now on market, biggest seller probably is German import Blaupunkt. Japanese have shown several auto FM sets here, but we've seen no indication they're actually for sale. FM converter for AM car radio is being sold by Gonset div. of Young Spring & Wire Co., and Hastings Mfg. Co. (Mitchell Hastings, pres. of Concert FM Network) has also made auto FM tuners. Big FM maker Zenith—once a leader in auto radio but out of field for many years—says it definitely has no intention of returning to car field with an FM or any other kind of radio.

Note: A casualty in the thinning ranks of auto radio producers is Philco, which quietly dropped its automotive div. in Detroit several months ago. Among companies remaining in auto radio field are GM's Delco, Motorola, Bendix, Stromberg-Carlson, Automatic Radio Mfg. Co., several private-label manufacturers.

TV-RADIO PRODUCTION: EIA statistics for week ended Nov. 27 (47th week of 1959):

	Nov. 20-27	Preceding wk.	1958 wk.	'59 cumulative	'58 cumulative
TV	121,595	146,673	99,618	5,753,969	4,505,578
Total radio	287,006	340,249	338,887	14,066,405	10,342,833
auto radio	60,612	75,066	109,098	4,973,168	3,156,595

Granco Products will move into 60,000-sq. ft. plant in Kew Gardens, N.Y., next month, doubling its manufacturing space. The radio manufacturer has been operating from 3 plants, one of which—in Astoria, N.Y.—was destroyed by fire last week. Granco stated there would be no cutback in deliveries of radios or stereo units.

Ceramic "Cloverleaf" support for TV picture-tube cathodes has replaced conventional circular supports in Sylvania tubes. The new design is said to increase picture-tube life and shorten warm-up time due to improved heat dissipation from the cathode.

Assn. of Electronic Parts & Equipment Mfrs. (EP&EM) has retained the Sophie Nack Public Relations Agency of Chicago as its public relations counsel.

Motorola stereo promotion: Dealers & distributors are being offered a special package of 20 extended-play 45-rpm stereo records for use as a premium or tie-in with sales of stereo phonos.

Westminster Recording Co. and affiliates Westminster Recording Sales Co., Westminster Stereo Corp. & Whitehall Records, have filed petitions for reorganization under Chapter XI of the Bankruptcy Act in N.Y. federal court.

"TV Distribution System Handbook" for service technicians, published by Jerrold Electronics (48pp., \$1), provides 150 typical layouts covering most situations encountered in planning master systems. Another section is devoted to trouble shooting. It's available from Jerrold distributors or from Jerrold, Philadelphia 32.

RCA SHIFTS FORMAT: RCA re-cast its many-headed consumer-products organization in the image of an old & successful format last week. Out of the major shuffle, as we forecast earlier (Vol. 15:48 p7), emerged a single home-instrument operation that consolidates all RCA Victor TV-radio-phono activities.

In effect, RCA turns its sales clock back 5 years to the type of operation that carried it to pre-eminence in the home-entertainment field. Those were the days when Joe Elliott & "Hen" Baker delivered the sales and other experts concentrated on the manufacturing & engineering.

RCA's new look reflects that same division of activity. A double-winged home-instrument operation has been fashioned under consumer products exec. vp P. J. Casella. All engineering, manufacturing and operations functions for RCA Victor instruments are now lumped & made the responsibility of newcomer Delbert L. Mills, who resigns as president of ITT's Federal div. to become RCA home instruments operations div. vp Jan. 1. On the sales side of the organization, J. S. (Jack) Beldon, as RCA Sales Corp. pres., assumes all marketing responsibility for RCA Victor home instruments. Beldon & Mills report to Casella.

In the new all-products setup, former TV products vp J. M. Toney becomes market planning & product development vp; R. W. Saxon swings to home instrument sales vp from radio-phono products vp; J. M. Williams continues as ad & sales promotion mgr. for TV-radio-phono; R. M. Ryan is regional finance vp.

As the dust begins to clear, it becomes evident that the old Elliott-Baker team has been revived with Casella-Beldon, the latter's duties now streamlined to capitalize on his proven strength in sales & marketing. As GE TV mktg. mgr., Beldon drove that brand to a brief pre-eminence and himself to RCA's attention, joining RCA as home instruments vp & gen. mgr. last Feb. (Vol. 15:10 p17). The emergence of a clear-cut sales operation, free from manufacturing & engineering entanglements, is viewed by observers as a bid to boost RCA's share-of-industry position.

"Mystery" man in the shuffle is Del Mills, who comes in from ITT to tackle the vital but unglamorous wing of the new operation. He's known industrywide as an all-around executive, with keen knowledge of all facets of the business—manufacturing, marketing, financial. His forte is as an expert on manufacturing; he holds a Purdue engineering degree. He came to ITT 2 years ago from A. O. Smith Corp., became president of newly formed ITT-Federal in June 1958. ITT-Federal specializes in military & industrial electronics-communications, represents the merger of ITT subsidiaries Federal Telephone & Radio and Farnsworth Electronics Corp.

The road from ITT to RCA is not as obscure as it may appear. It was blazed earlier this year, in Sept. (Vol. 15:36 p14), by ITT exec. vp Fred M. Farwell, who moved into the new post of mktg. vp of parent RCA, apparently is being groomed for something bigger.

Other members of Mills' team: chief engineer E. I. Anderson, manufacturing mgr. W. E. Albright, materials mgr. J. D. Walter, controller P. W. Hofmann and personnel mgr. P. R. Slaninka.

It had to happen: Two of Japan's most successful exports have been combined into the "Kam-Ra," combination 6-transistor radio & 16-mm camera. Advertised at \$79.95, the halfbreed is imported by Bell International Corp., 112 W. 34 St., N.Y.

TV-RADIO SALES & OUTPUT: Retail sales & factory production of TV & radio sets declined seasonally in Oct. from big Sept. (Vol. 15:46 p20), but were well ahead of Oct. 1958 totals, EIA reported last week.

Oct. TV retail sales totaled 637,147, down from 684,773 in Sept., but were up strongly from the 523,440 sold in Oct. 1958. Cumulative 1959 sales totaled 4,448,901 vs. 3,991,530 in first 10 months last year. Oct. production was 706,583 vs. 808,337 in Sept. and 495,617 in Oct. 1958. Oct. figures include 55,113 uhf receivers vs. 51,555 made in Sept. and 42,171 in Oct. 1958. Ten-month uhf production totaled 340,980 vs. 353,980 in Jan.-Oct. 1958. EIA's month-by-month 1959 vs. 1958 TV comparisons:

	1959		1958	
	Production	Sales	Production	Sales
January	437,026	501,704	433,983	581,486
February	459,492	448,173	370,413	448,727
March	494,032	425,749	416,903	416,756
April	389,251	263,998	302,559	243,132
May	431,911	279,536	266,982	237,189
June	571,003	344,795	377,090	250,362
July	350,360	370,575	274,999	279,010
August	547,445	492,449	507,526	405,790
September	808,337	684,773	621,734	605,638
October	706,583	637,147	495,617	523,440
TOTAL	5,195,440	4,448,901	4,067,606	3,991,530

Radio sales in Oct. (excluding auto) totaled 839,912, down from 928,457 in Sept. Production for the month was 1,795,718 (including 531,116 auto sets & 62,959 FM) vs. 1,981,208 in Sept. (717,501 auto & 76,942 FM). The following table compares Oct. & first-10-month radio figures with the same 1958 periods:

	1959		1958	
	Oct.	Jan.-Oct.	Oct.	Jan.-Oct.
Total output	1,795,718	12,722,970	1,218,575	8,904,772
auto radio	531,116	4,682,962	296,067	2,679,618
FM sets	62,959	430,763	59,586	235,647
Sales (excl. auto)	839,912	6,125,790	685,084	5,241,629

Retail TV set sales of 6.1 million units in 1960 were predicted by Sylvania Home Electronics Pres. Robert L. Shaw last week. Addressing the Radio, TV & Appliance Assn. in New Orleans, he estimated that sales this year will total about 5.7 million sets. Sylvania's 1959 sales will set a record, he added, crediting consumer acceptance of the 23-in. tube as "one of the major reasons." He forecast that competition among TV set makers next year will center around the use of the twin-panel 23-in. with the bonded-on implosion plate vs. the 23-in. tube without integral safety glass (Vol. 15:42 p18). He added that Sylvania will stick to the twin-panel approach.

Unusual & stringent punishment was meted out last week to a fraudulent TV service technician by Fairfax county (Va.) Judge J. Mason in an action indicative of public resentment against gyp servicemen. Ex-technician Thomas M. Lowery was ordered to pay \$500 "exemplary damages" in addition to refunding the amount he had charged for the repairs to each of 4 complaining customers—for a total of \$2,200. Judge Grove explained that exemplary damages may be awarded when "fraud or malice has been committed by a defendant [as] a punishment and to serve as a deterrent." The defendant, who last year was sentenced to jail for petty larceny in a similar case, failed to show up in court.

Westinghouse consumer products vp Chris Witting Jr. last week denied a published report of the resignation of Edward J. Kelly, former TV-radio div. mgr. who is now on Witting's consumer products staff. Kelly was unavailable for comment; Witting said Kelly didn't submit resignation.

EIA ACTS ON IMPORTS: Meeting in Los Angeles Dec. 4, EIA's board acted to implement the "Buy American" campaign it approved last Sept. (Vol. 15:39 p15). On recommendation of the electronics imports committee it adopted a resolution for a concerted EIA effort to promote use of American-made parts & assemblies.

It also voted to support HR-5054 which would require that products imported and repackaged for sale be labeled to show country of origin. It voted approval of legislation to require that foreign-made components & sub-assemblies also be marked. The board said that this could be done by amending HR-5054 or existing tariff laws.

Exec. vp James D. Secrest reported to the imports committee that 17 statements had been filed with OCDM in its investigation of Japanese transistor imports as a threat to U.S. defense preparedness. He predicted that more comments would be filed before the Dec. 15 deadline.

Concern over imports was expressed on other fronts at EIA's winter conference. Pres. David R. Hull repeated his charge that transistors from Japan are threatening U.S. production capacity for defense (Vol. 15:46 p21) and said that only govt.-imposed quotas can solve the problem—and this depends on outcome of OCDM's investigation.

The tube & semiconductor exec. committee spent much of its meeting discussing competition from abroad. The committee agreed that the Japanese probably won't launch a major invasion of the electronic tube business because of their concentration on the more profitable transistors. European competition in tubes was also discussed, but committee Chmn. William J. Peltz, Philco, said the group saw no particular threat here because of the small quantity now coming from Europe. He said that tubes made by European manufacturers have won some acceptance here because "they're making a better tube, particularly for hi fi and FM," but that American manufacturers are now beginning to come up with tubes which compare favorably.

Other highlights of EIA's winter conference:

ETV—The board approved a resolution proposed by the educational coordinating committee supporting the ETV Stratovision experiments proposed by the Midwest Council on Airborne TV Instruction (Vol. 15:42 p3).

Appointments—Motorola Pres. Robert W. Galvin and Hoffman vp Ray B. Cox were elected to the EIA board as consumer products representatives. Galvin succeeds his father, the late Paul V. Galvin. Also elected to the board: M. C. Haddon, Lockheed & N. I. Hall, Hughes Aircraft.

Spectrum—EIA Pres. David R. Hull announced he plans to meet soon with Rep. Harris (D-Ark.) to suggest improvements in his bill (HR-8426) to establish 3-man civilian frequency allocation board (Vol. 15:31). EIA has endorsed the bill, but believes some modifications would help its chances in Congress.

Canadian TV sales should increase steadily beginning next year at an annual rate of about 5% "because of the growing replacement market, coupled with the demand for 2nd sets in the home." So said Pres. Stuart D. Brownlee, addressing Canadian Admiral Corp. salesmen. He said Canadian TV sales for 1959 will probably be down about 5% from 1958, reaching "the lowest point in a TV sales curve that has been declining since the 1955 peak." Canadian TV inventories at the end of Oct. totaled 100,000, the lowest point for that month since 1953, or approximately the number that should be sold in Nov. & Dec. As to the 23-in. tube in Canada, Brownlee said: "We knew we had a real winner; it has proven to be everything we hoped for."

ELECTRONICS' NEXT DECADE: Four Motorola executives peered last week into the 1960s & 1970s in year-end statements and foresaw a world in which electronics will assume far greater importance than it does today. Here are their predictions & comments:

Robert W. Galvin, pres.—Real personal income will continue to rise during the next decade, while electronics, in all its branches, will "exceed by several times the growth of our economy." Galvin listed these "major challenges of the electronics industry in the 1960s:"

(1) "Basic & applied research [will] probably be the overwhelming factor in determining just how far the industry will move." (2) "Realistic re-allocation of the radio frequency spectrum likely will be achieved . . ." (3) Foreign competition will increase greatly, but "we believe we will continue to win an increasing share in the electronics business through the American tradition of invention, innovation, performance & service." (4) Good professional & managerial talent will continue to be in short supply.

Edward R. Taylor, exec. vp, consumer products—(1) Stereo radio will supplant present monaural broadcasting. (2) TV antennas may disappear from rooftops. (3) "There will be a yet-to-be-perfected system of reliable color-TV reception that is within the economic reach of every consumer. (4) TV sets will require no more servicing than refrigerators; there will be no tubes in them. (5) Stereo phonos will be as common as TV & radio are today. (6) Home TV tape recorders will be available. (7) Handbag-weight TV sets "will be commonplace in the 1970s." (8) Closed-circuit TV will be a home device in the 1970's; a home electronic switchboard will control appliances, doors, TV, radio, lights.

Daniel E. Noble, exec. vp, semiconductors, communications & military electronics—Electronic circuitry as we now know it will be largely replaced by circuitry of semiconductors, "thin films" and other solid-state products. "The new era of solid-state electronics will spread its influence to every form of human endeavor and contribute substantially to scientific achievements in all fields."

Arthur L. Reese, vp, communications—(1) The number of private 2-way radio units will triple to nearly 3 million. (2) Radio will control automobile traffic and warn motorists of emergency conditions. (3) Personal radio paging systems will replace loudspeaker systems. (4) Closed-circuit TV will be common in education & industry. (5) Radiation monitoring systems will report on conditions over thousands of square miles within seconds.

Color TV optical probe which "sees" deep into the remotest parts of a person's mouth and projects the view on a TV screen, in color, magnified 35 times, has been developed by the Avco Corp. & the U.S. Navy. The device has been used successfully in dental work & training, the Navy reported, forecasting that "with further development, this technique may permit us to view the inside of other body cavities, highly magnified and in color." The Avco probe comprises synthetic optical fibers (each about the size of a human hair) bundled into a small flexible cable with a finger-tip size lens at one end. The synthetic fibers are able to pick up light at one end and transmit it to the other. The fiber-cable relays what it "sees" to a TV camera which transmits the magnified view via closed circuit to screens.

Charging infringement of its automatic contrast control patent, Hazeltine Research Inc. has filed suit against Zenith in Chicago federal court asking an injunction & accounting of damages.

Trade Personals: Charles J. Coward named gen. mgr. of GE's new audio products section . . . Ralph L. Bloom, ex-Magnecord & Raytheon, named radio & hi-fi sales mgr., Sylvania Home Electronics . . . Lynn C. Holmes promoted from research dir. to engineering operations dir., Stromberg-Carlson . . . Ralph A. Cone named gen. mgr. & sales dir., Delmonico-International Corp.'s new electronic components div. (Japanese & German components) . . . John H. Ihrig, Webcor exec. vp, elected a dir.

P. L. Henry named gen. mgr., Hoffman Sales Corp. of Cal., Hoffman Electronics subsidiary. He succeeds John B. Chadwell, who has joined Golden State Arms Corp., Pasadena sporting equipment retailer, as vp . . . A. W. Bernsohn, who resigns next month as NARDA exec. vp (Vol. 15:44 p20), will join Los Angeles staff of Fairchild Publications' *Home Furnishings Daily* . . . Howard W. Hanson III named to new post of ad & sales promotion supervisor, Corning Glass electronic components dept. . . . Gabriel Soria, ex-managing dir. of RCA's Spanish subsidiary, establishes own private business at General Sanjurjo 32, Madrid.

Wenzel J. Austen named acting dir. of Telecommunications Policy, office of Asst. Secy. of Defense for supply & logistics, pending appointment of successor to William Hatton who retired Nov. 30.

James F. Lillis, vp-comptroller of Burroughs Corp., Dec. 15 assumes same position at ITT, succeeding John G. Copelin, who continues as ITT vp concentrating on banking relations abroad . . . Dr. Robert T. Watson appointed associate dir., ITT components & instrumentation lab . . . Raymond G. Johnson, controller & asst. treas. of GPL, elected a vp.

Ralph Mendel, vp of Radio Receptor, General Instrument subsidiary, named gen. mgr. of Radio Receptor's new advanced development lab; Arnold M. Wolf, ex-Lewyt, named engineering products div. vp; Seymour D. Gurian promoted to military mktg. vp . . . Irvin Yelsky named Snyder Mfg. plant production coordinator . . . Roy H. Isaacs named Bendix Aviation govt. relations vp . . . A. S. Kranzley, ex-Burroughs, appointed product planning mgr., RCA electronic data processing div.

John W. Guilfoyle elected pres. of Federal Electric Corp. (ITT) . . . John F. Douglas, Automatic Electric Co. vp-treas., named pres, Lenkurt Electric Co. Both companies are General Telephone subsidiaries; Martin F. Shanahan promoted from controller to vp, Automatic . . . Arthur F. Perkins appointed head of newly established advanced development section of Stromberg-Carlson telecommunication div.

TV business in Iraq is sought by the Near East Commercial Co., 10 T/2 Saadun St., Baghdad, according to the Commerce Dept.'s *Foreign Commerce Weekly*. The firm wants to purchase U.S. sets (220-v, 50-c, a.c. & d.c. table & cabinet models) directly and act as agent for manufacturers here.

Tunnel diodes will dominate IRE's 1960 International Solid-State Circuits Conference Feb. 10-12 at U. of Pa. & Hotel Sheraton, Philadelphia. Of the 45 papers & panel sessions scheduled, 12 will be devoted to the new mighty midget from Japan.

New military contract guide, listing 228 Army, Navy and Air Force installations where companies can sell their research & development capabilities, has been published at \$25 by V. F. Callahan, 1429 N.Y. Ave., Washington 5, D.C.

Facsimile's growing importance as a business & industry service was analyzed by Nov. 30 *Wall St. Journal*, which quoted industry leaders' estimates that facsimile volume this year may reach \$25 million, rise to \$40 million in 1960. "What sparks the spreading use of facsimile?" asks WSJ. Answer: "Industry leaders say that improvement in the reliability, reproduction quality and over-all performance of their equipment is one big reason . . . Additionally, many more businessmen are being sold on the savings in time & money which the facsimile men claim for their machines." About 10 U.S. firms offer some kind of facsimile equipment, among them: Stewart-Warner Corp., Electronic Communications, Litton Industries, A. B. Dick Co., Addressograph-Multigraph Corp., TelAutograph Corp., Alden Electronic & Impulse Recording Co., Fairchild Camera & Instrument Corp., Western Union.

Industrial electronics marketing conference will be sponsored by EIA Jan. 5 at New York's Biltmore Hotel. Managed by John Diebold & Associates. The meeting's theme will be "The Industrial Electronics Market: Marketing Problems in a Changing Field." Featured discussion subject will be "How to sell 'systems' as opposed to 'products.'" Discussion topics: (1) New marketing problems. (2) Changes in the industry's structure. (3) The future electronics market—who the customers are & how to find them. (4) How electronics managers are coping with change through changes in product lines, service, marketing, organization & talent. (5) Case study of one manufacturer's marketing problems and changes in his marketing methods.

Two 23-in. sets replace 21-in. units in Hoffman's line. A console listing at \$270-\$290 and a console at \$300-\$320 are substituting for corresponding 21-in. sets which are being discontinued. Consumer products vp-gen. mgr. Ray B. Cox said the new sets are being introduced a month earlier than originally scheduled because of "depleted factory inventories on a number of models." He added that Hoffman TV sales so far this year are more than 44% ahead of last year.

Varian Associates "has no specific projects under consideration that would explain" increased interest in the stock of the Palo Alto electronics firm, reports finance vp Merle R. Zinser. "The company has no plans for additional mergers or acquisitions for the rest of the year that I know of," he said. "We are always interested in expansion & diversification, and merger or acquisition is one way of accomplishing this. But I can say without hesitation that the company has nothing specific along this line under consideration."

Joint TV & radio manufacturing ventures in India in collaboration with U.S. firms are sought by the Indian firm, Pennsylvania Traders, which now makes transformers and assembles radios from imported components. Following introduction of TV in India, the market for TV sets there is good, proprietor M. U. Dada points out. Now on a U.S. visit, he can be reached in care of Mohamed Yusuf, 5215 S. Dorchester St., Chicago 15, Ill.

Top 7 British TV manufacturers, in terms of total number of sets sold from Sept. 1953 to Sept. 1958 (as listed by *The Financial Times*—and quoted in Pye ads): (1) Pye, 11% of market. (2) Bush, 9.9%. (3) Ekeo, 9.8%. (4) Ferguson, 8.7%. (5) Murphy, 5.6%. (6) Philips, 4.8%. (7) Sobell, 4.6%. The top 7 accounted for 54.4% of the total sets sold during the period.

Finance

Electronics Funds Report: The net assets of the Television Electronics Fund climbed to a record \$308.1 million at the close of the fiscal year ended Oct. 31. This was up 50.5% over fiscal-1958's \$204.7 million, announced Pres. Chester D. Tripp in the Fund's 11th annual report. For the year, net asset value per share rose 28%, from 1958's \$12.75 to \$15.87, adjusted for a capital gain distribution of 45¢ made in Nov. 1958. The Fund's investors increased in number to 104,000 from 78,743, and shares outstanding rose to a record 19,421,544 from 16,059,119 on Oct. 31, 1958. These were 4th fiscal quarter changes from 3rd quarter, when net assets were \$315,302,428, shares 19,011,697:

New additions: \$250,000 Gabriel Co. 5¼% subordinate debentures, due 1974; \$150,000 General Time Corp. 4¼% convertible subordinate debentures, due 1979.

Holdings were increased in American Chain & Cable, AT&T, Bausch & Lomb Optical, Dictaphone, Federal Pacific Electric, Friden, Gabriel, General Tire & Rubber, Giannini Controls, Packard-Bell, RCA, Zenith, Part of holdings were sold in Ampex, Burroughs, Clevite, Consolidated Electrodynamics Corp., Fansteel Metallurgical Corp., Food Machinery & Chemical Corp., General Mills, Hazeltine, Indiana Steel Products, Magnavox, Mergenthaler Linotype, Walt Disney Productions.

Stocks eliminated: 7,800 Corning Glass, 6,500 Eastern Industries, 5,000 Servomechanisms, 3,000 Texas Instruments. Also eliminated: \$150,000 American Machine & Foundry 5% debentures, \$200,000 GT&E 4% debentures, \$200,000 Ling-Altec Electronics 5½% debentures.

Unchanged during quarter were holdings in ACF Industries, Acoustica Associates, Addressograph-Multigraph, Admiral, Aerojet-General, Air Reduction, Allegheny Ludlum Steel, Allis-Chalmers, American Bosch Arma, AB-PT, American Electronics, Ampenol-Borg, Babcock & Wilcox, Barry Controls, Bell & Gossett, Bendix Aviation, Boeing, Borg-Warner, Bullard, Bulova Watch, Carborundum Co., Carrier, Central Hudson Gas & Electric, Champion Spark Plug, Chance Vought Aircraft, Cincinnati Gas & Electric, Cincinnati Milling Machine Co., Clark Contoller Co., Collins Radio, CBS Inc., Columbia Pictures, Conrac, Consolidated Edison of N.Y., Curtiss-Wright, Cutler-Hammer, Douglas Aircraft, Dresser Industries, DuMont Labs, E.I. du Pont, Eastman Kodak, Eaton Mfg. Co., Eitel-McCullough, Electronic Associates, Electronics Corp. of America, Emerson Electric, Ex-Cell-O Corp., Fischer & Porter, Ford, Foxboro, Garrett, General Bronze, General Dynamics, GE, GM, General Precision Equipment, General Railway Signal, GT&E, General Time, Goodyear Tire & Rubber, Harris-Intertype, Hewlett-Packard, Hoffman Electronics, Industrial Electronics, IBM, International Nickel Co. of Canada, IIT, Iowa-Illinois Gas & Electric, Lab for Electronics, Leeds & Northrup, Litton Industries, Lockheed Aircraft, P. R. Mallory, Martin Co., W. L. Maxson, Minneapolis-Honeywell, Minnesota Mining, Motorola, National Acme, National Cash Register, Neptune Meter, North American Aviation, Northrop Corp., Oak Mfg., Olin Mathieson Chemical, Orr Industries, Otis Elevator, Paramount Pictures, Perkin-Elmer, Philco, Pullman, RCA, Reliance Electric & Engineering, Robertshaw-Fulton, Rochester Gas & Electric, Royal McBee, Smith-Corona Marchant, Southern Cal. Edison Co., Sperry Rand, Square D, Statham Instruments, Stewart-Warner, Storer Bestg., Taylor Instrument, TelAutograph, Telet computing, Television Associates, Thompson Ramo Wooldridge, Tracerlab, Tung-Sol, 20th Century-Fox, Union Carbide, United Aircraft, United-Carr Fastener, United Utilities, Varian Associates, Warner Bros., Westinghouse Air Brake, Westinghouse Electric.

Electronics Investment Corp.'s total net assets soared to \$29,416,986 in the 12 months ended Oct. 30, up from \$18,286,853 a year ago. The mutual fund's net asset value per share also climbed sharply, from \$5.58 to the equivalent of \$7.70, adjusted for a net capital gains distribution of 44.5¢ per share, paid May 29, 1959. The portfolio included \$25,160,575 of common stocks, \$265,143 preferred, \$2,300,170 bonds, \$735,357 U.S. govt. obligations. Portfolio changes during the July 31-Oct. 30 quarter:

Purchases: 5,061 shares of Cobu Electronics (making a total of 20,243); 2,400 Eitel-McCullough (total 10,400); 1,300 Electronic Associates (total 7,322); 2,000 GM (total 4,000); 100 Haloid Xerox (total 1,100); 1,500 Packard-Bell (total 21,600); 1,500 Siemens & Halske (total 5,500); 4,100 Taft Bestg. (total 14,100); \$17,100 Consolidated Electrodynamics 4½% convertible debentures due 1984 (total \$103,000); \$101,000 Seeberg 5¼% debentures due 1979 (total \$101,000); \$150,000 U.S. Treasury bills due March 24, 1960 (total \$150,000); \$300,000 U.S. Treasury bills due Dec. 24, 1959 (total \$300,000); \$200,000 U.S. Treasury bills due Jan. 28, 1960 (total \$200,000).

Sales: 5,000 Burroughs; 6,000 Collins Radio (holds 5,651); 2,600 Dresser Industries; 7,800 Electronic Specialty (holds 2,200); 1,300 Epsco (holds 5,200); 4,000 GPE; 2,500 Midwestern Instruments (holds 1,700); 900 TelePrompTer (holds 6,100); 2,300 GPE 6% debentures (holds 700); 300 Tung-Sol 5% debentures (holds 2,700); \$50,000 Thompson Ramo Wooldridge 4¼% debentures; \$150,000 U.S. Treasury bills.

Other common stock held: A.C.F. Industries, American Bosch Arma, AB-PT, American Machine & Foundry, AT&T, Ampex, Ampenol-Borg, Bell & Gossett, Bendix Aviation, Borg-Warner, CBS Inc., Consolidated Electrodynamics, Cutler-Hammer, Eastern Industries, Fansteel Metallurgical, Garrett, GE, GT&E, General Tire & Rubber, Hazeltine, Hewlett-Packard, Hoffman, IBM, IIT Ling-Altec, Lockheed Aircraft, P. R. Mallory, Microwave Associates, Minneapolis-Honeywell, Motorola, Philips, RCA, Raytheon, Seeberg, Speer Carbon, Sperry Rand, Sprague Electric, Standard Coil Products, Stewart-Warner, Storer Bestg., Tectron, United Aircraft, Varian Associates, Western Union, Westinghouse Air Brake, Westinghouse Electric, Worthington.

Ampex will report sales of approximately \$30 million for its fiscal first-half ended Oct. 31, according to Pres. George I. Long Jr., as quoted in *The Wall Street Journal*. Long also said: Net profits for the half will be about \$1.8 million (75¢ on 2.4 million shares) vs. \$665,000 (37¢ on 1.8 million) in the same period last year when sales totaled \$16.1 million. For all of fiscal 1960, Ampex foresees sales of \$65 million, earnings \$4.3 million, vs. fiscal 1959's sales of \$43.8 million and earnings of \$2.9 million. The 1960 sales will include a gross of about \$5 million from recently-acquired Orr Industries. As to dividend policy, Long foresaw no imminent change in the policy of plowing retained earnings back into expansion & growth. He added that Ampex is not currently considering any mergers and does not now contemplate selling out to a larger firm. The company expects to hit a \$100-million-a-year sales volume in less than 5 years.

Replacement knobs for auto radio or TV sets are subject to excise taxes on parts or accessories for cars—not to the manufacturer's tax on set components, according to a new Internal Revenue Service ruling (Rev. Rul. 59-374).

Texas Instruments has submitted an SEC registration statement (File 2-15869) for 150,000 shares of \$1 par common stock to be issued under its stock option plan for officers & key employees.

Westinghouse will hold a special stockholder meeting Jan. 4 to consider its board's recommendation for a 2-for-1 stock split and doubling of authorized common shares to 50 million.

Lab for Electronics net income more than doubled to \$423,000 (92¢ a share) in the 6 months to Oct. 23, compared with \$203,000 (43¢) in the year-ago period.

The Outlet Co. (WJAR-TV & WJAR Providence) stockholders will vote on a 5-for-1 stock split and an increase in authorized common to 497,100 from 99,420.

Reports & comments available: Seigler, Burroughs, and Loral Electronics are discussed in *Monthly Investment Letter*, Hayden, Stone & Co., 25 Broad St., N.Y. 4 . . . General Precision Equipment, analysis, Eastman Dillon, Union Securities & Co., 15 Broad St., N.Y. 5 . . . RCA, discussion, Carl M. Loeb, Rhoades & Co., 42 Wall St., N.Y. 5 . . . Allied Radio Corp., report, White, Weld & Co., 20 Broad St., N.Y. 5 . . . Varian Associates, review, Ira Haupt & Co., 111 Broadway, N.Y. 6 . . . Electronic Associates Inc., analysis, W. C. Langley & Co., 115 Broadway, N.Y. 6 . . . Howard W. Sams & Co., prospectus, Walston & Co., Inc., 120 Broadway, N.Y. 5 . . . Siegler, profile in Dec. 1 *Forbes* . . . Metropolitan Telecommunications Corp., prospectus, Lee Co., 135 Broadway, N.Y. 6 . . . Harman-Kardon, prospectus, Milton D. Blauner & Co., 115 Broadway, N.Y. 6.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Arvin Industries	Q	\$0.25	Dec. 29	Dec. 7
Decca Records	Q	.25	Dec. 29	Dec. 15
Dresser Industries	Q	.40	Dec. 15	Dec. 1
Clevite	Q	.30	Dec. 28	Dec. 11
Corning Glass	Q	.37½	Dec. 28	Dec. 11
Corning Glass	Ex.	.50	Dec. 28	Dec. 11
Int'l. Resistance	Ex.	.15	Dec. 29	Dec. 15
RCA	Q	.25	Jan. 25	Dec. 18
RCA	Stk.	2%	Feb. 1	Dec. 18
Tectron Inc.	—	.31¼	Jan. 1	Dec. 15
Trans-Lux	A	.30	Dec. 16	Dec. 9
Universal Pictures	Yr-end	1.00	Dec. 24	Dec. 13
Zenith	Q	.40	Dec. 29	Dec. 11
Zenith	Ex.	.65	Dec. 29	Dec. 11
Zenith	Sp.	.65	Jan. 29	Jan. 8

Pacific Mercury Electronics reports a 53% increase in net income on a 16% sales gain in fiscal-1960's first quarter ended Sept. 30. Pres. Joe Benaron said sales established a first-quarter high, noted that "operations during Oct. & Nov. have continued at a favorable level and we are confident that first-half earnings will be well ahead of a year ago." For the first quarter ended Sept. 30:

	1959	1958
Sales	\$5,792,112	\$5,001,335
Net income	83,140	54,300
Earned per share	12¢	8¢
Shares outstanding	700,000	700,000

Emerson estimates a 75% jump in earnings & a 15% increase in sales for the fiscal year ended Oct. 31, Pres. Benjamin Abrams said last week. In fiscal 1958, Emerson earned \$1,410,009 (72¢ a share) on \$58,401,179 sales. On the basis of the concern's earnings of \$1,466,548 (72¢) in the 39 weeks ended Aug. 1, net income in the 4th fiscal quarter was around \$1 million. Abrams attributed the improved profit picture to production improvement & economies as well as increased sales.

Philips' Lamp Works, the giant Netherlands-based electronics & electrical combine, reports net profit of \$55,-650,000 on sales of \$735,110,000 for 9 months ended Sept. 30, compared with \$40,015,000 on \$636,530,000 in the same 1958 period. The profit for the latest period represented 7.6% of sales, up from 6.3% last year. At the end of Sept., Philips' employes throughout the world totaled 184,000 (67,200 in Netherlands) vs. 171,000 (64,100 in Netherlands) at the end of Sept. 1958.

Tokyo Shibaura Electric Co., the 85-year-old Japanese electrical-electronics-appliance firm is increasing its capitalization 67% next month to \$70 million by offering its stockholders of record Sept. 30 the right to subscribe to 6 additional shares for each 10 held at about 70¢ a share. About 10% of Toshiba's stock is held in the U.S. International GE, with 7.2% of Toshiba's shares, is said to be the company's largest individual stockholder.

Reorganization of Universal Transistor Products Corp., Westbury, N.Y., under Chapter X of the Bankruptcy Act, has been approved by Brooklyn federal court. The voluntary plan provides for 100% payment of unsecured creditors over 3½ years as well as a plan under which Telechrome Mfg. Corp. will take over the management of the firm and will be permitted to purchase more than 80% of Universal's stock over an extended period (Vol. 15:30 p. 19).

General Transistor Corp. increased its earnings in the quarter ended Sept. 30 to \$144,369 (16¢ a share) compared with \$115,533 (17¢) in the year-ago quarter. Earnings also climbed on sales that nearly doubled in the 9 months ended Sept. 30:

	1959	1958
Net sales	\$7,335,566	\$3,693,262
Net income	494,566	320,803
Earned per share	56¢	47¢
Shares outstanding	882,406	683,252

Metropolitan Telecommunications Corp. has placed 99,933 shares of common on the market for public sale at an offering price of \$3 per share. Underwriter is Lee Co., 135 Broadway, New York 6. The 9-year-old N.Y. concern produces single side-band transceivers, central music-broadcast systems, TV cable equalizers, as well as a wide range of teletype, telegraph and telephone gear.

Another merger involving Ling-Altec Electronics is in the wind. The company is known to be holding discussions with 2 firms.

RCA's 2% stock dividend, declared last week in lieu of the 50¢ extra year-end dividend of recent years, has the "objective of broadening the base for future earnings by conserving cash for continuing growth of the company's business in new & vital areas of basic circuitry, automation, electronic controls, communications, data processing, etc.," RCA announced. The company noted that value of the dividend is equivalent to about \$1.40 per share. The regular 25¢ quarterly dividend was also declared. (See dividend table.)

Howard W. Sams issue of 88,000 shares of common, offered for public sale at \$25 a share, was sold & heavily oversubscribed. The issue amounted to \$2.2 million, was underwritten by a syndicate headed by the Indianapolis (Ind.) Bond & Share Corp.

British Industries Corp., Port Washington (N.Y.) importer of hi-fi components, netted a small profit gain despite a slight sales decline in the 9 months ended Sept. 30:

	1959	1958
Sales	\$5,538,593	\$5,589,789
Net profit	360,585	358,318
Earned per share	1.01	1.00

Indiana General Corp.—formed by the recent merger of Indiana Steel Products Co. (permanent magnets) and General Ceramics Corp. (magnetic materials)—has forecast that 1959 sales will total about \$20 million. This would be one-third greater than the combined 1958 sales of the merged companies.

United Artists Corp. reports increases in both gross & net income for the 9 months ended Oct. 3:

	1959	1958
Gross income	\$72,060,000	\$61,600,000
Net income	2,886,000	2,623,000
Earned per share	1.73	1.58
Shares outstanding	1,664,218	1,276,148

Educational Television

Airborne-TV study has been undertaken by the National Bureau of Standards "to assist in the evaluation of a proposed airborne ETV network" (Vol. 15:44 p24). The service that can be expected from a single airborne station under a wide variety of operating conditions has been detailed in a report by M. T. Decker, *Service Area of an Airborne TV Station*, which is available as NBS Technical Note No. 35 (75¢) from the Office of Technical Services, Department of Commerce, Washington 25, D.C.

Ampex has delivered 5 Videotape recorders to the Ann Arbor, Mich. tape-duplicating center of the National ETV & Radio Center. The latest shipments increase to 42 the number of machines delivered under NET's \$2.5-million, 48-machine order (Vol. 15:33 p3). Ampex reports that the balance of 6 recorders is ready for shipment on instructions from NET, and probably will be delivered to the remaining ETV stations by early Jan. Total installations of Ampex Videotape recorders is now 520.

ETV research applications for govt. grants under Title VII of the National Defense Education Act (Vol. 15:45 p23) must be filed by Feb. 1 to meet a deadline for review by its advisory committee at a meeting next spring, the U.S. Office of Education announced. Also set is an Aug. 1, 1960 deadline for applications to be submitted to the committee at a meeting next fall. The proposals for research in TV-radio-recording educational aids should be filed with the director, educational media branch, Office of Education, Health, Education and Welfare Dept., Washington 25, D.C.

Foreign

End of Russian jamming of BBC broadcasts is foreseen—or at least hoped for—by British Foreign Office negotiators who signed a one-year cultural agreement with the Soviet Union. A British communique on the pact, which is similar in terms to a U.S.-USSR exchange renewal agreement signed last month (Vol. 15:48 p9), said the Russians are willing “to carry out studies in the immediate future with a view to normalizing relations in the field of broadcasting.” It was an admission, at least, by Soviet negotiators that jamming isn’t normal, the Foreign Office said. In Washington, USIA dir. George V. Allen said that since Soviet Premier Nikita Khrushchev’s visit to the U.S., Russian jamming of Voice of America programs has been cut by at least half. “Now jamming is sporadic, mostly to remind us they still can jam us,” Allen told the American Public Welfare Assn.

Red China’s TV is free from commercials and gangster & horror stories “such as crowd TV in the U.S. & other capitalist countries,” boasted Radio Peiping recently. The govt. radio station said the Peiping TV outlet is on the air 2 to 3 hours daily, 6 days a week, and that experimental outlets are now operating in Canton, Harbin, Tientsin & Changchun.

And Now—Scandinavian ‘Stratovision’: A Stratovision-like project intends to vault banned commercial-TV service across the borders of Scandinavia to compete with its state-supported ad-less video. Beginning Feb. 1, says Britain’s *Advertiser’s Weekly*, a Swedish-Danish group will initiate regular daily commercial telecasts from a teleplane flying at 21,000 feet off Sweden’s west coast. The airborne transmitter will be beamed at Denmark, Sweden and southern Norway.

“A transmitter has already been tried out,” *Advertiser’s Weekly* reports, “and 2 Convair transport aircraft will serve as TV stations. They will be stationed in north Germany and will operate outside international air lanes.” Among the unanswered questions: Which govt. will license the project—the airborne station’s operating frequencies & channel? Danish showman Fritz Ruzicka has been named spokesman of the airborne project, which bears technical resemblance to the Stratovision flying-ETV program announced recently by the Midwest Council on Airborne TV Instruction (Vol. 15:42 p3).

Despite warnings from Scandinavian advertisers that delay in establishing commercial TV would bring such services in from outside sources (Vol. 15:45 p23), the Norwegian, Danish and Swedish broadcasting systems reaffirmed at the recent radio conference that no form of advertising or commercial TV programming is “acceptable.”

* * *

But Sweden may be flooded with floating radio before it’s bombed with flying TV. To pierce Sweden’s radio monopoly, it’s reported, a floating radio station with a 60,000-watt transmitter will be established 3 miles off the Swedish coast shortly by Texas oilman Gordon McLendon (whose McLendon Corp. radio chain includes Texas stations KLIF Dallas, KILT-AM-FM Houston, KTSA San Antonio; KABL Oakland, Cal.; WAKY Louisville; KEEL Shreveport, La.) McLendon is expected in Stockholm about now to set up the project, which will have American technical personnel, will broadcast 18 hours daily.

Japan’s in a TV dither over the question: Is the new 1091-ft. TV tower in Tokyo leaning to the south—or is the tower standing straight on land that’s listing to port? Several cameramen claim they have photographic proof that the 10-month-old structure has begun competing with Pisa’s famous landmark. Not so, deny Tokyo engineers. Tower chief engineer Wataru Tanaka argues that the photos represent optical illusions, caused by the sun, the horizon or some such thing. Tanaka says he’ll drop a plumb line one of these days to make sure.

“Scrutineer of Quiz Programs” is official title of Harry Norton, retired theatrical booking agent in London who now works for Associated TV Ltd. to see to it that British TV quizzes aren’t fixed. As program contractor for the Independent TV Authority, ATV assigns Norton to supervise such imports as *Dotto*, U.S. quiz which was the first to be dumped in the rigging scandal. He makes sure contestants don’t meet the producer, the producer doesn’t see questions, and the quizmaster is kept away from everything before the show goes on the air.

Taxes imposed by Guatemalan govt. on TV-radio stations and other private & commercial TV-radio services vary according to the number of hours the stations are operated, whether for national or international service, whether located in urban or rural areas and number of watts, reports Commerce Dept.’s *Foreign Commerce Weekly*. Quarterly fees for TV-radio stations run \$30-\$100.

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The authoritative service for executives engaged in all branches of the television arts & industries

SUMMARY-INDEX OF WEEK'S NEWS

FCC

FCC HEARS VOX POPULI ON PROGRAMMING. Religious, social, civic & educational spokesmen demand methods of forcing broadcasters to yield to criticisms (pp. 1 & 4).

Networks

REVIEW OF NETWORK SELF-REGULATORY steps since revelation of quiz scandals shows considerable list of constructive actions (p. 2).

AUBREY REPLACES COWAN in long rumored pair of executive moves at CBS-TV (p. 9).

NERVOUS WEEK FOR NBC-TV results from actor's accidental 7-letter word, the report of a talent fee kickback system on low-budget shows, and a Bob Hope sketch in which he portrayed "Herman Payola," DJ (p. 9).

Stations

NAB PICKS TASK FORCE to handle "ethical & legal issues" in FCC & FTC probes of TV & radio in latest of self-regulation moves since October (pp. 3 & 6).

STOREVISION, NEW DAYTIME ALLY, launches pilot operation, using WNTA-TV N.Y., on Jan. 18 with 3,200 receivers spotted to carry 54-hours-weekly "Day Watch" in 400 supermarkets (p. 3).

SPOTS STILL GAINING: Spot TV spending took its seasonal dip during July-Sept. but totaled \$133,581,000 for an 18% gain over 1958's 3rd-quarter level, TvB reports (p. 7).

FM STEREO FIELD TESTS by NSRC, slated for Pittsburgh's KDKA-FM, won't be completed by new March 15 FCC deadline. Another 3-to-6-month extension probably (p. 8).

Manufacturing & Distribution

BUSINESS CONSENSUS for 1960 sees strong uptrend in the economy, led by increased consumer spending. The experts' predictions are digested (pp. 15 & 18).

1960's NEW TV STAR will be 19-in. square-corner tube, according to tube & set makers, who register enthusiasm as first bulb samples arrive (p. 15).

23-IN. SETS FEATURED in new units shown to distributors by Motorola, RCA, Zenith. Zenith & RCA show new stereo lines with "multi-channel" speaker combinations (p. 15).

TV BUYER SURVEY in Look magazine's appliance study indicates 63% plan to buy same brand again; reliability is most important factor in TV purchase (p. 17).

Advertising

FTC CITES TED BATES agency's vp David Loomis and Brown & Williamson for alleged false claims for Life cigarets in TV, radio, print ads (p. 10).

Programming

CAMP DAVID SPIRIT IN AIR for U.S.-USSR TV-radio program swaps, following signing of new 2-year cultural pact. "When do we start?" Russians ask (p. 11).

LATEST NIELSEN REPORT shows slow-starting 60-min. shows now gaining; Westerns still big; 1959 viewing at peak (p. 12).

Film & Tape

HOW NOT TO SELL A PILOT: plan it to land eventually in anthology series (p. 12).

FCC, VOX POPULI, MORE HEADLINES: The public's advice to the FCC, on ways & means of improving TV, is that FCC & industry should accept more advice from the public. That was the main theme running through 4 solid days of testimony in FCC's programming hearing last week, by a broad cross-section of religious, social, civic & educational spokesmen.

The next most frequent recommendation was that FCC exercise to the hilt its powers over programming, risking court slapsdowns if need be, meanwhile seeking Congressional backing in form of more explicit laws on program standards.

Split in philosophies of FCC members became more & more evident as the number of witnesses grew. Chmn. Doerfer never relaxed his fear of govt. censorship. Again & again, he asked witnesses if they want the Commission to determine: What literature is, what the difference is between murders in "Hamlet" and shootings in Westerns, whether today's pornography is tomorrow's classic, etc.

Comr. Ford was just as insistent, on other hand, in demonstrating his belief that FCC has duty of requiring licensees to spell out their efforts to meet needs of their communities.

Though it's also risky to attempt to classify Commissioners, it's apparent that Comrs. Bartley & Lee

lean toward a more active role for FCC, while Cross plays it exactly down the middle. Absent Comrs. Hyde & Craven, still in Geneva, are missing all the "fun." Hyde is difficult to assess, but he is usually a "case-by-case" operator, seldom goes for sweeping rules. Craven is way on other side of Doerfer, believes FCC has nothing to do with programs.

Doerfer received virtually no support from last week's witnesses. None equated a tougher Commission with censorship. What they wanted was a constant calling-to-account and some means of forcing broadcasters to react favorably to criticisms from the groups they represent.

Hearing resumes this week, scheduled to run Dec. 14, 15, 17 & 18. (For details of last week's testimony, see p. 4, for this week's witnesses, see p. 5.)

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FCC's payola questionnaire, meanwhile (Vol. 15:49 p1), had broadcasters & their attorneys scurrying last week. Questions were so broad that first impulse of Federal Communications Bar Assn. and NAB was to ask Commission for clarification. On second thought, FCBA decided to file a brief on laws & rules governing identification of those who pay for programs. NAB filed request to extend Jan. 4 deadline.

One question arising immediately was stations' traditional practice of accepting free records and playing them without identifying record-maker donors. Attorneys inform us that most stations will simply tell FCC about the practice, which is scarcely news to anyone, leaving it up to Commission to decide whether it's a crime.

REVIEW OF NETWORK CLEANUP: First quiz confessions before oversight probers in Oct. touched off a chain reaction at network level of new policies & directives, new cleanup depts., program changes & executive shuffles that's still continuing. It's the most thorough housecleaning in network history and will have profound effect on 1960 network operation. These are the highlights in the trend toward greater network self-regulation:

Policy—Although NBC-TV suspended Charles Van Doren from his \$50,000-a-year job even before his Nov. 2 admissions, it was CBS-TV that made the first big moves (Vol. 15:42 p6), with CBS Inc. Pres. Dr. Frank Stanton announcing in New Orleans a new taboo on big-money quiz shows, "misrepresentations" etc. When Stanton & NBC-TV Pres. Robert E. Kintner soon thereafter testified in Washington, both networks began broad revision of policies in the face of blaring headlines. CBS-TV took its cue from Stanton's early statements. NBC followed Kintner's Washington lead and speech by Chmn. Robert W. Sarnoff at affiliates meeting in N.Y. ABC-TV has ducked direct policy switches but has done some quiet tidying of its own. Almost from beginning of quiz hearings, critics suggested a network switch to British-style "magazine concept" TV. NBC & ABC have made no moves to do so, but CBS-TV is reported currently considering a wide variety (as many as 40) of internal proposals to strengthen network control on CBS programming.

Directives—To implement new policies, networks have issued cleanup directives right & left. First real blockbuster was 4-page Nov. 17 directive from then-exec. vp James T. Aubrey Jr. who laid down ground rules for quiz, interview, taped & comedy shows (Vol. 15:47 p9). Others were circulated: NBC insisted that top executives file depositions telling all they knew about quiz fixing (Vol. 15:45 p7), later followed with a similar probe of music payola. ABC-TV required its station DJs to sign a no-payola pledge (Vol. 15:48 p4), but didn't insist that Dick Clark sign after he dropped his outside music interests. CBS-TV's Stanton laid down the law on payola, CBS News Pres. Sig Mickelson announced no-fraud practices in news shows, and program practices vp Joseph H. Ream issued a new set of rules banning merchandise plugs (Vol. 15:49 p9). NBC issued its own prize merchandise memo the same week.

Executive changes—CBS-TV has also set a pace in organizing internal policing of new policies, naming Ream (Vol. 15:47 p3) to head a new watchdog operation. NBC-TV, although announcing its self-policing intentions earlier (Vol. 15:45 p6), then followed suit, naming James A. Stabile to a post comparable to Ream's (Vol. 15:49 p9). In this area, ABC-TV has held aloof, preferring to proceed with executives in existing jobs. Biggest switch of them all occurred last week when CBS-TV Pres. Louis G. Cowan resigned (see p. 9).

Program shuffles—In the wake of the quiz probes, networks took a hard look at their program lineups, and the axes started to drop. CBS-TV threw out 5½ hrs. weekly of quiz shows (daytime Top Dollar & Big Payoff, nighttime Name that Tune) at Stanton's order (Vol. 15:42 p6). NBC-TV, effective Oct. 26, threw out

ex-Barry & Enright daytime quiz strip Tic Tac Dough, replacing it with Truth or Consequences, later dropping its so-so spy series Five Fingers to replace it with prime-time news specials (Vol. 15:49 p11). Other NBC quiz-&-game packages remained intact. ABC-TV made some replacements (Dick Clark's World of Talent dropped Nov. 25 to be replaced by 21 Beacon St.; Treasure Hunt and Music Bingo dropped for Play Your Hunch and About Faces). Last week, CBS-TV scheduled a music-variety show, Be Our Guest, as a Jan. replacement for The Lineup. There was a definite downgrading of money quiz shows at all 3 networks, a slight trend away from dramas featuring violence, and a strong upbeat in big-budget news programming.

NAB's CHRONOLOGY: Since the October eruption, NAB's course of action for self-regulation has run as follows:

Oct. 16: Pres. Harold E. Fellows tells first NAB fall conference in Washington (and repeats statements at subsequent regional meetings) that it's no use to "try to explain or justify" quiz scandals. He promises proposals for TV Code amendments preventing "abuse of public acceptance & trust" (Vol. 15:42 p6).

Nov. 16-17: TV Code Review Board meets to draft amendments in conjunction with NAB fall meeting in Los Angeles (Vol. 15:47 p8).

Nov. 18: In closed-circuit telecast on 3 networks, Review Board Chmn. Donald H. McGannon pleads for fuller support of self-regulation by industry (Vol 15:47 p3).

Dec. 2: Fellows & McGannon tell FTC that NAB is ready for house-cleaning (Vol. 15:49 p2).

Dec. 4: NAB's TV Board adopts new Code rules to outlaw quiz rigging, payola, other frauds on air (Vol. 15:49 p3).

Dec. 9: NAB task force of broadcasters & staffers is named "to deal with the ethical & legal issues" confronting industry (see p. 6).

DOERFER BACKS 3 PROGRAM-IMPROVEMENT AIDS: FCC Chmn. Doerfer's concern lest Commission attempt to overstep the legal bars of censorship has received considerably more attention than his equally significant willingness to consider means of helping industry raise its levels of programming & advertising. For example, TV Guide interviewed him recently, and the Dec. 19 issue this week reports his approval of the following 3 ideas:

(1) Direct regulation of networks by FCC, after Congress amends law to permit it. Doerfer doesn't consider this a major factor but believes it would be helpful. "We can do almost anything now about networks [through the o&o's] that we could do if we licensed them directly," he said. "But it probably would be a good thing. There may be a few things we can't reach now." He had in mind, he said, such things as the gyrations of MBS which has no o&o's.

(2) Congressional anti-trust relief for networks "so that the networks could get together solely to raise the program & advertising levels." Ever fearful of govt. charges of "conspiracy," networks have almost always avoided any mutual consultation on almost anything. At the moment, public climate forces Justice Dept. to be less forbidding on that score—and, in fact, a summit session of top network executives was held recently in N.Y. (Vol. 15:45 p10)—but Doerfer believes that Congress should relieve networks of such anti-trust worries.

(3) FCC should employ NAB Code as a criterion in judging station performance. Doerfer made it clear that he doesn't believe FCC can use adherence or non-adherence to Code as sole or primary criterion. "The FCC would have to make its own independent study," he said. "It would consider the fact that the Code seal had been withdrawn from the station but that couldn't be the sole basis for failing to renew [a license]."

NEW DAYTIME ALLY—STOREVISION: Jan. 18 will see operational start of recently-created NTA Storevision. Ted Cott, NTA vp for o&o stations, is pres. of the subsidiary. Pilot operation in N.Y. has signed up 26 independent supermarket chains, numbering nearly 400 stores so far.

Storevision isn't a closed-circuit system, as is earlier Store Video Inc. It will operate on regular Ch. 13 of WNTA-TV N.Y., be available to home viewers as well as to store customers via 3,200 receivers (21-in. sets made for Storevision by Pacific Mercury Electronics). They're being installed by 64-man crew of construction div. of Jerrold Electronics Co.

Programming will be magazine-concept show running total of 54 hrs. weekly, titled Day Watch. Total commercial time in each hour of show (a mixture of news, service features, weather, shopping tips, etc.) will be the industry-approved 12 min., but commercial length will be 10-sec. participations, or total of 72 "shorties" in each 60-min. segment. Anticipated cost-per-1,000 will be an "incredibly low" 40¢.

Total of 8 pioneer advertisers, all with national brands, have signed so far for N.Y. A 20-min. leeway on product-type exclusivity is given in Day Watch, based on NTA studies which show average supermarket customer spends 23 mins. in store. Commercials are expected to have a "buy now" immediacy, since the Jerrold-installed sets (8 per store, suspended slightly above eye-level, with speakers on the bottom of receiver) will be near key traffic points in stores.

Franchise operation is being launched by Storevision to set up the system in other areas. "We find interest particularly among uhf stations in uhf-vhf markets," said Cott.

The FCC

More about

THE PUBLIC SPEAKS: Three religious leaders led off in FCC's hearing on programming (see p. 1), and all found TV's shortcomings a reflection of moral weaknesses in the whole society—not simply laxity & transgressions by FCC & the industry.

James Wine, associate general secy. of the National Council of Churches of Christ (Protestant), said the problem was FCC's "lack of will to enforce" and the industry's "lack of will to obey." He recommended that FCC conduct local hearings at regular intervals to get the public's view of local programming, that broadcasters be required to publicize their applications for license renewal, that FCC publish standards for renewals.

The Very Rev. Celestin J. Steiner, pres. of U. of Detroit and the Catholic Bcstg. Assn., urged that FCC spell out its ideas of the "public interest" and that the Commission examine closely any licensee who has been disciplined by the industry for infractions of its Code.

Dr. Bernard Mandelbaum, provost of the Jewish Theological Seminary, called for the creation of an Institute on Values in the Mass Media to study the moral & ethical problems. The Institute, he said, would "help create an increasingly responsible moral climate."

Violence Draws Fire of Many

A succession of national civic leaders followed, most of whom castigated TV for too much "horror" & "violence" and asserted that the FCC must clamp down. Witnesses represented National Congress of Parents & Teachers, National Assn. for Better Radio & TV, American Assn. of University Women, General Federation of Women's Clubs.

The farmers are split, apparently. Roy Battles, of the National Grange, said the industry is doing a "reasonably good job" and can be expected to correct abuses without govt. intervention. But Angus McDonald, of the National Farmers Union, blasted networks for the "steady deterioration" of programs, asserted that the public & FCC "must drive the Madison Ave. people from the TV temple."

Dr. Eugene F. Hoffman, American Medical Assn., said the industry is improving both programs & commercials.

Then came the professors, and the Commissioners showed by their questions they believed they were getting closer to the issue—their powers, present & potential.

Prof. Walter B. Emery, Michigan State U., received close attention—for he had served FCC 10 years, part of them as legal asst. to former Chmn. Paul Walker. Emery's main point was that Congress left the Commission

uncertain about its powers over programming and should now spell out more clearly what it meant by the "public interest interest, convenience & necessity."

Msgr. John J. McClafferty, Catholic U., stated that a much strengthened industry code would help greatly. He said that the code should cover not only stations & networks but sponsors, agencies & program producers.

Comr. Ford then brought out a question which he was to ask of every subsequent witness. It dealt with the possibility of establishing, by law, a sort of govt.-backed technique of industry self-regulation. Ford propounded a setup whereby all stations would be required to belong to an association. The association would conduct local or regional hearings on transgressions by its members. After hearings, recommendations by the association would be given heavy weight by the FCC—with final review available through the courts, as at present. Ford had in mind the National Assn. of Security Dealers, established by law. It can punish its own members with reprimands, fines, suspension or expulsion. SEC often follows up with punishment of its own—up to revocation of brokers' licenses.

Doerfer on Censorship

Prof. William Y. Elliott, Harvard U., said that a big-name national advisory commission must study the situation before solid advice can be given to the Commission & the industry. Elliott roamed far & wide in his attack on programs but admitted that TV brings some great drama sometimes, "and I'm not yet ready to recommend bureaucratic control." He had one specific recommendation for change now: each licensee to be required to telecast at least one sustaining program of high quality every evening in prime time. Elliott said he'd need to study Ford's question about a govt.-backed self-regulation system, but he offered this about industry committees in general: "They're very good for intra-industry problems, but they don't give enough representation to the broad public interest factors." Chmn. Doerfer's questions dwelled on his favorite subject—U.S. Supreme Court decisions on censorship. Elliott said that the court changes its views from time to time, agreed with Doerfer that FCC shouldn't try to interpret the Constitution and should ask Congress for guidance.

Prof. Paul Lazarsfeld, Columbia U., recommended a 5-year program of research to establish programming criteria. "FCC listens to technical groups," he said, "why not to social scientists?"

Prof. Ithiel Poole, MIT, suggested a multi-million-dollar research project to determine what kinds of programs will "actually raise or lower the general standards of the citizen body." He said no one really knows the effects of programs. For example, "seeing violence acted out in dramatic form may purge children of similar feelings."

Prof. William F. Lynch, Georgetown U., said that standards should be created by a "national citizens council."

Prof. Reuel Denny, U. of Chicago, urged establishment of a foundation to review broadcasters' performance.

Prof. Percy Tannenbaum, U. of Wis., seconded Prof. Poole's motion and suggested that the research be done by an organization such as Social Science Research Council.

Prof. Sydney W. Head, U. of Miami, suggested that govt., industry, education, foundations and others explore the "ethical implications of the broadcaster's role in our society." Then, he said, there should be developed "educational goals & methods that could be of immediate practical value in the guidance & development of education for broadcasting as a profession."

Shades of the Blue Book

The grimmest exchange of the week came between N.Y.U. Prof. Charles Siepmann and Doerfer after Siepmann delivered a very bitter attack on the industry & the character of the Commissioners themselves. Siepmann, who once worked for BBC, had been a consultant to FCC on its famous 1946 "Blue Book," which was an attempt to impose a set of program standards on the industry. What may have provoked Doerfer was such statements as this: "The activities of the FCC [and] its record as guardian of the public interest has, in the judgment of many, been fitful, hesitant and, on occasion, downright pusillanimous . . . The Commission has been charged in recent years with practices which suggest that Caesar's wife has not always been its model respecting conduct becoming to officials whose absolute integrity the public is entitled to assume." Siepmann offered several recommendations, including local FCC renewal hearings, "divorce" of programming & advertising, a continuing "audit" of programming by educational groups.

Then, Doerfer went to work like the prosecuting attorney he once was, finally forcing Siepmann to assert that he resented "impertinent" questions and "cross-examination." How, asked Doerfer, could the FCC hold some 1500 renewal hearings a year? Answer: Do a sampling. Doerfer wanted to know how "60,000 hours of programming a week" could be monitored. Said Siepmann: Sample.

Prof. Gilbert Seldes, dir. of the Annenberg School of Communications, U. of Pa., seconded proposals for full-dress FCC hearings on license renewals. "I suggest," he said, "that the FCC make it mandatory for each station to announce at specified intervals that the FCC will hear its application and that written criticism as well as personal appearance before the Commission is invited. It would, of course, be desirable for the Commission to hear each application locally." Seldes spurned suggestions that what the TV-radio industry needs is "a czar." Seldes said that if he were to "pass judgment" on broadcasting's performance generally, "it would be, on the whole, a favorable one."

Patrick Murphy Malin, exec. dir. of the American Civil Liberties Union, urged FCC to utilize its existing authority "to promote the maximum possible range & balance in over-all programming." So far, he said, FCC hasn't taken "nearly enough positive action" to see to it that licensees carry out their public-service responsibilities. He added that FCC needs additional authority from Congress for direct licensing of networks so that their program policies can be watched closely. He warned against any move that would give FCC authority to censor specific TV or radio programs, however.

William F. Buckley, editor of *The National Review*, said that pay TV could lift TV's program level.

Forestalling AM Freeze: FCC Chmn. Doerfer last week hinted at a possible freeze on the granting of all AM applications until red tape is untangled. His audience at a meeting called by the Federal Communications Bar Assn. vowed to do all it can to make the freeze unnecessary. FCBA resolved to appoint 4 *ad hoc* committees in Jan., each including representatives of FCC, FCBA and the Assn. of Federal Communications Consulting Engineers, each to attack specific areas of the log jam.

FCC program hearing (see pp. 2 & 4) witnesses this week include: Dec. 14—Prof. Elmer E. Smead, Dartmouth College; *Harper's*, editor John Fischer; American Heritage Publishing Co., editor Eric Larrabee; Science Service, dir. Watson Davis; National Education Assn., Pres. Dr. Walter W. Eshelman; Links Inc., Mrs. Pauline S. Weeden. Dec. 15—Radio-TV News Directors Assn., Ralph Renick; Prof. Robert Gessner, NYU; Greater Kansas City Council of Churches, gen. secy. Dr. Stanley I. Stuber; Harold E. Younkman, Madison County (O.) schools pupil personnel supervisor; Erwin Frankel Productions, Erwin Y. Frankel; Union of American Hebrew Congregations, Rabbi Maurice Eisendrath.

Miami Ch. 10 conspiracy case was cleared for retrial last week by the Supreme Court. In a brief order which carried no opinion, the Supreme Court rejected an appeal by ex-FCC Comr. Richard A. Mack & Thurman A. Whiteside from refusal by U.S. District Court Judge Burnita S. Matthews to direct a verdict of acquittal in their first trial, which ended in a hung jury. A new retrial date was not immediately set by District Court Judge Charles F. McLaughlin, assigned to preside over the 2nd trial. He had first set it for Nov. 12, but agreed to an "indefinite" postponement pending outcome of the appeal (Vol. 15:46 p5).

Radio KFWB Los Angeles last week had its Nov. 12 license renewal set aside and put in the pending file while FCC ponders whether the station adequately sought out opposing views on a controversial issue. KFWB had received a renewal accidentally, before the Commission concluded whether or not the station had been diligent in presenting conflicting views on "Proposition 16" during the Nov. 1958 elections. The issue dealt with tax exemptions for parochial & private schools. The other radio stations similarly involved are KNX & KMPC Los Angeles, KOBV San Francisco & KVON Napa.

WTHI-TV Terre Haute, now operating on Ch. 10, was tentatively awarded Ch. 2 in an initial decision issued last week by FCC examiner Annie Neal Huntting. She held that WTHI-TV outweighed competitor Illiana Telecasting Corp. because of its past broadcast record, diversification of business interests, local residence, civic participation and experience. Illiana ownership interlocks with WSJV South Bend & WKJG-TV Ft. Wayne.

Federal Communications Bar Assn. holds its annual banquet Jan. 8 at the Statler Hotel, Washington. FCBA intends to make it a real VIP affair, celebrating FCC's 25 years of existence. Among those invited: Vice President Nixon, former President Hoover, former members & secretaries of the Federal Radio Commission and FCC, presidents of other communications companies such as AT&T, Western Union, etc. ASCAP will provide the entertainment.

Single application for new TV station filed with FCC last week was for Ch. 27, Tulare-Visalia, Cal. by consultant Norwood J. Patterson who is leasing the facilities of off-air KVVG-TV Tulare.

Stations

More about

NAB PICKS TASK FORCE: Quickly following up Dec. 4 actions by NAB's TV Board to reinforce anti-fraud self-regulation in the TV Code (Vol. 15:49 p3), NAB Pres Harold E. Fellows last week appointed a 12-man TV-radio task force "to deal with the ethical & legal issues" stemming from quiz & payola scandals.

In another swift development, NAB's Standards of Good [radio] Practice committee was summoned by Chmn. Cliff Gill (KEZY Anaheim, Cal.) to meet in Washington Dec. 16 to bring the Radio Code into line with new TV rules. The 8-member NAB unit will vote on similar amendments on deceptive ads, payola, program fakery.

"This special committee will cooperate wholeheartedly with investigations by govt. agencies," Fellows said in picking members of the clean-up squad, half of them broadcasters, half NAB staffers. It had been authorized 4 days earlier in Washington by NAB directors, who deplored "the unethical & reprehensible actions of a few."

Referring specifically to TV & radio inquiries by FCC (see p. 1) & FTC (Vol. 15:49 p2), Fellows added:

"We welcome these investigations. We know they will bring out the full story of broadcasting's tremendous service to the American public, which far transcends the misdeeds of a few individuals.

"The broadcasting industry has already taken specific, positive action to clean its own house. Strong new amendments have been added to the TV Code to protect the public from deceptive programs & advertising. Radio [has] increased emphasis on its Standards of Good Practice.

"Broadcasters are taking quick action against wrongdoing wherever they find it."

Intermission for Evidence Gathering

Meanwhile the govt. probing unit which started it all—the House Commerce legislative oversight subcommittee—gave the industry a breathing spell (if not a reprieve) from its hot witness seat. The subcommittee headed by Rep. Harris (D-Ark.) met in closed session, decided to give its staff another 5 or 6 weeks to prepare payola evidence before proceeding with any public hearings.

"We will have hearings if we develop the information to justify them," said Harris after the executive meeting broke up. Payola investigations by FCC, FTC and a N.Y. grand jury will "in no way interfere" with the oversighters' study of that phase of broadcasting's ills, he said.

Harris also had some reassuring words for broadcasters who may be worried about being dragged unfairly into public proceedings on payola practices. Those "who are in the clear" can stop worrying, he said; "any broadcaster who has not engaged in [it] has nothing to fear."

At the subcommittee's end of the Capitol, hardest news of the week wasn't made by the oversighters themselves but by 2 ex-staffers: (1) Francis X. McLaughlin, who left the subcommittee's payroll a year ago, announced he is opening a Comper Consultants (for "communication personnel") office in Washington to do payola sleuthing for stations which want to find out what their disc jockeys are up to. He said his fees will range from \$350 to \$1,000 per year, depending on a station's size. (2) Richard N. Goodwin, author of a *Life* article on the quiz probe which raised subcommittee eyebrows (Vol. 15:46 p8), confirmed reports that he had left its payroll as of Dec. 5. He is joining the staff of Sen. Kennedy (D-Mass.) to do research & speechwriting.

On the NAB front, Fellows tapped himself and the following for task-force duty:

From the stations (all NAB directors): F. C. Sowell, pres.-gen. mgr. of radio WLAC Nashville; G. Richard Shafto, exec. vp of WIS-TV Columbia, S.C.; Merrill Lindsay, exec. vp of radio WSOY Decatur, Ill.; Dwight W. Martin, chmn. of WAFB-TV Baton Rouge; Daniel W. Kops, pres. of radio WAVZ New Haven; Clair M. McCollough, pres.-gen. mgr. of Steinman Stations.

From NAB's staff: TV vp Thad H. Brown Jr., radio vp John F. Meagher, govt. relations mgr. Vincent T. Wasilewski, chief counsel Douglas A. Anello, joint TV-radio affairs asst. Howard H. Bell.

The next scheduled meeting of the NAB board in Palm Springs, Cal. was cancelled—along with all other meetings of NAB committees—so that all NAB personnel can be "immediately & completely available" for clean-up squad help. As the board put it: "Matters affecting the broadcasting industry encompassing all aspects of its regulation by govt. and its self-regulatory processes are of overriding & immediate import."

Unaffected by the NAB schedule-revamping are its 5th annual conference of presidents of States Assns. of Bcstrs. in Washington Feb. 24-25 and the 38th annual NAB convention in Chicago April 3-7.

Columbia Pictures formally took over KDYL Salt Lake City from Time Inc. last week in ceremonies at which Time Inc.'s bcstg. vp Weston C. Pullen had some words for NBC Chmn. Robert W. Sarnoff. Noting Sarnoff's criticism of *Time* for its handling of the TV quiz story while the parent company operated 5 stations (Vol. 15:47 p7), Pullen said he wanted it made "crystal clear" that the \$3.1 million deal with Columbia (Vol. 15:31 p11) was made before the quiz scandals broke in Washington. "Time Inc. is in no way pulling out of, or from, the broadcast industry," Pullen said. "We are very much in the communications business and hope to remain in it." He reiterated that subsidiary TLF Bcstrs. Inc. is looking for a bigger metropolitan market for a station acquisition to replace the Salt Lake City properties. Remaining Time Inc. stations now are KLZ-TV & KLZ Denver, WOOD-TV & WOOD Grand Rapids, WFBM-TV & WFBM Indianapolis, WTCN-TV & WTCN Minneapolis.

Prompt & decisive action by NAB to "accept the responsibility for saying that a program or commercial meets—or fails to meet—the standards to which we have subscribed" was urged last week by TvB Chmn. Roger W. Clipp (vp-gen. mgr., TV-radio div., Triangle Publications, Inc.). In a letter to Biscayne TV Corp. Pres.-gen. mgr. Niles Trammell, Clipp declared: "I feel that Harold Fellows & Dick Shafto are begging the issue when they say it would cost \$2 million to effectuate my proposal [to preview TV shows & commercials, Vol. 15:47 p8], and that previewing is contrary to self-regulation & tantamount to censorship. Both viewpoints are greatly exaggerated; the previewing job can be done for an additional \$250,000. Furthermore, if previewing is censorship, so is *postviewing* (monitoring) which has been a major activity of the Code Board for the last 2 years."

Evangelist Billy Graham is pres. of non-profit Blue Ridge Bcstg. Corp. which applied last week for an AM station in Black Mountain, N.C., 1010 kc, 10 kw daytime.

RCA shipped a 25-kw transmitter Dec. 8 to WEAR-TV (Ch. 3) Pensacola, Fla., which is planning boost to 100 kw and move to a site between Pensacola & Mobile, Ala.

100 Largest TV-Spot Advertisers of 1959's 3rd Quarter

Gross time costs only, as estimated by Television Bureau of Advertising (TvB) in cooperation with N. C. Rorabaugh Co.

Rank	Advertisers	Amount	Rank	Advertisers	Amount
1.	Procter & Gamble.....	\$11,219,300	51.	Pbarma-Craft	\$ 512,300
2.	Adell Chemical	4,774,300	52.	Jacob Ruppert	509,200
3.	General Foods	3,575,400	53.	Andrew Jergens ...	499,700
4.	Lever Brothers	3,126,300	54.	Falstaff Brewing ...	488,000
5.	Colgate-Palmolive ..	3,106,600	55.	Internat. Sboe	487,300
6.	Amer. Home Prod... ..	2,931,600	56.	Pan-Am. Airways ..	485,400
7.	Continental Bakg. ..	2,625,200	57.	Helena Rubinstein..	480,900
8.	Warner-Lambert ...	2,355,200	58.	Food Mfgs., Inc.....	479,500
9.	Brown & Williams'n	2,327,500	59.	Gallo Winery	461,600
10.	Reynolds Tobacco ..	2,223,400	60.	J. A. Folger	457,400
11.	Bristol-Myers Co.....	1,714,600	61.	Hertz Corp.	457,000
12.	Miles Labs	1,629,900	62.	Helene Curtis	454,900
13.	Kellogg	1,620,400	63.	Fels & Co.	440,700
14.	Philip Morris	1,371,300	64.	Liggett & Myers ...	437,400
15.	Gillette	1,278,200	65.	Std. Oil (Ind.)	435,800
16.	International Latex	1,248,900	66.	Seblitz Brewing	431,700
17.	Carter Products	1,210,100	67.	Atlantic Refining...	409,700
18.	Texize Chemical	1,175,500	68.	C. Schmidt & Sons..	403,700
19.	Lanolin Plus	1,031,000	69.	Maybelline	400,000
20.	Ford	1,024,500	70.	Alberto-Culver	396,000
21.	Pabst	986,800	71.	Armstrong Rubber..	392,700
22.	P. Lorillard	939,000	72.	Pillsbury	390,500
23.	General Motors	937,800	73.	Wilson & Co.	380,600
24.	Anbeuser-Busch	905,300	74.	P. Ballantine	380,200
25.	Drug Research	887,100	75.	M.J.B. Co.	367,200
26.	Wesson Oil	887,000	76.	Vic Tanny Enter....	360,000
27.	Associated Products	827,100	77.	Safeway Stores	354,700
28.	Coca-Cola	826,100	78.	Piel Bros.	345,600
29.	Pepsi-Cola	823,900	79.	S. C. Johnson	343,800
30.	Corn Products	772,200	80.	Paxton & G'll'gber	340,100
31.	Sterling Drug	747,500	81.	Pacific T & T	328,100
32.	Welch Grape Juice..	738,200	82.	Std. Oil (Cal.)	324,800
33.	Robret Hall	733,200	83.	Parker Pen	321,900
34.	Amer. Tobacco	706,900	84.	Phillips Petroleum..	315,800
35.	Avon Products	696,200	85.	Schaefer Brewing...	314,800
36.	General Mills	692,500	86.	Chrysler	312,400
37.	Carling Brewing ...	679,500	87.	Kroger Co.	310,800
38.	Wm. Wrigley Jr. ...	651,700	88.	Interstate Bakeries..	308,400
39.	Max Factor	651,700	89.	B'rgrm'st'r Brew...	308,000
40.	Ralston-Purina	649,000	90.	Ex-Lax	307,300
41.	Shell Oil	645,700	91.	Duncan Coffee	306,100
42.	Esso Standard Oil...	637,200	92.	Rayco Mfg.	303,000
43.	B. T. Babbitt	625,100	93.	Dr. Pepper	299,500
44.	Norwich Pharmacal	593,000	94.	Barcolene Co.	289,500
45.	Sun Oil	566,800	95.	Hills Bros. Coffee...	286,300
46.	Revlon	544,600	96.	American Snuff	285,900
47.	Theo. Hamm Brew.	544,000	97.	National Brewing ..	285,300
48.	American Chicle	522,000	98.	Jackson Brewing ..	280,600
49.	U.S. Borax Corp.	520,000	99.	Atlantis Sales	275,100
50.	Nestle Co.	512,900	100.	A & P	272,500

WRCA-TV N.Y. sales reached a new high for the 26th consecutive month in Nov., with sales up 18.4% over Nov. 1958. Max E. Buck, station mgr., announced that this year's 11-month sales have already exceeded all of 1958's billings by 6%.

Move of KVVU (Ch. 2) Santa Fe to Sandia Crest, plus an increase in power from .324 to 28.2 kw, was recommended in an initial decision last week by FCC examiner Herbert Sharfman. KVVU had received Commission authorization for the changes Dec. 18, 1957, but the effectiveness of the grant had been withheld pending hearing on protests against changes for CP-holder KVVU filed by KGGM-TV (Ch. 13) and KOAT-TV (Ch. 7) Albuquerque.

KIFI Idaho Falls, Ida. was granted Ch. 8 last week, the FCC making effective immediately an initial decision in its favor. Competitor Sam H. Bennion's application had been dismissed with prejudice by chief hearing examiner James Cunningham. Bennion contested Cunningham's decision but the FCC turned him down.

Shift of WLUK-TV's Ch. 11 from Marinette to Green Bay, Wis., requested by the station, has been proposed by FCC in a notice of rule-making. Also proposed was the drop-in of educational Ch. 13 for Fargo, N.D., at the request of the Joint Council of Educational TV.

"Learn—and Live" campaign started last year by NAB to pose space-age problems & challenges for viewers & listeners has enlisted 694 participating TV & radio stations so far.

SPOTS STILL GAINING: Spot-TV spending took its seasonal dip during July-Sept. but stayed 18% ahead of 1958's 3rd-quarter volume with a big \$133,581,000, reports TvB & N. C. Rorabaugh. The July-Sept. spending, reflecting the hot-weather business sag, was down from the 2nd quarter's \$158.9 million level (Vol. 15:38).

For 1959's first 3 quarters, total spot spending increased 23.8% to \$448,904,000 from \$362,599,000 in Jan.-Sept. 1958 (The 3rd-quarter 1959 figures are based on reports from 317 stations which account for some 90% of total spot revenue.)

More than half of the 3rd-quarter spot dollars (54.1%, \$72,245,000) were invested in night TV. Day spots accounted for 32.7% (\$43,716,000) of the total and late night, 13.2% (\$17,620,000).

Announcements continued as the dominant format for spot activity, accounting for 75.4% (\$100,693,000) of the total investment. Programs took a 14.4% bite (\$19,231,000); IDs were used for the remaining 10.2% (\$13,657,000).

The 3rd quarter's heaviest category spot-spender was food & grocery products, with a total investment of \$30,218,000. The largest 3rd-quarter-to-3rd-quarter gain was racked up by the automotive category—which jumped its spot spending 264% from \$1,438,000 to \$5,233,000.

Procter & Gamble and Adell Chemical took win & place as the 3rd-quarter's top spot spenders, repeating their performances of the 2nd quarter. Colgate-Palmolive, however, dropped from 3rd to 5th, supplanted by General Foods which moved up from 4th to 3rd, and by Lever Bros. which climbed from 5th to 4th.

Newcomers to the Top-100: American Snuff, Barcolene, International Shoe, and C. Schmidt & Sons.

Dramatic stunt by KOLO-TV Reno to promote the Nevada as a year-round resort consisted of a \$100 prize for the viewer with the most accurate prophecy of the number of vehicles that would pass over the Donner Summit on Rt. 40 (principal route east from San Francisco) between 6 p.m. Fri. & 10 p.m. Sun. on a given Nov. week-end. News dir. Bob Carroll & program staffer Bob Lake pitched a tent on the below-freezing summit that week-end to make an on-the-spot count over the 52-hour period. The winner guessed 12,500 cars. Actual count: 12,510.

Goodwill holiday gesture by KETV Omaha last year engendered such favorable comment that the station is repeating its "Christmas Call Contest," vp-gen-mgr. Eugene S. Thomas reports. Viewer with the reason considered most compelling is granted a person-to-person telephone call to anywhere in the world on Christmas Day. Last year's winner was an escapee from a Nazi concentration camp who hadn't seen his brother for 20 years. The brother was reached by telephone in Bondi, Australia.

TV's "intangible bonus values" (such as "sponsor identification, off-the-air impact, personality salesman, association with an important medium") must be emphasized in sales presentations, ABC-TV dir. of sales development Bert Briller told an RTES timebuying & selling luncheon clinic. Successful presentations must be "simple & vivid" and "must give the listener a chance to ask questions."

Call letter change: KICA-TV & KICA Clovis, N.M. Dec. 9 to KVER-TV & KVER.

RCA TV tape recorder has been purchased by WTOP-TV Washington, for installation shortly after Jan. 1.

FM STEREO FIELD TESTS: EIA last week requested FCC to extend the deadline for comments on FM stereo systems from Dec. 11 to March 15 (Vol. 15:49 p5)—but it's now learned that another extension of 3 to 6 more months will be necessary in order to field-test the systems. It's expected that EIA's National Stereo Radio Committee will file the preliminary results of its studies by the March 15 deadline, and then request the further extension for tests.

Field tests will be conducted in Pittsburgh (not Washington, as previously reported), with further tests possible in San Diego. Westinghouse's KDKA-FM has offered its facilities to NSRC's field testing panel, headed by NAB engineering dir. A. Prose Walker. If West Coast tests are held, facilities of KFSD-FM probably will be used.

The panel probably will test 5 or 6 different systems, requiring the installation of that many different transmitters at the test station. Another delaying factor will be the necessity of installing a new antenna at KDKA-FM—and the time schedule on this is uncertain because of weather. Panel dir. Walker and his associates, too—like other NSRC members—have little or no free time and must squeeze their stereo committee duties into already packed work schedules.

Here's how the stereo field tests will be conducted: When the systems specifications panel completes its work on delineation of the various stereo systems, proponents of each accepted system will supervise the installation of their equipment at KDKA-FM and provide the test panel with receiving equipment.

A stereo test tape, now being developed at Bell Labs by the subjective aspect panel (Dr. A. N. Goldsmith, chmn.), will be used as the program material. Receivers will be installed in at least 2 test locations—in gentle rolling terrain and in the more rugged mountainous areas near Pittsburgh, to test the effects of multipath transmission—and their output will be taped by the test panel for comparison with the original test tape program.

(The test tape, incidentally, is destined to become extremely valuable to stereo in all its forms—sort of a "test pattern" for stereophonic recording and radio. It undoubtedly will become a standard test of stereo fidelity.)

FCC still hasn't responded to EIA's request to set up a "little TASO" for AM stereo—which EIA hopes would bring RCA & CBS back into the NSRC fold (Vol. 15:49 p5).

* * *

FM financial picture is too cloudy, NAB's FM radio committee has concluded. Meeting in Washington, the committee headed by Ben W. Strouse (WWDC & WWDC-FM Washington) directed the NAB staff to ask FCC to get better breakdowns of time sales of AM-FM licensees, who aren't required now to report FM station expenses separately. The result is that official industry totals for FM expense & income aren't available. The NAB committee also: (1) Voted continued support of the Assn. of FCC Consulting Engineers for its modernization study of FCC's FM technical rules. (2) Heard NAB research mgr. Richard M. Allerton report that FM set imports last year reached at least 78,000—and may have totaled 90,000. (3) Noted that NAB's FM membership as of Dec. 2 totaled 451 vs. 367 a year earlier. (4) Received a progress report from Pres. C. Fred Rabell (KITF-FM San Diego) of the National Assn. of FM Bcstrs., who said it's in the black, plans to hire a national director eventually, and wants to become "the RAB of FM."

7 Vie for Montreal: Nov. 30's deadline passed with 7 Canadian applicants for private operation of TV stations in Montreal in competition with CBC (Vol. 15:47 p4), the Canadian Transport Dept. announced. They are: Canadian Marconi Co., Mount Royal Independent TV Ltd. and Sovereign Film Distributors Ltd. (English language) and Raymond Crepault, La Compagnie de Publication de la Presse Ltd., Paul l'Anglais and radio CKVL Verdun, Que. (French language). Due Dec. 31 are applications for a commercial station in Toronto, for which one contender is the Upper Canada Bestg. Co., partly owned by comedians Johnny Wayne & Frank Shuster and founder Tom Patterson of the Stratford (Ont.) Shakespeare Festival.

No Canadian Payola: Canada's TV & radio has been found free of payola. The not-guilty verdict came from the consultative committee on private broadcasting, formed by the government's Board of Broadcast Governors & the private industry's Canadian Assn. of Bcstrs. The committee said no complaints had been made to BBG, not even suspicions; and that CAB had no knowledge of payola operations in Canada. It gave 4 reasons why circumstances that brought payola in the U.S. are not likely to develop in Canada:

(1) Smaller stations serving smaller audiences offer smaller gains from distribution of records. (2) Fewer companies distribute records in Canada, half a dozen compared with 600 in the U.S. (3) There's more direct program control by management in Canadian stations. (4) Canadian hits are largely determined by U.S. popularity.

BBG is the federal government's administrative authority and regulator of both radio and TV, and the committee was set up after CAB accepted an invitation to participate in an exchange of information and views. Neither group can make decisions affecting the other, but they'll help each other iron out regulatory & other problems, and meet 3 or 4 times annually—more if warranted. Next meeting probably will be in the spring.

CBC low-power outlets now on test patterns are CBAFT (Ch. 11) Moncton, N.B. and CBLAT (Ch. 8) Kenora, Ont., although specific programming targets haven't been set. Each has RCA transmitter & wavestack antenna. CBAFT has 128-ft. tower. CBLAT has 175-ft. Micro tower with wavestack antenna. CBC's CBWFT (Ch. 6) Winnipeg, Man., planned as French-language companion to CBWT (Ch. 3) there, has April 1 test pattern target. Equipment hasn't been ordered as yet, but it will be installed in CBWT transmitter house and on CBWT tower. CBC's other low-power outlet, CBUAT (Ch. 11) Trail, B.C. has been held up for decision on where to put transmitter & tower.

"Unethical fringe" of TV & radio isn't representative of the broadcasting industry, NAB's organizational services dir. Frederick H. Garrigus assured the Spokane Chamber of Commerce in a luncheon speech. "Most broadcasters are solid citizens within the various communities which they serve," he said. "They are vitally interested in the various & diverse problems of these communities. Part of this, of course, is business expediency, but it is . . . born out of self-respect & honest regard for their fellow man."

Metropolitan Bestg. Corp. continues its expansion with the purchase of commercial shortwave outlet WRUL Scituate, Mass., for more than \$1 million, subject to FCC approval. WRUL broadcasts in Spanish, Portugese & English to Latin America, Europe, Africa, Australia, Mideast.

Networks

More about

Aubrey Replaces Cowan: The pre-planned timetable under which Louis G. Cowan was to step down at the tactical moment as pres. of CBS-TV in favor of exec. vp James T. Aubrey Jr. (Vol. 15:49 p11) blew up with a loud bang last week. Within a matter of hours on Dec. 8, Cowan submitted a 30-days-notice letter of resignation to CBS Inc. Pres. Dr. Frank Stanton. Stanton replied by letter that he was accepting Cowan's resignation "effective immediately," and Aubrey was named to the (over-\$100,000-annually) presidency. The following day, Aubrey was elected a member of the CBS Inc. board.

Cowan's letter of resignation had painted a portrait of a private Coventry (no communication for 2 weeks with his office, Stanton's insistence that Cowan's health didn't permit him to return to work, Cowan's feeling that the real reason lay in his however-pure connection with \$64,000 *Question*, constant rumors of Cowan's resignation) that had made it "impossible" to continue in the top CBS-TV post. Dr. Stanton's reply referred to a Cowan resignation planned for "the end of this year or by June of 1960," and reminded Cowan that "administration is not your forte."

It was the 2nd time Aubrey had replaced Cowan. When young, fast-paced Aubrey rejoined CBS in April 1958 (he had been mgr. of CBS-TV network programs, Hollywood, when he joined ABC-TV as program-talent vp in Dec. 1956) it was with the title of vp-creative services. Pre-Aubrey occupant of the job, which serves as a link between top executive management & the CBS-TV divisions dealing with creative product: Louis G. Cowan.

In the wake of the executive shuffle, new questions appeared, some without final answers. Would Cowan testify at the FCC program hearings? "No," he told the N.Y. press, and CBS-TV confirmed this to us. Was there to be an exec. vp replacement for Aubrey? None was immediately announced, and we learned reliably that the title (a rank also held by Hubbell Robinson Jr. at CBS-TV for some time) may simply be retired until a suitable executive can be found, or shelved indefinitely. What are Cowan's future plans? A possible lecture tour and "an offer to write 2 books," he said.

Guterma Trial Begins: Ex-MBS head Alexander L. Guterma had "legitimate reasons" for not filing financial reports for the fiscal year ended July 31, 1958, attorney Richard H. Wels told the federal district court in N.Y. last week. Guterma, business associate Robert J. Eveleigh and several holding companies (including F. L. Jacobs Co.) are on trial on the first of 3 fraud indictments, charged with conspiracy to defraud the government by filing false & misleading financial reports with SEC and the N.Y. Stock Exchange, in affairs of the Jacobs Co. (Vol. 15:11 et seq.).

If convicted, Guterma faces a maximum penalty of 5 years in prison and \$10,000 fine on the conspiracy count and 2 yrs., \$10,000 fine on each of 20 additional counts of fraud for which he hasn't yet been tried. Wels said he will attempt to prove that Guterma did not "willfully delay, obstruct and hinder" the filing. Principal witness last week was Firman H. Hass, certified public accountant, who testified that Guterma asked Hass to go easy on auditing his (Guterma's) books. Earlier in the week the Jacobs Co. pleaded guilty to the charge, but sentence has been reserved until conclusion of the trial.

Nervous Week for NBC: A slip-of-the-tongue by actor George Grizzard during the Ford-sponsored "My 3 Angels" special Dec. 8 made NBC-TV audiences in the Eastern & Central time zones wonder if they had really heard the man say "bastard." They had. But memories of the line's original Broadway wording were too strong for Grizzard during on-the-air excitement. Nobody minded particularly, NBC-TV continuity acceptance dir. Stockton Helffrich told us. Of the 7 night phone calls, 4 objected, 3 applauded. Taking no chances in a season where TV is all too prominent in the press, NBC-TV carefully edited-out the unexpected touch of neo-realism in the video-taped repeat for the Western time zones.

Earlier that day, NBC-TV's newly appointed vp for standards & practices, James A. Stabile (Vol. 15:49 p9), had found himself faced with a *N.Y. Post* report of a kick-back system on talent fees. The story: A gospel recording group, the Clara Ward Singers, charged they had appeared 4 times on NBC's *Today* in 1957 & 1958, had been paid union scale (total of \$1,041 per telecast for the group), and had then refunded \$520 in response to an NBC bill sent to Ward House of Music (the group's business name) for "promotion." Stabile admitted that "this has been a common practice in the industry" (i.e., personalities appearing on low-budgeted *Today* and similar shows to promote records, club dates, movies etc. and agreeing beforehand to absorb some portion of talent costs because of TV promotional value received) but added his dept. has "issued instructions for the termination of such practices on NBC."

To make NBC's week complete, its Hollywood div. learned that the Dec. 11 *Bob Hope Show* was about to give the TV industry a fast dose of social satire. Hope appeared as "Herman Payola," a disc jockey with the scruples of a Baghdad horse trader. When NBC voiced a mild protest about a few lines with an extra-large satirical bite and a few plugs Hope had tossed in, comedian Hope promptly gave the story to the press, charging "censorship."

WYMK Baton Rouge, La. and KOZE Lewiston, Ida., are ABC radio's newest affiliates. The network now has 357 station outlets.

NETWORK SALES ACTIVITY

CBS-TV

Secret Storm, Mon.-Fri., 4:15-4:30, alt. 15-min. segs.
Peter Paul (Dancer-Fitzgerald-Sample)

Daytime participations in 4 shows, alt. 15-min. segs.
S. C. Johnson & Son (Needham, Louis & Brorby)

On the Go, Mon.-Fri. 10:30-11 a.m., alt. 15-min. segs.
American Cyanamid Co. (Erwin Wasey, Ruthrauff & Ryan) and *Kayser-Roth Corp.* (Daniel & Charles)

NBC-TV

Six specials including 2 Sunday Showcase and half of both parts of "Sunday Showcase" Sacco-Vanzetti adaptation, 2 "Project 20" programs.
Purex Corp. Ltd. (Edward H. Weiss)

Pond's Presents Paris a la Mode, Feb. 29, 10-11 p.m., special fashion show.
Chesebrough-Pond's (J. Walter Thompson)

Advertising

FTC Cites Ted Bates: In one of its rare actions against advertising agencies, FTC has charged Ted Bates and its vp David Loomis with misrepresentation of Brown & Williamson's Life cigarets in TV & radio commercials & other ads. Charging that Brown & Williamson, Ted Bates and Loomis violated the FTC Act in advertised claims for Life, FTC said in a formal complaint: (1) It isn't true that the cigarets are "proved to give you the least tar or nicotine of all cigarettes." (2) It isn't true that the U.S. govt. endorses the cigarets and finds them "lowest in tar, nicotine."

Bates' account executive Loomis was cited in the complaint because he "allegedly was responsible for or active in the dissemination of the challenged advertising," FTC said. Singled out by FTC as an example of allegedly false Life advertising was a TV commercial demonstrating Life's "Millecel super filter." Made a part of the complaint, the script has the announcer saying: "Watch the test. We drop equal amounts on the other filters & Life's Millecel super filter. Which is best . . . absorbs most? Look! The other filter fails . . . lets drops through. Life's filter absorbs them. Compare! See proof how Life gives least tar & nicotine."

This TV demonstration doesn't prove that Life filters absorb & retain all tars & nicotine in the smoke—or that more of them are absorbed by Life than by other cigarets, FTC said. All 3 respondents were given 30 days from Dec. 12 to file answers to the charges.

* * *

"Hoaxes perpetrated" by some advertisers on U.S. consumers have been spotlighted by TV quiz scandals, according to the American Dental Assn.'s *Journal*. Until the quiz shows were exposed by the House Commerce legislative oversight subcommittee, ADA pleas for honest advertising for dental products "fell on deaf ears," the *Journal* said. But now FTC has been pressured into action (Vol. 15:47 p16) which has "punctured the hard hide of the advertising industry itself," the editorial added. ADA Pres. Dr. Paul H. Jesserich followed up by telling the Greater N.Y. Dental Meeting that FTC should be empowered to make advertisers prove their claims for dentifrices. The burden of proof of fraud now lies with FTC. Last week, ADA asked for more government control over "deceptive advertising practices on TV & in print by the toothpaste industry." Called for were: Legislation by Congress permitting federal agencies to eliminate misleading advertising; a code of fair practices to be set up with FTC or the Food & Drug Administration; scientific proof of toothpaste ad claims.

* * *

Govt. crackdowns on advertising in all media for margarines, salad oils and other fatty foods which claim they help prevent heart disease have been started by the Food & Drug Administration & FTC. Such claims, alleging that the products reduce cholesterol content of the blood, are "false & misleading," according to the FDA, which said it will move to stop their use on labels and in point-of-sale advertising. Parallel FTC moves to eliminate the claims in TV, radio and print advertising were promised.

New reps: WNTA-TV Newark-New York to Forjoe Nov. 23 from Young. WXEX-TV Petersburg-Richmond, Va. to Young Jan. 1 for Chicago, Los Angeles & San Francisco, from McGavren-Quinn.

New Presentations: Two new station-rep presentations given previews last week (by Westinghouse Bestg.'s TVaR and Peters, Griffin, Woodward) were built on special marketing or audience characteristic data, rather than on indices of sheer audience size.

TVaR's newest continuing research project, "audience dimensions," was launched with a report on the age level of viewers watching a selection of different types of programs in various time periods on WBC stations. Future quarterly reports in the same series will be made on the viewing habits of such specific audience types as career women, pet owners and mothers of toddlers. A study of "viewer venturesomeness" is also scheduled. In-person sampling is being conducted in the 5 WBC TV markets by Pulse. Sample size is "at least 1,000 in each market," with the questionnaire being compiled by TVaR. Termed the "dessert" to the "meat & potatoes" of current TV research, the project "attempts to delve into untouched corners of audience characteristics," said gen. mgr. Larry H. Israel.

Tourist TV viewing habits and tourist-only TV set count in South Florida, analyzed by WTVJ Miami in a colorful film presentation, "Sun, Surf & Sales," were presented by Peters, Griffin, Woodward. ARB conducted the study, touching on "where viewers stay, where they come from, length of visit, mode of travel, specifics on airline tourism, tourist spending and general market characteristics." WTVJ noted that 66% of South Florida's estimated 5 million tourists per year watch TV during their stay. There are 66,500 TV sets available to tourists in South Florida, said PGW, in addition to the 462,100 sets owned by permanent residents.

* * *

Quick spot-TV cost estimates for use in up to 242 markets have been made available to agencies & advertisers by the Katz Agency in its latest *Spot TV Advertising Cost Summary* No. 26. Included are formulas for estimating spot-TV budgets along with market-by-market time-cost summaries. Katz also announced a new office to be opened in Minneapolis next Feb., David Abbey mgr.

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Agency for USSR wanted: The Soviet Embassy is looking for a U.S. advertising agency to help promote Russian trade with the U.S., commercial counsel Vladimir S. Alkhimov told the Washington Ad Club. In a luncheon speech Alkhimov said the trouble with American business is that it's "over-advertised"—that the Russians think there's no need to have so many people engaged in distribution here. But when a reporter suggested that hiring of an agency in the U.S. might help solve Soviet trade problems, Alkhimov said: "We're trying to do this."

U.S. Station Rate Increases

Station	Base Hour	Minute	Date
WBBM-TV Chicago	\$4500 (no change)	\$900 to \$1000 ¹	Aug. 1
WDAF-TV Kansas City	1300 (no change)	300 to 350	Nov. 1
WHAS-TV Louisville	1000 (no change)	225 to 250	Nov. 15
WTVD Durham-Raleigh	650 to \$750	130 to 150	Dec. 15
WPSD-TV Paducah, Ky. ..	400 to 450	80 to 90 ²	Jan. 1
WECT Wilmington, N.C. ..	350 to 425 ³	70 to 85	Dec. 31
KCKT Great Bend, Kan.	300 to 350	60 to 75	Dec. 1
KCMC-TV Texarkana, Tex.	260 to 350	60 to 70	Dec. 1
WINK-TV Ft. Myers, Fla.	150 to 165	30 to 36	Nov. 1

Canadian Rate Increases

CJSS-TV Cornwall, Ont. ..	225 to 315	65 to 91	Nov. 1
CJLH-TV Lethbridge, Alta.	160 to 200	40 to 50	Jan. 1

¹ 20 Sec. only, also has 30 Sec. (7:01-10:16 p.m. Mon.-Sat., 6:29-10:16 p.m. Sun.) at \$1500 ² 20 Sec. only. ³ New Class AA (7:30-10 p.m. daily), Class A hour remains \$350.

In Other Media: Curtis Publishing Co. net income rose to \$2,179,821 (26¢ a share) on a gross operating revenue of \$149,995,618 for the first 9 months of 1959, compared with \$1,736,446 (12¢) on \$140,404,944 for the same year-ago period . . . Long-grounded *Brooklyn Eagle* may resume publication in Feb. under ownership of ex-staffer Robert W. Farrell, who has purchased the name & remaining assets of the defunct-since-1955 newspaper for a reported \$25,000. . . Newspaper lineage gained 4.6% in Oct. over Oct. 1958, a Media Records survey of papers in 52 cities shows. Cumulative lineage for Jan.-Oct. increased 6.9% over the year-ago period . . . "Magazines for Asia" campaign to improve America's image is being pushed by ad executive Henry Mayers, pres. of L.A.-based Davis, Johnson, Anderson & Colombatto. The volunteer project sends used U.S. magazines to English-speaking Asians on a person-to-person basis. Mayers hopes for 1 million copies a month.

Ad People: William J. Jost, Alan B. Miller Jr., Thomas S. Quinland, elected Ted Bates vps . . . Robert C. Barker, ex-Kenyon & Eckhardt, named Compton Advertising vp . . . T. L. Stromberger, pres. of Los Angeles ad agency Stromberger, Lavene, McKenzie, will become senior vp when Fuller & Smith & Ross acquires SLM as its Los Angeles office Jan. 1 . . . Charles E. Grandey, principal author of FTC's guides to illegal advertising practices (Vol. 15:49 p13), awarded Commission's Distinguished Service Award and promoted to asst. gen. counsel.

Herbert Zeltner, Lennen & Newell vp & asst. media dir., promoted to media dir. . . Frank J. Gromer Jr. named vp-media dir., N.Y. office of Foote, Cone & Belding . . . James R. Hill, Gordon G. Rothrock and Robert S. Spaeth named Leo Burnett vps.

"Successful Television and Radio Advertising," textbook by Gene F. Seehafer and Jack W. Laemmar (McGraw-Hill, 648 pp., \$9.75), is an updated & enlarged work which investigates broadcast advertising in the light of an industry which has mushroomed since the book's first edition in 1951. Needham, Louis & Brorby's Seehafer & J. Walter Thompson's Laemmar have prepared a basic text that covers the complete broadcast field, from the viewpoint of the advertiser, the station, the network, the agency. The book was reviewed & "pre-tested" by 196 industry experts.

"They Laughed When I Sat Down," by Frank Rowsome Jr. (McGraw-Hill, 181 pp., \$7.50), is a delightful word-picture history of advertising. Its objective, as Rowsome states it, "is to examine informally how a single segment of the industry, magazine advertising, grew in America in the years between the Civil War & World War II. No oxen are gored, no monuments erected."

Radio TV Training Assn. Inc., 52 E. 19th St., N.Y., must stop calling itself an association under an FTC consent order. The FTC had complained that the correspondence school misrepresented itself as an organization devoted to advancement of the science of TV & radio training. In fact, the FTC said, it was a firm organized for profit, operated to sell mail courses. Company officials Leonard Lane & Harry Kaplan didn't admit violation.

Federal advertising censorship is threatened by recent Internal Revenue Service & Federal Power Commission rulings that some ads can't be listed as business expense for income tax (Vol. 15:49 p13) and ratemaking purposes, according to Rep. Brooks (D.-La.).

Programming

CAMP DAVID SPURS SWAP: The climate in Moscow has suddenly become favorable for blossoming of U.S.-USSR TV-radio show-swapping ideas—ideas which scarcely got incubated during the first 2 years of a cultural exchange agreement between the 2 countries.

That's what we're told, at least, at the State Dept., which thinks prospects for broadcast trade were never brighter following renegotiation of the cultural pact in Moscow last month (Vol. 15:48 p9).

"There are great possibilities now for exchanges of broadcasts," said State's East-West contacts dir. Frederick T. Merrill. "This time things are really going to move."

The American-Soviet TV-radio ice began breaking during Vice President Nixon's Russian trip (Vol. 15:31 p3) and Premier Khrushchev's return visit to the U.S. (Vol. 15:35 et seq.), culminating in that famous week-end with President Eisenhower at Camp David—and more thawing is expected by the time the President goes to the Soviet Union next spring.

When the wary Russians signed the first 2-year cultural exchange agreement in Washington early in 1958 after much haggling, implementation of its vaguely-worded broadcast provisions was left to further task-force negotiations (Vol. 14:4 et seq.). These negotiations didn't produce much, although in Oct. 1958 a U.S. network delegation made a flying trip to Russia to explore possibilities of actual TV-radio swaps (Vol. 14:43 p10).

The atmosphere in Moscow last month was different, State's Merrill told us, and the Russians were eager for the first time to spell out precise terms of broadcast exchanges. "Now, when do we start?" one Soviet negotiator wanted to know as soon as the new 2-year pact was signed. "Can we get going by the first of the year?"

From the Washington end, Merrill's first step toward a start will be to get together with leaders of all American networks to see what can be offered the Russians in 3 specific areas of programming outlined in the exchange renewal. These proposals will then be submitted through the State Dept. to Moscow.

Unlike U.S. commercial broadcasters, the Russians will have no problems of program scheduling for any exchanges which are worked out. Russian viewers & listeners will see & hear what Soviet broadcasting officials decide they should see & hear—and when. And Moscow will want reciprocal assurances from the U.S. about times & audiences for Russian shows. These details could become sticky, Merrill conceded to us.

The renewal of the cultural agreement contains these TV-radio trade provisions: (1) At least one 30-min. TV documentary per month. (2) Two TV newsreel films per month, each running 5 to 7 mins. (3) Two 10-to-20-min. radio broadcasts per month.

In addition, the new pact provides for personal appearances of Soviet & U.S. govt. figures on TV & radio, equipment & studio facilities for swaps, exchanges of visits by technical specialists.

Form & content of TV will change "quite substantially" in the next year or two because of the current TV investigations, the Hollywood Ad Club was told by Selig Seligman, KABC-TV vp & gen. mgr. He predicted that aside from the obvious fact that it will be difficult to market a quiz show, Westerns will "find the going tough," and there will be many more public service, educational and documentary types of programming.

Nielsen Shows 60-Mins. Gaining: The latest (3rd) national Nielsen measurement of the season showed growth for all of ABC's 60-min. film shows, on which the network has taken a big plunge this season amidst harsh reviews & reports of sponsor dissatisfaction. Compared with the season-opener Nielsen (the 2nd Oct.), the gains in the 2 weeks ending Nov. 2 showed: *Bourbon St. Beat*, 15.2 to 17.1 AA; *The Alaskans*, 15.4 to 18.6; *Adventures in Paradise*, 12.6 to 15.4; *Hawaiian Eye*, 14.1 to 20.1; *The Untouchables*, 16.6 to 18.4.

In the race for prime-time audiences (7:30-10:30 p.m. 7 nights) ABC-TV scored a 20.0 AA & a 31.9 audience share. CBS-TV had a 22.3 AA & 35.9 share. NBC-TV got a 19.5 AA & 31.3 share.

At the top of the Nielsen list, viewers continued to confound critics who insist that nobody really wants Westerns or situation comedy. Westerns nabbed ranks 1 (*Gunsmoke*), 2, 3, 4 and 10. Situations took Nos. 7, 8, 9. Red Skelton and *77 Sunset Strip* rounded out the Top 10.

Viewing Still Increasing: A new NBC-TV research study shows video viewing at record levels for the first half of this year and markedly greater than in 1958. Since the index year of 1955, the study reveals, total TV homes have jumped 40% despite an increase of only 8% in total U. S. homes. In the same period, total hours of home viewing per day have gained 46%. The greatest advance, however, was racked up by evening TV, which increased the number of homes reached by 57%. The study, based on Nielsen data for Jan.-June, also shows that for the first time since the index year, the increase in average homes reached by night-TV exceeds the increase in total hours of viewing.

Subject	1955	1956	1957	1958	1959
Total U.S. homes	100	103	104	106	108
Total TV homes	100	112	125	135	140
Total hours viewing all day.....	100	117	133	144	146
Avg. homes evening programs....	100	109	130	142	157

* * *

A. C. Nielsen spotted a blind ad in the *N.Y. Times* last week inviting members of permanent TV rating panels to contact "Box 0556." Tracked down, the advertiser proved to be *Life* magazine, which is planning an early-1960 story on rating services. Nielsen legal talent "persuaded" *Life* not to try to crack the secrecy curtain drawn around the identity of homes in the Nielsen sample. "Only 2 Nielsen homes were contacted by *Life*," Nielsen executives told us. "One refused to be interviewed. Steps have been taken to replace the other, since it no longer can be considered un-influenced by outsiders."

Scandal-haunted TV gets a word of advice from the American Civil Liberties Union in its 39th annual report issued this week. "It is to be devoutly wished," wished ACLU exec. dir. Patrick M. Malin, that TV's "housecleaning now in motion may extend to improving the industry's service to civil liberties through greatly amplified & varied presentation of serious public questions (in the 1960 campaign, for a start). This would help stave off govt. censorship of specific program content, while preserving govt. responsibility for general public-interest operation of what is in fact a public utility." The report also noted that ACLU in May reversed a 10-year-old policy by approving the principle of TV-radio editorializing.

Hands-off-programming policy was urged on TV-radio advertisers by Pres. Philip Cortney of ad-heavy Coty Inc. in his latest speech—to Philadelphia Rotary Club.

Film & Tape

How Not to Sell a Pilot: Hollywood producers have always favored sponsored anthology series because they helped take the risk out of pilot-making. Unsold pilots could always be used as episodes on going anthologies. But though a few series have been sold via such showcasings, on the whole the record is a dismal one, and today an increasing number of producers are convinced that while this may be economical, it's the wrong way to make pilots.

A striking illustration is Revue Productions, where 2 years ago 27 pilots were made & shown under the banner of the now-defunct *Schlitz Playhouse*. Not one sold. Revue sources are convinced this was because the pilots were made with the limitations & restrictions imposed by the requirements of that anthology series. As a result, Revue has changed its policy and today is turning out pilots without an eye to associating them with anthology series. Screen Gems and other companies have had similar experiences and most executives are now of the opinion that pilots have a better chance to sell when not made with the built-in restrictions of a particular anthology series.

Now Producers Want Post-1948 Pie: If the major movie companies cut any guilds in on their post-1948 pie—an unlikely move at best—the Screen Producers Guild wants its share too. SPG became a standee in the line for the gravy train when Guild Pres. Walter Mirisch wrote the Assn. of Motion Picture Producers, but AMPP, which thus far has turned a deaf ear to every guild bid on this issue (Vol. 15:48 p 13, 49 p16), isn't apt to change its stand. Actually Mirisch was merely putting the SPG on record, "just in case."

Major studio companies have flatly told the Writers Guild of America negotiators they will not now or ever give the Guild any share, no matter how small, of revenue for post-1948 movies on free or pay TV. The Guild so informed its members last week following the collapse of negotiations (Vol. 15:48 p13). The majors even refused to give WGA a re-opening clause to permit discussion of terms for pay TV when & if movies are made for that medium, said WGA. Terming the majors' position a "Netherthal approach" to bargaining, the Guild said the majors offered only \$25 a week increase on minimums, as compared to a \$125 increase granted to writers by the independent producers. While it has membership authorization to strike the majors, the Guild did not say when such a strike would take place—only that it would—and at a time "advantageous" to WGA.

NT&T board meeting Dec. 22 will discuss & probably decide whether to make a firm offer for controlling stock of Desilu Productions. Interested in acquisition of the TV film company (Vol. 15:45 p16 et seq.), NT&T has completed its study of Desilu's assets. (The Desilu situation was to have been discussed at an NT&T board session Dec. 10, which was postponed.) While Desilu expects to wind up its 1960 fiscal year April 30 with a bigger gross than the preceding year (\$22 or \$23 million vs. \$20.4 million) and far greater earnings than the \$249,566 (22¢ a share) reported for fiscal 1959, the 2nd half of its current fiscal year will see lower earnings than the first half. First-half net totaled \$507,108 (44¢ a share). Secy.-treas. Edwin E. Holly says Desilu's production will fall off sharply in the 4th quarter as contracts for series run out.

NEW YORK ROUNDUP

Dynamic Films Inc. TV film unit will produce for syndication a 2nd series of sports films for TV and a 5-min. weekday series on teen-agers. Both essentially a commercial & industrial film producer, Dynamic is the latest firm in its field to enter program production. Others: Filmways (21 Beacon St.); Van Praag Productions and Screen Gems-owned E-U-E (planning N.Y.-produced tape shows); Transfilm (planning a cartoon series).

Ziv TV has sold off alternate weeks locally of *Tombstone Territory* in 14 of the markets where Stroh Brewery has contracted for every-other-week telecasts of the ex-ABC-TV Western. Ziv was also successful this season in selling to American Tobacco Co. alternate weeks locally of *Lockup* and *This Man Dawson* in 59 markets.

Filmways officially opened its 35,000-sq.-ft. new studio plant in N.Y. with a preview party for agency commercial producers & press. Hostesses were silent film stars Lillian & Dorothy Gish, for whom the \$1-million studios are now named. Filmways has 2 other smaller studios (one tape-equipped) in N.Y. Also in a new-studio move in N.Y. is TV Graphics Inc., which has renovated a Shubert costume warehouse on Manhattan's W. 61st St. as a telefilm commercial center and expects to set up shop this week.

Fremantle International has acquired Latin American distribution rights to *Steve Canyon*, ex-NBC-TV series produced by Pegasus Productions.

ITC's *Four Just Men* has been sold in syndication to 145 stations to date, one third of which will have automobile, auto dealer, gasoline-oil or other allied automotive product sponsors backing the series. In Mexico, Fabrica Automex, div. of Chrysler Corp., has bought the series for Spanish-language telecasting in 9 markets.

Sol Feuerman has been named pres. of Medical Dynamics, a N.Y. div. of Dynamic Films . . . Jack Benny has been named recipient of the 1960 humanitarian award of the National Foundation for Infantile Paralysis.

Motion pictures with odors that match scenes debuted in N.Y. Dec. 8 with TV commentator Chet Huntley introducing the AromaRama system. A color travelogue of China, "Behind the Great Wall," was the vehicle for AromaRama, which kept pace with the action by pumping into the theater via the air-conditioning systems odors duplicating those in a Hong Kong restaurant, a barnyard, etc. Huntley demonstrated the system by slicing an orange in the film, triggering a mouth-watering aroma throughout the theater. The film has an odor track which activates the odor-conditioning mechanism.

WRCA-TV's *Movie 4* presentation of an early Brigitte Bardot movie, "Please Mr. Balzac," Dec. 12 was exclusively sponsored by one advertiser—Coty perfumes. WRCA-TV bought the film some time ago from Flamingo Films, which in turn bought it from original theatrical distributor, DCA. Previous full sponsorship of a feature film in N.Y. has been by Schaeffer Brewing Co. in its periodic *Schaeffer Award Theatre*, on WCBS-TV.

Venice Film Festival diploma for excellence in the international TV film category has been presented to U.S. producers Peter Glushank, Nathan Kroll and Martha Graham for "Appalachian Spring."

HOLLYWOOD ROUNDUP

Producer Jack Chertok is preparing the pilot of a comedy-drama series, *Little Mother*, to be filmed at Revue.

Henry Jaffe Enterprises is producing a pilot, *Doo-winkle, D.A.* starring Eddie Bracken. The pilot is being filmed at Metro . . . VTR Mobile Productions has opened sales & production offices in Hollywood, with Joseph A. Thompson in charge of sales, and John M. Stratton in charge of production for the mobile video-tape production-rental company owned by John Guedel & Art Linkletter. Bill Kayden is pres. of the firm . . . Frank Latourette, ex-*The Lineup* producer, has joined Hollis Productions, video-tape branch of Paramount Television, and will produce the *Emergency Ward* series . . . Cal. Studios Pres. Philip N. Krasne has closed his London office and ended his British production activities "for an indefinite period."

Revue Productions places the pilot of the tentatively titled *Confidentially Yours* into production Dec. 18. Richard Irving will produce & Dan Duryea plays the part of a newspaper columnist specializing in human interest stories. . . . Revue has shelved *This Gun for Hire* after being unable to agree on terms with Jeff Chandler for starring in the private eye series.

Four Star Productions has begun its Brian Keith Western series for NBC, tentatively called *Cowhand* . . . Four Star is piloting *The Tom Ewell Show*, with writers Madelyn Pugh, Martin & Bob Carroll co-producing.

Producer Jack Chertok told us his recently-completed pilot of a new Western, *Brady*, is a "non-violent" show, with the hero using psychology, not guns . . . Producer Herbert B. Leonard will produce a 60-min. pilot of *Route 66*, in conjunction with Screen Gems.

California Studios Pres. Phil Krasne and producer-writer Donald Hyde have parted company. Hyde is forming his own production company in England . . . Bob Angus has resigned as vp in charge of production at California studios . . . Arthur Freed has been named producer of the Oscar Awards show next April on NBC.

Producer De Von Starfield has finished the pilot of *The Captain's Lady*, starring Rose Marie . . . Producer Albert J. Cohen plans a pilot of *On Fifth Ave.* at Goldwyn.

Screen Gems has moved its syndication production and sales division to Columbia's Sunset studios . . . Red Skelton, who filmed a half-dozen of his CBS half-hour shows at Desilu Productions this season, won't film any more. Henceforth he'll tape, with his own company as producer.

Four Star Television has signed Robert Soderberg, ex-Benton & Bowles, as a staff producer, and Cy Gomberg as producer-writer of a pilot, *The Law & Mr. Jones*, starring James Whitmore. This is a new version of Whitmore's pilot, *Lincoln Jones* (made last year for ABC-TV and Bing Crosby Productions) which didn't sell.

Goodson-Todman Productions is planning 2 more pilots, *Las Vegas Beat* & *The Yank*, to be made by producers Andrew J. Fenady, Irwin Kershner and Bernard Kowalski . . . Frank Sinatra has signed Bill Colleran to produce & direct his remaining ABC-TV specials this season.

CBS-TV has signed ex-Four Star Productions vp Frank Baur as dir. of film production operations.

Merger of Screen Directors Guild of America and Radio & Television Directors Guild into a single group to be known as Directors Guild of America has been voted overwhelmingly by members of both organizations. SDG Pres. Frank Capra will be president of the merged organization, while RTDG Pres. Michael J. Kane will be national vp. DGA will represent 2,068 directors, asst. directors, associate directors, stage mgrs., program assistants. Its members have director contracts with the 3 TV networks & 361 film producing companies. National HQ will be in Hollywood, with SDG's Joe Youngerman as acting national exec. secy. Meanwhile the SAG-AFTRA merger is awaiting a report scheduled for release early in Jan. by labor arbitrator David L. Cole. He is now making "an impartial study" of a possible marriage of the talent unions.

Screen Producers Guild of Hollywood, which represents some TV-film as well as movie producers, has come out for a clearinghouse for movies & TV, to eliminate the many instances of title conflicts. It's a proposal first suggested here (Vol. 15:13 p18, 20 p15). In a related field, a protest has been filed by writer William Bradford Huie against NBC-TV's plan to televise a drama based on the life of World War II hero Ira Hayes, on March 27. Huie claims this infringes on his book about the late Hayes and conflicts with Universal-International's planned movie based on Huie's *The Hero of Iwo Jima*.

Screen Actors Guild has warned TV film commercial producers it will crack down on some alleged violators of the SAG pact. Guild asst. exec. secy. Kenneth Thompson notified signatories that the Guild has received member complaints regarding violations of interview provisions.

Minn. Mining & Mfg. exec. Russell F. Roth predicted last week "that it will be only a matter of months before every optical effect possible on film, can be handled by video tape." Agencies, advertisers and TV production companies "are only now beginning to understand that video tape is a third medium for TV, supplementing live & film," said Roth, who is the author of 3M's *The Changing Picture in Videotape* for 1959-60, 2nd edition.

More economies in tape production by next summer were promised by Bob Day, mgr. of sales development for Ampex Professional Products Co. at a meeting of the Los Angeles chapter of the Academy of TV Arts & Sciences. He said the savings would come through new accessories, adaptations and techniques in the recorder. "We are convinced this is only the beginning. With developments now in sight, flexibility & versatility of tape will be broadened at the same time costs are lowered," he declared, adding that it has taken TV tape recording 2 years to accomplish what film took 50 years to do. When he predicted that within 5 years the production of film for TV will have been relegated to a "fringe operation," there was some audible scoffing in the audience, which included many film execs.

Atlantic TV, distributor of feature films & some rerun telefilm properties, has been sold, along with its corporate parent, Astor Pictures, by the estate of Sovert Savini to N.Y. financier (exec. vp & dir. of City Stores Corp.) Franklin F. Bruder. An expansion of Atlantic's sales activities is planned, including the acquisition of new product. Astor will continue in the theatrical distribution field. Fred Bellin continues as pres. of Atlantic which has new sales & executive offices at 730 Fifth Ave., N.Y. New directors of Astor, in addition to Bruder & Bellin, include N.Y. attorney George F. Foley, Atlantic vp Anthony Tarrell, management consultant Alfred H. Morton, and Everett N. Crosby (Bing's brother).

Television Digest

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WALTER H. ANNENBERG, *President*

PUBLICATION OFFICE Box 700, Rodnor, Pa. MUroy 8-3940
JAMES T. QUIRK, *Business Manager* MERRILL PANITT, *Editorial Director*
JAMES B. DELEHANTY, *Assf. Business Mgr.* HAROLD B. CLEMENKO, *Managing Editor*
 DAVID LACHENBRUCH, *Associate Editor*
 HAROLD RUSTEN PAUL STONE

WASHINGTON BUREAU

Wyatt Building
 Washington 5, D.C.
 Sterling 3-1755

ALBERT WARREN, *Chief*
 WILBUR H. BALDINGER
 WM. J. McMAHON Jr.

MARTIN CODEL
 Associate Publisher

NEW YORK BUREAU

625 Madison Ave.
 New York 22, N.Y.
 Plozo 2-0195

CHARLES SINCLAIR

WEST COAST BUREAU

6362 Hollywood Blvd.
 Hollywood 28, Cal.
 Hollywood 5-5210
 DAVID KAUFMAN

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Personals: Clark George, CBS-TV Stations div. vp & gen. mgr. of KNXT Los Angeles, named vp-gen. mgr., WBBM-TV Chicago, succeeding H. Leslie Atlass, who is retiring; Robert D. Wood, gen. sales mgr. of KNXT & CBS-TV Pacific network, succeeds George as KNXT vp-gen. mgr.

Harold Day, ABC-TV daytime network sales dir., elected a vp . . . Norman Racusin, ex-NBC-TV business affairs dir., named RCA Victor Record div. operations mgr. . . . Dr. Herbert Kalmus retires as Technicolor pres., continues as consultant; succeeded by exec. vp. John Clark Jr.

Charles W. Goit, ex-Ziv, named national sales dir., ITC . . . Charles Hampton named public service coordinator, WTVT Tampa, Fla. . . . Wally Erickson, KFRE-TV & KFRE Fresno, Cal., elected pres., National Assn. of TV & Radio Farm Dirs., succeeding Maynard Speece, radio WCCO Minneapolis; George Roesner, KPRC-TV & KPRC Houston, named vp; Carl Meyerdirck, KVOO-TV & KVOO Tulsa, Okla., secy.-treas.

Horace Fitzpatrick promoted from station mgr. to vp for TV operations, WLSL-TV & WLSL Roanoke, Va. . . . Robert E. Powell named sales vp, KNOE-TV Monroe, La. . . . Ex-Gov. James E. Noe, owner of KNOE-TV & KNOE Monroe, La., & radio WNOE New Orleans, was defeated in the La. gubernatorial primaries (Vol. 15:38 p 16).

Alan May named NT&T financial vp . . . Hamilton Shea, pres.-gen. mgr., WSVA-TV & WSVA Harrisonburg, Va., named pres. of Harrisonburg-Rockingham County Chamber of Commerce . . . William R. Wilson named technical advisor to Canada's BBG.

Obituary
 Walter Compton, 47, former MBS Washington correspondent and 1948-1953 gen. mgr. of Du Mont's (now Metropolitan's) WTTG Washington, died of uremia Dec. 9 in Georgetown U. Hospital there after several years' illness. On leaving WTTG, he set up his own TV management consultant firm and had been an investor in & officer of North Dade Video Inc., an applicant for Miami Ch. 10. Surviving are his widow, one son, 2 daughters.

Burl C. Hagadone, 49, Coeur d'Alene, Ida. publisher & former broadcaster, died Dec. 8. He was co-owner of the *Coeur d'Alene Press*, once owned radio KVNI Coeur d'Alene, KJRL Pocatello & KNEW Spokane.

Bartley C. Crum, 59, attorney and former pres. of radio KYA San Francisco & radio KLAC Los Angeles, died Dec. 9 of a heart attack in N.Y.

Trade Report

DECEMBER 14, 1959

BUSINESS CONSENSUS FOR '60—STRONG UPTREND: Substantial improvement in economic climate is predicted in all expert forecasts for next year—as we reported last week (Vol. 15:49).

Rise in consumer spending is keynote of most of the general business prognostications crossing our desk this year. Although the usual annual flood of electronics industry predictions won't begin for week or so, we think the general forecasts are worth scanning as an aid to business planning for the year ahead and as an indicator of what 1960 has in store for consumer electronics. Accordingly, we've digested (on p. 18) the most interesting & significant of the predictions.

First 1960 forecasts by electronics industry figures are also summarized on p. 18. Results of our own annual survey of industry leaders will be featured in these pages during the next 2 weeks.

1960's NEW TV STAR—THE 19-in. TUBE: The word is in from tube & set makers: Look for the new 19-in. square-cornered tube to be a hit in 1960.

The new-shape bulbs were sampled to industry last week by the "Big 2" TV glass firms—Corning & Kimble—and all the way down the line there's feeling of immense satisfaction with the tube. Some manufacturers are hoping to have first 19-in. sets in distributors' hands during first-quarter 1960.

The 19-in. has been greeted with none of the resentment which marred debut of its big brother, the 23-in. square-corner tube (Vol. 15:16 p18). Unlike the 23, new tube is being introduced in plenty of time for calm appraisal, planning & tooling of new models (although some enthusiastic manufacturers already have finalized set design on basis of tube's blueprints alone).

Other reasons for manufacturer enthusiasm: Price—it will be less than \$1 higher than 17-in. tube. Flexibility—it will be available in a form which can use external safety glass or either of the 2 varieties of laminated faceplate (Corning & Pittsburgh). Circuitry—although it has 114-degree deflection, it can be driven by existing 110-degree circuits. Producibility—tube makers' experience with 23-in. tube should pave way for easy production of 19s. Acceptance—retail success of 23-in. tube (see story p. 16) indicates there's ready market for "square look."

Where will 19-in. tube fit in TV lines? There are plenty of different ideas on this. One tube maker predicted to us that, during last 3 quarters of 1960, the new size will comprise 30% to 40% of all set sales. Others set their sights lower, but consensus was that 19-in. not only will replace many 17-in. sets but also cut into low-end 21-in. table-model sales.

Though 19-in. tube is couple of pounds heavier than 17-in., it's still considered light enough for portables—and an almost complete replacement for 17-in. table models & "totables."

Some vital statistics on 19-in. vs. other current picture-tube sizes: It's about an inch longer than 17-in. tubes (13-9/16 in. vs. 12-9/16 in. standard neck length), but, like other tubes, can be produced in so-called short-short and short-short-short sizes. Its screen area is 174 sq. in. vs. 155 sq. in. for 17-in., 262 for 21-in., 282 for 23-in.

First versions of tube have no built-on safety glass, but Corning expects to have a "cap" for the tube in a few weeks, and eventually to produce a lighter-weight version of tube to take advantage of added strength given by safety-glass cap. Pittsburgh Plate Glass is also in there pitching with its own laminated plate-glass cap for the 19-in., is understood to be winning some converts.

TV-RADIO PRODUCTION: EIA statistics for week ended Dec. 4 (48th week of 1959):

	Nov. 27-Dec. 4	Preceding wk.	1958 wk.	'59 cumulative	'58 cumulative
TV	122,772	121,595	103,539	5,876,741	4,588,549
Total radio	288,755	287,006	358,987	14,355,160	10,623,753
auto radio	62,455	60,612	140,662	5,035,623	3,268,348

NEW SETS—23-in. TV, 'MULTI-CHANNEL' STEREO: Now a recognized market success, the 23-in. tube is showing up prominently in most midwinter TV lines & drop-ins being shown to distributors this month & next. In new stereo lines, 2 of the biggest manufacturers simultaneously dubbed their units "multi-channel" last week—thereby answering (or ducking) the 2-channel-vs.-3-channel feud.

The new 23-in. sets were brought out last week by RCA, Zenith & Motorola—the latter 2 showing the "new shape" for the first time. Units shown to distributors were generally high-middle & high-end of line.

Showing completely new line of 39 TV models (list \$149.95 to \$575), Zenith included six 23-in. sets—all consoles, 3 in the \$320-\$380 range, 3 remote-control sets at \$420-\$500. Zenith's 23-in. sets use 110-degree tube with bonded-on implosion plate. Also new in Zenith line is TV-stereo phono unit with 21-in. tube at \$525.

Motorola is showing distributors 23-in. sets in the \$400-&-up bracket in both the high end of the standard Motorola "fine furniture" line and in the Drexel-cabinet line. Motorola's 23-in. sets are understood to use new 90-degree tube with bonded implosion plate.

Apparently pleased with distributor & dealer reaction to two 23-in. sets introduced in Sept. and now at retail level, RCA last week brought out 5 more 23-in. models in somewhat lower price bracket. (RCA has no suggested list prices, but it's understood the earlier 23-in. units are selling at about \$330-\$340). Four of its new 23-in. sets are lowboys, one console, in modern & colonial styling. RCA TV drop-ins total 9 units, including two 21-in. consolettes & two 21-in. table models, beginning at about \$199.95.

Joining 23-in. parade next month, as previously reported, will be GE—first manufacturer to use 23-in. set without bonded-on implosion plate.

Emerson will introduce its all-transistor battery portable TV (Vol. 15:13 p19) next month, Pres. Benjamin Abrams tells us. It's likely to be first direct-view battery portable on market, will sell at price competitive with Philco's reflex Safari portable (\$250 plus batteries). Screen size not yet revealed. Emerson plans no 23-in. sets until June.



"Multi-channel" may be key phrase for new stereo lines—at least both Zenith & RCA pounced on it last week while Motorola went happily on its way showing distributors new models in line of 3-channel sets.

Zenith showed console stereo line of 11 units—continuing to offer its "Extended" system of single-cabinet sets and putting somewhat more stress on availability of its small "Radial" remote speakers at \$29.95 to \$50 a pair. New in Zenith line is drop-in AM-FM tuner to convert 3 of the stereo phonos to radio combinations. Six other models in line have AM-FM already built in.

RCA's stereo line is almost completely new, with 13 console, consolette & portable units. Company calls its concept "wall-to-wall stereo," and its definition of multi-channel can be determined from this statement by consumer products exec. vp P. J. Casella: "Each of the 8 console models will give the customer the option of obtaining stereo reproduction in 3 different ways—single-cabinet stereo, wide-separation 2-channel stereo through the use of either one optional auxiliary speaker unit, or multi-channel stereo through the 2 optional "Total Sound" speakers."

Auxiliary speaker systems contain high- & mid-range speakers and begin with small book-sized units (6x8x3¼ in.) at \$25 a pair, with others at \$45 & \$60 a pair.

Prison sentence of 60 days has been handed out to N.Y. office mgr. Edwin J. Sorkin of Minthorne International Co. Inc. for sending a \$440 strategic electronic tube to West Germany without govt. approval. The firm was fined \$5,000 by N.Y. federal court Judge Edward J. Dimock, who found both guilty of violating export controls. The Commerce Dept.'s Bureau of Foreign Commerce accused them of shipping the tube to Frankfurt customer Germar Weiss although they had been warned that Weiss was "an undesirable trade connection." The BFC said Weiss transhipped goods to Soviet bloc destinations.

Arvin will introduce new line of U.S.-made transistor radios with list prices from \$30 to \$100.

Picture & receiving tube sales continued to rise, with Oct. 1959 showing increases over the preceding month and Oct. 1958, and Jan.-Oct. sales were ahead of the comparable 1958 period, EIA reported last week. The Oct. and Jan.-Oct. factory sales with comparison figures:

	Picture Tubes		Receiving Tubes	
	units	value	units	value
Sept. 1959	913,697	\$18,066,647	41,989,000	\$34,810,000
Oct. 1959	1,007,211	19,306,788	42,680,000	35,527,000
Oct. 1958	969,501	19,598,379	41,540,000	34,362,000
Jan.-Oct. '59	7,864,893	151,772,066	358,477,000	304,871,000
Jan.-Oct. '58	6,814,166	135,830,713	333,258,000	286,952,000

Daystrom has opened its first overseas production plant in Gloucester, England, to manufacture Heathkit test equipment, hi-fi & stereo components, amateur radio transmitters.

LOOKING AT TV BUYERS: Some 63% of TV set owners say they'll stick to the brand they now own when they buy another set—and, conversely, 37% are willing to be switched to a new brand (including 14% who say they'll purchase a different brand next time and 23% who don't know whether they'll change). This is one of the findings in *Look* magazine's first national appliance survey of 4,808 representative households.

As reviewed in *NARDA News* (survey details won't be available for about a month), *Look's* poll—made several months ago—showed these other TV findings:

Buying plans—These figures may be somewhat dated, but 3% of the households surveyed indicated they definitely will purchase a b&w TV within the next 12 months, and another 5% “probably” will buy one. This projects to about 4 million. Another 1% said they'll buy a color set and 1% “probably” will buy color—for 800,000 homes.

Factors influencing purchase—Reliability was considered the most important factor in buying a TV set by 40% of TV buyers, price by 26%, “authorized dealer” by 15%. Some 41% of set owners bought their TVs at appliance stores, 24% at radio-TV stores, 14% at dept. stores, 9% at discount houses, 4% at furniture stores, 4% by mail order, 4% elsewhere.

Servicing—Although TV sets require far more servicing than other electrical household items (46% of respondents had their sets serviced in the preceding 12 months as against 26% for dishwashers, the next most-serviced appliance), 87% of the TV owners were satisfied with servicing in the preceding 12 months. Of the dissatisfied 12% (1% didn't know if they were satisfied or not), 7% blamed the service technician, 3% the manufacturer, 1% both and 1% didn't know who was to blame. Of all electrical household items, TV came out best in service satisfaction. Others: Electric range & automatic washer, 86%; refrigerator, 85%; wringer washer, 83%; gas range, 74%.

TV drew top honors in service prices, too. Of those paying for service in the preceding 12 months, 79% thought TV service prices were reasonable, as opposed to 74% for wringer washer service, 63% for electric ranges, 60% for automatic washers, 51% refrigerators, 41% gas ranges.

The survey also showed that 74% of TV owners are still using the first set they ever purchased.

Motorola Buys LearCal: Motorola continues its diversification within the electronics business by announcing its 2nd acquisition within a year—the purchase of the executive & personal aircraft electronics business of Lear Inc. Last Aug. it bought hearing-aid manufacturer Dahlberg Co. (Vol. 15:33 p18).

Motorola will acquire the business & assets of Lear's LearCal div., Santa Monica, Cal., for an undisclosed number of shares of Motorola common stock. LearCal makes commercial airborne communication & navigation equipment and light aircraft autopilots, and will gross about \$8 million this year, or 9% of Lear's estimated 1959 sales volume. A sidelight to the transaction is that Lear Chmn. Dr. William P. Lear was “an early friend & first chief engineer” of the late Paul Galvin, Motorola founder.

LearCal will become Motorola Aviation Electronics Inc., a subsidiary, under present mgr. Kenneth M. Miller. It will be moved to a new plant in the Santa Monica area. Motorola communications div. vp-gen. mgr. Arthur L. Reese said Motorola had studied the market and concluded that “entry through this means is superior to any other.”

EIA Actions: Now that almost all TV manufacturers are using the 23-in. square-corner tube (see p. 16), EIA's forthcoming fall TV promotion drive “will stress technical improvements in today's TV receivers, including wider screens,” EIA announced last week. The drive again will be coordinated with network activities and will call attention to upcoming TV programming (Vol. 15:49 p17).

In other actions at its winter conference in Los Angeles, the EIA board approved these recommendations for legislation: (1) Indemnification of govt. contractors, on military & civil programs, from undue hazards which cannot be completely covered by commercial insurance firms. (2) Modernization of military procurement procedure, including major provisions of the Saltonstall bill. (3) Reform of radio spectrum administration & allocation procedures by establishment of a national frequency board as provided in the Harris bill. (4) Revision of patent provisions of the National Aeronautics & Space Administration to conform with defense procurement policies. (5) Liberalization of tax & other provisions for American investments abroad as proposed in the Boggs bill.

In the import field, in addition to the actions reported last week, EIA's tube & semiconductor exec. committee headed by W. J. Peltz, Philco, recommended an inquiry to determine why the FTC doesn't require the marking of electronic equipment which contains foreign components.

The educational coordinating committee, headed by Ben Edelman, Western Electric, named 2 new subcommittee chairmen: Luke H. Noggle, Westinghouse, task force on technical manpower requirements; Robert L. Caselberry, GE, to succeed Paul Chamberlain as chairman of the task force on school equipment.

Ray B. Cox, Hoffman Electronics consumer products vp-gen. mgr., was elected to the exec. committee of EIA's consumer products div., replacing H. Leslie Hoffman—not to the EIA board as stated last week. Pres. Hoffman continues to represent Hoffman Electronics on the board.

“The next decade will be the great age of Home Entertainment, based on technical innovations in the television industry,” says Dec. 14 *Newsweek* in its special issue on “The 60's.” Among its predictions: Picture-on-wall TV, home TV-tape recorders, international live TV via space satellites (Vol. 15:49 p11), inexpensive color sets. Much more fascinating is the suggestion that man's first major contacts with intelligent beings in other solar systems may be by TV. Discussing “Project Ozma,” whose purpose is to listen for intelligible radio patterns from other planets (solar systems around the stars Tau Ceti & Epsilon Eridiani will be the first targets), *Newsweek* says: “What if contact is actually made? Earth's first answering transmission of a basic signal would take 15 years at the minimum to bridge the interstellar distances. Two-way communication in words seems impossible . . . Jeffery Keller of the National Science Foundation has suggested that the ‘Others’ might transmit a TV picture which the ‘Terrestrials’ could then put back together with present-day receivers. What image would emerge on the screen? . . . The mind boggles at what new image of man himself would emerge when he gazes into his TV and realizes he is no longer unique & alone in the universe.”

More than 60,000 engineers & scientists from 40 countries are expected to attend the IRE International Convention (title changed this year from “National Convention”) March 21-24 at N.Y. Coliseum. Highlight of the program will be a symposium on “Electronics—Out of this World.”

Experts Appraise the Outlook for 1960

Forecasts of Prospects for Next Year's Economy—
Digests of Authoritative Opinion

Dun & Bradstreet: Poll of business executives showed 65% thought their first-quarter 1960 sales would be higher than the comparable 1959 period—a less optimistic view than in 4 previous surveys. Some 30% in the current survey expected no change from last year and 5% predicted declines. Slightly more than half expected profit gains in the first quarter, with durable goods manufacturers the most optimistic.

Kirby, Block & Co.: This buying organization's survey of retailers accounting for an aggregate business of \$3 billion a year (mostly dept. stores and women's & children's wear) showed that 89% of the 642 merchants polled see Jan.-April sales topping 1959's record business in that period, the consensus being that the increase will be about 6.5%. Seven percent expect no change and only 4% see a decline.

Life Insurance Assn. of America: Economic research dir. James J. O'Leary predicted that the Gross National Product would climb from the \$480 billion estimated in 1959 to \$525 billion in 1960. "The 1960s promise to bring a step-up in the rate of family formation, with expansion for housing, educational facilities & durable consumer goods," he said.

Nation's Business: Survey of more than 300 business leaders in the Dec. issue of the U.S. Chamber of Commerce's magazine reveals that 82% believe their companies' sales will rise, and 63% were willing to go on record as predicting that 1961 will be even better than 1960. Some 65% foresee no big change in prices, 31% predicting price rises. Half of those surveyed said they'll hire more people next year; 58% see about the same profit per sales dollar as in 1959 (28% expect a rise); 43% plan to spend more for expansion; 68% see a rise in total labor costs; 84% say "tight money" won't affect their plans; 48% plan to spend more in research.

Newsweek: Big Dec. 14 "Forecast" issue reports that *Newsweek's* latest Survey of Consumer Buying Plans (Sept. & Oct.) indicates that confidence in the economy is high. For the first quarter of 1960, however, the survey showed consumer plans to buy TV sets down 6% from the similar survey last year, contrasted with an increase in plans to buy new cars (up 8%), used cars (16%), air conditioners (31%). *Newsweek* also predicts 1960 consumer income will be up 5% to all-time high of \$400 billion.

Prudential Insurance Co.: Staff economists under Dr. Gordon W. McKinley, who boast that their forecasts have never been off more than 1.5% since they began publishing them 8 years ago, see next year's Gross National Product totaling \$509 billion. Their other predictions: Consumer spending will total \$330 billion—up \$18 billion from this year—most of the increase being in durable goods. The other big factor in 1960 prosperity will be plant expenditures of \$50 billion. Unemployment will drop to less than 4% of the working force.

United Business Service: Total income, spending, industrial output & employment will rise to new all-time highs, despite moderate declines in homebuilding & farm income. Gross National Product will rise to \$510 billion, with consumer spending leading the way. Total production will be 5%-6% greater than 1959, with durables up about 8%. Retail sales should reach a record \$230 billion

(up from \$215 billion this year). Average wholesale prices should rise about 2% during the year. Interest rates will climb higher, although less sharply than during 1959. Outstanding consumer credit is likely to jump \$4-\$5 billion.

U.S. govt. economists: Report on Commerce Dept. & SEC survey of manufacturers indicates that industry plans to increase capital outlays for plant & equipment to an annual rate of more than \$13.8 billion in the first quarter, a 15% climb over the \$12 billion expected for all of 1959. Durable goods makers foresee expenditures up 21%.

Standard & Poor's Corp.: This investment service predicts that Gross National Product will exceed \$500 billion, with personal income up 4.2% to \$395 billion, disposable income rising 4% to \$347 billion, personal savings increasing 2.1% to \$24 billion.

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ELECTRONICS IN 1960: Three electronics industry leaders looked back at 1959 and ahead through 1960 last week, summing up the outlook of the industry and/or their own companies. Digests of statements:

Minneapolis-Honeywell Regulator Co.: Pres. Paul B. Wishart told a business outlook conference in St. Paul that the electronics industry's sales should increase twice as much as total U.S. industry sales as a whole next year. He put 1959's electronics sales at \$10.1 billion, or 21% above last year's, and forecast another 9% rise next year to \$11 billion. In tabular form, his 1959 estimates and 1960 forecasts together with EIA figures for 1958 (in millions of dollars):

	1958	1959	1960
Consumer products	\$1,600	\$2,200	\$2,300
Industrial products	1,380	1,700	2,000
Military products	4,100	5,000	5,500
Tubes & parts	860	1,200	1,200
Total	\$7,940	\$10,100	\$11,000

RCA Consumer Products: Exec. vp P. J. Casella, at distributor meeting in Chicago, said RCA color sales currently are running nearly 30% ahead of last year "on a week-to-week basis" and that next year's sales "might well run 50% ahead of 1959." As to radio, "RCA will sell more sets in 1959 than in any other year in its 40-year history." The Japanese, he said, haven't hurt the U.S. radio industry as much as anticipated, because domestic industry has responded to the challenge with innovations. Despite "some slight confusion," he added, "stereo is just scratching the surface of its tremendous potential." RCA's new tape cartridge player-recorders have been selling "beyond our expectations" in the 2 models available, and a 3rd—and completely automatic—model will be marketed soon. The cartridge system should "have a great future in the 1960s," said Casella.

General Electric: Chmn. Ralph J. Cordiner told a N.Y. news conference that 1960 will be a "growth year" for the U.S. economy & the electrical industry. Although GE's defense sales may drop, gains in consumer & industrial goods should more than offset the loss. GE is "in a strong position to benefit from the stepped-up business investment in capital goods." He saw appliance prices remaining about the same as this year, due to stiff competition.

■

Zenith is building a \$1,250,000 addition to its Kostner Ave. (Chicago) production plant. Chmn. Hugh Robertson says the 115,000-sq.-ft. enlargement is scheduled for completion in June, will increase total floor space at the Kostner plant to 577,000-sq.-ft. The added facilities will be used principally for stepped-up assembly operations for transistor radios and for expanded components production.

Trade Personals: Ross D. Siragusa Jr., former Admiral TV sales mgr., elected to new position of electronics div. vp; Harris Hesketh, former exec. asst. to Admiral sales vp, elected vp of Admiral's branch distributing div., also a new post . . . Philip J. Koen, former management consultant, appointed to new post of Hoffman planning dir. . . . John R. Barney named to new post of staff cabinet engineering consultant, Motorola consumer products div. . . . Edward L. Slater named to new post of asst. dir. of advertising, Sylvania; Robert J. Stahl, to new post of commercial planning mgr., Sylvania's Mountain View (Cal.) operations.

Anthony G. Schifino, chairman of EIA's amplifier & sound equipment section, resigns as vp-gen. mgr. of Stromberg-Carlson's special products div. (hi fi, auto radios, etc.) to become exec. vp of Rochester Radio Supply Co., electronic equipment wholesale firm headed by his brother Mauro E. Schifino. He will continue to serve Stromberg-Carlson as sound equipment consultant. Schifino is succeeded as special products vp-gen. mgr. by Arthur J. Hatch. Other Stromberg-Carlson executive changes: Kenneth M. Lord named vp-gen. mgr., electronics div., succeeding George A. Peck, resigned; Dr. Nisson A. Finkelstein, ex-Bausch & Lomb, appointed asst. vp & research dir., succeeding Lynn C. Holmes, who becomes engineering operation dir.

E. P. (Ted) Atcherley appointed Pacific region distributor sales mgr., Sylvania Electronic Tubes, succeeding William G. (Pat) Patterson, retiring . . . William E. Circe appointed plant personnel mgr. of RCA semiconductor & materials div.'s manufacturing facility, now under construction in Mountaintop, Pa. . . . Warren E. Dalbke promoted from district mgr. to Midwest regional mgr. CBS Electronics equipment sales . . . Perry C. Smith, ex-Reeves Instrument Corp., named field liaison dir. of National Co. technical liaison div. . . . Joseph C. Otis, pres. of Otis Radio & Electronics, named mfg. vp, Globe Electronics div., Textron; Howard D. Vann appointed ad & PR dir.

Rudolph J. Napolitan, ex-A.R.F. Products, named gen. mgr., National Electronics Conference . . . William A. Schrader, ex-Collins Radio, named GPL asst. mgr. for transport aviation . . . James B. Williams named engineering vp, Electronic Communications Inc. . . . Robert S. Marston, Crosby-Teletronics exec. vp, also named contracts vp . . . Les Brettman named Motorola operations planning mgr. . . . Robert W. Jamason named personnel vp, RCA Communications Inc.

In honor of Dr. W.R.G. Baker, who headed GE's electronics business from 1941 to 1956 and retired as vp in 1957, the auditorium at GE's Electronics Park in Syracuse last week was designated W.R.G. Baker Hall. Dr. Baker now is research vp of Syracuse U. & pres. of Syracuse U. Research Corp.

Defense Dept. spent \$912 million on communications & electronics items during fiscal 1959—the highest amount since the Korean War year of 1953. The breakdown (by millions) shows that \$484 was spent by the Air Force, \$227 by the Army, \$201 by the Navy. The total does not include other categories of the Defense Dept. budget such as the research & development program and aircraft procurement.

Obituary

John Robinson (Jack) Binns, 75, honorary chmn. of Hazeltine Corp., died Dec. 8 in Mount Sinai Hospital, N.Y. A former newspaper reporter and writer, Binns is known for sending, in 1909, the first ship-to-shore distress signal. He is survived by his wife and 2 daughters.

Finance

Officers-&Directors stock transactions as reported to SEC for Nov.:

Allied Artists. Roger W. Hurlock bought 300, held 18,600. Albert Zugsmith bought 9,400 and 400 more in partnership, held 111,400 personally, 400 in partnership.

American Bosch Arma. Charles Allen Jr. sold 2,000 through Allen & Co. and 13,000 more in private sales, held none personally, 55,214 in Allen & Co.

Ampex. T. Kevin Mallen sold 2,500, held 20,600. Robert L. Pappas sold 125, held 13.

Arvin Industries. Harlan Foulke sold 476, held 7,919.

Audio Devices. Joseph K. McCammon sold 700, held 15,316. Henry E. Mendes sold 100, held 1,900 personally, 105 for daughter.

Avco. Arthur R. Kantowitz sold 5,000, held 11,000. A. B. Newton exercised option to buy 5,800, held 6,800. C. W. Stoup sold 500, held 9,600.

Belock Instrument. Harry D. Belock sold 5,500, held 228,591. Donald C. Walton sold 400, held 21,379.

Cinerama. Walter Reade Jr. bought 1,000, held 1,000.

Clevite. Glen O. Smith bought 300 for wife, held 900 for wife, none personally.

Columbia Pictures. Louis J. Barhano sold 1031 through Fico Corp., in which 14 other officers & directors are beneficial owners, held 115,900 in Fico Corp., none personally.

Consolidated Electronics. Arie Vernes exercised option to buy 3,200, held 3,700.

Emerson. A.A. Vogel sold 200, held none.

General Dynamics. Lisle W. Adkins sold 1,000, held 500. Robert P. Meiklejohn sold 1,000, held 2,000. J. V. Nash exercised option to buy 7,550, held 10,625.

GE. Robert L. Gibson received 1,200 as bonus plan compensation, held 7,517. John D. Lockton exercised option to buy 1,500, held 9,519. Halbert B. Miller bought 1,088, held 2,898.

General Instrument. Monte Cohen sold 700, held 7,018. Sol W. Gross sold 900, held 2,500.

General Precision Equipment. Joel Dean sold 300, held 2,100. George T. Link sold 1,000, held 2,972. Gaylord C. Whitaker sold 835 as co-executor, held 355 as co-executor, 550 as guardian, 14,450 in trusts, 6,026 personally.

General Telephone & Electronics. Raymond E. Dolar exercised option to buy 200, held 1,000. Leon C. Guest Jr. sold 278, held 815.

General Transistor. Herman Fialkov exercised option to buy 500, held 34,918 personally, 5,818 as trustee. Bernard Jacobs sold 900, held none. Carl W. Knobloch Jr. sold 2,000, held 2,000. Norman A. Neuman sold 1,000, held none.

Hoffman Electronics. M. E. Paradise sold 5,033, held 133.

Indiana Steel Prod. I. A. Dickey exercised opt. to buy 1,000, held 2,000.

International Resistance. Walter W. Slocum bought 100, held 100.

ITT. Paul F. Swantee sold 400, held 5,934.

Lear. Harold C. Andrus sold 3,618, held 1,223. F. D. Beamer sold 1,288, held none. Harold J. Downes sold 500, held 124. Albus Durham sold 2,500, held 965. Philip E. Golde sold 9,000, held 8,104. A. G. Hanschumacher bought 100, held 194. Albert C. Keske sold 618, held 1,441. W. P. Lear sold 20,000, held 424,767. C. J. Reese sold 500, held 1,000.

Litton Industries. Roy L. Ash acquired 96 in partnership through failure of performance under sales contracts, sold 650 as custodian, transferred 1,000 in community property, disposed of 95 in partnership through exercise of option by employes, held 49,799 personally, 1,450 as custodian, 5,579 in partnership. W. Preston Corderman bought 400, held 400. David Ingalls sold 2,000, held 1,153. Charles B. Thornton disposed of 210 in partnership through exercise of options by employes, acquired 210 in partnership through failure of performance under sales contracts, held 122,363 personally, 12,269 in partnership.

Loew's Inc. Howard Strickling bought 200, held 225.

Loew's Theatres. Thomas J. Connellan bought 100, held 100. John F. Murphy bought 200, held 400.

National Theatres & TV. Jack M. Ostrow sold 5,900 through corporation, held 85,100 in corporation, 7,500 personally.

RCA. Ralston H. Coffin exercised option to buy 100, held 500. Fred M. Farwell bought 100, held 100.

Raytheon. David R. Hull sold 1,000, held 2,650. N. B. Krim sold 500, held 3,450.

Sangamo. J. Bunn Jr. sold 10,516, held 24,629 personally, 48,561 in trusts.

Servomechanisms. Harry J. Volk bought 1,000, held 1,105.

Siegler. Donald Royce sold 461, held 8,000.

Stanley Warner. David Fogelson sold 252 through Schwartz & Frohlich, held none in Schwartz & Frohlich, none personally.

TelePrompTer. Fred Barton sold 1,000, held 39,819. Milton H. Hendler exercised option to buy 100, held 600. Hubert Schlafly Jr. exercised option to buy 13,300, held 34,399.

Texas Instruments. F. J. Agnich sold 1,000, held 24,905. P. E. Haggerty sold 100 and 2,500 more in private transaction, held 122,531. Bryan F. Smith sold 900, held 11,689 personally, 159 in trust. C. J. Thomsen sold 300, held 13,017.

Thompson Ramo Wooldridge. H. L. George sold 500, held 35,885.

Varian Associates. William H. Chandler bought 10, sold 500, held 1,648. James N. Donovan bought 10, sold 100 in joint tenancy, held 674 personally, 98 in joint tenancy. Clifford V. Heimbucher sold 2,000, held 36,734. Decker G. McAllister sold 200, held 28,680. Theodore Moreno bought 15, sold 100, held 10,185. Merle R. Zinser bought 120, sold 2,000, held 5,645.

Westinghouse. Dillon Anderson bought 300, held 500. Francis E. Dalton exercised option to buy 100, held 1,101. Robinson S. Kersh exercised option to buy 225, held 1,160. Fergus M. Sloan exercised option to buy 625, held 1,226.

Zenith. Hugh Robertson sold 200, held 8,858.

Olympic Radio & Television reports that sales in Nov. increased over those of Nov. 1958. It marked the 11th month this year in which sales of the Siegler div. topped those of the year-ago month.

Packard-Bell Electronics set profit & sales records in the 1959 fiscal year ended Sept. 30, Pres. Robert S. Bell reported. Sales were up 24% over those of fiscal 1958. Bell said that 44% of total corporate sales were racked up by the concern's technical products div., which in 5 years has pushed its annual volume from \$3.6 million to \$20 million. Packard-Bell also announced that it plans to introduce in the spring a small-size electronic computer which will sell for approximately \$25,000—and which will be faster, cheaper, smaller than comparable competitive units. For fiscal year ended Sept. 30:

	1959	1958
Net sales	\$46,608,062	\$37,371,081
Net income	1,375,346	1,002,594
Per common share	1.73	1.45
Shares outstanding	792,600	688,000

Transitron Electronic Corp. offering of 1 million shares, considered one of the "hottest" issues of the year, was quickly oversubscribed at \$36 a share Dec. 10 and was traded over-the-counter as high as \$49 the same day, before it settled down to a closing 43½ bid & 44½ asked. The 1 million shares (of a total 7,502,000 outstanding) were sold for Chmn. Leo Bakalar & Pres. David Bakalar by an underwriting group headed by Merrill Lynch, Pierce, Fenner & Smith. A major semiconductor manufacturer, Transitron netted \$6,456,138 on sales of \$30,913,376 for the year ended June 27. For 3 months to Sept. 26, the net profit was \$1,777,049 on sales of \$10,155,584. As of Nov. 28, its order backlog totaled \$14,250,000.

Electronics Capital Corp., the publicly-held small business investment company headed by Charles E. Salik, last week announced its 3rd investment—\$300,000 convertible debentures of Vega Electronics Corp., Palo Alto, Cal., convertible into 68% of Vega's common stock. The new Vega firm will engage in the design, manufacture & development of precision digital & analog magnetic-tape recording equipment and electro-acoustic products. It's headed by Russell J. Tinkham, recently with Ampex and founder & onetime pres. of Magnacord as well as dir. of Armour Research Institute's magnetic-tape research program. Previous investments by Electronics Capital Corp. have been in Potter Instrument Co. and General Electrodynamics Corp.

Ampex Corp., for the first half of its fiscal year, reports net income up 165% and sales up 86% from the comparable 1958 figures—both sales & income setting records. The current Ampex order backlog totals about \$18 million vs. \$13 million a year ago. For 6 months ended Oct. 31 (per-share earnings based on shares outstanding before merger with Orr Industries):

	1959	1958
Sales	\$30,002,000	\$16,147,000
Net income	1,763,000	665,000
Per common share	80¢	36¢

Reports & comments available: Transitron Electronic Corp., prospectus, Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., N.Y. 5 . . . RCA, ITT and Lab for Electronics, reports, Schirmer, Atherton & Co., 50 Congress St., Boston 9 . . . General Instrument, discussion, Hill, Darlington & Co., 40 Wall St., N.Y. 5 . . . Barnes Engineering, analysis, Purcell & Co., 50 Broadway, N.Y. 4 . . . Collins Radio, comments, A.M. Kidder & Co., 1 Wall St., N.Y. 5 . . . Precision Apparatus Co. Inc., opening circular, Precision Apparatus Co. Inc., 70-31 84th St., Glendale 27, L.I. N.Y. . . . ITI Electronics, report, Edward Lewis & Co., 82 Beaver St., N.Y. 5 . . . Beckman Instruments, report, Schweickart & Co., 29 Broadway, N.Y. 6.

Lafayette Radio Electronics Corp., Jamaica, N.Y. distributor of hi-fi components & electronic parts, proposes a public sale of 275,000 common stock shares at \$5 per share. In an SEC registration statement (File 2-15899) the company said the offering will be made by D.A. Lomasney & Co., proceeds to be used to expand inventory, make leasehold improvements, increase working capital, etc. Lafayette is the 3rd big electronic-parts house to offer stock to the public in recent months—the others being Allied Radio Corp. and Hudson Radio & TV.

Stanley Warner Corp. earnings more than doubled to a record peak in the fiscal year ended Aug. 29, Pres. S. H. Fabian announced in the concern's annual report released last week. Stanley Warner operates 210 theaters in the U.S., TV station WAST Albany-Troy-Schenectady, other divisions & subsidiaries. For the fiscal year ended Aug. 29:

	1959	1958
Theater admissions, etc.	\$123,877,723	\$113,319,056
Net profit	4,812,041	2,333,119
Per common share	2.38	1.15

P. R. Mallory anticipates 1959 earnings & sales will rise sharply—to \$2.85 a common share on "slightly over" \$85-million sales, compared with 1958's net of \$1.89 a share on \$68,286,563 sales. The projected earnings are figured on shares to be outstanding following a 2% stock dividend Dec. 21. Approximately half of the total volume will stem from Mallory's electrical & electronic component parts. For 1960, Mallory forecasts earnings up 40%, sales up 15%.

Telechrome Mfg. Corp., in a statement filed with SEC, reports higher sales but lower net for 3 months ended Sept. 30 as compared with the same 1958 period.

	1959	1958
Net sales	\$485,468	\$343,454
Net profit	28,275	37,177
Per Class A share	13¢	22¢
Class A shares	221,167	165,800

Microwave Associates (28% owned by AB-PT) reports increases in sales & earnings for the year ended Sept. 30. The 1959 net income is reported after giving effect to special charges of \$70,000.

	1959	1958
Net sales	\$6,670,487	\$4,326,681
Net income	384,492	228,107
Earned per share	39¢	23¢
Common shares (1959) . . .	978,000	978,000

Herold Radio & Electronics, in a report to the SEC, notes higher sales but a continuing net loss for the 6-month period ended Aug. 31:

	1959	1958
Net sales	\$3,894,728	\$3,721,391
Net loss	106,100	20,134

Electric & Musical Industries Ltd. has approved a 1-for-2 stock dividend which will be distributed on Jan. 20 to holders of American shares of record of Dec. 21. Also approved was a year-end cash dividend of 12¢ per common share, to be distributed Jan. 5 to American holders of record of Dec. 21.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Erie Resistor	Stk.	4%	Dec. 26	Dec. 14
Hudson Radio & TV ..	Init.	\$0.06	Jan. 8	Dec. 21
ITT	Q	.25	Jan. 15	Dec. 18
Howard W. Sams	Q	.15	Jan. 25	Jan. 15
Times Mirror	Q	.25	Dec. 22	Dec. 7
Western Union	Q	.35	Jan. 15	Dec. 18
Westinghouse, Canada	—	.25	Jan. 2	Dec. 15

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SUMMARY-INDEX OF WEEK'S NEWS

DEC 21 1959

SPECIAL SURVEY REPORT: Electronics industry leaders appraise next year's TV-radio-stereo outlook in our Review & Forecast—1959-1960 (p. 15).

FCC

INDUSTRY'S DEFENSE & Justice Dept.'s help come as FCC hearing recesses. McGannon presentation impresses. Attorney General offers some anti-trust relief (pp. 1, 4 & 5).

ST. LOUIS CH. 2 rerun started by Judge Stern in deintermixture influence hearings. Principals repeat House testimony (p. 3).

Stations

NEW TV TAPE RECORDERS may be coming. Toshiba machine excites some industry interest; Telechrome working in Japan, England & U.S. on same approach (pp. 3 & 7).

RCA SIGNS PAYOLA PLEDGE with FTC to "cease & desist" from any illegal record-promotion practices. Consent order seen as pattern in FTC payola drive (p. 6).

RADIO CODE STRENGTHENED in proposals by NAB's good-practice committee, which urges adoption of TV Code changes by radio, calls for enforcement (p. 7).

Networks

PUBLIC-AFFAIRS UPBEAT CONTINUES as ABC-TV gets into race for prime-time news specials by blueprinting a weekly news-in-depth show based on Winston Churchill's books (p. 8).

CBS-TV'S ON-AIR PLANS for basic production practices allows canned laughter, synthetic locations, pre-recording, etc., but they must be clearly labelled under new set of rules (p. 8).

Manufacturing & Distribution

1959 & 1960 RECORD YEARS in electronics, according to EIA, which estimates 1959 factory sales at \$9.2 billion, predicts \$10.35 billion in 1960 (p. 13).

1959 TV SALES total about 5.8 million sets, 13% ahead of last year but still 2nd poorest unit-sales year since 1950. Production totals 6.25 million sets (p. 13).

RISE of 5%-8% in consumer electronics business predicted by set & component makers in our survey. TV consensus: retail sales of more than 6.1 million sets (pp. 14 & 15).

\$27-BILLION ELECTRONICS market by 1970 is predicted by Sylvania mktg. official, who sees volume rising from \$14 billion this year to \$15 billion in 1960 (p. 14).

Film & Tape

PROGRAM RESHUFFLE UNDER WAY but the mass shifts are not expected until spring (p. 10).

UA CONSIDERING ZIV BUY as its latest expansion in TV field. Control is owned by 2 leading Wall St. banking firms (p. 10).

Finance

SEC HALTS TRADING in Skiatron Electronics stock. Registration of stock issued to Matthew Fox also stopped (p. 20).

Other Departments

PROGRAMMING (p. 9). **PERSONALS** (p. 12). **ADVERTISING** (p. 12).

INDUSTRY'S DEFENSE & JUSTICE DEPT.'S HELP: FCC's programming hearing recessed last week until Jan. 5, pausing on a strong chord comprising : (1) A brilliant presentation by NAB Code Review Board Chmn. Donald H. McGannon, well-received by Commission. (2) A degree of relief from anti-trust worries about actions to improve programming, proffered by Attorney General William P. Rogers.

"Self-regulation" was theme of McGannon's testimony, as he defended industry's measures to date and urged FCC to move slowly in attempting to put its teeth into Code.

Most of McGannon's all-day presentation was devoted to description of what Code has done & expects to do. Not only has Code Board moved to curb objectionable commercials such as those for Preparation H ("courageously," commented Comr. Bartley), but it is moving "effectively to contain & reduce cases of excessive violence & crime," McGannon said. He reported that collaboration with Hollywood producers shows excellent promise in that direction.

McGannon would accept some FCC help in backing Code, such as requiring applicants to tell whether they're subscribers. He said Board would also consider whether to publicize names of stations thrown out of Code because of violations—this in response to repeated requests for "clues" by Commissioners. He also reported that Board will supply FCC with complete list of Code subscribers by Jan. 5 (thus identifying non-

subscribers through omission). However, he urged Commission to use non-Code-compliance as only one factor in weighing a station's performance. He was also happy to report that Code membership has increased 25% to 332 since Nov. 16, including the return to the field of some Preparation H drop-outs.

There was quite a flurry when Comr. Lee asked whether NAB would supply list of Radio Code subscribers, too. Non-NAB members can subscribe to TV Code, but radio stations must be NAB members before they can subscribe to the radio counterpart. Lee admitted frankly that he was pressuring stations to join. After a short caucus, Commission agreed to wait until NAB's Radio Board acts on Radio Code Committee recommendation that non-NAB members be permitted to subscribe (see p. 7).

McGannon defended industry against charges of "advertiser control." On local programs, he said that stations do preview film programs and accept responsibility for their content. He said he wasn't intimately familiar with network-advertiser practices but pointed out that networks have o&o's and are alive to their responsibilities for them.

McGannon rejected concept of "national advisory council" to guide FCC on programming, said that "you get into a genuine never-never land of subjective reaction. What is the proper program standard?" However, he strongly recommended industry-sponsored public-service conferences such as those convoked annually by his own WB. As for program "mediocrity," he said, "let the industry develop normally."

He also rejected the "Ford proposal"—Comr. Ford's concept of making broadcasters' colleagues a "court of first instance" for Code violators—such as the legally-constituted National Assn. of Security Dealers (Vol. 15:50 p4). "It differs," he said, "because of the nature of our industry."

McGannon wasn't very excited about Elmo Roper's poll showing that public isn't especially perturbed about TV (p. 5). "Statistical analysis isn't too important," he said. "The public is very hard to move. I don't think we ought to relax." On the other hand, he said, religious, civic & educational spokesmen who have testified before FCC in this hearing aren't necessarily representative of the public.

Code membership by advertisers & agencies isn't advisable, McGannon said, because they deal with all media, not only TV. He recommended "liaison," instead.

Code Board has only limited duties in regard to "program balance," McGannon said, stating that NAB Pres. Harold Fellows would address himself to that subject when he testifies. He said he thought FCC was within its powers in asking applicants to report what they've done to seek out needs of their communities.

Several Commissioners are most eager to give Code teeth. Comr. Bartley, referring to Code violators, said: "It seems to me it's about time we blew the top off these people." Comr. Ford observed: "You seem to have made a good start." But he wondered what was being done to "call a bad actor to the FCC's attention." Comr. Cross also wondered what difference it makes if station loses Code seal, if no one knows which it is. (For summary of McGannon's conclusions and for other witnesses' testimony, see p. 4.)



Chmn. Doerfer was obviously very pleased to disclose Attorney General Rogers' letter giving broadcasters some anti-trust comfort. He offered it as an appetizer just before lunch Dec. 18.

"I am confident," Rogers wrote, "that voluntary codes of good practice can be adopted by the broadcasting industry within the framework of the anti-trust laws which will play an important role in the improvement of radio & TV programming as an adjunct to appropriate Commission action to insure that its licensees operate in the public interest. In fact, as you are aware, such codes have existed in both the broadcasting & motion picture industries for a number of years. And if the broadcasters believe that any particular provision of an existing or proposed code involves possible conflicts with the anti-trust laws, I am sure that these questions can be satisfactorily resolved through appropriate consultation with [anti-trust div.] officials."

McGannon said the statement represents "notable progress" and that next move is a meeting of broadcasting representatives with Rogers. He cautioned, however, that Rogers' statement still doesn't protect industry against private anti-trust suits by stations which believe the Code Board has ganged up on them. Said Doerfer: "Well, it protects you from treble damages. You can't have perfection in this life."

Doerfer believes that Rogers' statement will do much to encourage networks to collaborate to offer public-service programs in prime time without fear of losing audiences to entertainment shows.

NEW TV TAPE RECORDERS COMING? There's been plenty of talk among industry engineers recently about new or different approaches to video-tape recording. There have even been top-secret demonstrations of new-type recorders both here & abroad.

The one machine which has excited most interest & curiosity is that demonstrated—and supposedly ready for production—by big Tokyo Shibaura Electric Co. (Toshiba). At least one U.S. firm hopes to put out an American version.

Whatever its other advantages, Toshiba recorder has one big drawback—it's incompatible with Ampex & RCA recorders, of which more than 500 are now in use. Nevertheless, some industry engineers are excited about possibilities of Toshiba machine.

"We are heavily committed to a machine similar in principle to the Toshiba recorder," we were told last week by J. Raymond Popkin-Clurman, pres. of Telechrome Mfg. Co., who has many business & engineering connections in Japan. He said Telechrome is "working in Japan, the U.S. & England" on such a recorder and hopes "to have something to talk about" before the April 3-7 NAB convention.

Toshiba recorder uses single recording head (Ampex-RCA use 4) and is said by its proponents to have marked advantages in cost, editing, simplicity and tape economy. In our talks with industry engineers last week, however, it was evident that some of them see any potential advantages as insufficient to outweigh the serious handicap of tape incompatibility. Toshiba has maintained stony silence on the recorder development, but it's known to have made prototypes.

Basic difference between Toshiba & Ampex-RCA recorder concepts: In the latter, the tape is driven straight across a revolving drum with 4 recording heads. Toshiba drives the tape in a spiral motion across a single head. Spiral tape drive is nothing new. Basic concept was invented 20 years ago by Ripley Kiel, who later developed spiral-drive sound recorders for RCA under govt. contracts. TV-tape recorder prototypes using spiral drive were demonstrated in this country in pre-Ampex days.

Don't discount the possibility of a competitive system of TV tape recording soon. Almost every broadcast engineer is extremely anxious to see demonstrations of the Toshiba approach—and others are on the horizon. But the negative view was summed up to us by a leading industry engineer when he said: "Video tape as we have it today will survive until an entirely new system comes along. And the new system—which is bound to come some day as technology progresses—is going to have to be much better in some important new way, such as complete portability, a cost one-tenth that of present machines, or the same results using one-tenth as much tape."

Note: In addition to its activities in the TV tape recorder field, Telechrome has signed a cross-licensing & import agreement with EMI Ltd. of England, will soon introduce a new line of EMI TV studio cameras here, including a 4½-in. image orthicon camera, the much-talked-about Emitron camera and a light-weight, low-cost live color camera. For more about Toshiba recorder and Telechrome-EMI camera, see p.7.

The FCC

St. Louis Ch. 2 Rerun: Special FCC examiner Horace Stern last week wound up 7 days of Philadelphia hearings in the tangled deintermixture influence case of St. Louis Ch. 2, which had been remanded to the Commission by the Court of Appeals to see whether KTVI won the grant properly (Vol. 15:19 p6). Most of the proceedings—which will be resumed after the holidays—were a rehash of protracted hearings last year by the House Commerce legislative oversight subcommittee (Vol. 14:21-22) on FCC's hotly-disputed shift of Ch. 2 from Springfield, Ill. to St. Louis and Harry Tenenbaum's Signal Hill Telecasting Co. The case had been carried to court by Springfield contestant Sangamon Valley TV Corp.

Large hunks of House investigation testimony about visits by KTVI's Tenenbaum & other Ch. 2 case figures to Washington, where they said they methodically contacted FCC members, were admitted into the Philadelphia hearing record by Judge Stern. He also asked for 2 volumes of the oversight subcommittee's transcript for his own Christ-

mas reading. Last week's witnesses included ex-*St. Louis Globe Democrat* Pres. C. Arthur Weis, ex-Mayor Nelson O. Howarth of Springfield and Pres.-gen. mgr. Gordon Sherman of radio WMAY Springfield, which once had & then lost Ch. 2 and since has withdrawn from the case. All agreed they had tried to enlist members of Congress and other politicians as well as FCC in their Ch. 2 causes.

"I think we are only interested in this case in *ex parte* communications & interviews with the Commissioners," Stern interjected at one point. At another, while Sherman was on the stand, Stern protested: "Well, if you want my frank opinion, I don't think any of the testimony so far produced is relevant to the issues in this proceeding." Tenenbaum spent 3 days on the stand, relating again how he had used lunches, dinners and FCC office visits in pursuit of Ch. 2 during deintermixture proceedings.

Stern's task, under the Appeals Court mandate, is to determine (1) The "nature & source" of all Ch. 2 *ex parte* pleas. (2) Whether any FCC members should have been disqualified in the case. (3) Whether any Ch. 2 contenders should be disqualified.

More about

"WILL THE CODE WORK?" A vigorous assertion that the TV industry can, with its Code, clean its own house, was presented to the FCC last week by Donald H. McGannon, chmn. of NAB'S TV Code Review Board (see p. 1). He summarized his testimony with a series of questions & answers, of which the following are significant excerpts:

"Question: Will the TV Code work?"

"Answer: I believe, without reservation, that the TV Code can & will work. It represents the only practical and workable regulation of the TV industry. It must be done by the TV industry & related elements at large, and supported by all of the other elements of our community . . . Without these, even 100% subscription will not necessarily work. However, with these factors present, like our bar associations of this country, the Code can be the broadcasters' version of the Canons of Legal Ethics and prove, in turn, an efficient basis of self-regulation. The Code would regulate the non-subscriber by virtue of the recognition afforded it by the public, governmental bodies, and the industry . . . I think a stumbling block of some considerable moment and one which inhibits elements of the industry from more vigorous support of the Code is the uncertainty of governmental or individual action predicated upon a violation of either the Sherman or Clayton Acts . . ."

Integrity More Important Than Rules

"Question: Why didn't the Code work in the recent quiz show deceptions or any of the other relatable areas of recent disclosure of malpractice?"

"Answer: I think this question could be rather quickly answered by saying that any set of rules or laws will be effective in direct proportion to the integrity of the people involved. Obviously, this result is influenced by the deterrent effect of the regulation itself, although the TV Code, in my opinion, had all of the implicit and generally-stated restrictions that should preclude the deceit of the rigged quiz shows, I believe it did not represent a sufficiently strong focal point of reference to be an effective deterrent to such a practice occurring. Beyond this, let not the practical fact be overlooked, in considering the implementation of the Code, that one must know of the violation before one can act to stop or prevent it . . . This is not untrue of literally any form of regulation or criminal statute intended to contain or limit individual actions . . ."

"I think the basic question facing the industry & the Commission today is not specifically why the Code did not preclude this deceptive & almost impossible-to-recognize practice concerning quiz shows, but whether it had & now has the ability to avoid such things happening in the future, and what is going to be the degree of sustained & continuing support the industry will afford the Code."

"It is my conviction that the Code is able to do the job, and that the industry has & will continue to take with strong conviction the regrettable revelations recently made concerning this very limited area of programming . . ."

"The total task has not been perfected—much more still remains to be done. In the field of self-regulation, this industry can do the job—the job that cannot be done as well by any governmental agency even as to the initial step of writing the rule or legislation, or suggesting an effective model of enforcement & implementation."

"I urge you against any precipitous or impulsive act—let the broadcasting industry demonstrate that it can serve the public interest best under the present system . . ."

MORE VOX POPULI: FCC's programming inquiry last week produced an even wider range of testimony than the previous week—extending from the conventional blasts at poor programming to a spirited & careful presentation by the man upon whom much of the attention is focused—Donald H. McGannon, chmn. of NAB'S TV Code Review Board. Herewith is a summary of the week's witnesses (for McGannon's testimony, see pp. 1 & adjoining column):

Prof. Elmer E. Smead, Dartmouth College, author of *Freedom of Speech by Radio & Television*, presented a scholarly analysis of FCC's powers over programming and concluded: "I am convinced that this Commission cannot avoid the regulation of programming. You have no choice." He argued that the courts would differentiate between TV-radio & other communications media in their interpretations of "censorship." Added he: "In 1958, the Supreme Court extended freedom of the press to a nudist magazine. Is there anyone who can doubt that the decision would be just the opposite in a case of the exhibition of nude men, women & children on theater or TV screens?" Chmn. Doerfer was still skeptical, but said: "I think you've made some substantial contributions."

John Fischer, editor of *Harper's Magazine*, called for regulation of the industry as a public utility, with the govt. collecting rent for use of the spectrum or taking all above 6% of station profits. These funds, he said, could be used to support a competitive, non-commercial network or support ETV or provide higher salaries for FCC members to attract "the finest talent the country could produce."

Eric Larrabee, American Heritage Publishing Co., also asked for governmental collection of rent from broadcasters, to be used for research into better means of using TV.

Pauline F. Weeden, pres., Links Inc., a civic organization, urged greater employment of negroes in the industry.

Walter Davis, dir. of Science Service, called for greater emphasis on science programs, including the inauguration of a national science club program appealing to youth.

Wants a Tougher Commission

Walter W. Eshelman, pres. of the National Education Assn., stating that his group represents more than 1,300,000 teachers, said that the FCC should require stations to devote a "fair portion" of 7-10 p.m. to public-service programs. He asked for "a new toughness on the part of your Commission."

Ralph Renick, news vp of WTVJ Miami & chmn. of the Radio TV News Directors Assn. (628 members), urged the Commission to show great restraint in the field of program supervision. "Frankly," he said, "the fear of RTNDA is that in the hysteria over revelations about quiz contestants & disc jockeys, that the Congress or the FCC will invoke new laws and/or regulations on programming which would adversely affect the presentation of news & information shows and would hamper the newsmen and would restrict the progress which is being made toward more & better news shows, documentaries and, most recently, editorials. Govt. control in this area is, at best, a very delicate matter. The broadcast news people feel that the First Amendment to the Constitution applies just as much to radio & TV reporters as to our brothers in the printed media . . . Let's take a hypothetical case in which a Congressman or Senator or federal official would be involved in a case where editorial criticism could be leveled and where his reputation was on the block. I think that even with the current federal regulations on the books, that

many broadcasters would play it safe and would leave the job of exposing such a thing to the newspapers or to perhaps another broadcaster with a bit more courage."

Prof. Robert Gessner, N.Y.U., said that the govt. should charge commercial broadcasters for use of frequencies, then use the money to establish a non-commercial 4th TV network operated by an independent authority appointed by the President. He also said that there should be punishment for commercial stations less severe than total license revocation—such as 30-day license suspensions.

Dr. Stanley I. Stuber, gen. secy. of the Council of Churches of Greater Kansas City, asserted that Congress must overhaul the Communications Act to give FCC "specific powers over both station and network programming." As an example of FCC's "glaringly weak" powers, he pointed to radio WHB's *Nightbeat* program and said that it has been used as an "open forum" for a "smear campaign" against a clergyman. He said he would file a formal complaint with the Commission.

Rabbi Maurice N. Eisendrath, pres. of the Union of American Hebrew Congressions, urged the establishment of govt.-operated TV & radio networks to counterbalance the TV industry which has "exalted the shoddy and has beamed its message to the moron." He said that the Commission should require stations & networks to broadcast public-service programs and that a citizen's committee be established as a watchdog on programming.

Sponsor-Program Divorcement Sought

Reinhold Niebuhr of the Union Theological Seminary filed a statement urging that sponsors be divorced from program control and that FCC be given control over length, frequency & quality of commercials.

Jonathan Daniels, editor of the *Raleigh News & Observer*, submitted a statement pleading that no new controls be imposed on broadcasting. "Nobody in Washington," he said, "can program our TV or radio. No sensible official would try." He noted that TV is now struggling against advertiser influence, recapitulating the battle won by newspapers many years ago.

Harry J. Skornia, exec. dir. of the National Assn. of Educational Broadcasters, asserted that FCC has an "absolute mandate" to drive out the "fast-buck boys" and help raise the level of TV-radio programming. "I'm a little ashamed as an American," he said, "that the U.S. mass media have failed to "inform & rally our nation to what may become our finest hour instead of the catastrophe for democracy which some foresee."

Dr. Carl McIntire, past pres. of the American Council of Christian Churches, representing about 1½ million members of 16 fundamentalist Protestant denominations, asserted that most free broadcasting time is given to the National Council of Churches. Therefore, he said, "so far as the Protestant world is concerned, we have reached a condition where one viewpoint has virtually a monopoly."

Edward W. Scripps II, vp of Sigma Delta Chi, the professional journalistic fraternity, argued that the TV & radio industry should "be allowed to clean its own house, to conduct its business with its audience as the final editor, [free] from any further govt. control or restrictive legislation." He said the U.S. public had been "justifiably shocked" by industry scandals, but that his organization is convinced "inherent dangers" of FCC program controls "far outweigh the dangers posed to the public well-being by rigged TV quizzes & disc-jockey payola."

Because of holidays, FCC has changed its meeting days to Tues., Dec. 22 & 29 and Thurs. Jan. 7.

FCC Pros & Cons: In a sort of obligatory FCC's hearings on broadcast programming & Commission powers (see p. 4), critics & defenders of radio operations speak their pieces in Fund for the Republic symposium colloquies released this week. Participants in the discussions—part of the Fund's continuing study of "the role of the mass media in the free society"—express such views as these:

Ex-FCC Comr. Clifford J. Durr: FCC makes no effective checks of station program performance vs. program promises by operators when they apply for licenses. "The man who gets the station is often the man who is willing to stretch the truth the farthest."

Ex-FCC Chmn. Lawrence Fly: FCC has become little more than an "electronic traffic cop." New controls of networks' "coercive power" are needed. Commission rules should be "modified so as to accomplish their original purpose, which is to place greater responsibility in the hands of the local station operator."

FCC Comr. Rosel Hyde: FCC is "suffering from misunderstanding & lack of information about what it can do & what it does." Commission "has been assigned a responsibility in the public mind which we just do not have."

Ex-FCC gen. counsel Benedict P. Cottone: The TV-radio industry has "opposed any examination of programming" by FCC. Reflecting this attitude, FCC doesn't assume that it has a responsibility to revoke licenses or refuse renewals on grounds that a station has failed to fulfill programming promises.

Pres. Raymond F. Kohn of radio WFMZ Allentown, Pa.: Doesn't much licensing trouble stem "from the initial effort of the federal govt. to regulate & administer the spectrum to avoid interference? It has been administered ever since by patchwork here & patchwork there. This is true of AM & FM as well as TV."

Other participants in the symposium, which ran through 2 sessions, included Fund Pres. Robert M. Hutchins, Princeton U. prof. Eric F. Goldman, ex-FCC staffer Charles Clift, Chicago lawyer Newton N. Minow. Single copies of the 39-page transcript, *Broadcasting & Govt. Regulation in a Free Society*, are available free from the Fund for the Republic, 133 E. 54th St., N.Y.

* * *

Elmo Roper, veteran public-opinion sampler, reporting on a Dec. 5-12 poll commissioned by the industry's TV Information Office, found that the public "has put this whole matter in a pretty sane perspective." Among his findings:

(1) Only 4% of the respondents believed that "these shocking disclosures showed just how bad TV is, while 64% thought "these practices are very wrong and should be stopped immediately but you can't condemn all of TV."

(2) TV & newspapers are neck-&-neck as media most relied upon for news.

(3) Among top 12 moral problems today, increasing juvenile delinquency leads with 89% of respondents, while "advertisers making false claims is 6th with 67%, quizzing 11th with 41%, payola 12th with 34%.

(4) Newspapers are "most believable" with 32%, TV next with 30%, radio 12%, magazines 10%—and 16% had no opinion.

(5) If public could have only one medium, 42% would keep TV, 32% newspapers, 19% radio, 4% magazines.

(6) TV industry is going through job of cleaning up abuses, according to 39%, while 37% believe it is merely "correcting the most publicized abuses," and 9% think industry isn't doing much of anything about it.

Roper suggested that the public has concluded: "Well, here's just one more proof of the fact that you'll find some rotten apples in every barrel."

Stations

RCA SIGNS PAYOLA PLEDGE: NBC's parent RCA, accused by FTC of illegal payola practices in promoting use of its phono records on TV & radio (Vol. 15:49 p2), capitulated without a fight last week. Just 11 days after FTC issued its complaints against RCA & 8 other record manufacturers & distributors in the ad-policing agency's new TV-radio cleanup drive, RCA counsel signed a consent order to "cease & desist" from payola.

The text of the agreement included the usual disclaimer by respondents in such FTC cases that "it is for settlement purposes only and does not constitute an admission by the respondent that it has violated the law as alleged in the complaint." But FTC's order to RCA to stop payola was sweeping & explicit. It's expected to be the pattern for any other consent agreements with firms cited in the campaign by FTC, which got a head start on parallel probes by FCC (Vol. 15:49 p1) and the House Commerce legislative oversight subcommittee (see p. 1).

Subcommittee counsel Robert W. Lishman last week filed a payola preview report outlining a score of alleged payola & plugola practices at TV & radio stations in 27 cities—but naming no individuals, stations or networks. The staff report also made accusations against "network officials" for reported use of network facilities to further their own outside financial interests, including investments in Broadway shows.

Lishman said that his staff hadn't fully checked out all of the accusations which flooded in from all over the country and from members of Congress, but he said that field investigations already indicated wide-spread payola operations ranging from under-the-table payments by record companies & distributors to political rackets by some stations which faked interviews in order to damage candidates for office. In releasing the staff report, the subcommittee ordered 2 of the points deleted because they might be libelous.

At the same time, the Commerce Committee's investigating unit issued its first subpoena in the new foray against broadcasters. It called for records of Broadcast Advertisers Reports Inc., N.Y., which publishes TV commercial activity data based on station monitoring. It wasn't clear immediately just what damaging data the probers expected to find in BAR's voluminous tabulations of sponsors & commercials. A subcommittee spokesman told us that the purpose of the subpoena now was to provide background material for staffers.

More FTC Settlements Forecast

"We are negotiating other settlements," FTC Chmn. Earl W. Kintner told us when questioned about the RCA agreement. But no other agreements had developed by the end of the week. FTC members held their usual weekly conference Dec. 17, took no action on any payola cases.

Earlier, Kintner had said: "I wish to commend both RCA and its counsel [Jerrold G. Van Cise of Cahill, Gordon, Reindel & Ohl] and the Commission's Bureau of Litigation for negotiating an effective consent order in so short a time. This quick response to a situation questioned by the FTC is definitely in the public interest, for these matters should be resolved fairly & as quickly as possible."

A companion RCA statement said FTC's payola "initiative [is] very constructive & merits the wholehearted support of all responsible members of the industry." The statement added: "We welcome this action because we

firmly believe that these steps, taken to assure the highest standards for the record industry, are in the best interests of the public, the artists, record distributors and retailers and the entire industry. If questionable practices are stamped out, the entire industry will be on a firm basis and in a position to make even greater contributions to the cultural standards of America. This should result in increased benefits to the public & new levels of growth for the industry itself."

The consent order covered RCA, its officers and its "agents, representatives and employes, directly or through any corporate or other device." It pledged RCA in its use of records to "forthwith cease & desist from:

"(1) Giving or offering to give, without requiring public disclosure, any sum of money or other material consideration, to any person, directly or indirectly, to induce that person to select, or participate in the selection of, and broadcasting of, any such records in which respondent has a financial interest of any nature.

"(2) Giving or offering to give, without requiring public disclosure, any sum of money, or other material consideration, to any person, directly or indirectly, as an inducement to influence any employe of a radio or television broadcasting station, or an other person, in any manner, to select, or participate in the selection of, and the broadcasting of, any such records in which respondent has a financial interest of any nature.

"There shall be 'public disclosure' within the meaning of this order, by any employe of a radio or television broadcasting station, or any other person, who selects or participates in the selection & broadcasting of a record when he shall disclose, or cause to have disclosed, to the listening public at the time the record is played, that his selection & broadcasting of such record are in consideration for compensation of same nature, directly or indirectly, received by him or his employer."

Prison for Phony Ads Denied

Meanwhile, FTC spokesmen discounted one newspaper scare story ("U.S. Plans Jail, Fines For Phony TV Ads" was the *N.Y. Herald Tribune* headline) which indicated that a move to put TV advertisers in prison was under way with Justice Dept. collaboration.

No such jail-&-fine crusade is contemplated, FTC Chmn. Kintner assured us. "The story behind that story is that we are undertaking closer liaison with the Justice Dept. staff. It's just part of our stepped-up campaign against fraudulent advertising. There are limited areas of criminal enforcement in the statutes under our jurisdiction."

The Food & Drug Act permits criminal action against promoters of foods, drugs & cosmetics which are "injurious to health." The Federal Trade Commission Act permits FTC to institute criminal action against advertisers for "willful violation" of final court injunctions forbidding continued use of fraudulent advertising. No cases in either category are on FTC's books now, Kintner said.

WRCV-TV & WRCV Philadelphia keynote the trend in 1959 Christmas cards with a note that they have contributed in our name to a worthy cause. The gesture is made more meaningful with a delightful brochure from the recipients which says: "We're going to have a merrier Christmas because of WRCV & WRCV-TV's contribution to our Northern Home for Children in your behalf." Similar notes about contributions made on our behalf have been received from Jerrold Electronics Corp., which has been using this form of remembrance for some years.

More about

NEW RECORDERS & CAMERAS: "Today's recorder is a modern miracle, but you can expect to see substantial basic changes in the whole method of video-tape recording in the next 5 years." So said ABC engineering vp Frank Marx last week in answer to our questions about new ideas in TV tape recording (see p. 3).

Whether the Toshiba recorder fills the bill as a basically different system is debatable—but telecasters & others who have use for wide-band recording devices all over the world are expressing interest in the Toshiba development. Telechrome, hoping to develop a similar machine in the U.S., has been following Toshiba's tape-recorder progress closely, is convinced the system has marked advantages.

There have been rumors that GE will import or produce the Toshiba-type machine because of International GE's substantial ownership of Toshiba stock. GE broadcast equipment officials last week said they knew nothing about these reports, expressed doubt they were factual.

Whether or not Telechrome becomes a rival of Ampex & RCA in the video-tape recorder field, it definitely hopes to compete with them in TV cameras. It will pit the British EMI cameras against RCA's domestic ones and Ampex's British Marconi units.

Telechrome plans to import—and show at the NAB convention—the following EMI items: (1) An all-purpose studio camera which can use a 4½-in. image orthicon, a conventional 3-in. image orthicon or an Emitron tube. The latter tube, used for many years in England but never in the U.S., requires no warmup time but needs 25%-35% more light, is said to last 3 to 5 times longer than the image orth. (2) A light-weight, high-quality low-cost live color camera, using a new supersensitive vidicon tube—also requiring a higher light level than present image orth cameras. (3) New studio vidicon b&w camera.

* * *

New image orthicon camera tube, made available by Westinghouse last week, has guaranteed operating life of 1,000 hours, compared with the usual 500-hour warranty offered on present image orthicons. The new tube will sell for "20% more than the present types which cost about \$1,200," according to Westinghouse. The company claims that long life has been achieved by eliminating image retention through improving the characteristics of the tube itself and that no mechanical or electronic orbiters are required. The tube can be focused on a stationary scene for several minutes without damage. One of the new tubes was used at KDKA-TV Pittsburgh for 1,825 hours.

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Reported major-market station swap between RKO Teleradio (WNAC-TV Boston) and NBC (WRCV-TV Philadelphia) has not been agreed upon, we were told Fri. by Hathaway Watson, Teleradio vp. The swap, said Wilson, was "a suggested method from NBC for a station group to acquire the Philadelphia channel."

NAFI Corp. has purchased KXYZ, Houston, Tex. radio station, for \$750,000 subject to FCC approval. The deal was negotiated by Kenyon Brown, head of NAFI broadcast division, and Milton Underwood, chmn. of Houston Bestg., which owns KXYZ. NAFI Corp., which has embarked on policy of diversifying into broadcasting (Vol. 15:33, 36), now operates KPTV (Ch. 12) Portland, Ore. and KCOP (Ch. 13) Los Angeles.

FCC's FM stereo deadline for filing comments was extended to March 15 at request of EIA (Vol. 15:50 p8).

RADIO CODE STRENGTHENED: NAB's standards of good practice committee has started a repair-&-paint job on the industry's Radio Code, which for 22 years has operated—with little surveillance—on an honor system basis which has been rickety at times.

Meeting in Washington in a quiz-&-payola crisis session just 2 weeks after NAB's TV Board voted to beef up the TV Code (Vol. 15:49 p3), the 8-man good practice committee recommended that NAB's Radio Board approve similar improvements for the Radio Code.

The committee headed by Cliff Gill (KEZY Anaheim, Cal.) said these steps should be taken to curb "a relatively few members of the radio broadcasting industry whose questionable activities have tended to place all radio broadcasters in an unfavorable light":

(1) Adopt language of all TV Code amendments on quizzes, payola, program fakery and news interview misrepresentations, omitting only a TV Code change directed at visual advertising frauds. (2) Open up the Radio Code subscription list to all stations. Any TV station can subscribe to the TV Code; only NAB members have been eligible to call themselves "good practice" stations. (3) Put some teeth into the Radio Code by devising some enforcement methods.

Enforcement Methods Proposed

"Several alternatives" for industry enforcement of the radio rules were proposed at the good practice committee meeting, but they weren't spelled out publicly pending a Radio Board session which NAB Pres. Harold E. Fellows was expected to call promptly. One proposal discussed, however, was a plan for monitoring radio outlets. NAB monitors TV Code subscribers, whose misuse of NAB's Seal can thus be documented for disciplinary purposes, but no such watch has been kept on radio.

"The overwhelming majority of stations will welcome the tightened language [of the proposed Radio Code amendments] and will find no difficulty in operating in compliance," the radio committee said confidently.

At the same time NAB radio vp John F. Meagher said that in 10 recent days 76 more stations had signed up for the Radio Code, making the total enlistment 683 among 1,533 NAB radio members. And at its first meeting, NAB's special new 12-member TV-radio task force (Vol. 15:50 p6) was cheered by news that since last month TV Code subscribers had increased by 12% to bring the total to 302 stations. By the end of the week more TV Code enlistments brought the total to 332.

Chief immediate business of the all-NAB committee was to help prepare a TV Code presentation for FCC's program-practice hearings Dec. 18 (see p. 1). The task force also approved an information guide to be mailed to all TV & radio stations. It's intended to help them answer FCC's payola questionnaires (Vol. 15:49 p1). FCC will find that "high standards of ethics" are observed by an "overwhelming number" of stations, the task force said.

At both meetings there was talk that it might be a good idea for all segments of the broadcasting industry—stations, communications lawyers, advertisers, agencies, etc.—to get together for a joint conference on mutual problems in the industry's crises. "The special committee of NAB has informally discussed this matter, but will not take final action until it disposes of more pressing questions," Pres. Fellows said.

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Payola probe of Philadelphia TV-radio-recording activities has been launched by DA Victor H. Blanc.

Networks

ABC's Public-Affairs Coup: It was ABC-TV's turn at bat to make a hit in the 3-network effort to improve the social image by scheduling bigger & better news shows in prime time—so it delivered with one of the biggest names possible: Sir Winston Churchill. A new 30-min. series, to start next fall and based on Churchill's writings, will combine the pick of 1919-1957 news footage, specially filmed interviews, narration, and music by a top composer. Discussions are being held with Richard Rodgers, who did *Victory At Sea* music.

Roster of big news names will be seen & heard in special interviews for the series, including President Eisenhower, Harry S. Truman, the Duke of Windsor, Sir Anthony Eden, Viscount Montgomery, Bernard Baruch and Mrs. Eleanor Roosevelt. Also planned are location interviews with German, Italian, Japanese and Russian figures.

Unlike the new prime-time news shows at NBC-TV & CBS-TV (Vol. 15:44-49), which are to be almost entirely network-produced, ABC-TV's venture calls for co-production with an outside program source—Screen Gems. The network's news staff will be involved in much of the research, screening and writing.

TV rights to Churchill's works were granted some time ago by Churchill to wartime friend Jack LeVien, then a Lt.-Col. on Eisenhower's PR staff and now an executive of Hearst Metrotone News. When no network showed interest, LeVien made a deal earlier this season with Screen Gems. No production on the series has yet been done, and no time slot has been assigned. The series will undoubtedly be offered for sponsorship—with good chance of getting it.

ABC's interest in documentaries is quite recent, having built most of nighttime schedule around telefilm product from Disney, Warner Bros., 20th-Fox, etc. In the blueprint stage at ABC is recently announced *World of Mind* series to be done at Yale U. (Vol. 15:49 p10), as well as 60-min. film reports covering Pacific-area developments (an outgrowth of recent Goldenson-Treyz trip to the Orient) in Korea, Japan & India.

Still in front in the public-affairs realm are CBS-TV & NBC-TV. CBS has its monthly 60-min. *CBS Reports* specials and a growing list of other public-affairs projects. NBC will start its 60-min. weekly prime-time (Sat. 9:30-10:30 p.m.) *World Wide 60* series in Jan., and has other news-in-depth & documentary shows in the works.

NBC's New Enterprises Div. will now house 4 separate units to handle the network's sideline activities: domestic, international, theatrical and development. Alfred R. Stern continues as vp in charge of the div., with Morris Rittenberg, ex-mgr. of NBC-TV special program sales named dir. of the domestic unit and Clifford W. Slaybaugh, mgr. of associated companies-international operations, named dir. of international enterprises. The domestic unit will concentrate on such fields as merchandising & book-publishing. The international unit will specialize in overseas sales & investments. The theatrical unit will handle investments in Broadway shows & NBC's ownership of the Hudson Theatre. The 4th unit will function as a catch-all to "develop further diversification of the NBC operation."

Orders for \$3 million in new & renewed business were racked up by the ABC Radio Network in the 30 days ended Dec. 14. ABC Radio Pres. Edward J. DeGray said it was the highest sales volume recorded in a like period over past several years, added ABC Radio News is about sold out.

New Sales Lineup at CBS-TV: One of the first moves in the new regime of CBS-TV Pres. James T. Aubrey Jr. last week was a realignment of the network's sales dept., headed by William F. Hylan, sales administration vp, and Thomas W. Dawson, network sales vp. The shuffle involves a total of 7 executive appointments.

John Karol, who stepped down from the sales vp ranks (CBS Radio) to become a TV salesman, has been appointed vp & dir. of special project sales. Karol will work primarily with the network's growing roster of public affairs shows (for news of an ABC-TV move in this field, see next column). Stated Hylan of Karol's appointment: "This is in recognition of increasing importance and unprecedented advertiser interest in a broader range of program types."

Other promotions: Sam K. Maxwell Jr., daytime sales mgr. for the past 18 months, succeeds Edmund C. Bunker (recently named vp of CBS Inc. for the network's Washington office) as gen. sales mgr. Succeeding Maxwell is former acct. exec. Joseph N. Curl. Theodore F. Shaker, acct. exec., has been named mgr. of program sales, replacing Robert B. Hoag (who recently moved to CBS-TV, Hollywood). Alfred J. Harding, acct. exec., was named to the newly created post of mgr., public opinion program sales. Robert F. Jamieson, currently mgr. of station contacts for CBS-TV affiliate relations, was named to another new post, that of asst. business mgr. & dir. of station clearances for network sales. Richard H. Low, currently dir. of contracts, will assume the added duties of asst. business mgr.

CBS-TV's New Labels: Latest CBS-TV move in the realm of network self-regulation (Vol. 15:50 p3) came in the form of a Dec. 14 memo from the office of program practices vp Joseph H. Ream. There'll be a labeling rather than a "weeding out" of canned laughter in comedy shows and location scenes actually produced in a studio. Synthetic applause or laughter will be permitted but must now be labeled (audio & video) "audience reaction technically produced" or "technically augmented." Film or tape segments must be identified, even to the point of stating (at the risk of double-take viewer confusion) "certain portions of this recorded program were pre-recorded."

Shows which contain "a situation which purports to be real but is actually fictionalized," such as a courtroom scene based on a real trial, are to be TV-tagged "portions of this program are fiction." Lip-sync, the process of silently mouthing a song on TV while a record is playing, will be identified along this line: "The voice in the (song, number or other adequate description) was previously recorded." If 2 or more situations occur in one show, announcements are to be combined, with such possible results as "this pre-recorded program included technically produced audience reaction and guests on a portion of it were interviewed in advance."

NBC's proposed medical service, to be rendered via multiplexed FM (Vol. 15:47 p10), received its first FCC authorization last week when the FCC gave the network's WRCA-FM N.Y. permission to start. The Commission said the station was authorized "to provide background music service to doctors' offices, hospitals & clinics to include advisory newscasts concerning matters of interest to medical subscribers, provided the system is not used as a paging service or for other purposes unrelated to broadcast operation." NBC plans eventually to reach 70 markets with 12 hours daily, charging each subscriber \$120 a year. The Commission reported that "doctorcasting" is already practiced by KMLA Los Angeles and KCBM Kansas City.

Daytime TV Billings Up: Registering a 20.1% increase in Sept. over Sept. 1958, daytime network-TV gross-time billings finished the Jan.-Sept. period with a gain of 26.1% over the volume for 1958's first 9 months. TvB also reports that cumulative gross time charges for 1959's first 3 quarters totaled \$147,820,975 compared with \$117,257,502 for the same 1958 period. The figures are LNA-BAR compilations. Sept. daytime billings rose to \$15,384,651 from \$12,805,318 in Sept. 1958.

Way-out leader in network-TV time buying, by product classification, was food & food products, which led all categories in the 3rd quarter & in Jan.-Sept. For the first 9 months, food & food products TV spending totaled \$82,588,483, up from \$78,400,729 in the year-ago period. Sharp increases in Jan.-Sept. over Jan.-Sept. 1958 also were registered by agricultural & farming products (\$1,302,747 from \$51,347); drugs & remedies (\$52,306,203 from \$39,615,661); gasoline, lubricants & other fuels (\$5,966,801 from \$1,843,908); smoking materials (\$56,464,858 from \$43,342,205). Among those time-users which fell behind the year-ago pace: TV-radio-phono sets, musical instruments & accessories—down to \$3,684,937 from \$5,740,503.

Leading TV network advertiser both in the 3rd quarter & in Sept. was Procter & Gamble, with gross-time expenditures of \$11,899,344 & \$4,037,756 respectively. Kent cigarettes was the leading net-advertised TV brand both in the 3rd quarter (\$2,664,817) & in Sept. (\$853,462).

F. L. Jacobs Co., Detroit holding company which pleaded guilty to conspiracy in N.Y. federal court at the trial of ex-MBS head Alexander L. Guterman & others on fraud charges (Vol. 15:50 p9), gets its much-delayed day in SEC court Jan. 18. Previously postponed, an SEC hearing for Jacobs on complaints that it failed to file financial reports—and therefore should be delisted from the N.Y. Stock Exchange—had been set in Washington for Dec. 15. But on pleas for counsel for Jacobs trustees that more time was needed, SEC agreed to postponement until next month. Meanwhile, SEC gave a Christmas present to Jacobs stockholders. It lifted its suspension of trading of the company's stock to permit over-the-counter transactions.

NETWORK SALES ACTIVITY

ABC-TV

Colt .45, Sun., 7-7:30 p.m., 12 consecutive wks. of full sponsorship starting Jan. 10, 1960.
Whitehall Labs (Ted Bates)

CBS-TV

Eyewitness to History: 1959, special 60-min. summary of news highlights, 9-10 p.m. Jan. 1.

Firestone Tire & Rubber (Campbell-Ewald)

Daytime programming, participations and alt. wk. 15-min. segs, *Armstrong Cork Co.* (BBDO), *Binney & Smith* (Chirug), *Fruit of the Loom* (Daniel & Charles), *Helene Curtis* (Ed. H. Weiss), *Gen. Mills* (Dancer-Fitzgerald-Sample)

NBC-TV

Dow Hour of Great Mysteries, March 31, 1960, 9-10 p.m. Joseph N. Welch will be host.

Dow Chemical (MacManus, John & Adams)

Meet the Press, Sun., 6-6:30 p.m., alt. wk. sponsorship eff. Jan. 3, 1960.

Sano Cigarettes (C. J. LaRoche & Co.)

Bonanza, Sat. 7:30-8:30 p.m., renewal of alt. wk. thirds.
Liggett & Myers (Dancer-Fitzgerald-Sample)

Programming

Cowan-Created EPI Dissolves: The quiz-packaging firm founded in 1946 by ex-CBS-TV Pres. Louis G. Cowan, entertainment Productions Inc., is going out of business. This was confirmed to us in N.Y. last week by Leonard H. Steibel, secy. & legal counsel for EPI. Actually, it's just a paper deal, since EPI has no shows on the air and Cowan no longer owns an interest in it (although his wife holds a 3% interest). What made the move interesting to the TV industry was revelation of the names of some of the owners of EPI, which at one time produced \$64,000 *Question & Challenge*.

Biggest surprise was that a 2¼% interest (originally representing a \$10,000 investment) is held by James A. Linen, publisher of *Time*, a magazine which has frequently been scathing in its coverage of the quiz scandals and which drew an invitation recently (Vol. 15:47 p7) from NBC Chmn. Robert W. Sarnoff to pull its *Time Inc.* TV stations out of network service and go it alone.

NBC-TV's public affairs show, due to replace *5 Fingers* in the Saturday 9:30-10:30 p.m. prime-time slot Jan. 23, will be titled *World Wide 60*. The series (Vol. 15:49 p11) has a strong mathematical chance to gain a large audience, Nielson having told us that its time period usually draws a sets-in-use level of about 62% of all TV homes, which compares with the 67% nighttime peak for the entire week, which usually occurs between 8:30-9 p.m. Wednesday. Earlier this year (Jan.-Mar. 1959), the sets-in-use figure for all NBC-TV nighttime network periods (7:30-11 p.m.) on a Mon.-Fri. basis averaged 63.0.

A strong critic of FCC in recent months, the *Washington Post* studied testimony in the Commission's programming hearing and seemed to have second thoughts in its Dec. 12 editorial, which stated in part: "Citizens cannot have it both ways. If they wish their media, air & printed, to be free, they must be free to be right & free to be wrong, free to be good & free to be bad. The proper agency for the administration of rebuke or the conferral of praise is the people themselves. They have the means & the power to obtain any sort of programming they wish—if their wishes are strong enough to make them take a lively & continuing interest in what they see & hear on the TV & radio. The blame for what is wrong with radio & TV lies with the industry. The spotlight ought not, at this date, be turned from them to the FCC . . . For the information of those who clamor for government to spare them from having to listen to or watch bad programs, there is a button on every set manufactured, which, by the slightest exertion, can be turned from 'on' to 'off.' Nothing that the FCC can do will as effectively govern quality as the use of this device by listeners."

Ban on TV coverage of N.Y. State Assembly may be eased somewhat in 1960. A recent face-lifting of the electrical & air conditioning system for the Albany legislature installed a new set of overhead lights, adequate for live or tape pickups. It's expected that Gov. Nelson A. Rockefeller's annual message will be TV-covered there Jan. 6, but a membership vote would have to approve coverage of daily assembly sessions, lights or no lights.

TV panel shows can't use AP staffers, says the wire service, which reinvoled an old rule against paid outside activity by its employes. First to be cut off the air: AP's Jack Bell, who had been scheduled for CBS-TV's *Face the Nation* Dec. 13.

Film & Tape

Program Reshuffle Under Way: The mass exodus of the failure shows will probably begin in the spring, when 26-week deals expire. Now that networks, sponsors and ad agencies have had opportunity to see which series are making the grade & which are not, program changes are being prepared behind-the-scenes. There won't be as many as have been anticipated for the year-end because it's usually impossible to have a film replacement ready on sudden notice. Network executives we've checked explain that a sponsor doesn't usually know until late Nov. or Dec. whether it has bought a show. By that time, it's a choice of buying a live replacement, or of going along with the current entry until spring. Most sponsors choose the latter course. Another factor is that Hollywood producers don't begin production of most new pilots until Dec. or Jan. Network executives we've talked to anticipate much replacement next year because of the many weak shows.

NBC-TV's program board has made a number of recommendations for changes which should result in some reshuffling in the immediate future. That network is in the singular position of having 3 film series in production as replacements, so can doctor up its lineup without a wait. The 3: *The Barbara Stanwyck Theatre*; the tentatively titled *Cowhand*, starring Brian Keith; and *Overland Stage*, starring William Bendix. Look for one or all of these series to wind up on the network in Jan. NBC is also considering several Sun. & Mon. night changes, with one plan envisioning *Riverboat* moving from Sun. to Mon. and *Overland Stage* replacing *Riverboat*. P&G, in canceling *Wichita Town* on NBC-TV, also relinquished the Wed. night time slot. The 26th & final episode will be seen March 30 and no replacement has been set. The network also bought last week from Four Star Television an untitled comedy series starring Tom Ewell, but has not yet decided where to slot the show. That's one reason CBS-TV's Bob Weitman, vp for program development, was on the Coast last week. He talked to MCA, Screen Gems, Louis F. Edelman, Four Star Television, Red Skelton and the William Morris Agency regarding series for now & for next spring and fall. Weitman told us no decisions had been firmed.

Virtually an all-film network, ABC's only change so far is the *21 Beacon Street* reruns replacing *Dick Clark's World of Talent* Dec. 27. Explained one ABC executive: "On film series, we have to go for at least 26 episodes."

Another program ax dropped in N.Y. last week, when, bearing out still another of TV-Q's predictions of mid-season flops—(Vol. 15:48 p8), Revlon notified packager Goodman Ace and agent Wm. Morris that it was dropping its non-film alt.-wk. *The Big Party*. The idea had looked good on paper but never worked out in rating practice. The official bow-out date is Feb. 25 (on the 8th show in the series of a planned 15), although Revlon is committed to the 9:30-11 p.m. Thurs. slot on CBS-TV, alternating with *Playhouse 90*, until June. No definite replacement for the show is in sight. Revlon is reportedly considering a switch to a 60-min. weekly variety show.

Producer Hal Hudson and writers Gene Roddenberry, Harry Julian Finke and Don Ingalls are preparing a new Western anthology series, *The Weapon* . . . Four Star Television and producer Vincent F. Fennelly are producing a pilot for *Stagecoach West*, a 60-min. series.

The Society of Television Technical Directors has been formed by personnel from the 3 networks & local stations "to promote & maintain highest . . . technical standards."

UA Considering Ziv Buy: United Artists is holding "preliminary discussions" with Wall St. investment banking firms Lazard Freres and F. Eberstadt & Co. toward the purchase of controlling interest in Ziv TV, one of the leading producer-distributor firms in the syndication field. UA thus continues its favorite technique of TV film expansion: The purchase of an existing, well-established company with strong sales staff & product backlog.

Primary (80%) control of Ziv was acquired this summer by the 2 banking houses, one of which (Eberstadt) helped float UA's successful stock issue. Having passed the 6-month mark, at which time a capital gains deal can be made, the banking firms are reported to have considered a public issue of Ziv stock, but are now more interested in the UA offer, said reliably to be in the \$20 million bracket.

UA's first major expansion in the TV film realm came last year with acquisition (after a legal scrap with NTA) of Associated Artists Productions, now UAA, which had controlled TV distribution of the Warner Bros. pre-1948 feature backlog. UA has had only moderate success in co-production packaging & distribution of the telefilm series of its own producers (*Troubleshooters* and *Dennis O'Keefe Show* in network sales; *Tales of the Vikings* in syndication), and acquisition of Ziv would give UA: (1) one of the strongest syndication sales forces in the field, (2) a sizable backlog of first-run, off-network & rerun film properties to be used in everything from network-level sales to station-level library deals, and (3) UA's first film lot—Ziv Studios in Hollywood.

Writers Guild vs. Employment Blacklist: Writers Guild of America Pres. Curtis Kenyon revealed last week that WGA has formed a committee to help eliminate the blacklist. Hollywood's "untouchables" for the past decade have been those individuals on the movie or TV industry blacklists. Because such lists do not legally exist, the talent guilds have found them difficult to fight. While they were originally made up to exclude Communists from working, a number of innocent names got on the list.

For instance it has been disclosed that Louis Pollock, a Guild member, had been erroneously placed on the TV & movie blacklists in 1954 and hasn't found work in either medium since. (Only exception: one teleplay sold to *The Lineup* in 1956). When Pollock learned 10 weeks ago that he was on the list, he & attorney Martin Gang uncovered the fact that he had been confused with a San Diego clothier named Louis Pollack who had appeared before the House Un-American Activities Committee in 1954 and taken the First, Second, Fourth and Fifth Amendments on the subject of Communist affiliation. Attorney Gang's inquiry to Washington brought a letter from Richard Arens, staff dir. of the House Committee, stating that writer Pollack, "embarrassed by the similiarity" of names, was not clothier Pollack who appeared before the committee. Pollock has resigned his PR job and will resume writing.

RCA will establish a TV tape engineering & applications center at its Hollywood recording studios early next year to furnish West Coast broadcasters & film firms with technical assistance on applications of RCA TV tape recorders. The new service will be headed by H. D. Bradbury, now film recording & West Coast TV operations mgr.

Hollywood's museum of motion pictures & television will be situated across from Hollywood Bowl, it's been decided by the museum commission. Originally, it was reported the museum would be located at the NBC property at Sunset & Vine, which is for sale.

NEW YORK ROUNDUP

ITC's *Lassie*, 6-yr. veteran on CBS-TV, becomes "the first American TV series to be scheduled on a regular basis behind the Iron Curtain," with a sale to the Yugoslavian TV station. This puts the show into 32 foreign countries.

Trans-Lux TV Corp., Westinghouse Bcstg. and Metropolitan Bcstg. Corp. will stage a replica of a Hollywood charity premiere in N.Y. next week (29) for the offspring of TV editors & agency executives to promote *Felix the Cat*, which debuts on WNEW-TV N.Y. and WBC's 5 stations in Jan. 1960. The premiere is for the benefit of CARE Inc. Moppets attending will see a 60-min. live stage show, and a "Felix" screening, in addition to receiving gift packages of games, books & toys . . . Harold J. Klein has been named vp for business affairs, ABC Films.

ITC expects to offer shortly 60-min. & 90-min. entertainment specials taped in London and other overseas TV points for network-level telecasting in the U.S. Due for a meeting in N.Y. within the next 2 weeks to discuss the project are ITC's international production dir. Leslie Harris and Chmn. Mike Nidorf, as well as Associated TV Ltd. officials Val Parnell and Lew Grade. ATV is a 50% owner of ITC and has tape-equipped facilities in London, as well as a tie-up (via Parnell) with the London Palladium, one of the top showcases for vaudeville performances.

United Artists Associated reports sales of various segments of its Warner Bros. feature film product in 43 markets during the last 2 weeks. Largest single feature sales were of the 1927 "Jazz Singer," in 14 markets and "Mark Twain" in 5 markets . . . Arthur Freed will produce the Oscar show April 4.

Walter Schwimmer, Chicago packager & creator of *Championship Bridge*, has completed a pilot film for a *Championship Tennis* series. The film features a specially-arranged match between Barry McKay & Neal Fraser . . . Cal. National Productions, a subsidiary of NBC-TV, reports over \$3 million in syndicated sales of *The Life of Riley* as a daytime comedy strip series. The William Bendix starrer, which entered syndication late in 1958, is in 134 markets, and has 217 episodes. Ziv's off-network syndicated *Tombstone Territory* will be heavily promoted by 4 regional sponsors. Pacific Gas & Electric Light, Morning Milk div. of Carnation, Mouson's Brewery and Stroh Brewery plan to spend a total of \$200,000 on ads for the ex-ABC-TV Western, which debuts in syndication, with all new episodes, early in Jan. 1960.

CBS Films plans production of 12 pilots for next season, all 30-min. properties, according to vp Robert Lewine, now negotiating for talent. All pilots will be aimed at network sale, not for syndication . . . Screen Gems has signed Robert L. Jacks Productions to produce 2 series.

ORDER YOUR 1959 BOUND VOLUME

We will bind & index all 1959 copies of TELEVISION DIGEST, Vol. 15, including the semi-annual Factbook with all addenda, supplements and special reports. This embossed hard-cover volume—the authoritative record of the television industry in 1959—is available at \$25.00. Orders will be accepted through January 8, 1960.

HOLLYWOOD ROUNDUP

Desilu Productions Pres. Desi Arnaz is considerably annoyed at NT&T's postponement of its decision on making a firm offer for controlling stock of his TV empire. NT&T's board was to have met to discuss such an offer Dec. 10, but the meeting was postponed until Dec. 22 (Vol. 15:50 p12; 45 p16). Arnaz is said to feel that as long as NT&T Pres. B. Gerald Cantor has publicly confirmed his company's interest in acquiring Desilu, he should make an offer without delay. Desilu's position at a time when sales are being made for next season is made untenable by procrastination. Arnaz and his wife, Lucille Ball, control 565,000 shares or 49% of the stock. NT&T would also buy 35,000 shares owned by exec. vp Martin Leeds to acquire a total of 52%—if the deal goes through.

Screen Actors Guild and the Assn. of Motion Picture Producers, following an exploratory meeting, will resume contract negotiations Jan. 4. Key issue is post-1948 pictures (Vol. 15:48 et seq.). Negotiators told us SAG tried to get an immediate reply from the majors on this, but was put off. SAG also puts high on its priority list a demand for a welfare & pension fund. It's believed the majors will be far more amenable to this than to the post-1948 demands. Meanwhile a proposal for joint negotiations by representatives of all guilds & unions seeking a cut of the post-1948s has been greeted apathetically by some. The idea was put forth by Leith Stevens, pres. of the Composers & Lyricists Guild of America. Writers Guild of America will not attend. Meanwhile, producer Milton Sperling has sold 7 post-1948 movies to Jayark Pictures, but the deal is contingent on his reaching a settlement with the guilds. It also restricts Jayark from releasing "The Courtmartial of Billy Mitchell" until 1970, and some of the product can't be released until 1965. The latest movie in the package, which includes 4 pre-1948s, is "Marjorie Morningstar," made in 1957.

Spartan Productions is preparing a 60-min. comedy series for next season as well as a Western & a private eye. It plans no pilots, will sell them via presentation & its track record instead . . . Magna-Cine International Corp., tape & recording duplicating & packaging firm, plans to build a \$3.5-million audio & video-tape procession, research and printing plant here . . . Screen Gems has named Jim Hardiman of the Disneyland promotion staff as publicity dir., replacing Jerry Hoffman. He was formerly with CBS-TV.

Sheldon Leonard will produce the pilot of *The Andy Griffith Show*. Financing the project are Leonard, Louis F. Edelman, Danny Thomas and Griffith's Griffink Corp., in which Griffith is a partner with Richard Link . . . Milton Berle's Sagebrush Productions will produce 2 pilots for NBC-TV, the first of which will be *Double Jeopardy*, a 60-min. melodrama.

CBS-TV has signed producer Jess Oppenheimer to turn out a new, untitled comedy series. The pilot goes into production in Jan. . . . ITC plans a series, *Mr. Detective*, based on the life of private eye Raymond Schindler . . . Producer Al Simon of Filmways has optioned *Double Take* as a possible series.

20th Century-Fox & ABC-TV are bolstering the loudly criticized 60-min. *Adventures in Paradise* series by the addition of an alternate male star to spell Gardner McKay. Ron Ely will appear in the James Michener 60-min. adventure series every other week beginning "early in 1960."

Television Digest

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JAMES T. QUIRK, *Business Manager* MERRILL PANITT, *Editorial Director*
JAMES B. DELEHANTY, *Asst. Business Mgr.* HAROLD B. CLEMENKO, *Managing Editor*
DAVID LACHENBRUCH, *Associate Editor*
HAROLD RUSTEN PAUL STONE

WASHINGTON BUREAU

Wyott Building
Washington 5, D.C.
Sterling 3-1755

ALBERT WARREN, *Chief*
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CHARLES SINCLAIR

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Personals: George D. Matson, ex-NBC vp & treas., named to new post of NBC TV network vp-gen. mgr., responsible for business control of TV network activities; John J. Heywood, ex-TV network pricing & planning dir., appointed TV network business affairs dir., reporting to Matson. Successors to Matson & Heywood haven't been named . . . Robert Smith, program dir. of WOR-TV & WOR N.Y., gen. sales mgr. Burton Lambert and WOR gen. sales mgr. William McCormick, named vps of RKO General's WOR Radio-TV div.

Ray L. Bindorf, ex-CBS-TV Spot Sales, named gen. sales mgr., KNXT and CBS-TV Pacific network . . . Herbert R. Hahn, AB-PT PR dir., elected vp . . . William T. Rafael appointed ABC Radio national program dir. . . . Robert Schultis named commercial mgr. of WDSU-TV New Orleans, succeeding Louis Read, now exec. vp & gen. mgr.

Galen Fromme named news mgr., WBAL-TV & WBAL Baltimore . . . William Dubois appointed ITC vp for Chicago office . . . Robert W. Ferguson, exec. vp & gen. mgr., WTRF-TV Wheeling, W.Va., elected pres., Wheeling Area Conference on Community Development . . . Oliver Unger, pres. of National Theatres & TV subsidiary NTA, also assumes duties of exec. vp., Cinemiracle Pictures Corp., new NT&T subsidiary formed to license use of the wide-screen movie process.

Gerald G. Gross elected secy.-general of the International Telecommunication Union, Geneva, succeeded as asst. secy.-general by Dr. Manohar Balaji Sarwate of India. A former FCC asst. chief engineer, Gross has served ITU since 1947 . . . Edward F. Kenehan, ex-chief (1955-57) of FCC's broadcast bureau, leaves Washington communications law firm of Haley, Wollenberg & Kenehan to join Spearman & Roberson there (Munsey Bldg.) as partner; Richard Hildreth promoted to Spearman & Roberson partner. Michael H. Bader promoted to partner in Kenehan's old firm, which is reorganized as Haley, Wollenberg & Bader . . . William R. Tincher, ex-news & special events dir. of radio KSOK Arkansas City, Kan., who joined FTC's legal staff in 1954, has been promoted to new Commission post of associate dir. of litigation bureau . . . John C. Currie, ex-Maritime Administration and ex-FCC, named deputy dir. of Policy & Standards Office, OCDM; Charles A. Brooks, ex-Air Force, appointed deputy dir. of Engineering Office.

KXLF-TV (Ch. 4) Butte returned to air Dec. 9 after repairing fire damage (Vol. 15:46, 49).

Advertising

Life Answers FTC Charge: "Totally unfair"—that was Brown & Williamson's reply last week to charges by FTC (also brought against agency Ted Bates) that TV commercials & print ads for Life cigarets were "misrepresentation" of laboratory facts. (Vol. 15:50 p10). The Bates agency did not comment. NBC-TV, which signed B&W as a sponsor of the *Journey to Understanding* Presidential news coverage, has already persuaded Bates and B&W to soften the sell a bit (particularly in the demonstrations of the "Millicel super filter") but CBS-TV is still carrying the commercials intact (*Mr. Lucky, The Lineup*). ABC-TV is also expected to carry the commercials without change, pending the outcome of the FTC hassle, in which B&W and Bates must file answers before mid-Jan.

Ad People: Charles R. Hook Jr. elected pres., Kudner Agency, succeeding C. M. Rohrabough, named chmn. & chief exec. officer; Robert M. Watson, senior vp, elected exec. vp, succeeding Hook; Carl Phares Jr. promoted from secy. & asst. treas. to secy.-treas. & a dir. . . . F. Kenneth Beirn resigned as Revlon ad vp to become General Development Corp. consultant . . . Henry P. Stockbridge and James M. Symington named Y&R vps . . . James R. English Jr. and Alfred A. Lawton elected Kenyon & Eckhardt vps . . . Erwin Spitzer, ex-Kudner Agency vp & merchandising dir., named a Revlon group ad mgr. . . . Bernard G. Rasmussen appointed assoc. media dir., Fuller & Smith & Ross, N.Y. . . . William E. Hatch, senior vp & controller, Ted Bates, elected treas.; Robert J. Preis named asst. treas. & asst. vp . . . Robert F. Steinhoff appointed mgr., N.Y. office of Needham, Louis & Brorby, succeeding Frederick A. Mitchell, resigned.

FTC ban on TV-radio tie-in promotion of products by manufacturers in supermarkets (Vol. 13:43 p8, 44 p3) has been left standing by the Supreme Court. It refused to hear a test-case appeal by P. Lorillard Co. from a Court of Appeals ruling which had upheld FTC's complaint that the tie-in device (by which the manufacturer indirectly pays for chain-store commercials) was illegal because similar arrangements weren't offered to competing stores. Lorillard was one of a half-dozen companies cited by FTC in its 1957 action which involved CBS, NBC and ABC—but not as respondents. Under the promotion plan, a grocery chain agreed to provide in-store displays for products in exchange for free TV & radio time. Broadcasters then sold time to the manufacturers.

Left-handed promotion-dept. compliment of the week: CBS's double-truck salute to Lowell Thomas in Dec. 14 *Advertising Age*. Proclaims the copy: "Not only Godfrey, not only Garry Moore, not only Linkletter—Lowell Thomas is all sold out on the CBS radio network."

New agency, Fladell-Harris Advertising Co. has been formed by Ernest Fladell and Leslie A. Harris, at 352 W. 56th St., N.Y. Fladell & Harris were formerly associated with NTA as ad creative dir. and asst. to the pres.

Station Rate Increases

Station	Base Hour	Minute	Date
WFIL-TV Philadelphia	\$3300 to \$4000	\$880 to \$950	Nov. 1
WEWS Cleveland	1560 to 1700	525 to 575	Sept. 20
WCCO-TV Minneapolis	1600 to 1700	480 to 600	Jan. 1
WTVJ Miami	1200 (no change)	300 to 350	not reported
WOW-TV Omaha	900 to 1000	225 (no change)	Nov. 1
KLZ-TV Denver	800 to 900	250 to 270	Nov. 1
WFBG-TV Altoona, Pa.....	800 to 900	180 to 200	Jan. 1
WRAL-TV Raleigh	650 to 750	130 to 150	Jan. 1
KMMT Austin, Minn.....	250 to 350	50 to 70	not reported

Trade Report . . .

DECEMBER 21, 1959

REVIEW & FORECAST — 1959-1960

1959 & 1960—RECORD YEARS FOR ELECTRONICS: Every major segment of electronics industry set an all-time high in 1959, and a repeat performance is due in 1960. Factory value of industry sales this year will total \$9.2 billion, 15.8% more than the \$7.94 billion of 1958. And 1960 should see another 12.5% advance to \$10.35 billion.

These are official estimates of electronics industry's manufacturers' association—EIA—which notes that such a year-to-year gain in every industry category has happened only twice in last 10 years (1956 & 1957). And EIA Pres. David R. Hull predicted at week's end that industry factory volume will double in next 10 years—to \$20 billion rate by end of 1970.

Consumer electronics category made biggest 1959-over-1958 gain, with \$450-million increase in factory value of products—a 29% rise—after a \$100-million decline from 1957 to 1958. Further 8% climb is predicted for next year. TV alone accounted for \$145 million of the 1958-to-1959 gain.

Here are electronics industry's dimensions—1958, estimated 1959 and predicted 1960—as compiled (and to be released this week) by EIA:

FACTORY SALES BY U.S. ELECTRONICS INDUSTRY

(Add 000,000 Dollars)

	1958	1959	1960
Consumer products	\$1,600	\$2,050	\$2,300
Industrial products	1,380	1,500	1,750
Military products	4,100	4,500	5,000
Replacement parts, tubes, etc.....	860	1,100	1,300
INDUSTRY TOTAL	\$7,940	\$9,200	\$10,350

1959 TV SALES—ABOUT 5.8 MILLION SETS: It's now obvious that 1959 retail TV sales are going to total just about 5.8 million—the figure, we forecast last October (Vol. 15:43 p16)—up 13% from last year's 9-year low of 5.14 million.

The year will end with total of about 6.25 million sets produced, 20% increase over the 4.92 million made in 1958. Distributor sales will approximate 6.1 million, factory sales a little over 6 million.

These estimates are deduced from preliminary 11-month sales statistics and the 49-week production figures on p. 14, through the application of seasonal weighting to estimate Dec. results (for example, Dec. usually is biggest retail month, accounting for an average of 13.3% of year's TV sales).

Retail sales of 5.8 million makes 1959 the 2nd poorest TV sales year since 1950—at least measured by number of units sold. In dollar volume, TV factory sales this year will total about \$835 million, some \$145 million more than than in 1958. This was a year in which sales were uncomfortably slow during first half, gathered steam later—to provide healthy sales momentum for a better 1960 (see story on p. 14).

For Jan.-Nov., preliminary figures indicate retail sales totaled 5.05 million sets, about 600,000 sold in Nov.—100,000 ahead of Nov. 1958. Sales this month should total 775,000 units if Dec. runs true to form.

TV inventories dropped slightly in Nov. to 2,245,000 sets at all levels—from about 2,275,000 in Oct. and 2,331,000 in Sept. Dealer inventory remained at 1.1 million, factory & distributor stocks declining slightly.

Domestic home radios had a million-unit sales month in Nov.—first of the year—the preliminary figures show. A really good December could bring home radio sales very close to 9 million units for 1960, making it best radio year since 1950, despite intensified competition from Japanese imports. Radio sales in 1959 are expected to total about \$345 million (factory prices).

INDUSTRY LEADERS SEE MODEST RISE IN '60: Next year will be good one for home electronics industry—not sensational, but at least 5% better than record 1959. That's consensus of top TV, radio, phono & component manufacturers and other leading industry figures in our annual forecast-survey.

Those industry leaders willing to go out on a limb and predict unit sales of TV sets next year—and a dozen of them did—saw consumers buying from 6.1 to 6.75 million receivers. Interestingly, half of the forecasters predicted sales of 6.1 million sets next year—up 5% from this year's 5.8 million. This 6.1 million was also rock-bottom—nobody predicted lower sales (see table on p. 15). Top estimate was 6.75 million by Zenith Pres. Joseph Wright.

Home radio sales outlook is for another rise from this year's 8.9 million to somewhere between 9 & 10 million sets, auto radio going up from 5.2 to about 6 million, according to those willing to predict. Most saw slight increases in phono & hi-fi sales.

Over-all consumer electronics estimates jibed pretty well with EIA's prediction that factory sales will rise 8% from this year's record \$2.05 billion to a new all-time high of \$2.3 billion next year (see p. 13).

Highlights of the industry forecasts: Three manufacturers of color-TV sets (RCA, Admiral, Packard Bell) all see expanding market next year, RCA predicting 50% sales hike . . . Complete disagreement whether Japanese radio imports have reached their peak . . . Predictions by 2 tuner manufacturers (Standard Coil & Radio Condenser) of strong activity in FM auto radios next year . . . Zenith Pres. Wright's guarded comment that 1960 may be "threshold year" for Phonevision pay TV . . . Motorola exec. vp Ed Taylor's statement that 1960 may see introduction of a reliable & practical battery portable TV with a screen 14-in. or larger . . . The prefatory remarks by most prognosticators—"barring a resumption of the steel strike."

Texts of individual manufacturers' predictions of 1960 and summations of 1959 begin on p. 15. Additional responses will be printed next week.

TV-Radio Production: EIA statistics for week ended Dec. 11 (49th week of 1959):

	Dec. 4-11	Preceding wk.	1958 wk.	'59 cumulative	'58 cumulative
TV	147,985	122,772	97,172	6,024,716	4,671,515
Total radio	367,234	288,755	318,844	14,722,394	10,904,689
auto radio	138,659	62,455	122,994	5,174,282	3,380,103

ELECTRONICS — \$27 BILLION IN '70: The electronics industry's total sales volume will nearly double in the next 10 years. That's the estimate of Sylvania mktg. senior vp Barton K. Wickstrum. He sees over-all total volume rising from an estimated \$14 billion this year to more than \$15 billion in 1960, nearly \$21.5 billion in 1965 and more than \$27 billion by 1970. These figures differ from EIA estimates on p. 13 in that they include distribution revenues (mark-ups). In tabular form, here are his forecasts:

	1960	1965	1970
	(add 000,000)		
Home set sales, & repairs, (inc. replacement parts)	\$5,354.0	\$6,725.0	\$7,475.0
TV retail sales (units)	6.1	8.0	9.4
Home radio sales (units)	9.6	10.7	11.6
Phono factory sales (units).....	4.0	4.6	5.0
Renewal picture tube sales (\$)	\$133.0	\$165.0	\$200.0
Renewal receiving tube sales (\$)	\$170.0	\$190.0	\$195.0
Transistor production (units).....	131.5	410.0	650.0
Total Electronics Volume.....	\$15,114.0	\$21,475.0	\$27,275.0

Factory sales of transistors continue to increase, EIA reported last week. Oct. sales were up slightly over Sept., to establish a new all-time monthly high, and markedly ahead of Oct. Cumulative dollar sales were more than double those of Jan.-Oct. 1958. The Oct. & Jan.-Oct. sales with comparison figures:

	1959		1958	
	Units	Dollars	Units	Dollars
Sept.	8,652,526	\$20,851,290	5,076,443	\$10,810,412
Oct.	8,710,913	22,109,748	5,594,856	13,461,857
Jan.-Oct. .	66,621,426	176,447,266	35,982,133	83,692,052

(For month-by-month sales, Jan.-Aug., see Vol. 15:43 p. 17)

BBB STINGS 3-CHANNEL STEREO: Those discordant & conflicting channel claims from the highly controversial world of stereo have caught the ear of the National Better Business Bureau. It has studied the Magnetic Recording Industry Assn. definition of stereo, fired off a letter to some 100 component & set makers, questioning: "Can 2-channel stereo properly be described as '3-channel stereo?'"

"We believe that the term '3-channel stereo' should be accurately used to designate 3 separate channels of sound transmission from the source when, as & if, it becomes available for home use," said BBB in part. It appealed to producers to "exercise self-discipline in employing accurate descriptive terminology" in their stereo ads.

"Manufacturers using the '3-channel stereo' designation point out that they have so designed their phonographs as to secure 3 channels of sound by separating the low frequency tones from both stereo channels and having them come out of a 3rd speaker system, with or without a 3rd amplifier," the BBB letter said. Others who add "a 3rd speaker system to their 2-channel stereo phonographs, disdain describing such units as 3-channel stereo. Manufacturers in the group contend that the addition of another speaker system adds another sound outlet, but does not & cannot provide more transmission channels than are on the stereo record, which currently is 2."

And, BBB pointed out, advertising as "3-channel stereo" instruments that have but 2 channels of transmission could "mislead the uninformed public."

Industry Leaders Forecast 1960 Home Electronics Outlook

Texts of Responses in Our Annual Survey on TV-Radio-Phono Prospects

Admiral Pres. Ross D. Siragusa:

Our current TV sales are about equally divided between the 23- & 21-in. sets. By the end of 1960 approximately 75% of Admiral's television sales will be in 23-in. models. We anticipate appreciable increases in the company's sale of television and radio receivers in 1960. In addition to the wide-angle 23-in tube, the political conventions and elections will be important stimuli to sales. Network and local coverage of these major news events has been commendable . . . and should be even better in 1960.

We believe the Japanese sale of transistor radios in this country has just about reached its peak and should begin to level off during 1960. We are more confident of this situation than at any time since the Jap imports started their huge increase two years ago. With our suppliers and ourself completely automated we can now compete more favorably on a cost basis and can produce a better performing product than the imports.

We look for a substantial increase in commercial electronic sales and in the production of equipment for the Armed Forces in 1960. The company has invested heavily in expanding its research and engineering departments during the past two years to obtain more of this business. Color TV will continue to grow, and will expand more rapidly in the next 2 or 3 years than in the last six.

Admiral is in stronger condition today than at any time in the past 4 or 5 years and we believe profits will increase in 1960 at a faster rate than sales. Inventories are at their lowest point in years and our entire factory, distributor and dealer sales organizations are geared for a healthy 1960 operation.

Edgar N. Greenebaum, Greenebaum & Associates (financial consultants), & chmn. of Conley Electronics Inc.:

Factory production of TV sets should increase in 1960 to 6.8 million from 6.25 million this year. Contributing to a much better year will be election-year interest in TV, the general economic uptrend, the increasing importance of the set replacement factor and the good condition of inventories. Radio & stereo sales should also rise, the "3-channel" approach gaining increasing acceptance (although "3-channel" is a serious misnomer and the industry should avoid use of the phrase to eliminate confusion).

Motorola consumer products exec. vp Edward R. Taylor:

TV—I believe the industry will sell 6.5 million sets in 1960, an increase of about 7% over 1959. We expect Motorola to continue to increase its share of the business with sales 20% to 25% higher than in 1959. Consumer purchasing power, now at an all-time high, will increase and the ultimate settlement of the steel strike should remove the reins of reluctance to buy in those areas most affected by the strike. Add to this the growing replacement market for television and you have a bright prospect for TV sales. Motorola is shooting for the number one spot in TV sales and we are going to be much closer to our goal in 1960.

One of the most encouraging trends to us is the upgraded taste of consumers generally for fine furniture. People are tired of looking at "boxes" and the TV set is considered by many people as a quality piece of furniture for their home. This has been reflected in the fact that Motorola's greatest success is in console TV where both

our own line of furniture and the Drexel line of television and stereo consoles have proved so popular. We believe a trend will develop toward more than one console TV for the home.

Portables will always be popular and 1960 should see further strides in "flexibility" of TV viewing through improved home portable sets and perhaps the introduction of a truly reliable and practical battery-operated portable set to be carried outside the home. However, the battery portable will become a permanent addition to America's viewing habits only when the screen is large enough to be viewed by several people at a reasonable distance. Probably anything less than a 14-in. screen is too small.

Stereo hi fi—1960 should witness the "settling down" of the stereo industry. We do not expect that phonographic reproducing instruments will change very much from now on even though there will be continuing refinements. The record industry is now putting out high quality and quantity of stereo records; stereo instruments have achieved true high fidelity, sufficient power, and furniture styling to please the most exacting listening requirements. While there is still a major education job to be done in stereo hi-fi, 1960 should result in a much more mature understanding of stereo by dealers and consumers. I fully expect the stereo industry to show an increase of about 20% in sales and Motorola should further capitalize the momentum of

TV-Radio-Stereo Predictions at a Glance

Those manufacturers whose officials made specific predictions of 1960 industry-wide TV, radio or stereo sales in our survey are listed here with their forecasts:

Motorola—Factory sales of 6.5 million TVs, increases of 20% in stereo, 7% in radio sales.

Muter Co.—At least 6.5 million TVs, 10 million home radios, 6 million auto sets.

Olympic—At least 6 million TVs.

Pacific Mercury—6.2 million TVs.

Packard Bell—6.4 million TVs, 10 million home radios, 1.5 million hi-fi units.

Philco—Modest increase in TV sales, gradual improvement in stereo.

Radio Condenser—Not less than 6.5 million TVs, 10% increase in radio.

RCA—50% increase in color-TV sales.

Howard W. Sams & Co.—More than 6 million TVs, electronics industry up 10%.

Sprague Electric—6.3 million TVs, 10 million home radios, 6 million auto radios.

Standard Coil—6.25-6.5 mill. TVs (production).

Sylvania—6.1 million TVs, 9.6 million home radios, phono production of 4 million units.

Warwick—5%-6% increase in TV sales, 10% hike in stereo sales, radio sales about same as 1959.

Westinghouse—6-6.2 million TVs, 9.5 million home radios, 1.5 million hi fi, 3 million other phonos.

Zenith—6.75 million TVs, improvement in radio & stereo.

Greenebaum & Associates—Production of 6.8 million TVs, gain in radio & stereo sales.

our already established leadership in the stereo hi-fi field. We are shooting for an increase of 50% in stereo sales over 1959's very successful year. Motorola is the leading producer of portable stereos selling for over \$100 and has a substantial lead in console sales on instruments selling above \$300. We plan further additions to our Drexel line of fine furniture for both stereo and TV as well as expansion of our own line of quality furniture for home entertainment products.

Radio—In home radio I believe the industry will increase sales at least 7% over 1959 despite increased foreign competition in the radio field. Motorola is planning a 20% increase in radio sales. Last year we increased our percentage of the market in all categories of radio.

We see an exciting and growing desire on the part of consumers for more FM radio. Motorola has introduced the first FM car radio made by a major American manufacturer and we expect to increase the number, styles, and range of prices for our FM home radio line. 1960 will see further strides toward "broadcast stereo" or multiplexing. We are devoting a good deal of engineering and development in the area of compatible multiplexing instruments to receive broadcast stereo when it comes of age.

●
The Muter Co. Pres. Leslie F. Muter:

We believe that the industry will produce and sell not less than 6.5 million TV sets in 1960, as well as 16 million radio sets, of which 6 million will be automotive.

As soon as the [National Stereophonic Radio] Committee makes its recommendations to the FCC regarding multiplex broadcasting of stereo sound for both radio and TV, we believe there will be a tremendous public response to this new form of entertainment which will also assist both radio and TV.

I think we can look forward to the future with great confidence. The year 1960 should be another banner year with at least 6 million TV units sold at retail. The coming year also should see the emergence of stereo as an item for the mass market, once it is stripped of the technical jargon which has so far succeeded in scaring away the majority of prospective buyers.

●
Olympic Pres. Morris Sobin:

The first 10 years of volume TV operations have been somewhat of a feast-or-famine situation. In the process, I believe, we have learned to recognize and to avoid many of the pitfalls which can be significant barriers to progress. Excessive inventory and runaway costs are perhaps the two most striking elements which need our constant scrutiny. In the years to come we must militantly follow the recent trend towards tailoring our tremendous production capacity to the requirements of demand. This will be a worthwhile achievement and an indication of maturity.

Along with this, many companies have also learned to trim away much of the fat which inevitably gathers during the plush years. It is healthy that we do this for, by cutting all unnecessary costs and frills, we can price our products to better enable each of us to compete for the dollars of our customers. We thereby offer greater value to those customers and at the same time provide room for a legitimate profit for ourselves. This is indeed a further step on our road to maturity as an industry.

●
Pacific Mercury Electronics Pres. Joe Benaron:

My expectations are that the industry will sell [about] 6.2 million TV sets of various combinations.

Packard Bell Pres. Robert S. Bell:

TV sales should increase to 6.4 million units, radio sales to 10 million units in 1960. Hi-fi & stereo hi-fi sales will be equal to or slightly higher than in 1959—around 1.5 million units.

TV gains will be higher in 21- & 23-in. consoles & combinations than in 17-in. table models & portables. Total demand will be greater than the 6.4 million prediction, with an additional 2 million sets going to the used set market. Transistorized TV will play no significant role in total 1960 sales and color-TV volume will increase sufficiently to stabilize prices at current levels.

The prediction of 1.5 million unit sales for stereo hi-fi is based on an evaluation of cumulative sales as total demand. If only half of the some 26 million homes equipped with phonos of some kind switch to hi fi or stereo hi fi, we are a long way from reaching the point of saturation. Manufacturers offering top-quality instruments and popular styling should do more stereo business in 1960 than in '59.

Again in 1960 the radio market will be dominated by portables, which will represent from 45% to 50% of total sales, or upwards of 5 million units.

●
Philco Corp. Pres. James M. Skinner Jr.:

Prospects for the coming year in the home electronics industry look reasonably good, assuming that the steel strike does not recur.

Despite the fact that sales of stereophonic-high-fidelity instruments were somewhat disappointing for the whole industry this year, we expect this field to be important in 1960. The development of stereo as a major business involves a process of education for the consumer who first must have a basic understanding of what stereophonic sound is and how it works before he is sufficiently informed to buy intelligently. Once the public becomes better informed, stereo should develop into a major field and we look for gradual improvement along these lines in 1960.

Radio has been a good business this year and should continue to be good throughout 1960.

The TV industry experienced a fairly good rise this year and for the industry as a whole, we foresee a modest increase during 1960. There is no startling boom looked for in this area but the sales picture may show a slight improvement during the coming year.

Consumer interest in the electronics field as a whole has been kept alive by the publicity given to the military's use of electronic devices and by the new developments in home electronic products which are resulting from industry research, such as transistorized portable TV sets. For this reason, we feel that the outlook for the home entertainment industry is fairly optimistic. We do not look for a boom but do expect 1960 to be a good solid year.

●
Radio Condenser Co. operations vp Russell E. Cramer Jr.:

Please bear in mind that my views are those of a member of the components industry—where to stay in business today, you must be sharp enough to keep ahead of competition as well as your customers' desires to expand and take over your manufacture of components:

TV—It is still my opinion that 1959 will show a sales figure of somewhat less than 6 million sets, but that in 1960 this figure should move up to not less than 6.5 million. Despite the glowing reports of new-size picture tubes and special transistorized portable designs, it looks like the standard table models and consoles will be the big runners and the "Big 6" (Zenith, RCA, GE, Motorola, Admiral and Philco) will continue their frantic efforts to out-

merchandise each other—a task which is difficult to do. Remote control devices will probably be the only really advantageous and salable attractions among the new merchandising gimmicks. Color TV is still “around the corner” for all, due to price and programming.

Home radio—Radio portables & table models, as well as the miniaturized transistor sets, have been selling like hot cakes during the past year. This trend should continue into 1960, with the Japanese still pushing for a larger share of the small, transistorized portable market, but failing to make a dent in any of the other radio markets. Most of the Big 6 radio manufacturers will have competitively-priced, American-made merchandise which is going to give the Japanese distributors quite a headache because it will be branded American, sold American, and will have American quality. (The only items sacrificed will be the margins of profit for the manufacturer and the dealer!) Radio sales in 1960 should exceed sales in 1959 by at least 10%.

FM Radio—FM radios are increasing in sales, and standard AM-FM radio consoles will move nicely in the higher-priced lines as well as in the moderate and low-priced table model series. Next year will see the beginning of a greater usage of American-made FM sets in autos as at least 6 manufacturers are toying with the thought of producing American FM sets for cars.

Auto Radio—1960 should be a banner year for the sale of automobiles, so auto radios should sell in correspondingly larger quantity. Also, with a prosperous year in the offing, customers will buy more ‘extras’ and the percentage of inclusion in all cars sold should be greater. Signal-seek sets will decline except for use in a very few, top-priced lines. The vast majority of sets made will be push-button, with emphasis on better fidelity and greater sensitivity.

Stereo—Stereo is now past its sophomore year, and the first impetus of its development, generated largely by the interest of hobbyists and electronics men, is now being replaced by the enthusiasm of the ordinary music-lover. There is no question but that stereophonic music and sound reproduction is wonderful to listen to in the home, and as new equipment is purchased customers will insist upon the best in high-fidelity stereo.

The dollar-volume sales of stereo should increase in 1960 and I believe we will find that sub-standard merchandise of this nature will have long since been cleared off the market (by the end of the Christmas season) and higher-priced, better-quality merchandise is to be expected for '60.

As we close out the 1959 calendar year, Radio Condenser Co. can look back with satisfaction on a year which has proven quite successful; and forward with well-founded optimism to an even better 1960.

●
RCA Consumer Products exec. vp P. J. Casella:

Color TV—one of the newest—and radio—one of the oldest—are the 2 “wonder products” in home entertainment as we enter the 1960s. Both have shown excellent sales growth during 1959.

Color sales have climbed steadily throughout the year [and] currently we are running nearly 30% ahead of last year on a week-to-week basis . . . without benefit of cut-price promotions. We foresee a continued upward trend in color-TV sales in 1960 with expectations that next year's sales might well run 50% ahead of 1959.

RCA will sell more radios in 1959 than in any other year in its 40-year history. This is noteworthy due to the fact that more than 90% of all American homes had at least one radio when the year began and that Japanese imports have been very high this year. The Japanese have

not hurt the American radio industry as much as was anticipated. Actually this competition served to stimulate the American industry to come up with innovations, new styling, miniature components and features that make it more difficult for foreign manufacturers to compete.

Stereophonic sound—both from records and tape cartridges—is another field that holds great promise for the future. While there has been some slight confusion due to exaggerated claims of some manufacturers, stereo is just scratching the surface of its tremendous potential. We believe the tape-cartridge system of sound recording & reproduction will have a great future in the 1960s.

●
Howard W. Sams & Co. Pres. J. A. Milling:

Present indications are that the electronics business for 1960 will run ahead of 1959 by 10% or better. This assumes, of course, that the steel strike will be settled and that the defense program will not be curtailed.

Increased automobile production—practically every auto has a radio—resurgence of the FM business, citizen-band radio, larger screens, more compact and better styled television designs, will all boost sales for 1960. TV production will exceed 6 million units.

Perhaps the greatest single increase in 1960 will come from expanded use of electronics in business & industry.

Japanese imports of small portable transistor radios, transistors, tubes and other electronic components & products will increase in 1960. This competition presents a real problem to the U.S. electronics manufacturers producing for the consumer market. Approximately 5 million small transistor type sets have been imported from Japan in 1959—or more than double the imports for 1958. This continued increase of Japanese imports will naturally reduce the rate of American production of these products. In spite of this competition, the electronics industry will continue to expand and '60 will be at least 10% ahead of '59.

●
Sprague Electric Chmn.-Treas. Robert C. Sprague:

The home entertainment segment of the electronics industry shared in the strong consumer demand that characterized 1959. Sales of TV sets maintained a steady, high pace, and demand held up particularly well during the normally slow summer months. There is no evidence yet that the steel strike had much effect on the fall selling season, and total sales of sets at retail probably reached 5.8 million compared with 5.1 million under the depressed conditions of 1958. Reflecting the fact that inventories were quite low as the year began, production was up even more—from 4.7 million to approximately 6.2 million sets. Nevertheless, year-end inventories of about 2.1 million sets do not appear unduly high.

I look for a good year in TV in 1960, but in the absence of 1959's inventory rebuilding I would expect production to be more nearly in line with retail sales of about 6.3 million sets. Thus, the outlook is for set production in the 6.3-to-6.5 million range, or slightly larger than in 1959.

This year was also a good one for radios and phonographs. Sales of home sets increased from about 8 million to 9.2 million. Auto radios, benefiting from the sharp recovery in the automotive market, went from 3.7 million to 5.3 million. Total set production was therefore approximately 14.5 million compared with 11.7 million in 1958. Furthermore, in radios as in TV, set manufacturers enjoyed relatively strong demand for the high end of their lines, including good demand for radio-phono combinations.

Prospects for 1960 in radio are generally good. Assuming that automobile production reaches at least 6.5

million cars, there should be a market for about 6 million automobile radios, which together with 10 million home sets would result in the 10-year high of 16 million sets.

One disturbing and largely unknown factor is the extent to which foreign competition may cut into the market for radios. In the first 9 months of 1959, almost 4 million radios—mostly transistorized—were imported from Japan alone and it has been estimated that Japan may currently be accounting for as much as 60% of the transistorized portable market. Studies are underway by the Office of Civil and Defense Mobilization to determine the extent to which imports of transistor radios and of transistors themselves may affect U.S. transistor manufacturers' ability to meet the needs of a national emergency, and the electronics industry will keenly watch developments in this vital area.

On balance, however, the home entertainment market in 1960 should be a good one. Sales in 1959 were approximately \$1.6 billion against \$1.4 billion in 1958, and I believe we can look for a gain to about \$1.7 billion in 1960.

Standard Coil Pres. J. O. Burke:

We are vitally concerned with TV & FM radio. On both of these facets Standard Coil is extremely bullish.

TV sales, in our opinion (barring general economic decline brought on by the steel negotiations), should be quite good in 1960 because: (1) 1958 and 1959 have been subnormal years. (2) Automobile manufacturers are very bullish on car sales for 1960. There seems to be a parallel between the sales of cars and TV sets. (3) TV sets which were sold in much greater abundance in 1952 and 1953 will definitely need replacement before too long. (4) The advent of 110-degree tubes, 23-in. tubes with flatter face and better picture, and the great improvements in wireless remote control, will all play a part in increasing customer demand.

Accordingly, we anticipate TV set production and sales of 6.25 to 6.5 million.

On the question of FM radio, we believe that people are coming more and more to appreciate its qualities whether or not stereo is provided. We also feel that the industry is near a breakthrough on practical use of FM radios in automobiles.

Sylvania Home Electronics Pres. Robert L. Shaw:

The home electronics industry will be in the forefront of a general business upsurge in 1960, barring a serious steel crisis. TV, radio & stereo phonograph sales will show important gains over 1959, continuing the pattern of increased sales and higher profits at all levels of manufacturing & distribution established this year.

This year's TV set sales to the public will show a 12% increase over 1958, reaching 5.7 million sets. Sylvania Home Electronics Corp. will have record TV set sales this year, due in part to our 23-in. bonded shield sets which we pioneered & introduced last June. We estimate industry retail sales will reach 6.1 million sets in 1960 with the 23-in. models playing a dominant role.

The stereo high-fidelity phonograph business is sound & healthy and we look for a 10% increase in industry sales in 1960, factory sales of all phonos rising from this year's 3.9 million to about 4 million units. Some of the confusion in the stereo phono industry has been caused by optimistic estimates of the market size and the resultant disappointments when huge gains failed to materialize. One factor has been the lack of sufficient statistical information.

Home radio sales to the public, which will reach 8.9 million in 1959, will jump to 9.6 million sets in 1960.

Warwick Pres. Lawrence G. Haggerty:

I am optimistic about the radio & TV sales picture for next year. I think that all remarks have to be clarified by assuming that we will not have another major steel industry interruption. On this basis, I think that TV sales at retail will be up approximately 5 to 6%. Stereo sales should be up approximately 10%, and radio sales will be about the same as this year.

Westinghouse consumer products vp Chris J. Witting:

It is our opinion that TV receipt sales will range somewhere between 6 & 6.2 million for 1960. Radio sales will reach approximately 9.5 million units in 1960; phonograph sales will reach approximately 3 million; and hi-fi or stereo-hi-fi approximately 1½ million receivers.

The foregoing forecasts are based on the assumption that there will be no resumption of a steel strike and that there will be a continuing retailer confidence in 1960 such as was evident throughout 1959.

Zenith Pres. Joseph S. Wright:

The year of 1960 should be a good one for the radio, TV and high-fidelity set manufacturing industry. We expect that the industry will produce and sell some 6.75 million TV receivers—a gain of at least 10% over 1959.

Radio set sales in 1959 have been exceptionally good, and 1960 should be slightly better. FM in particular is becoming more and more important, and there should be a large improvement in FM sets.

The confusion about stereo is gradually disappearing and, as public understanding and interest grows, sales should improve in 1960.

This year has been an all-time record year for Zenith, and 1960 will be at least 10% better.

The new year will also see some significant new developments in subscription TV and it may be the threshold year for Phonevision, Zenith's system for [broadcast] subscription television. The addition of fine subscription programs will be bound to help both the broadcasting and set manufacturing industry by adding a new dimension of programming of great interest to the TV viewers.

Bills aimed at stopping misrepresentation in TV sales & repairs will be recommended by the N.Y. State Legislature next month by state Attorney General Louis J. Lefkowitz. The 4 measures are designed to: (1) Require that TV ads and labels on sets prominently indicate the model year. (2) Require the label "used" on used, rebuilt, rebranded, repossessed or reconditioned articles for sale. (3) Require appropriate labels on replacement TV tubes not of first quality or rebranded after reconditioning. (4) Prevent servicing by inexperienced technicians.

More new 23-in. sets: Hoffman showed distributors a complete line of remote-control TV sets with a new wireless remote unit which not only turns sets on & off but adjusts picture contrast & brightness automatically according to the light level in the viewing area. The new line of 6 basic models in 23 cabinet variations features a total of fifteen 23-in. units, including 2 lower-priced 23-in. sets at \$269.95 & \$299.95. Motorola's drop-in sets (Vol. 15:50 p16) now being shown to distributors, include six 23-in. sets from \$299.95 to \$430, a 17-in. table model at \$179.95.

Sample shipments of 19-in. square-cornered tube (Vol. 15:50 p15) have been started by independent tube maker National Video Corp. Pres. Asher Cole said the tube was originally developed at the request of Admiral Corp. and that large-scale production will begin early in Feb.

Trade Personals: Al Medica named Admiral TV sales mgr. by Clarence B. Flinn, formerly a regional sales mgr. (Vol. 15:50 p19); Medica is succeeded as radio-hi-fi sales mgr. by Clarence B. Flinn, formerly a regional sales mgr.

Ewen C. Anderson moves into new RCA post of staff exec. vp, reporting direct to Pres. John L. Burns for special assignments. The move apparently paves the way for NBC-TV ad, promotion & PR exec. vp Kenneth Bilby (Vol. 15:47 p10) to move into Anderson's relinquished PR exec. vp post . . . Donald H. Kunsman, pres. of RCA Service Co., Jan. 1 becomes gen. mgr., RCA electronic data processing div., succeeding E. Dorsey Foster, named a vp . . . N. A. Fallow, ex-Emerson Radio of Canada, named sales mgr., Canadian Marconi best. & TV receiver div., succeeding T. P. Kelly, appointed div. mgr.

Edward S. Weyl, International Resistance gen. counsel & secy., elected a vp . . . Alfred di Scipio, management consultant, named to new post of ITT vp & mktg. dir. . . Fritz Bauer, broadcast transmitter manufacturer, forms Bauer Electronics Corp., 1011 Industrial Way, Burlingame, Cal.; Paul Gregg, ex-Gates, Radio, is sales mgr. . . Joseph H. Hannigan, ex-Gabriel, appointed National Co. radar & infra-red communications dir., technical liaison div.

Robert J. Maroni named to new post of mktg. vp, Daystrom defense products group . . . Vinton D. Carver promoted from mgr., Litton Industries' Salt Lake City plant to asst. gen. mgr., tube div. . . Frank H. Wilke named to new post of production engineering dir., military products of the Muter div., Muter Co. . . Rear Admiral Frederick J. Bell (USN ret.), Sylvania industrial & PR senior vp, appointed General Telephone & Electronics Washington vp . . . Frank A. Saikley named Indiana General Corp. asst. treas. & asst. secy.; Portus M. Wheeler appointed sales vp, Indiana Steel Products div. . . Walter E. Peterson, pres., Micro Gee Products, elected WESCON chmn.

Burton R. Lester elected Tung-Sol vp & gen. mgr. of the semiconductor div., Frank J. Ehringer vp for automotive products div. . . John W. Hawthorne, ex-GE closed-circuit sales, named to new position of industrial distribution mgr., GPL . . . Edgar N. Greenebaum, Chicago financial consultant and chmn. of Conley Electronics, returned to his desk last week after being hospitalized as a result of kidney stones . . . William T. Hack, ex-Synco Resins Inc. pres., elected pres. of Audio Devices Inc., former Pres. William C. Speed, becoming chmn. . . Hugh Robertson, Zenith chmn. & chief exec. officer, honored last week in ceremonies marking his 35th year with the company.

TV business is so good that GE is extending the temporary employment period of a group of assembly workers hired last Aug. when an additional product line was put into operation. Original plans called for curtailment in Nov., GE said, but the current production pace now is expected to continue at least into Jan. TV dept. gen. mgr. Herbert Riegelman predicted last week that average employment of production workers at the Syracuse plant next year will be about 15% higher than during 1959.

Individual incomes climbed to a new high in Nov.—an annual rate of \$384.8 billion—the Commerce Dept. announced last week. The figure was \$1 billion above the previous peak annual rate reached last June.

Obituary

Dr. Oliver Ellsworth Buckley, retired chmn. of Bell Telephone Labs, died Dec. 14 of pneumonia in St. Barnabas Hospital, Newark, N.J. He is survived by his widow, a son, 3 daughters and 3 sisters.

Finance

Oak Mfg. Co. reports marked increases in sales & earnings for the 9 months ended Sept. 30. The Chicago-based maker of components for TV, industry and the military also noted that Nov. shipments were 12% ahead of those of Nov. 1958, that Jan.-Nov. shipments were 18% ahead of those in the year-ago period and that backlog is about 50% larger than it was a year ago. For 9 months ended Sept. 30:

	1959	1958
Sales	\$13,458,098	\$11,029,766
Net profit	733,106	359,736
Per common share	1.12	55¢
Common shares	656,129	656,129
For 3 months ended Sept. 30:		
Sales	\$4,308,182	\$3,951,869
Net profit	233,502	221,445
Per common share	46¢	34¢

Collins Radio racked up sizable earnings in fiscal-1960's first quarter ended Oct. 31, recovering smartly from losses suffered in the year-ago quarter. Pres. Arthur A. Collins explained that "the improved trend in sales & earnings noted in the last half of the 1959 fiscal year continued in the first quarter of fiscal 1960. The backlog, including contracts in process of negotiation, continues at approximately the \$210-million level of July 31, 1959." For the first fiscal quarter ended Oct. 31:

	1959	1958
Net sales	\$42,003,394	\$19,550,394
Net income (loss in 1958)	2,024,317	(32,024)
Per common share	1.11	—
Common shares (1959) ..	1,816,954	1,816,954

Allied Radio Corp. of Chicago netted sharp increases in sales & earnings in the 12 months to Oct. 31:

	1959	1958
Net sales	\$30,710,657	\$27,414,808
Net income	1,165,281	828,808
Per common share	1.14	81¢
For quarter to Oct. 31:		
Net sales	\$7,267,617	\$6,623,070
Net income	202,166	188,626
Per common share	20¢	18¢

Dynamics Corp. of America would acquire Anemostat Corp. of America, air-conditioning equipment manufacturer, under a plan submitted to SEC by Securities Corporation General, Columbia City, Ind. Asking for an exemption under the Investment Company Act, the Ind. firm said Dynamics would acquire 77,395 Anemostat shares from Securities Corp. in a deal involving stock transfers and a \$155,820 cash payment.

Lab for Electronics expects that fiscal-1960 sales will double the \$20.4 million volume of fiscal 1959, ended April 24, according to Pres. Henry Harding. In the first half, ended Oct. 23, net profit was about \$423,000 (92¢ a share) on sales of more than \$17 million, compared with a net of \$203,000 (43¢) on \$7.4 million sales in the same 1958 period. Harding said backlog now is about \$50 million.

Stewart-Warner Corp. stockholders have approved a 2-for-1 stock split payable Jan. 12 to stockholders of record Dec. 22. Chmn.-Pres. Bennett Archambault anticipates that the dividend for 1960's first quarter, to be paid in March, will be 30¢ on the new shares.

Most attractive foreign stocks, listed in Dec. 15 *Forbes* magazine, include 5 electrical equipment & electronics issues out of a total of 46 companies: EMI and Elliott Automation (Britain); Philips' Lamp (Netherlands); AEG and Siemens & Halske (Germany).

Collins Radio Co. is now traded on N.Y. Stock Exchange. Symbol: CRI.

Columbia Pictures Corp. foresees increased TV & records income and a 20% gain in movie revenues to produce profitable operations in the 1960 fiscal year ending June 25—compared with the loss suffered in fiscal 1959. Exec. vp Abe Montague said Columbia's Screen Gems subsidiary "continues to show a good profit" and has increased its production & distribution of TV programs in foreign countries. Earlier this year, Columbia entered the broadcast field by acquiring KTVT (Ch. 4) & KDYL Salt Lake City for \$3.1 million from Time Inc. (Vol. 15:45 p12; 50 p6), establishing Columbia Pictures Electronics Co. as its station-operating subsidiary. Montague anticipates that Columbia's movie revenues will reach \$100 million. He said a record dollar volume of movie production is scheduled for the current fiscal year. In fiscal 1959, Columbia reported a net profit of \$151,230, but the profitable showing resulted from \$2,596,615 in non-recurring income from the sale of a studio film lab.

Wometco Enterprises (WTVJ Miami, WLOS-TV & WLOS Asheville, N.C., 46½% of WFGA-TV Jacksonville, South Fla. theater & food vending chain) reports a 32% increase in earnings in an interim 44-week report. Gross & net income were also up for the latest 8-week period. For 44 weeks ended Nov. 1:

	1959	1958
Gross income	\$8,637,394	\$7,562,011
Net income	641,159	486,451
For 8 weeks to Nov. 1:		
Gross income	\$1,581,306	\$1,338,651
Net income	130,853	43,640

Control of Technicolor Inc. is being sought by Eversharp Pres. Patrick J. Frawley Jr., who hopes to name 9 of the board's 12 directors, through a proxy fight if necessary. Frawley said Eversharp and individual Eversharp management members hold a substantial interest in Technicolor and indicated his group hopes to get the firm into the film manufacturing field—to "make another Kodak out of the company." Dr. Herbert T. Kalmus has resigned as Technicolor pres., effective Jan. 18 (Vol. 15:30 p14).

Teleprompter Corp., in a statement filed with SEC, reports a decline in sales & earnings in the 8 months to Aug. 31:

	1959	1958
Gross income	\$2,458,480	\$2,615,328
Net profit	77,288	114,420
Per common share	21¢	32¢
Common shares	362,729	356,591

Famous Players Canadian Corp. net income dropped to \$1,718,233 (99¢ a share) in the 9 months ending Oct. 3 from \$2,084,170 (\$1.20) in the year-ago period. Reflected in both figures are profits on sales of fixed assets: \$248,049 in the 1959 period; \$116,273 in the 1958 period.

Electronics Capital Corp., the publicly-held small business investment company headed by Charles E. Salik, will provide \$400,000 of long-term capital for Cain & Co., the first nationwide electronics sales engineering corporation. Headed by Gerald A. Cain, ex-Neely Enterprises, Cain & Co. will have sales engineering offices in "all major military & industrial marketing areas."

SEC HALTS SKIATRON TRADING: A 10-day suspension of trading in the stock of pay-TV promoter Skiatron Electronics & TV Co. was ordered by the SEC Fri. (18) to prevent "fraudulent manipulative or deceptive acts & practices in connection with the stock." The Commission also announced that it had issued a stop order against a stock registration by Skiatron, challenging its accuracy & adequacy.

Information gathered by its staff tended to show Skiatron's statements "false & misleading," the Commission said in its announcement. "Evaluation of the worth of Skiatron shares is not possible on the basis of the published information." The suspension affects trading in Skiatron shares on the American Stock Exchange and over-the-counter. The Commission's announcement of its action took pains to point out that Skiatron has been promoting pay TV.

"This order grew out of an investigation of a Skiatron Electronics & TV registration application filed to cover shares being sold to or by Matthew Fox," we were told by SEC secy. Orval DuBois. Matthew (Matty) Fox, well-known Hollywood & TV film distribution figure is pres. of Skiatron TV Inc. (not publicly held), which holds U.S. promotion & marketing rights to pay-TV systems developed by Skiatron Electronics.

The 12-year-old Skiatron Electronics firm, headed by Arthur Levey, has been an advocate of a punch-card pay-TV system for broadcast & closed-circuit use. Skiatron of America has been active in seeking franchises for wired pay TV in Los Angeles & San Francisco.

The registration statement which started the SEC inquiry was filed last Sept., seeking registration of 142,242 common shares issued under warrants or options as well as 30,000 shares owned by Pres. Levey to be offered for sale through brokers (Vol. 15:34 p19). Of the 142,242 common shares, 125,000 were to go to Fox who bought 75,000 at \$3 a share and held 1956 options for purchases of 50,000 more, according to the registration statement, which said that 250,000 shares were reserved under warrants issued in an April 1957 agreement with Skiatron TV Inc.

Skiatron Electronics stock sold on the American Stock Exchange for 5¼, up¼ for the day, at 2:30 p.m. Dec. 18 before the stop order.

National Co. expects 1959 sales to climb to a record \$12,750,000 from 1958's \$7,433,813 and produce a profit topping \$287,000—more than double last year's net of \$109,063. Chmn. Herbert C. Guterman said that even on the basis of 720,000 common shares now outstanding, earnings will be greater than the 32¢ a share in 1958 on 307,827 shares then outstanding. He said the Malden, Mass. concern expects "to very shortly make an acquisition which will be of great importance to the company" and that the current order backlog totals \$10 million.

Reports & comments available: Ampex, report, Stern, Frank, Meyer & Fox, Union Bank Building, Los Angeles 14 . . . General Precision Equipment, report, Eastman Dillon, Union Securities & Co., 15 Broad St., N.Y. 5 . . . Indiana General Corp., prospectus, Kuhn, Loeb & Co., 30 Wall St., N.Y. 5 . . . Victoreen Instrument Co., prospectus, Avco, comments, Van Alstyne, Noel & Co., 52 Wall St., N.Y. 5 . . . Magnavox and Allied Radio, comments, The Milwaukee Co., 207 E. Michigan St., Milwaukee 2 . . . Collins Radio, discussion, Francis I. DuPont & Co., One Wall St., N.Y. 5 . . . Bowser Inc., analysis, Shearson, Hammill & Co., 14 Wall St., N.Y. 5.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Amer. Cable & Radio .	A	\$0.30	Jan. 26	Jan. 8
Clarostat Mfg.	Stk.	3%	Jan. 20	Dec. 31
General Bronze	Q	.37½	Dec. 31	Dec. 21
Motorola	Q	.37½	Jan. 15	Dec. 31
Muter	Stk.	5%	Jan. 15	Dec. 31
Storer Bcstg.	Q	.45	Mar. 15	Feb. 26
Storer Bcstg. "B"	Q	.12½	Mar. 15	Feb. 26

The authoritative service for executives engaged in all branches of the television arts & industries

SUMMARY-INDEX OF WEEK'S NEWS

1959 IN REVIEW: Summary of the highlights of a historic & turbulent year in TV, prepared as a permanent reference by the staff of Television Digest (begins on p. 1).

Advertising

TV ISN'T WHIPPING BOY—for a change, at FTC's anti-deception rally for consumers. They denounce ad charlatans (pp 5 & 6).

Stations

PAYOLA & INCOME TAXES: Goods or services received by performers are "income" unless they're "gifts"—and Internal Revenue Service looks gifts in the mouth (p. 7).

Film & Tape

BACKGROUND NO. 6: Who's Who of network film-series producers—and how the Hollywood TV industry fared in 1959 (p. 9 et seq.).

DESILU-NT&T NEGOTIATIONS END as Arnaz & Ball decide not to sell out (p. 14).

CBS-TV SAID TO BE TIGHTENING creative control by some Hollywood producers; others disagree (p. 14).

ETV

ELECTRONIC COLLEGE CAMPUS is being planned to put 4-year credit curriculum on networks (p. 14).

Manufacturing & Distribution

HOME ELECTRONICS' DIMENSIONS in 1959: Record year in dollar sales saw no records in units, but steady emphasis on quality resulted in higher per-unit prices (p. 17).

SAFETY-GLASS BATTLE continues, as some manufacturers veer toward Pittsburgh's laminated implosion plate for 19-in. sets; Corning "cap" is choice for 23-in. sets (p. 18).

Programming

STILL MORE NEWS SPECIALS are planned by the networks. All 3 will have weekly informational shows in prime-time slots, with CBS-TV the latest to confirm plans (p. 15).

Networks

CBS SETS 2-DAY WASHINGTON MEETING for late Feb. to discuss "public responsibilities" between CBS-TV & its affiliates (p. 16).

Other Departments

CONGRESS (p. 5). **AUXILIARY SERVICES** (p. 14). **PERSONALS** (p. 15). **FCC** (p. 16). **FINANCE** (p. 20).

TV IN 1959: BLOODY, BOWED—AND PROSPEROUS: TV ends its first decade of growth as a mass medium in a crashing climax. In the 10-year period it has firmly established itself as the nation's greatest supplier of entertainment and the most effective ad medium ever known—sets-in-use increasing more than tenfold from less than 4 million to 52 million, while total time sales increased in the same proportion—from under \$100 million to more than \$1 billion and stations-on-air zoomed from a mere 98 to 559.

Success breeds criticism—and also complacency. Rumbings of open inter-media warfare early in the year presaged an explosion far more serious, which left the industry at year's end temporarily stunned but ultimately alerted and striving toward self-improvement through self-regulation.

Here is our size-up of the climatic TV year of 1959, as reviewed by our Washington, N.Y., Los Angeles and editorial headquarters staffs:

Congress: On always-suspicious, frequently-hostile Capitol Hill, 1959 will be marked indelibly in decade's broadcasting history as black year of considerable trouble for TV & radio. First session of 86th Congress started out with bill-writing bangs against industry & FCC which turned out to be blanks. Deceptive legislative lull followed. Up until end of session, despite "there-ought-to-be-law" talk and many hearings, lull was broken only by enactment of just one of many Senate & House measures introduced—revision of Communications Act equal-time rules which (surprise!) gave more freedom to broadcasters.

But legislators had no sooner recessed, leaving industry in comparative peace & quiet, than quiz & payola scandals exploded in crashing, rumbling roars that will roll down on TV & radio for long time to come. Early-session duds (fizzling from 92-page House report on station-licensing practices and recommending purification) and post-session bombshells (fused by old quiz rumors) were both set off by House Commerce

Committee's quaintly-named Legislative Oversight Subcommittee. It had been set up under Chmn. Harris (D-Ark.) to see whether FCC and all other federal regulatory agencies needed more legislation to help them do their jobs fairly & efficiently. This unexciting purpose was buried under 1959 headlines about fraud & fakery by broadcasters themselves. And at year's end no end of bad time was in sight for TV & radio.

Federal Communications Commission: It was painful year for FCC. Many people, because of their shock at the quiz-rigging scandals, sought to make Commission the scapegoat. It didn't work. Slowly but definitely, Commission acted to avoid the onus, wisely scheduling a big programming hearing during which everyone was free to vent his feelings. The year was a definite turning point in FCC history, as Commission began stricter enforcement of its regulations in those areas where its powers are unquestioned.

In our predictions last year, we said there would be no "ripper" legislation to substitute a new agency for FCC. We were right. We said there would be a law making "influence" attempts a crime. It didn't pass. We stated that Commissioners "will hold up well under additional wild charges from Capitol Hill." We think they did fairly well. Another forecast: "Chmn. Doerfer will continue to try mightily to cut red tape, speed decisions, probably in vain." How true. Still another: "Comr. Hyde will be renominated, confirmed rapidly." Right. Then: "One member will resign to take good job." Wrong. The 1950s produced a drastic relaxation of Commission control, while industry frolicked in the laxity. Both govt. & industry faced the 1960s in state of shocked sobriety.

Network Self-Regulation: Tighter control of programs & practices became part of network way of life in wake of quiz probes, with CBS-TV taking the lead, closely followed by NBC-TV. Both networks created new depts., headed by vps, to watchdog everything from on-air plugs to identification of tape shows, in new era of "complete responsibility" for what is seen on network channels. Conscious of rising tide of criticism, all 3 networks made sharp increases late in year in amount & scope of public affairs programming, including weekly prime-time documentaries, as one way of brightening network TV's social image.

NAB & Industry Codes: To say the least, it was NAB's most challenging year. And overloaded with 1959 challenge were NAB's Donald H. McGannon (Westinghouse Stations) & Cliff Gill (KEZY Anaheim, Cal.). They had their organization's most troublesome & thankless assignments: Running industry's self-regulatory TV & radio committees. When 1959 opened, quiz scandals were little more than gossip-column stories, and esoteric word "payola" wasn't in public's vocabulary. Broadcasting storm signals already were fluttering, however. (As early as Nov. 1958 these pages warned broadcasters of the rising tide of criticism and urged them to "heed & ponder" whether "perhaps something is indeed amiss.")

Biggest single NAB problem facing McGannon when he took over TV Code Review Board chairmanship in March was subscribers' use of hemorrhoid-remedy commercials. As carry-over chairman of radio's Standards of Good Practice Committee, Gill had whisky rebellion on his hands. At painful cost of defections by 48 of 306 TV Code subscribers, Review Board survived Preparation-H crisis. In radio, there were flareups, but no serious spread of revolt by stations against industry's taboo of hard-liquor commercials. Then came quiz & payola hurricanes, and NAB was in center of them. Breasting gales of demands for govt. controls, McGannon, Gill and their committees began shoring up NAB storm shelters with new Code rules against frauds & deceptions on air. They could only hope that these defenses would be enough. Signs of hope: Holdouts from Codes began moving into shelters. TV Code subscriber list passed 300 again. In one 10-day period, 76 more radio stations lined up. New TV Information Office, set up in N.Y. under NAB auspices but separate from it and charged with improving TV's "image" as seen by public, opened shop just as quiz scandals broke. Before year ended, however, TIO was able to ring up Elmo Roper poll showing public had "pretty sane perspective" on mess.

Federal Trade Commission: One year ago we predicted: "Already under hot Congressional fire for not doing enough, FTC will bear down more heavily than ever on fraudulent TV & radio commercials." We said then that FTC's tiny TV-radio monitoring unit would be strengthened, that claims for drugs & cosmetics would be particular 1959 targets. We could have been more right if we had foreseen 2 developments which carried FTC beyond these expectations: (1) Promotion of FTC career man Earl W. Kintner to ad-policing agency's chairmanship, in which—after 11 years of comparative staff anonymity—he set out vigorously to make name for himself. (2) House investigations of TV quiz and TV-radio payola practices, which put FTC on hottest Congressional spot yet.

Kintner already was stepping up FTC's campaigns against frauds in commercials for drugs, cosmetics and other products when House exposes began breaking. Challenged at a hearing to do more to clean fakery from air, Kintner quickly: (1) Ordered monitoring staff doubled. (2) Called network chiefs into extraordinary conference. (3) Moved against payola for first time in FTC's history. (4) Began bringing ad agencies & executives—along with sponsors—into FTC's enforcement sights. (5) Set up close liaison with Justice Dept. on stand-by legal machinery for possible criminal action against advertisers who defy FTC orders—procedure which FTC has rarely invoked. Kintner's motto, stated insistently: "We mean business."

Network Business: Despite blow to network prestige as result of quiz scandals, all 3 networks grew & prospered in 1959. Advertiser spending for time & talent at network level during year is estimated at a record \$733 million. Audience race tightened at night, due to emergence of ABC-TV with lineup of telefilm properties, but CBS-TV still dominated in daytime. Technical triumphs, from advances in video-taping of live specials to transoceanic newsfilm feeds, were many. Little enthusiasm was shown by the networks for the proposed magazine concept.

Advertisers & Agencies: Clients continued to pour advertising dollars into network & spot TV in 1959, with combined year-end revenues expected to hit \$1.5 billion, a 12% gain over 1958, according to TvB. Procter & Gamble was again the top TV advertiser, spending nearly \$100 million in network & spot. J. Walter Thompson was the top air-media agency with TV billings totaling \$110 million. Spot revenues are expected to total \$464 million, a 17% increase over 1958. ANA Chmn. Donald Frost flatly told advertisers they must share the responsibility of repairing TV's battered image (Vol. 15:46 p6). Throughout the year, inter-media rivalry sharpened, with the ANPA launching a "total selling" campaign & MAB aiming a pro-print presentation (Vol. 15:41 p3, 13) in attempts to recapture some of the ad dollars from TV.

Commercials: Video tape became important factor in commercials during 1959, accounting for more than 15% of total non-program TV production of some \$75 million. Film still dominates medium, with its greater production scope & control of elements, but film producers like Elliot-Unger-Elliot, Filmways & others moved into tape realm as hedge. (By year's end, more than 500 TV-tape recorders were in use.) Producers & agencies faced tighter control of hard-sell & demonstration commercials from NAB, FTC, networks & stations late in the year.

Stations' Financial Health: Profit-&-loss returns from TV & radio stations on 1959 operations aren't in yet. But best indicator was NAB's annual poll of "typical" stations (231 TV, 947 radio), taken in mid-year. It showed that median TV business in 1959 was better than in 1958, when profit margin was down, and that radio business wasn't as poor as it had been. Gross 1959 revenues of "typical" TV stations were estimated at \$1 million plus, up more than 7% from 1958, when gross intake went up just 1% and profits dropped slightly from 1957. "Typical" radio station revenues in 1959 were figured by NAB at \$98,600—up 2.5% from 1958, when gross dropped 3.5% and profits 27.4% from 1957.

Allocations: Nothing conclusive. FCC told Senate Commerce Committee what it wanted to do, but it hadn't finished anything by year's end. FCC goals were: (1) Try to get 38 more vhf channels from military, to add to present 12. (2) Provide interim relief by adding Ch. 2-13 assignments in critical markets, via mileage cuts if necessary. (3) New law prohibiting interstate shipment of receivers which can't receive all channels. FCC dickered with military most of year, inconclusively; it considered interim drop-ins, didn't order any; set-control proposition didn't get off ground. Year produced good addition to technical information in form of TASO's report, which gave details of vhf's superiority over uhf.

There was also introduction of bill to establish a Frequency Allocation Board—a powerful agency to parcel spectrum between govt. & non-govt. users. This started a split in industry. Most telecasters were afraid of it and most manufacturers favored it. No hearings were held, so showdown is yet to come. Last year, we predicted everyone would study allocations. That's what happened—nothing more. The 1950s saw end of the freeze in 1952—resumption of TV grants—after FCC spent almost 4 years determining how to avoid destructive interference and choosing among competing color systems. The 50s produced great frustration of FCC intent—in uhf's failure. Uhf's 70 channels were meant to give TV almost unlimited growth, but end of 1950s found TV still constricted within 12 vhf channels.

TV Station Sales: Some 50 TV station transfers were negotiated during the past year, about the same number as in 1958—but they didn't include blockbusters such as the \$20 million CBS paid in 1958 for WCAU-TV (Ch. 10) & WCAU Philadelphia (Vol. 14:30 p2). This year's top price was the \$6.5 million paid for WPRO-TV (Ch. 12) & WPRO Providence by Capital Cities Television Corp. (Vol. 15:11 p5). Also in Providence, Joseph S. (Dody) Sinclair claimed victory in 11-month battle to keep WJAR-TV (Ch. 10) & WJAR Providence from being sold to William Zeckendorf & John C. Mullins (Vol. 15:45 p12). Second highest price for year was the \$5.6 million paid for WSOC-TV (Ch. 9) & WSOC Charlotte, N.C. by James M. Cox group (Vol. 15:15 p11). Five other transactions involved more than \$3 million each. Lowest price was the \$137,500 paid by R. G. Jolley and associates for 90% of KSHO-TV (Ch. 13) Las Vegas (Vol. 15:45 p10).

New Starters: This was slowest year for new TV station starts since freeze-end year of 1952. Only 24 new outlets went on air, 4 more than we predicted last Dec. (Vol. 14:52 p2). Ten of these were non-commercial educational outlets, including Michigan State U.'s WMSB Onondaga-Lansing, which shares Ch. 10 with commercial WILX-TV (Vol. 15:11 p8). Not included in our count are 3 uhf stations which resumed operation under new owners. (For list of 1959 U.S. & Canadian starters and stations which went off air, see p. 7.)

TV Film Production: TV film is finishing a paradoxical year which has been its most prosperous financially and probably its poorest for innovation & excitement. Telefilm firms are hitting a record production total of \$140 million—a sizable growth since the industry's initial recognition in 1951. But airwaves, cluttered with look-alike Westerns, private eyesores and generally unimaginative programming from the merchants of film, give pause for thought. There were about 40 shows canceled last spring, and this surprised few TV executives in Hollywood—nor did it deter them from turning out more. Major-studio film companies' TV operations generally had mediocre track records. All in all it was a turbulent year (see p. 9). While telefilm producers are concerned with continued rise in production costs, focal point of Hollywood labor disputes in 1959 was the future of post-1948 movies. There was a hardening of stands by both sides.

The major film studios are determined not to let the talent guilds share in any part of the revenues from sale of post-1948 movies to TV. And the guilds are just as determined to get some of that money. No easing of these positions in the labor crisis is anticipated. The majors will sell—it's only a question of when. They will not pay the guilds and this will bring on a strike against the majors. It's a complex situation, with legal, ethical and financial undertones, and no authority in Hollywood professes to see a solution.

Syndication: Syndicated telefilms grossed \$80 million in the U.S. in 1959. Feature films added another \$40 million, although supply of major-studio pre-1948 & independently produced post-1948 movies is dwindling and prices are high. Overseas syndication gained in importance during 1959 & added at least 10%-20% to value of U.S. market. Tape program syndication began this year, but is still in its infancy.

Boosters & Community Antennas: Grass roots really stirred Senate on these. FCC was forced to come out with proposal to legalize vhf boosters. It declined to get into business of regulating CATV, leaving basic move up to Congress. Battle between CATV operators and coalition of some Western telecasters & booster operators left both camps near exhaustion.

Last year, we predicted that bills would be introduced requiring FCC to regulate CATV but they wouldn't become law, that number of CATV systems would increase slightly, that number of subscribers would grow rapidly, that FCC would put crimp in microwaves serving CATV in communities with stations. By and large, those forecasts held up well. We said that "firm engineering standards" would be imposed on boosters; well, they were proposed, anyway. We thought uhf translators would triple (from the 146 operating then). Wrong—only 186 now. The 1950s covered birth & adolescence of both CATV & boosters. Both were fathered by the great freeze of 1948-1952 during which no new stations were authorized—while hinterland folk yearned for the pleasures of this exciting new service. Now, these auxiliary devices bring TV to several million who could get it through no other economical means.

Closed-Circuit TV: Business-&-sales-meeting closed-circuitcasts led the list of the medium's uses in 1959 although non-broadcast hookups were used for everything from the Patterson-Johannson fight to a U.S. govt. surplus auction. Smaller manufacturers like Eagle Pencil Co. joined industrial giants such as Ford Motors, GE & IBM in staging multi-city TV sales hookups, reaching distributors & clients "for as little as \$4 a head." TNT Telesessions, TelePrompTer & NBC Telesales accounted for vast majority of activity, with TNT claiming \$2.75 million in billings, TelePrompTer claiming \$2.5 million (including the championship bout).

Educational TV: As in every year since U. of Houston's venturesome KUHT went bravely on ETV air in 1953, it was year of great hopes—and sharp frustrations—for commercial TV's poor cousin. On up side, biggest development of year—and in it ETV literally started soaring—was start of \$7-million 6-state project by Midwest Council on Airborne TV Instruction. Revved up by \$4.5 million from Ford Foundation (ETV's principal angel), MCATI confidently scheduled ETV flights for Sept. 1960. And at year's end Learning Resources Institute announced multi-million-dollar plans for TV-radio-film research center at Princeton, N.J., to produce ETV courses for CBS, NBC & ABC. On ETV's down side, biggest disappointment was Congressional failure—for second session in row—to pass \$51-million-Federal-aid-to-ETV bill by Sen. Magnuson (D-Wash.). Senate again approved measure, House again let it die. National Defense Education Act meanwhile provided \$3 million in govt. grants for audio-visual research.

ETV made steady if unspectacular progress in 1959. Number of operating stations grew by 10 to 44 among 259 channels (171 uhf) reserved by FCC. Construction got under way on half-dozen more ETV facilities; at least 9 additional communities were in advanced ETV planning phases. National ETV network still was dream, but regional hookups were operating or in prospect in half-dozen states. And National Educational TV & Radio Center set up next best thing to national network—ETV tape operation made possible by \$2.5-million order to Ampex for Videotape recorders to equip most educational stations.



What does 1960 hold in store for TV? Our staff—whose forecasting batting average in the past has been quite high—will go out on its annual limb next week with its predictions for the new year. (For a summary of the home electronics business in 1959, see story on p. 17.)

TV ISN'T WHIPPING BOY—FOR A CHANGE: Federal Trade Commission, which has been in forefront of clean-up-or-else attacks on TV & radio frauds (Vol. 15:51 p6), carried its truth-in-advertising crusade into public indignation rally last week. For broadcasters, biggest & best news coming out of it was that they escaped being tagged as villains again.

Fast-buck boys, gimmick guys and bait-&-switch artists who victimize public were targets of outraged protests at pack-jammed anti-deception conference in Washington's FTC Bldg. (see p. 6). But spokesmen for half-hundred national civic & consumer groups who participated in 2-day sessions voiced no denunciations of broadcasters—and little criticism of TV & radio as such.

NAB's TV Code even came in for praise as example of self-restraining device adopted by advertising medium to help to keep it honest. "Responsibility lies heavily on the business community for obedience to the law," said FTC Chmn. Earl W. Kintner in summarizing proceedings of rally. He pointed with approval to Code Review Board Chmn. Donald H. McGannon's Dec. 18 presentation at FCC program hearing (Vol. 15:51 p1) as sample of what one sector of business community can do to improve itself.

Quiz & payola scandals haven't necessarily been replaced by something else as topic "A" in Washington. But NAB's TV Code staffer Harry H. Ward, who sat in on consumer conference as observer for industry, came away pleased that nobody displayed animus against broadcasters, that TV & radio weren't made whipping boys for sins of out-of-order hucksters. "It was extremely rewarding," he told us.

Congress

CATV-booster hearings in Casper, Wyo. Dec. 15-16, conducted by Sen. McGee (D-Wyo.) of the Senate Commerce communications subcommittee, brought a large turnout. Testimony, similar to that gathered by Sen. Pastore's (D-R.I.) recent Western swing (Vol. 15:44 p9), objected to some of the Commission's specifications—notably the 1-watt ceiling. Station operators again stressed that their greatest objection to CATV is that it can bring in, to compete with local stations, programs unavailable to local stations until later dates—making the stations "second-run theaters." CATV operators insisted that proposed legislation to regulate them is harsh & unnecessary. Though Senate Commerce Committee has served notice it will be hot about TV programming when Congress returns

in Jan. (Vol. 15:47 p5), the CATV-booster subject will not be shoved aside by any means. It's a natural grass-roots issue for many Western Senators. Illustrative of the intensity of feelings in the West was testimony of a CATV-booster feud in Sheridan, Wyo., presented during McGee's hearing. A booster operator found his signal jammed, said he traced it to the home of a CATV engineer, whose wife met him at the door with a shotgun. The CATV operator testified bitterly about the frequent cutting of his cable. But the incidents occurred 2 years ago, and there have been no serious flareups since.

Radio signal experiments to determine properties of the ionosphere will be conducted by the National Bureau of Standards under a new \$130,000 contract with the National Aeronautics & Space Administration.

Advertising

More about

CONSUMERS SPEAK UP: FTC's precedent-making Chmn. Earl W. Kintner last week staged a no-holds-barred, everybody-speak-your-piece rally for representatives of the buying public against advertising & merchandising frauds—and the broadcasting media stood up well under the fireworks (see p. 5).

In the first such anti-deception conference for consumers in FTC's 44-year history, spokesmen for more than 50 national organizations in civic, welfare and labor fields jammed into the FTC Bldg.'s room 432 to voice their gripes and get advice on how to recognize chicanery.

Kintner, following up his recent meeting with network chiefs (Vol. 15:48 p1) and his foray against payola (Vol. 15:51 p6) in FTC's stepped-up campaigns against "trickery in the market place," said at the outset of the 2-day sessions that his agency will "carry a very big stick" of anti-fraud enforcement. He ended the meeting by calling on all U.S. business to take responsibility for ridding itself of questionable practices. Citing NAB's moves to toughen TV & radio codes (Vol. 15:51 p7), he singled out broadcasting as one industry which is trying.

Purpose of the special meeting, Kintner said, was to cement closer relations between consumers & govt. FTC can count on complaints of advertising frauds to pour in from business competitors as well as consumers, he said—"but the most persuasive voice of all" is the consumer's.

There were suggestions at the conference that FTC set up a permanent advisory citizens' group to aid in ad-policing, and Kintner promised to give them "careful consideration." He also said he expects the Bureau of the Budget to endorse a "substantial increase" in FTC's budget, which now allows relatively little money for monitoring of TV & radio commercials.

Summaries of Statements

As for consumer spokesmen themselves, these were some of the brickbats (mixed with bouquets) they tossed out in the conference free-for-all:

Victor H. Nyborg, pres. of the Assn. of Better Business Bureaus: "Sinister, vicious" fictitious pricing & bait advertising practices are "by no means licked," although they aren't as bad as they once were. Newspapers are on the alert (a survey of 219 of them showed they turned down \$8 million worth of unacceptable ads in 1958, he said) and "broadcast media, the local radio & TV stations, likewise endeavor to police the airwaves. And it should be recognized that NAB has done much to eliminate certain types of advertising."

Colston E. Warne, Consumers Union pres.: FTC is stumbling along with "grossly inadequate funds" to guard the consuming public against gyps. The Justice Dept. should get more money for anti-monopoly prosecutions, too.

Dr. Richard L. D. Morse of Kansas State U., speaking for the American Home Economics Assn.: FTC has been "late in taking action," but it's getting more aggressive and consumers may take hope.

Stanley Ruttenberg, AFL-CIO research dir.: What's needed, among other things, is a cabinet-level govt. consumers' dept. Meanwhile, tougher legislation on advertising frauds ought to be passed by Congress. Swindlers thrive among the nation's 4 million unemployed, who are "all too tempting targets" for "help-wanted" rackets.

Edward M. Lockard, Baltimore Better Business Bureau mgr.: Greater coordination between govt. & private groups

is needed for protection against phony advertising. But their approach "should be completely constructive." Otherwise, there is danger of "creating a national neurosis that would cause the feeling that all advertising is suspect."

The consumer conference also heard from FTC staffer Daniel J. Murphy, who gave a lecture on characteristics of advertising & sales tricks, and from Chmn. Raymond Saulnier of President Eisenhower's Council of Economic Advisers, who had first suggested such an FTC meeting. He called for price restraints by industry, wage restraints by labor. "Sometimes when I walk through the shops I wonder if I'm being asked to buy something or purchase an equity in the business," Dr. Saulnier said.

* * *

Sins of advertising can be exorcised by more cooperation by the industry with existing govt. agencies and the Better Business Bureau, exec. committee Chmn. Fairfax M. Cone of Foote, Cone & Belding said in a year-end statement. Citing FCC, FTC, Food & Drug Administration and Post Office Dept., he said, "The cause of truth in advertising already has all the organizations it needs . . . The problem of dishonest & distasteful advertising is not going to be solved either by gentle pressure from the side of the angels or the slow processes of education. And to try to ignore it as a small percentage of all advertising is to be insensitive to right & wrong. The amount of bad advertising is large and it is not diminishing. The only unknown is why the people who could kill it let it live." Pointing out that many newspapers & magazines insist on proofs of advertisers' claims, Cone said that "all the other reputable publishers & all the broadcasters could, too."

In Other Media: Newspapers' deceptions & deficiencies in reporting local & world news were blasted by *Washington Post & Times Herald* editorial page editor Robert H. Estabrook at the U. of Mich. Some deceptions noted by Estabrook: staging photos, manufacturing news via opinion stories, camouflaging the origins of news, inflating speaker's words beyond their meaning . . . Record ad revenue of \$97,614,442 was reaped by *SatEvePost* in 1959, up 11.4% from 1958's \$87,631,791. Sister-publication *Holiday* established revenue & lineage records with its Jan. 1960 issue: \$773,978 & 62,226 lines . . . Dollar & page gains also were notched by *Life*: 1959 ad revenue rose to \$134,300,000 from \$122,600,000 in 1958 on an increase in ad pages to 3,666 from 3,412.

U.S. partners in Nigeria's first indigenous advertising agency, set up to handle accounts in TV, radio, print, outdoor, direct mail and screen media, is sought by managing dir. A. Megafu of Nigerian Advertising Service Ltd., 7 Brown Lane, Ikorodu Rd., PMB 2280, Lagos. The new firm in Nigeria wants capital participation & technical assistance in exchange for a partnership.

New reps: KOTV Tulsa to H-R Television Jan. 1 from Petry. WHTN-TV Huntington to Blair Television Assn. Jan. 1 from Petry. WSWA-TV Harrisonburg, Va. to H-R Television Nov. 1 from Petry.

Ad People: Edward Bodensiek, Irwin C. Roll named Fuller & Smith & Ross vps; Norval LaVene, Frank McKibbin, Donald McKenzie, H. O. Nelson and A. Hayes Busch named vps in new Los Angeles office (Vol. 15:50 p11) . . . Sheldon B. Sosna, ex-Grant Advertising, Chicago, named Doherty, Clifford, Steers & Shenfield vp.

Stations

PAYOLA & INCOME TAXES: Disc jockeys, actors, writers and other broadcast employes are being fired for taking payola & plugola, but that isn't all of their troubles. The Internal Revenue Service is giving special attention to their income tax returns, though IRS refuses to admit it because it's forbidden by an "anti-disclosure statute."

There's no question in anyone's mind that monetary income from any source must be reported. What isn't so well known is IRS policy on acceptance of goods & services.

We asked an IRS specialist for clarification. Basic policy is this: If the goods or services are given in return for services rendered or anticipated, they're income and must be reported. Here's an example given by the spokesman: "Suppose I have 5,000 records in my home. Will any record manufacturer give me some loot to play his label? Of course not."

Suppose the performer insists that the goods are "gifts." Gifts aren't income, needn't be reported. However, the performer must face the possibility that IRS will take the case to court; the job then is to convince the jury.

Suppose a regular advertiser, not a sneak-commercial outfit, carpets an announcer's home or equips his kitchen so that the announcer can do a "better job" with his commercials. Nothing doing, says IRS, it's still income:

"That's like saying that all the manufacturer's research is hogwash. Furthermore, a product doesn't have salability because some personality used it. There are cigaret ads [with] endorsements by celebrities who never smoke!"

If the product is "on loan," it makes no difference. If a car is loaned, and IRS considers it income, it would gauge the amount by finding out what car rental services would charge. The same applies to all products.

What happens if you goof? The mildest punishment is simply the payment of back taxes plus 6% interest. The worst: 5 years imprisonment, \$10,000 fine, plus costs of prosecution—plus, of course, the back taxes & 6%.

* * *

"Payola Week" was plugged by radio WNTA Newark in an out-&-out solicitation for funds—for the Salvation Army Christmas Fund. In a week-long campaign, listeners were invited to coax WNTA DJs into playing favorite records with checks payable to the Army.

International Telecommunications Union concluded its conferences in Geneva Dec. 21, and U.S. delegates report they're pleased with results—none of which have any impact on U.S. TV, AM or FM allocations. Of the large U.S. delegation, FCC Comr. T.A.M. Craven is due in U.S. Jan. 11, at his desk Jan. 15, and Comr. Rosel H. Hyde is scheduled to return "in early Jan," according to their secretaries. No significant change in foreign TV or radio allocations is indicated by the agreements signed by 89 nations, representatives of which have been meeting since Aug. 17. Among the important provisions of the new agreements are allocations for space communications and radio astronomy.

NLRB cease-&-desist order in an unfair labor practice case instituted by the Asociación Puertorriquena de Artistas has been agreed to by *El Mundo's* WKAQ-TV, San Juan. The station stipulated that it would not discourage union activity by its staffers and would reinstate dismissed employe Russell Torres with \$2,500 back pay.

RCA shipped 2-kw transmitter Dec. 17 to WLBT (Ch. 3) Jackson, Miss. planning move to 12 mi. SW of city.

TV Stations Starting During 1959

With List of Those Which Left Air During Year

Listed in order of on-air and off-air dates

TV STATIONS STARTING

Call Letters	City & State	Channel	Date	Network
†KOED-TV	Tulsa, Okla.	11	Jan. 12	—
†KOKH-TV	Oklahoma City, Okla.	25	Feb. 2	—
†KVIE	Sacramento, Cal.	6	March 2	—
†KUAT	Tucson, Ariz.	6	March 8	—
WILX-TV	Onondaga-Lansing, Mich.	10	March 15	NBC
†WMSB	Onondaga-Lansing, Mich.	10	March 15	—
†WQEX	Pittsburgh, Pa.	16	March 20	—
†WNED-TV	Buffalo, N.Y.	8	March 30	—
WCHU	Champaign, Ill.	33	April 24	*
†KDPS-TV	Des Moines, Ia.	10	April 27	—
KPLR-TV	St. Louis, Mo.	11	April 28	None
WTOM-TV	Cheboygan, Mich.	4	May 16	NBC
†WENH-TV	Durham, N.H.	11	June 22	—
KTLE	Pocatello, Ida.	6	July 4	NBC
KHTV	Portland, Ore.	27	July 6	None
WAFB-TV	Huntsville, Ala.	31	Aug. 1	ABC
WDAM-TV	Laurel, Miss.	7	Sept. 3	NBC & ABC
KXGO-TV	Fargo, N.D.	11	Oct. 11	ABC
†WMUB-TV	Oxford, O.	14	Oct. 14	—
KOMC	McCook, Neb.	8	Oct. 16	**
WABG-TV	Greenwood, Miss.	6	Oct. 20	CBS
KNDO	Yakima, Wash.	23	Oct. 15	ABC
KVUE	Sacramento, Cal.	40	Nov. 1	None
KLYD-TV	Bakersfield, Cal.	17	Nov. 8	ABC

† Educational, non-commercial outlet. * NBC-TV & ABC-TV from parent WICS Springfield, Ill. ** NBC-TV from parent KCKT Great Bend, Kan.

TV STATIONS LEAVING AIR IN 1959

Call Letters	City & State	Channel	Off-Air	Network
KXLJ-TV	Helena, Mont.	12	Feb. 5	1
WXIX	Milwaukee, Wis.	18	March 31	CBS
WFAM-TV	Lafayette, Ind.	56	May 15	CBS & NBC
KULR	Kalispell, Mont.	9	May 27	CBS & NBC
KSPR-TV	Casper, Wyo.	6	July 21	CBS
KTES ²	Nacogdoches, Tex.	19	Aug. 25	ABC
WBPZ-TV	Lock Haven, Pa.	32	Sept. 4	ABC
KHTV	Portland, Ore.	27	Nov. 1	None

¹ ABC, CBS & NBC from parent KXLJ-TV, Butte, Mont. ² Plans to resume operation Jan. 15, 1960 with completion of microwave for network pick up.

OFF-AIR TV STATIONS RESUMING OPERATION IN 1959

Call Letters	City & State	Channel	Resumed	Network
WHCT	Hartford, Conn.	18	Jan. 24	None
WXIX	Milwaukee, Wis.	18	July 20	None
WFAM-TV	Lafayette, Ind.	18 ³	Nov. 15	CBS
KXLJ-TV	Helena, Mont.	12 ⁴	Aug. 6	see ¹ above

³ Formerly Ch. 56. ⁴ Returned to air after owner Ed Craney was successful in keeping Helena CATV system from carrying programs of out-of-state TV stations (Vol. 15:33, 36).

1959 CANADIAN TV STARTERS

Call Letters	City & State	Channel	Date	Network
CJDC-TV	Dawson Creek, B.C.	5	Jan. 15	CBC
CBYT	Corner Brook, Nfld.	5	Jan. 18	CBC
CHAB-TV	Moose Jaw, Sask.	4	July 7	CBC
CJSS-TV	Cornwall, Ont.	8	Oct. 18	CBC
CJCB-TV-1	Inverness, N.S.	6	Nov. 8	⁵
CBAFT	Moncton, N.B.	11	Dec. 21	CBC

⁵ CBC from parent CJCB-TV Sydney, N.S.

TV quiz scandal was chosen as 5th biggest news story of 1959 by both AP editors & UPI newspaper clients. Both polls picked Khrushchev's visit to U.S. as the No. 1 story, the Russian moon rockets as No. 2. AP editors selected Castro's ouster of the Batista regime as No. 3 and the steel strike as No. 4, UPI's survey naming the same 2 stories as 3rd & 4th but in the reverse order. AP's poll named Charles Van Doren as the year's top newsmaker in the entertainment field.

New & Upcoming Stations: CBAFT (Ch. 11) Moncton, N.B., CBC's third o&o French-language outlet began operation Dec. 21, joining CBFT (Ch. 2) Montreal, Que. & CBOFT (Ch. 9) Ottawa, Ont. One of several low-power outlets planned by CBC, CBAFT has RCA transmitter & 6-slot wavestack antenna on 128-ft. tower. As microwave connection with French network via Rimouski, Que. won't be ready until Jan. 1, 1961, live French network programming will be available only from 4-6:15 p.m., Mon.-Fri., when station will use present English microwave facilities of privately-owned KKCW-TV (Ch. 2) Moncton. Remainder of programming will consist of kines & film and local shows. CBAFT is CBC's 8th o&o, Canada's 63rd outlet. Without a single U.S. grantee attempting to get on the air before Christmas—for first time since 1952—U.S. on-air total remains unchanged at 559 (85 uhf).

* * *

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

KNBS (Ch. 22) Walla Walla, Wash. expects to start Jan. 3 with ABC-TV, reports Warren L. Gray, pres.-gen. mgr. & 32% owner. It has a 12-kw GE transmitter and a 100-ft. guyed Utility tower with helical antenna on Pike's Peak. Base hour is \$250. Rep is Weed.

WGTV (Ch. 8, educational) Athens, Ga. has a tentative March 1 programming target, reports chief engineer Edward Graham for grantee U. of Ga. Walls & roof are up for a building to house a 25-kw RCA transmitter scheduled for Jan. 1 delivery. Stainless 1000-ft. tower, half way up, will have superturnstile antenna. The station will be part of \$2,500,000 Center for Continuing Education.

WJPB-TV (Ch. 5) Weston, W.Va. plans to begin programming March 31 with ABC-TV & CBS-TV, writes J. Patrick Beacom, pres.-exec. dir. and 50% owner. Option for the other 50% has been exercised by Pittsburgh Pirates vp Thomas P. Johnson on behalf of Telecasting Inc., licensee of off-air WEWS Pittsburgh, which paid \$200,000 for its share. Beacom states it is the first commercial CP to be awarded for a channel formerly reserved for educational use. WJPB-TV plans to offer ETV 10-15% of daytime hours, with 3-man committee of W.Va. educators advising on this phase of the operation. It will use GE transmitter & Blaw-Knox tower on Fisher Summit. Studios in new 2-story building at 400 Quincy St., Fairmont, are ready; an auxiliary studio will be built at the transmitter site. Numa Fabre Jr. will be commercial mgr.; J. C. Strelauski, engineering dir.; Byron Parrish, programming & film dir.; Phil Bracken, news dir. Gil-Perna will be rep.

WIPM-TV (Ch. 3) Mayaguez, P.R. has an RCA transmitter on hand and still hopes to meet its March programming target as a non-commercial outlet, reports R. Delgado Marquez, mgr. of WIPR-TV (Ch. 6, educational) San Juan, which is also owned by P.R. Dept. of Education. It has ordered 202-ft. Ideco tower.

KTWX-TV (Ch. 9) Sheridan, Wyo., expecting to start next summer, has ordered a 500-watt RCA transmitter for delivery in 60 days, reports Pres. Burt I Harris, also pres. of Harriscop Inc., TV producer & packager. Building construction hasn't begun as yet, but plans are to use a 115-ft. Ideco tower. KTWX-TV owners also operate KTOW-TV (Ch. 2) Casper, Wyo. Rep will be Meeker.

KSOO-TV (Ch. 13) Sioux Falls, S.D. expects to receive 25-kw RCA transmitter in Feb., but hasn't set definite target according to Pres. Morton H. Henkin. Foundations have been poured for studio-transmitter building and base has been excavated for tower. It expects to be affiliated with NBC-TV. Rep not chosen.

Sale of balance of KGMB-TV & KGMB Honolulu, along with KHBC-TV & KHBC Hilo and KMAU-TV Wailuku, from Hialand Development Corp. to Honolulu Star-Bulletin Ltd. (which had held 24.55%), for \$2,354,066, has been approved by FCC. The Commission's conditions require that: (1) "Herbert M. Richards dispose of (a) his directorships and any other interests in *Honolulu Star-Bulletin* and in the Hawaiian Trust Co. Ltd., or (b) his stock interest & creditor interest in Radio Honolulu Ltd. (KONA-TV) Honolulu, by sale to someone not in family or business privity with him of all stock in said licensee and of all of the debentures of said company presently owned by him; and (2) Robert R. Midkiff dispose of (a) his officer & directorship interests in the Hawaiian Trust Co. Ltd. or (b) his directorship in Advertiser Publishing Co. Ltd. (AM station KGU) Honolulu, and the owner of about 49% of stock of Radio Honolulu Ltd. (KONA-TV) Honolulu."

Wildest financial statement of the year has been submitted by WICC-TV Bridgeport (Ch. 43), which claims to be both viewerless & "the poorest station in the U.S." It backs its claim by reporting a gross of only \$1,900 for Jan.-Oct. More devastating, it broadcast 20 announcements during prime evening time one week offering \$100 to the first viewer who called. "Not one viewer called in," reports gen. mgr. Russell F. Adams. Smoke-screened by this spotlight on failure, however, was the real story: uhf WICC-TV's continuing fight to get a vhf drop-in. "We put out this release to dramatize the impossibility of a uhf station in a market served by 9 vhf stations," Pres. Kenneth M. Cooper told us. "It costs us \$20,000 a year to keep WICC-TV going," he said, "and we exist only because we have a very profitable radio station." He said radio WICC has the odd distinction of offering rates 3½ times higher than those of its TV sister. Cooper said WICC-TV has lost some \$500,000 since it began operations in 1953, but will continue to operate and press for a vhf channel.

Board of Broadcast Governors has extended its committee operations within the Canadian TV & radio industry. First it started with a consultative committee on private broadcasting, covering all stations privately owned & operated. Now it has set up a consultative committee on public broadcasting with membership from the government-owned Canadian Broadcasting Corporation and the BBG. Another, the consultative committee on advertising, brings together representatives of BBG, CBC, Assn. of Canadian Advertisers, Canadian Assn. of Ad Agencies, and Canadian Assn. of Broadcasters. BBG Chairman Dr. Andrew Stewart says the 3 committees will be clearing houses for ideas and problems to let everyone see all points of view and seek the best solutions. The committees are strictly unofficial & advisory, but will serve to bring the regulator & the regulatee together to swap views.

Site shift of KBAK-TV (Ch. 29) Bakersfield, Cal. will go to hearing, FCC ordered, following the protest by KLYD-TV (Ch. 17). KBAK-TV planned to move from 6 miles N. of Bakersfield to Breckenridge Mountain, 24 miles ENE, hike power from 19.2 to 120 kw, height from 630 to 3,690 ft.

KXII-TV (Ch. 12) Ardmore, Okla. has been granted permission to identify itself also with Sherman & Denison, Tex. Comr. Bartley dissented.

Unusual statistical happenstance of 11 consecutive births of girls to employes of WJRT Flint has finally been broken—it's a boy for engineer & Mrs. Leon Short.

FCC's FM stereo deadline for filing comments was extended to March 15 at request of EIA (Vol. 15:50 p8).

Film & Tape

More about

FILM—PROSPEROUS BUT TROUBLED: Untouched by the Washington TV investigations, Hollywood telefilm companies nonetheless had more than their customary share of headaches in 1959. But the industry benefited from the continued diminution of live TV and from TV's insatiable appetite for programming.

While some industry executives alibied that "everything can't be good," this was scarcely an adequate reply to the widespread criticism that a microscopic amount of film TV is good and that the vast bulk is of B-picture quality and sadly lacking in originality. Viewers weren't expecting "everything" to be good; they would settle for far less—but critics said they weren't getting it.

The triteness of the new season's programming dates back to last spring's buying period, when uncertain sponsors & ad agencies took the easy way out. They bought more Westerns, more private eyes, more action series. Result: TV had a record-shattering 47 action series on the networks—and public revulsion against this preponderance of violence set in. The TV film executives have a point when they say this is the only programming they can sell—and why offer something else if there are to be no takers? By year's end, however, it's now conceded both within ad agency & production circles that violence & Westerns have been overdone and it's time to say "Whoa!"

Many 60-Min. Program Failures

TV guessed wrong last year when it decided to go-for-broke on 60-min. series. This guess, made by networks mainly, was based on the success of *Wagon Train*, *77 Sunset Strip* and *Maverick*. But it has now been learned the hard way that it's not the length of a show that counts, but the content. Consequently the new 60-min. entries headed the casualty list at year's end—CBS-TV's *The Lineup* and 20th-Fox TV's *5 Fingers*, and *Desilu Westinghouse Playhouse* whose sponsor cut to alternating weeks.

Major-studio film TV had a bad year. Warner Bros., which had enjoyed 2 big hits in 1958 with *Maverick* and *77 Sunset Strip*, had its troubles in 1959 although its volume rose to 10 series. None of its new ones displayed signs of achieving real success, a number are headed for TV's ashcan, and one holdover, *Maverick*, was being outrated by upstart newcomer *Dennis the Menace*. In addition, WB encountered more star problems than any studio in Hollywood. Edd (Kookie) Byrnes walked out of *77 Sunset Strip* and Wayde Preston deserted *Colt .45* because they believed themselves underpaid. WB got into trouble, too, with the Screen Actors Guild for admitted violations of the SAG contract, paid a large sum.

The second major-studio trouble-spot was 20th Century-Fox TV, where much had been expected under the supervision of production chief Martin Manulis, ex-*Playhouse 90* producer. While 20th made some quick sales, its series were disappointing, with the sole exception of *The Many Loves of Dobie Gillis*, which appeared assured of a good year. The highly-touted & expensive 60-min. *Adventures in Paradise* can claim the dubious distinction of being the year's biggest flop. *Stablemate 5 Fingers*, also 60-min., has already been cancelled. At year's end, Manulis was to move into feature-film production, with 20th-Fox TV Pres. Peter Levathes heading the TV operation.

Screen Gems, Columbia's subsidiary, had one of the few good new entries, *Dennis the Menace*, a sleeper which climbed well in the ratings. MGM-TV had no production,

having lost *The Thin Man* last spring. Walt Disney Productions added no new entries to its 60-min. series on ABC-TV. Its *Zorro* folded last spring. Paramount and Allied Artists are preparing their respective entries into TV.

Because the major studios generally failed to deliver, most of the production came from the independents, who ruled Hollywood TV film as never before. Still No. 1 is Revue Productions, the MCA subsidiary, with 16 series in production. Revue, quartered in its own studio (the lot formerly owned by Universal-International) is by far the dominant company in TV film.

Another independent, Four Star Television, and Warners, tied for runner-up in 1959. Each has 10 series. Screen Gems, Ziv TV, CBS-TV and Desilu Productions were other companies with volume.

For some companies the gloom spread thick in 1959. Foremost among them was the once-prosperous studio of Hal Roach Jr., a pioneer producer in TV. Involved in intricate financial dealings with Alexander Guterman, Roach found himself in difficulties and his studio went into bankruptcy. Other bleak situations prevailed at Jack Webb's Mark VII, another veteran outfit which had no production for the new season which began last fall; MGM-TV, no series; and McCadden Productions (the George Burns-Gracie Allen company), no production.

Small but prosperous Spartan Productions, had only 2 series, *Peter Gunn* and *Mr. Lucky*, but both did well.

One interesting development in Hollywood TV film during 1959 was the dickering by NT&T to buy controlling stock of Desilu Productions. "The house that Lucy built," formed in 1951, had mushroomed over the years. But when Arnaz acquired the RKO Gower and Culver City studios in 1958, formidable problems of finding enough shows to fill the 35 stages (including Desilu Cahuenga) loomed up. Just last week, Desi & Lucy decided not to sell (see p. 14).

Another TV pioneer, Four Star Television, moved to Republic studios where it rented most of its facilities in 1959. Steady growth now sends Pres. Dick Powell in search of an additional studio.

"The fabulous 50s" were a period of remarkable physical & financial growth for the TV film industry. In 1951, three series were born to remarkable success—Desilu's *I Love Lucy*, Jack Webb's *Dragnet*, and Four Star's *Four Star Playhouse*—and from this trio stemmed much of the industry's current prosperity. In a sense, the story of the 3 is the story of TV film. Four Star has built its flourishing company from that original series; Desilu built an empire on the antics of Lucy & Desi, but has never re-achieved a *Lucy*; and Webb and his Mark VII have nothing before the cameras today. Revue Productions, on the other hand, was formed in 1950 and had no hit series, but today is kingpin of the industry.

Physically, TV film in the '50s strode in 7-league boots. But in moving toward quality, it wore baby shoes.

Our Chart of Network Film Producers: Hollywood's producers of filmed series for the networks are listed in the specially-prepared production chart on p. 10 of this issue. Some big names are not included because they are not currently producing a network series or have no production whatsoever. Revue leads the chart with 13 network series; Four Star is runnerup with 12 (but *Wichita Town*, which it produces for the Mirisch-McCrea Co., has been cancelled). Warner Bros. is 3rd with 10 series, while Screen Gems and CBS-TV each follow with 7. (One of CBS-TV's shows, *The Lineup*, has been cancelled.)

BACKGROUND No. 6

PRODUCERS OF NETWORK SERIES—December 1959

PRODUCTION CO.	STUDIO	SERIES	NET, DAY & TIME	PRODUCER	STARS	TYPE	YEARS on TV
Revue Studios Taft Schreiber, pres. Alan Miller, vp for production	Revue	<i>Alfred Hitchcock Presents</i> <i>Wagon Train</i> <i>GE Theatre</i> <i>Laramie</i> <i>Johnny Staccato</i> <i>Leave It to Beaver</i> <i>Riverboat</i> <i>Bachelor Father</i> <i>The Deputy</i> <i>M Squad</i> <i>Wells Fargo</i> <i>Markham</i> <i>Overland Stage</i>	CBS, Sun. 9:30 p.m. NBC, Wed. 7:30 p.m. CBS, Sun. 9 p.m. NBC, Tues. 7:30 p.m. NBC, Thur. 8:30 p.m. ABC, Sat. 8:30 p.m. NBC, (Being shifted) NBC, Thur. 9 p.m. NBC, Sat. 9 p.m. NBC, Fri. 9:30 p.m. NBC, Mon. 8:30 p.m. CBS, Sat. 10:30 p.m. NBC, time not set	Joan Harrison Howard Christie Harry Tugend John Champion William Frye, Everett Chambers Joseph Connelly, Robert Mosher John Larkin Everett Freeman William Frye, Michael Kraike Maxwell Shane Nat Holt Joseph Sistrum, Warren Duff Nat Holt	Ward Bond, Robert Horton Robert Fuller, John Smith, Hoagy Carmichael John Cassavetes Barbara Billingsley, Hugh Beaumont, Tony Dow, Jerry Mathers Burt Reynolds, Darren McGavin John Forsythe, Noreen Corcoran, Samnee Tong, Jimmy Boyd Henry Fonda, Allen Case Lee Marvin Dale Robertson Ray Milland William Bendix	Anthology Western Anthology Western Private Eye Comedy Action Comedy Western Action Western Mystery Western	4 4 4 1 1 3 1 3 1 3 4 1 1
Four Star Television Dick Powell, pres. Thomas McDermott, exec. vp for production	Republic	<i>Dick Powell's Zane Grey Theatre</i> <i>Wanted—Dead or Alive</i> <i>DuPont Show With June Allyson</i> <i>Johnny Ringo</i> <i>The Rifleman</i> <i>The Detectives</i> <i>Black Saddle</i> <i>Richard Diamond, Private Detective</i> <i>Law of the Plainsman</i> <i>Wichita Town</i> <i>The Tom Ewell Show</i> <i>Cowhand</i>	CBS, Thur. 9 p.m. CBS, Sat. 8:30 p.m. CBS, Mon. 10:30 p.m. CBS, Thur. 8:30 p.m. ABC, Tues. 9 p.m. ABC, Fri. 10 p.m. ABC, Fri. 10:30 p.m. NBC, Mon. 7:30 p.m. NBC, Thur. 7:30 p.m. NBC, Wed. 10:30 p.m. CBS, time not set NBC, time not set	Hal Hudson John Robinson Four Star Aaron Spelling Jules Levy, Arthur Gardner Arthur Gardner, Jules Levy, Arnold Laven Antony Ellis Vincent Fennelly Peter Packer Mirisch-McCrea Prod. (Not yet appointed.) Sam Peckinpah	Steve McQueen June Allyson Don Durant, Mark Goddard, Karen Sharpe, Terance deMarney Chuck Connors, Johnny Crawford Robert Taylor Peter Breck David Janssen Michael Ansara Joel McCrea Tom Ewell Brian Keith	Western Anthology Western Western Western Action Western Private Eye Western Western Comedy Western	4 2 1 1 2 1 1 3 1 3 1 1
Warner Bros. Jack L. Warner, pres. William T. Orr, exec. producer	Warner Bros.	<i>Colt .45</i> <i>Maverick</i> <i>Lawman</i> <i>The Alaskans</i> <i>Cheyenne</i> <i>Bourbon Street Beat</i> <i>Bronco</i> <i>Sugarfoot</i> <i>Hawaitan Eye</i> <i>77 Sunset Strip</i>	ABC, Sun. 7 p.m. ABC, Sun. 7:30 p.m. ABC, Sun. 8:30 p.m. ABC, Sun. 9:30 p.m. ABC, Mon. 7:30 p.m. ABC, Mon. 8:30 p.m. ABC, alt. Tues. 7:30 p.m. ABC, alt. Tues. 7:30 p.m. ABC, Wed. 9 p.m. ABC, Fri. 9 p.m.	Cedric Francis Coles Trapnell Jules Schermer Boris Ingster Arthur Silver Charles Hoffman Arthur Silver Bert Dunne Stanley Niss Howie Horwitz	Wayde Preston, Donald May James Garner, Jack Kelly John Russell, Peter Brown, Peggie Castle Roger Moore, Dorothy Provine, Jeff York Clint Walker Richard Long, Andrew Duggan, Arlene Howell, Van Williams Ty Hardin Will Hutchins Tony Esley, Boh Conrad, Connie Stevens, Poncie Ponce Efrem Zimbalist Jr., Roger Smith, Edd Byrnes	Western Western Western Action Western Private Eye Western Western Private Eye Private Eye Private Eye	3 3 2 1 5 1 1 3 1 1 2

Screen Gems Abe Schneider, pres. William Dozier, vp for West Coast oper. Harry Ackerman, vp & exec. producer	Columbia	<i>Dennis the Menace</i> <i>Man from Blackhawk Tightrope</i> <i>Alcoa-Goodyear Theatre</i> <i>The Donna Reed Show</i> <i>World Championship Golf</i> <i>Father Knows Best</i>	CBS, Sun. 7:30 p.m. ABC, Fri. 8:30 p.m. CBS, Tues. 9 p.m. NBC, Mon. 9:30 p.m. ABC, Thur. 8 p.m. NBC, Sun. 4:30 p.m. CBS, Mon. 8:30 p.m.	James Fonda Matt Rapp Clarence Greene, Russell Rouse William Sackheim, Winston O'Keefe, Tony Wilson Tony Owen Fred Briskin, Mitchell J. Hamilburg Eugene B. Rodney	Jay North, Herbert Anderson, Gloria Henry, Joseph Kearns, Sylvia Field, Gil Smith, Robert Rockwell Mike Connors Donna Reed, Carl Betz, Shelley Fabares, Paul Petersen Robert Young, Jane Wyatt, Elinor Donahue, Billy Gray, Lauren Chapin	Comedy Western Melodrama Anthology Comedy Sports Comedy	1 1 1 2 2 1 6
CBS-TV Guy della Cioppa, vp for West Coast programming (with Cayuga Productions) (with Paisano Productions)	Metro Cal. Studios Cal. Studios Metro General Service Cal. Studios Cal. Studios	<i>Rawhide</i> <i>Have Gun, Will Travel</i> <i>Hotel de Paris</i> <i>Twilight Zone</i> <i>Perry Mason</i> <i>Cunsmoke The Lineup</i>	CBS, Fri. 7:30 p.m. CBS, Sat. 9:30 p.m. CBS, Fri. 8:30 p.m. CBS, Fri. 10 p.m. CBS, Sat. 7:30 p.m. CBS, Sat. 10 p.m. CBS, Wed. 7:30 p.m.	Charles Marquis Warren Ben Brady Sam Rolfe Rod Seiling Herbert Hirschmann Norman Macdonnell Edgar Peterson	Eric Fleming, Clint Eastwood Richard Boone Earl Holliman Raymond Burr, Barbara Hale, William Hopper, William Talman, Ray Collins James Arness Warner Anderson	Western Western Western Anthology Mystery Western Action	2 3 1 1 3 5 6
Desilu Productions Desi Arnaz, pres. Lucille Ball, vp (with Anso Productions) (with Rorvic)	Desilu Gower Desilu Gower Desilu Gower Desilu Culver	<i>The Untouchables</i> <i>Desilu Playhouse</i> <i>Ann Sothern Show</i> <i>The Texan</i>	ABC, Thur. 9:30 p.m. CBS, Fri. 9 p.m. CBS, Mon. 9:30 p.m. CBS, Mon. 8 p.m.	Quinn Martin Bert Granet Devery Freeman Rory Calhoun, Victor M. Orsatti	Robert Stack Ann Sothern Rory Caloun	Action Anthology Comedy Western	1 3 2 2
Ziv TV Frederic W. Ziv, chmn. John L. Sinn, pres. Maurice Unger, vp for West Coast operations	Ziv TV	<i>Bat Masterson</i> <i>Men Into Space</i> <i>The Man & the Challenge</i>	NBC, 1 hr. 8 p.m. CBS, Wed. 8:30 p.m. NBC, Sat. 8:30 p.m.	Frank Pittman, Andy White Lewis J. Rachmil Ivan Tors	Gene Barry William Lundigan George Nader	Western Adventure Adventure	2 1 1
20th-Fox Television Peter Levathes, pres. Martin Manulis, exec. head of production	20th-Fox	<i>5 Fingers</i> <i>Adventures in Paradise</i> <i>Mary Loves of Dobie Gillis</i>	NBC, Sat. 9:30 p.m. ABC, Mon. 9:30 p.m. CBS, Tues. 7:30 p.m.	Herbert Swope Jr. Dominick Dunne, Richard Goldstone Rod Amateau	David Hedison, Luciana Paluzzi Gardner McKay, Weaver Levy Dwayne Hickman, Frank Faylen, Florida Friebus	Adventure Adventure Comedy	1 1 1
United Artists Television Herbert L. Golden, pres. Bruce Eells, exec. vp (with Cypress Productions)	Republic Hal Roach	<i>The Troubleshooters</i> <i>Dennis O'Keefe Show</i>	NBC, Fri. 8 p.m. CBS, Tues. 8 p.m.	Frank P. Rosenberg Les Hafner	Keenan Wynn, Robert Mathias Dennis O'Keefe	Action Comedy	1 1
Spartan Productions Gordon Oliver, exec. producer	Metro	<i>Peter Gunn</i> <i>Mr. Lucky</i>	NBC, Mon. 9 p.m. CBS, Sat. 9 p.m.	Blake Edwards Jack Arnold	Craig Stevens, Lola Albright John Vivyan, Ross Martin, Pippa Scott	Private Eye Adventure	2 1
NBC-TV Alan Livingston, vp. for West Coast programs	Paramount Metro	<i>Bonanza</i> <i>Fibber McGee & Molly</i>	NBC, Sat. 7:30 p.m. NBC, Tues. 8:30 p.m.	David Dortort Bill Asher	Lorne Greene, Pernell Roberts, Dan Blocker, Michael Landon Bob Sweeney, Cathy Lewis	Western Comedy	1 1
Goodson-Todman Harris Kettleman, vp (with Fen-Ker-Ada Productions) (with Cal. National)	Paramount Metro	<i>The Rebel</i> <i>Philip Marlowe</i>	ABC, Sun. 9 p.m. ABC, Tues. 9:30 p.m.	Andrew Fenady Gene Wang	Nick Adams Philip Carey	Western Private Eye	1 1

PRODUCTION CO.	STUDIO	SERIES	NET, DAY & TIME	PRODUCER	STARS	TYPE	YEARS on TV
John Guedel Productions	NBC Linkletter Playhouse	<i>You Bet Your Life</i> <i>People Are Funny</i>	NBC, Thur. 10 p.m. NBC, Fri. 10 p.m.	John Guedel John Guedel	Groucho Marx Art Linkletter	Comedy Comedy	9 6
Brennan-Westgate Productions Irving Pincus, pres. of Westgate Productions Walter Brennan, pres of Walter Brennan Enterprises	Desilu Culver	<i>The Real McCoys</i>	ABC, Thur. 8:30 p.m.	Irving Pincus	Walter Brennan, Dick Crenna, Kathy Nolan	Comedy	3
Walt Disney Productions Walter E. Disney, chmn. Roy O. Disney, pres.	Disney	<i>Walt Disney Presents</i>	ABC, Fri. 7:30 p.m.	Walt Disney	Leslie Nielsen, Robert Loggia, Tom Tryon	Adventure	6
Man With a Camera Productions Donald Sharpe, pres. Warren Lewis, vp	Desilu Culver	<i>Man With a Camera</i>	ABC, Mon. 10:30 p.m.	Jason Bernie	Charles Bronson	Action	2
Lassie Television Inc. J. D. Wrather Jr., pres. Sherman A. Harris, vp	Desilu Gower	<i>Lassie</i>	CBS, Sun. 7 p.m.	Robert Golden	Lassie, Jon Provost, June Lockhart, Hugh Reilly	Drama	6
Independent Television Corp. J. D. Wrather Jr., chmn. Walter Kingsley, pres.	Desilu Gower	<i>The Gale Storm Show</i>	ABC, Wed. 7:30 p.m.	Lou Derman	Gale Storm, ZaSu Pitts, Roy Roberts	Comedy	4
Hutton Productions (joint venture of Stan- ley Roberts Produc- tions & Jupiter Pro- ductions) Eli Parker, pres. Betty Hutton, secy. (Jupiter)	Desilu Culver	<i>Goldie</i>	CBS, Thur. 8 p.m.	Marvin Marx	Betty Hutton	Comedy	1
Blue Jay Productions Jerry Staggs, pres.-treas. Maxine Staggs, vp	Hal Roach	<i>High Road With John Gunther</i>	ABC, Sat. 8 p.m.	Jerry Staggs	John Gunther	Travel	1
One Step Beyond Prod. Collier Young, pres. Larry Marcus, vp	Metro	<i>Alcoa Presents</i>	ABC, Tues. 10 p.m.	Collier Young	—	Fantasy	2
Toreto Enterprises Loretta Young, pres. J. S. Wayne, vp	Goldwyn	<i>The Loretta Young Show</i>	NBC, Sun. 10 p.m.	John London	Loretta Young	Drama	7
The Hennessy Co. Don McGuire, vp Jackie Cooper, secy.-treas.	General Service	<i>Hennessy</i>	CBS, Mon. 10 p.m.	Don McGuire, Jackie Cooper	Jackie Cooper	Comedy	1

Jack Chertok Television Inc. Jack Chertok, pres.	Metro	<i>The Lawless Years</i>	NBC, Thur. 10:30 p.m.	Jack Chertok	James Gregory	Action	1
Don Fedderson Prod. Don Fedderson, pres. Fred Henry, vp	Desilu Gower	<i>The Millionaire</i>	CBS, Wed. 9 p.m.	Don Fedderson	—	Anthology	6
Marterto Enterprises Danny Thomas, pres. Rose Marie Thomas, vp	Desilu Cahuenga	<i>The Danny Thomas Show</i>	CBS, Mon. 9 p.m.	Sheldon Leonard	Danny Thomas	Comedy	7
Stage Five, Prod. Leo Papin, pres.	General Service	<i>Adventures of Ozzie & Harriet</i>	ABC, Wed. 8:30 p.m.	Ozzie Nelson	Ozzie Nelson, Harriet Nelson, David Nelson, Rick Nelson	Comedy	8
Wyatt Earp Enterprises Robert Sisk, pres.	Desilu Gower	<i>Wyatt Earp</i>	ABC, Tues. 8:30 p.m.	Robert Sisk	Hugh O'Brian	Western	5
Louis F. Edelman Enterprises Louis F. Edelman, pres. Rita Edelman, vp	Desilu Cahuenga	<i>Love & Marriage</i>	NBC, Mon. 8 p.m.	P. J. Wolfson	Bill Demarest, Kay Armen, Stubby Kaye	Comedy	1

HOLLYWOOD ROUNDUP

Six more "Riverboat" segments have been ordered by NBC. This will bring the 60-min. Revue series to 26 and take it into the spring.

Four Star TV plans a 60-min. pilot, *Michael Shayne*. Will Rogers Jr. will host the syndicated runs of *Death Valley Days*, to be distributed under the title, *The Pioneers* . . . New Screen Gems projects: *The Adventures of Tom Sawyer* and *The Adventures of Huckleberry Finn* . . . Rod Serling's Cayuga Productions plans pilot production of a comedy-fantasy, *Mr. Bevis* . . . Jack Emanuel, ex-Warner Bros. story ed., named story editor, NBC-TV, Pacific div.

Desilu Productions, Lucille Ball, Westinghouse Electric Corp., CBS and Don W. Sharpe have been named defendants in a \$150,000 suit filed in U.S. District Court in Los Angeles by Edwin Lanham. He claims copyright infringement & breach of contract in the telecast of *K. O. Kitty*, in which Miss Ball starred, on the *Desilu Playhouse* anthology series last season (CBS Nov. 17, 1958). He alleges his *Collier's* magazine story was submitted to the defendants & copied by them in the telecast.

Producer Irving Pincus (*The Real McCoys*) will put a pilot, tentatively titled *By George*, into production in Jan. It's a comedy . . . Another comedy pilot, this one starring Joey Bishop, also probably will be filmed in Jan. It's being financed by Danny Thomas, Louis F. Edelman, Sheldon Leonard, Arthur Julian and P. J. Wolfson.

Edward Dukoff, who resigned as president of Betty Hutton's Jupiter Productions following policy differences, is now settling his contract as her manager . . . Manny Rosenberg will produce a situation-comedy starring Yale Wexler for Roncom Productions. The pilot starts in Jan.

Ex-Universal-International producer Edmond Chevie has joined the staff of Talent Associates in N.Y.

NEW YORK ROUNDUP

Screen Gems' European sales operation will now be conducted from new London HQ with George Blaug, European sales supervisor, moving over from Paris. Blaug will continue to supervise sales activities in SG's Paris, Rome, Brussels, Madrid & Frankfurt offices, and in North Africa and the Near East.

NBC-TV's filmed *Project 20* presentation of "Mark Twain's America," set for April 22 telecast, represents a monumental digging job by an NBC public-affairs team. Utilizing the semi-animation techniques of the "Meet Mr. Lincoln" special, the Mark Twain show will use 3,500 pictures selected from 350,000 engravings & photographs examined in archives & libraries throughout the country by picture research dir. Daniel M. Jones. The pictures will be coupled with narrative text taken from Twain's own accounts of his life & times.

NBC is initiating movie-type screen tests Dec. 29 in the network's Radio City studios "to discover new young TV talent." Kinescope recordings of performances of 5 actors & actresses will be produced by Frank Telford & Preston Wood and viewed by NBC-TV program executives.

Desilu Sale Negotiations Off: Desilu Productions' controlling stock, owned by Pres. Desi Arnaz and his wife, Lucille Ball, is not for sale, the pair has advised NT&T Pres. B. Gerald Cantor. This ended the talks aimed at acquisition of the telefilm company (Vol. 15:50 p12, 45 p16).

After an NT&T board meeting, Cantor met with Arnaz and Desilu exec. vp Martin Leeds and was informed the pair had decided not to sell their 49% ownership in Desilu. According to Arnaz and Cantor, no firm offer was made for Desilu. Said a joint release by Arnaz and Cantor: "However, it was decided each of the companies, maintaining their independence, will continue to develop their current mutually successful relationship in which Desilu produces and NTA distributes properties in which they have a joint interest. NTA and Desilu have joint interests in 300 half-hours, films of series such as *U.S. Marshal*, *Grand Jury*, *Sheriff of Cochise* and *Walter Winchell File*.

When we asked Arnaz why he & his wife had decided not to sell, he replied: "We are happy with our company. Our future looks brighter than ever and next year should be our best. The company doubled its income this year. I'm only 42, and I don't want to quit." Regarding the NT&T, he said: "I'll listen. That's always been my policy."

Desilu is planning for 1960 its most ambitious production schedule—a program encompassing several new 60-min. and 30-min. series, some to be made in association with networks. It also plans European co-production of movies. Cantor told us there will be an expanded program of Desilu series made for NTA distribution and that NT&T is not contemplating buying any other TV film company.

CBS-TV Creative Control: Hollywood producers disagree whether effects are being felt of a CBS-TV clamping-down on creative control of film series. At a time when a number of pilots with CBS-TV financing are in the works, this is a particularly pertinent situation. One producer who preferred not to be identified, showed us a communique from a CBS-TV executive announcing that a certain project was to be dropped because the producer wouldn't surrender creative control. Another said CBS-TV is insisting that since it has responsibility for programs on the network, it should have control of content. A third said, "There is a lot of apprehension that the network will seek complete creative control." Some producers have offered the network the alternative of "consultative" control, but this was turned down. On the other hand, some producers with network shows have not been advised of any change. Guy Della-Cioppa, CBS-TV vp, Hollywood, asked by us about network policy on control, said: "We are more concerned in terms of program balance. We have strengthened our creative control, but this depends on how you define that. If you mean in terms of broadcast policy, we have. But if you mean in terms of entertainment values, we have not changed. This depends on each show & the people we work with. In some cases we insist on control, in some we don't."

Academy of TV Arts & Sciences "Close-up 1960" dinner-show will take place Jan. 8 in the grand ballroom of N.Y.'s Hotel Astor instead of the previously-announced Waldorf-Astoria. The show will be "a lampoon of the TV industry entitled 'Inside TV; or Heads Will Roll.'"

Derel Producing Associates is making initial production plans for a new film series, *The Consul*, based on activities of the U.S. Foreign Service. State Dept. cooperation on the series has been promised.

Educational Television

Electronic College Campus: Within the next decade, viewers may be able to get a college degree without leaving their living rooms. That's the plan of Dr. John E. Ivey, former exec. vp of NYU who is now pres. of Learning Resources Institute, N.Y. He reported last week that negotiations for college-level TV instruction are now under way at all 3 networks, with initial plans calling for a 2-year curriculum (15 courses) to be ready on film or tape by 1964. Estimated cost: \$20 million.

Non-profit LRI, supported by grants, would administer the project, working with colleges & universities which agree to participate & grant the degrees after examinations. Planned also is a research center at Princeton U. to study modern teaching methods, including ETV. Chmn. of LRI's institute board is Oliver C. Carmichael, ex-chancellor of Vanderbilt U. LRI is already administering the early-morning *Continental Classroom* ETV series on NBC-TV, which has close to 500,000 viewers.

Additional plans for LRI activities include the Midwest Council on Airborne TV Instruction (Vol. 15:42 p12), announced in Oct., of which Dr. Ivey is also pres. An experimental, \$7-million study is planned for next fall, involving ETV telecasts from an airborne transmitter using taped instruction to students in 13,000 schools & colleges in 6 midwestern states.

* * *

The \$7 million "Stratovision" ETV experiment in the Midwest (Vol. 15:42-44) was given FCC's blessing last week, in the form of a CP to Purdue U. The Commission hemmed in the authorization with its customary caution, stating: "This Commission authorization is not to be construed as approval or an indication of future approval of operation of the facilities beyond the experimental period, or as a finding by the Commission that any portion of the TV bands shall be allocated for a regular educational TV service of this nature. The grant is further conditioned that no objectionable interference be caused to TV broadcast or translator stations in the area, and that it does not preclude the Commission from granting regular broadcast applications which might conflict with the experimental operation. Also, the university is required to make air announcement and otherwise inform the public & participating schools that the test is for the 1960-1961 school year only and that its extension beyond that time is subject to a determination by the Commission that it would be in the public interest, convenience and necessity."

Membership fees in TIO have been trimmed to \$100 annually for non-commercial telecasters. The decision to admit ETV stations came at a TIO staff meeting earlier this month.

Auxiliary Services

Stock in Rosensohn Enterprises Inc., and return bout contract between heavyweight champion Ingmar Johansson and Floyd Patterson have been purchased by a group of 10 businessmen represented by attorney Roy M. Cohn. The group will negotiate for TV, radio & movie rights to a return match, with Irving Kahn, pres. of TelePrompTer Corp. Kahn holds the rights under a separate contract.

Jerrold Electronics anti-trust trial (Vol. 15:45 p24) in Philadelphia federal court has been completed. The next steps will be the filing of proposed findings of fact. The govt. must file by Feb. 1 and Jerrold Electronics must file by March 1.

Television Digest

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JAMES T. QUIRK, *Business Manager* MERRILL PANITT, *Editorial Director*
HAROLD B. CLEMENKO, *Managing Editor*
JAMES B. DELEHANTY, *Asst. Business Mgr.* DAVID LACHENBRUCH, *Associate Editor*
HAROLD RUSTEN PAUL STONE

WASHINGTON BUREAU

Wyatt Building
Washington 5, D.C.
Sterling 3-1755
ALBERT WARREN, *Chief*
WILBUR H. BALDINGER
WM. J. McMAHON Jr.

MARTIN CODEL
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Personals: Bernard I. Paulson named dir., ABC-TV network production services dept. . . . Harold J. Klein named ABC Films vp for business affairs . . . Earl Higgins promoted from auditor to business mgr. of Westinghouse's WJZ-TV Baltimore.

H. Preston Peters, Peters, Griffin, Woodward pres., re-elected pres. of the Station Reps Assn. Also elected were John P. Blair, vp; Eugene Katz, treas.; Daren F. McGavren, secy.; Frank M. Healey & Richard O'Connell, dirs. . . . H. J. Grenthot has been elected treasurer of the Katz Agency, succeeding M. J. Beck, who will retire Dec. 31. Walter Nilson, Katz TV sales mgr., has been elected to the board . . . Phil Cowan, ex-PR dir. for NTA o&o stations, named Metropolitan Bcstg. Corp. publicity & special events dir. . . . Frank Garvin has resigned as exec. secy. of the Council on Medical TV, succeeded by John MacKenzie . . . Jack Barry, partner in Barry & Enright and co-producer of former 21 TV quiz show, appointed exec. vp of Fragrance Process Co., producers of aromatic substances for use in advertising.

Gerald Beadle, dir. of BBC Telecasting Service, will visit U.S. & Canada for 2 weeks in Jan., planning to talk with broadcasting executives & govt. officials in N.Y. & Washington, perhaps also delivering speeches.

Meetings next week: RTES timebuying-selling seminar (Jan. 5); Louis Hausman, TIO dir., and Gilbert Seldes, dir., Annenberg School of Communications, U. of Pennsylvania will deliver "A Critique at Mid-Season." Hotel Lexington, N.Y. . . . Federal Communications Bar Assn. annual meeting & banquet (8), Statler Hotel, Washington.

We regret that holiday communications difficulties interrupted our normal production & delivery of last week's Addenda services. Addenda subscribers therefore, will receive with this week's Newsletter: TV Addenda N & O and AM-FM Addenda YY & ZZ for December 19 & 26.

ORDER YOUR 1959 BOUND VOLUME

We will bind & index all 1959 copies of TELEVISION DIGEST, Vol. 15, including the semi-annual Factbook with all addenda, supplements and special reports. This embossed hard-cover volume—the authoritative record of the television industry in 1959—is available at \$25.00. Orders will be accepted through January 8, 1960.

Programming

More News Specials: All 3 networks will have major weekly prime-time public-affairs shows next fall. This became a fact last week when CBS-TV confirmed its plans (Vol. 15:51 p8). The CBS-TV plan calls for a 60-min. show on a 52-week basis, possibly slotted in either the Wed. 7:30-8:30 or Thur. 10-11 p.m. period currently occupied by *The Lineup* and *Playhouse 90-Big Party* respectively, although no firm time slot has been chosen. Included in the series will be the present *CBS Reports* specials, currently scheduled on a once-a-month preemption basis but due to step up to an alt.-week schedule in 1960.

The CBS-TV public-affairs move speeds up the official timetable for such regularly scheduled shows on the network as promised last May by CBS Inc. Pres. Dr. Frank Stanton. Originally, Stanton announced that weekly cultural & public-affairs shows would be televised in the 1961-62 season. Now, CBS will be on an equal footing with NBC-TV, which plans to continue its 60-min. news specials due to replace *5 Fingers* in Jan., and ABC-TV, which plans to start its new 30-min. weekly series based on the writings of Sir Winston Churchill and co-produced with Screen Gems in the fall.

* * *

Worldwide TV distribution is planned by Screen Gems for its 30-min. documentary series drawn from Churchill's writings. Early in Jan., Lloyd Burns, SG vp for international operations, leaves for Europe to map overseas sales & language-dubbing operations there. At the same time, John Manson, vp of Screen Gems de Mexico S.A. and Alwin Zecha of the SG international dept. will handle extensive sales campaigns for the series in Latin America & the Far East. The Churchill series will be, says SG, "the most international TV program ever produced."

Ford Talks Renewal: Although the renewal date on TV's most expensive weekly show, *Ford Startime*, isn't until April, negotiations for renewing the elaborate Tues.-night series of weekly specials are already under way. Ford sales are up, and the sponsor is interested in another season. Current plans call for inclusion of some documentaries.

Meanwhile, other properties set for the NBC series produced by Hubbell Robinson Jr., and to be seen this season, include "The Juggler," starring Tony Curtis; a modernized version of "A Connecticut Yankee in King Arthur's Court," starring Tennessee Ernie Ford; an already-taped "Midsummer Night's Dream," starring Charles Laughton; "Arthur," starring Rex Harrison; "Crime Inc.," a Mafia story which FBI chief J. Edgar Hoover will host; and a Civil War story, "The Reb," yet to be cast.

"There is already law enough to punish fraud and to stop misrepresentation or misleading advertising. But if the end result of the recent TV scandals is to take away from private enterprise the initiative stimulated by American competition, then the cure will prove much worse than the disease. The political consequences of such a debacle and its effect on the American system of government could be grave . . . There is no surer way of ruining any medium of communication than to give the government any power to tell a private enterprise how to deal with political speeches or any other program. Censorship of the theater or of books is resented by many so-called 'liberals,' but there is a strange readiness to accept censorship of TV & radio."—David Lawrence in the *N.Y. Herald Tribune*.

Networks

CBS Sets Washington Meeting: A special 2-day CBS-TV conference was scheduled for Feb. 29 & Mar. 1 at Washington's Hotel Shoreham, by Pres. James T. Aubrey Jr. last week. Purpose: "To examine the TV broadcasters' role, their public responsibilities & how best those responsibilities can be fulfilled." Decision to hold the meeting was reached after discussions with William T. Quarton, chmn. of the CBS-TV affiliates advisory board. It will be the first roundtable session between management-level CBS-TV executives and affiliates since the network began its new program of self-regulation (Vol. 15:30 p3).

Affiliates & CBS-TV executives will hear about new govt. moves in the broadcast field from several of the men who are responsible for them. Invitations to address the session have been accepted by Sen. Warren G. Magnuson, chmn. of the Senate Interstate & Foreign Commerce Committee, Rep. Oren Harris, chmn. of the comparable House committee, John C. Doerfer, Chmn. of FCC, and FTC Chmn. Earl W. Kintner.

Realignment of NBC PR executives was announced to fill the vacancy created by the shift of Kenneth Bilby, newly named vp for public affairs, RCA, from the post of vp for ad, promotion & PR at NBC. Sydney H. Eiges, the network's veteran vp for press & publicity, was promoted to the newly created post of vp, public information. Lester Bernstein, dir. of information, was named to a new position as dir., corporate affairs. Eiges will be succeeded as head of NBC PR activities by Ellis O. Moore, dir. of the N.Y. press dept. since Sept. 1954. Moore's new title is that of dir., press & publicity. NBC national advertising dir. John H. Porter & promotional services dir. Alexander S. Rylander will both report to Eiges, together with Moore, although continuity acceptance dir. Stockton Helffrich, who formerly reported to Bilby, will now report to NBC standards & practices vp James A. Stabile. Eiges, like Bilby before him, will report to NBC sr. exec. vp David C. Adams.

Final papers for MBS financial reorganization under the Bankruptcy Act were signed in U.S. District Court, N.Y. Dec. 23 by referee Asa Herzog, taking the network out of "debtor in possession" status. Mutual had been in bankruptcy court since July 1 (Vol. 15:29 p7).

NETWORK SALES ACTIVITY

ABC-TV

American Bandstand, Mon.-Fri., 4-5:30 p.m., 7 alt. 15-min. segs. over 14 wks.
Footwear div. of B. F. Goodrich (Foote, Cone & Belding)

Daytime programming, first quarter 1960, renewals by charter advertisers in the network's 1958-initiated *Operation Daybreak*.
General Foods, Beech-Nut Life Savers, Johnson & Johnson, Drackett Co. (Young & Rubicam), *Gillette* (North), *Lever Bros.*, *Armour & Co.* (Foot, Cone & Belding)

NBC-TV

Pre-Oscarcast show, April 4, 1960, 10-10:30 p.m.
Procter & Gamble (Grey Advertising)

Basketball, Sat. afternoons, 8 15-min. segs.
Schick Safety Razor Co. (Compton Adv.)

The FCC

TV-AM stereo tests for 90 days were granted by FCC to KOB-TV & KOB Albuquerque last week over the dissents of Comrs. Bartley & Ford. The authorization permits KOB-TV to present a still picture 9-11 a.m. Sundays. Said Ford: "I have consistently opposed the authorization of aural TV transmissions which have the purpose of supplying one of the components of a stereo radio transmission system. I do not believe that this type of operation aids in any way the development of an acceptable broadcast stereo system. In fact, such transmissions may hamper such development in that they encourage a usage which holds no promise of eventual adoption. These authorizations offer nothing in the way of an experimental or developmental program, yet occupy 6 mc of radio frequency spectrum where a few kc should suffice. The purpose of the Commission rule which requires a TV broadcaster to transmit programs of primarily visual interest is in keeping with the aims & purposes and bandwidth for which TV stations are licensed and it is not advisable to permit a diversion from these aims."

Preoccupied with "anti-censorship" provisions of the Communications Act, FCC Chmn. Doerfer frequently asked during the recent programming hearings whether the Commission would be powerless to prevent the presentation of *Lady Chatterley's Lover* on TV. He seldom received a clear-cut answer. Therefore, the Commission is seeking to interest the Court of Appeals (N.Y. 2nd circuit) in TV-radio implications, asking it to confine its forthcoming decision to mailing only. The Commission doesn't want the decision to be so broad as to tie its hands in case the book is broadcast. Chmn. Doerfer, in testimony before Rep. Harris' investigating committee last Oct., said he'd risk going to jail to keep the book off the air. The court is now considering the Postmaster General's appeal from Judge Bryan's decision which held that the book is not pornographic and can therefore be sent through the mails. FCC asst. general counsel Max Paglin, one of the Commission's ablest attorneys & a distinguished wit, informs us that he has "leafed through the most important parts of the book." Attorney Ruth V. Reel has been assigned to the case. She has finished her draft and the *amicus curiae* brief is likely to be filed with the court within a week. The case has already been argued and awaits decision. If FCC's brief is accepted, court will consider it before decision.

New retrial date for ex-FCC Comr. Richard A. Mack & Thurman A. Whiteside in the Miami Ch. 10 conspiracy case (Vol. 15:50 p5) is Jan. 25. Presiding in Washington's U.S. District Court will be a judge who was scheduled to be designated during the Christmas recess. Judge Charles F. McLaughlin had been assigned to the second trial, which was postponed from Nov. 12 pending a defense appeal to the Supreme Court, which refused to hear it. But he will take over civil cases in the Jan. term.

Renewal of NBC's WNBQ & WMAQ Chicago was granted by FCC last week as it rejected objections of AFTRA. The union had asked for a hearing, charging that the stations denied local advertisers opportunity of hiring local performers, stifled cultural possibilities of TV, ignored community interests by firing many performers, etc.

Transmission tolerances for Conelrad attention signal have been proposed by FCC so that manufacturers may produce AM-FM Conelrad sets for sale to the general public. Copies of the proposal are available from the Commission, and comments are due by Feb. 8.

Trade Report

DECEMBER 28, 1959

DIMENSIONS OF HOME ELECTRONICS—1959: In recapping consumer electronics' record year now ending, several outstanding trends are apparent—and they bode well for 1960.

Dollar-wise, all previous consumer electronics records were shattered—\$2.05 billion factory sales in 1959 vs. \$1.6 billion in 1958, \$1.7 billion in 1957, \$1.5 billion in 1955. In units, however, it's certain that no notable records were set: the total of 5.8 million TV sets sold at retail is far below 1955's record 7.4 million; 8.9 million radio set sales in 1959 compares with high of 17.3 million in 1947; even this year's factory phono sales of perhaps 4.1 million units is somewhat below the 1957 figure.

What this year did bring to the consumer electronics industry, however, was the beginning of a return to value selling—as opposed to price selling. This despite the heavy TV saturation and emphasis on portables, despite the complete consumer confusion over stereo, despite the penny-shaving inroads of low-cost high-quality Japanese sets on the radio market. There has been virtually no dumping this year—except for the current dump of 2-piece stereo units. Let's look at record of 3 main branches of home electronics:

TV: Factory sales of some 6 million sets at \$835 million brought average factory price of TV set to nearly \$140—highest point since 1954. TV prices had tumbled each year until 1956 (when average price hit its low point of \$127); average went to \$130 in 1957, to \$136 in 1958 (for year-by-year table, see Vol: 15:31 p18). Average price increase this year is all the more significant in view of the fact that more than 60% of unit sales were portables (vs. 57% last year).

With renewed consumer interest in music, 1959 saw beginning of what may become the return of the TV-phono combination. Of the 5.8 million sets sold at retail, preliminary estimates indicate that some 140,000 were combinations—not a huge amount, but best since 1953.

TV's higher average price per unit was achieved without price increases, but by offering history's largest variety of useful & desirable trade-up gimmicks—particularly remote control, 23-in. tubes, fine furniture consoles, more attractive slim high-end portables.

Phono: For first time, factory value of phonos exceeded factory value of radios (excluding auto) sold this year—as we predicted last Sept. (Vol. 15:37 p13). Sales of phono units of all kinds (except record-player attachments) will come to about \$385 million at factory this year, vs. \$344 million for domestic home, portable & clock radios.

Spurred by stereo, unit value of phonos soared in 1959—to an average price of more than \$86. This compares with \$64 in 1958 and \$50.50 in 1957. So despite all the confusion about stereo, phono makers have succeeded in sharply upgrading their products in terms of dollars, even though unit sales set no record.

Radio: Retail sales will total about 8.9 million, plus another 5.4 million auto sets. Because of character of statistics on radio production & sales, it's still too early to estimate how price per unit compares with former years (retail estimates unavoidably include some imported sets, but not all). Nevertheless, as 1959 closes, radio manufacturers are competing successfully with Japanese transistor radios. And 1959 radio retail figure is highest in 9 years.

FM radio may be having its 2nd most successful year—at least by far its biggest year since FM "flopped" in the early 1950's. Some 600,000 radio-phono combinations built this year contained FM or FM-AM radios; in addition, about 550,000 FM & FM-AM table radios were made domestically. Add to this about 150,000 FM tuners for hi-fi installations and another 100,000 imported FM sets, and year's total of FM set sales comes to about 1.4 million units (Vol. 15:47 p18).

Another record year seems to be coming up in 1960 for consumer electronics, as indicated by the predictions of industry leaders in this space last week (Vol. 15:51 p14). Next week we'll sum up with our own detailed predictions of what 1960 should mean to consumer electronics.

TV-Radio Production: Because of the Christmas holiday, EIA's figures on TV-radio output for the statistical week ended Dec. 18 weren't available at press time. They will be carried in next week's issue.

BATTLE OF THE SAFETY GLASS: The first 19-in. sets—due in Feb. or March (Vol. 15:50 p15)—probably will use conventional safety glass mounted on the cabinet instead of laminated to the tube. But there are now signs that Pittsburgh Plate Glass is winning converts in the 19-in. field for its own brand of bonded-on plate implosion glass—which it failed to accomplish in the 23-in. arena. All 23-in. sets now on the market use the Corning molded glass “cap” bonded to the screen—although GE is preparing to introduce 23-in. sets using conventional external safety glass.

PPG has much at stake in the struggle with Corning for the bonded implosion-plate market. It supplies about 90% of the glass for external TV faceplates (Vol. 15:42 p18). If external TV glass should become extinct, PPG will suffer—unless it can put over its bonded-on plate glass.

Advantages of bonded-plate-glass over the molded cap of the Corning type, according to PPG's claims: One half the weight, 50¢ to \$1 per tube less costly as a result of lower material, labor & machinery costs. PPG says its shield can be bonded to any tube.

Joseph Stern of PPG's product development dept. says he's confident the plate-glass approach will be adopted for 19-in. tubes, judging by the “considerable interest” now being shown by set makers. He expects PPG to get into the 23-in. field by the back door as a result of the success of the 19-in. bonded plate glass.

“We're confident that after the manufacturers adopt our system for the 19-in. tube, they'll gradually swing to it for the 23-in.,” Stern told us. “We know set makers are now committed to the Corning cap for the 23-in. tubes till April or May in most cases. We're frankly planning on the long haul.”

The 19-in. bulbs now being supplied to tube makers by Corning and Kimble (Owens-Illinois) are “strong” bulbs—that is, they're designed for use with external safety glass (but they can also be used with either the Corning or PPG-type bonded cap). Sampling is now beginning on “weak” 19-in. bulbs—lighter envelopes requiring laminated safety glass. Dimensions of both bulbs are the same.

FTC's new bait-&-switch guide (Vol. 15:49 p12) “strikes at a basic merchandising concept” in the appliance field, according to merchandising mgr. William Burston of the National Retail Merchants Assn. He said “nobody will quarrel with the purpose” of the FTC manual in warning retailers & customers against illegal advertising & selling practices. But Burston protested that if its rules are observed literally, retailers will have to stop handling promotional merchandise on which there's little or no profit. It's “a legitimate form of doing business” for stores to try to “sell away” from such appliances into profitable items, he said. FTC's acting consultation bureau dir. Paul Jamarik retorted that FTC isn't trying to prevent businessmen from selling customers good products.

Purchase of RCA TV chassis for incorporation in its own TV-radio-stereo cabinets was announced last week by West German TV & cabinet maker Metz. RCA confirmed that an agreement had been signed with Metz, but would not comment on the Fuerth, Germany, concern's statement (reported by Reuter's news service) that the finished RCA chassis-Metz cabinet TV combos would be sold in the U.S. Metz claims that its cabinet sales in the U.S. have soared 400% in 1959 over 1958, that it has some \$3 million in U.S. orders for its stereo cabinets.

Call to arms for “a war of workmanship” to combat foreign competition & inflation has been sounded by Packard Bell Pres. Robert S. Bell. He urged industry & the govt. to follow his concern's lead in establishing “Q” award programs to increase the quantity & improve the quality of U.S. production. Warning that the U.S. is falling behind in the international production-growth race, Bell declared: “The time has come to stop retreating & start advancing. In the shooting war we had ‘E’ awards. Now I think we should have ‘Q’ awards. Only through quantity can we fight inflation and compete in foreign markets; only through quality can we prevail in any market.” Bell spoke at Packard Bell's annual employe meeting, told co-workers that the company will immediately establish a “Q” award program in its factories.

Tandem ad with 4 other manufacturers gives RCA a 5-page promotion insert on its 501 data processing system in Jan. *Fortune*. The tandem passengers: Willys Motors, which uses the word “universal” to bridge the gap between its Jeeps & RCA's system; Piper Aircraft and its “advanced” planes; “dependable” Burns Security Service, Vertol Aircraft Corp. and its “versatile” helicopters. RCA ad & sales promotion mgr. R. H. Coffin explained: “By using to good advantage the aggressive techniques of comparable consumer programs we expect to achieve excellent results in selling to the industrial market. We are sure that the 4 companies that have joined with RCA to create this 5-page insert will find that the heavy impact of tie-in advertising gives dramatic emphasis to the individual presentation of each company.”

New mass-market home electronics products due in 1960, according to EIA Pres. David R. Hull, may be stereo radios and more-popularly-priced electronic cooking ranges. Expanding on his year-end predictions (Vol. 15:51 p13), he said electronic ranges—heretofore confined largely to restaurants & institutions—will be in many homes by the end of next year, as a result of price reductions of one third. (They now sell for \$800-\$900.) His prediction of mass production of stereo radio receivers is based on the premise that FCC will formally approve standards for FM and/or AM stereo broadcasting. He pointed out that the electronics industry's 1959 factory sales of \$9.2 billion were more than 3½ times the 1950 total. The industry now employs more than 760,000 people (more than half of them in N.Y., Pa., N.J., Mass., Ill., & Cal.), more than twice the number employed in 1950.

EIA's first conference on selling electronic equipment systems (instead of hardware) Jan. 5 at N.Y. Biltmore Hotel will be opened by Motorola mktg. mgr. Irving Koss and feature these speakers & panels: Wroe Alderson, pres. of Alderson Associates, Philadelphia management firm, speaking on “Market Planning for the Systems Market;” Patrick J. Robinson, senior consultant, John Diebold & Associates, “Problems in Systems Marketing;” panel discussion by representatives of 4 major systems vending companies on “Systems Pricing Problems,” John Diebold, moderator; Al N. Seares, mgr. of management services & operations research dept., Remington Rand Univac div., “Marketing Management in a Systems Market.” EIA exec. vp James D. Secrest will be luncheon speaker.

Another antenna maker enters hi-fi import field: Spirling Products Co. next month plans to begin distribution of German-made stereo phono systems, some with radios and tape recorders, as well as table radios and novelty remote stereo speakers (in electric clocks, etc.).

Trade Personals: Kenneth W. Bilby moves up from NBC exec. vp for ad, promotion & PR to RCA public affairs vp as forecast here (Vol. 15:47 p10), succeeding E. C. Anderson, now staff exec. vp (Vol. 15:51 p19). Bilby's new responsibilities will embrace PR, institutional advertising & publications, community relations, exhibits.

Anthony L. Conrad promoted from RCA govt. services dept. vp to RCA Service Co. pres., succeeding Donald H. Kunsman, now gen. mgr., electronic data processing div. (Vol. 15:51 p19); Stephen D. Heller, former BMEWS service vp, succeeds Conrad in govt. services . . . William H. Miltenburg, ex-RCA Victor, named operations mgr., United Stereo Tapes, Ampex Audio's tape manufacturing & distributing arm . . . William Wolfner, ex-Magnavox, appointed engineering mgr., Conley Electronics special products div.

Elliot C. Noska, ex-Air Associates, appointed to new post of commercial sales mgr., Packard Bell home products div. . . Samuel J. McDonald named asst. mgr., Sylvania Electronic Tubes distributor sales dept. . . Dr. William C. Leone named vp-gen. mgr., Rheem subsidiary Rheem Califone Corp. (record players, sound systems) . . . Dr. Lloyd T. DeVore named Hoffman Electronics labs div. engineering dir., succeeding Richard A. Maher, resigned; DeVore continues to head Hoffman Science Center.

Martin Dubilier, ex-Philharmonic Radio & Television Corp. and a former management consultant, named gen. mgr. of ITT subsidiary International Electric Corp. . . Charles D. Bradrick named production superintendent, Raytheon's semiconductor div. plant under construction in Lewiston, Me. . . John A. Fairchild, ex-Raytheon, appointed vp for Dynamics Corp. of America's new Latin American-Far East div. . . Loren A. Bailey, ex-AT&T, joins Page Communications Engineers Inc. as a senior staff engineer . . . Bernard R. Deschaine, ex-Melpar Inc., named contracts mgr. of Scovill Mfg. Co.'s subsidiary Airtronics Inc., Bethesda, Md.

Horace B. McCoy, administrator of Commerce Dept.'s Business & Defense Services Administration since 1956, resigns Dec. 31 to head new private business group (name undisclosed) concerned with U.S. foreign policy . . . John J. Shenk named Eastern regional mgr., CBS Electronics equipment sales . . . Joseph M. Kees, ex-Servomechanisms, named to new post of mgr., General Precision Labs Los Angeles regional office . . . Arthur E. Rasmussen named finance vp, Avco Corp.

Philco went along with 23-in. trend, showing a single basic model along with 6 new 21-in. sets, at a series of distributor meetings which ended last week. The 23-in. receiver, called "Extra-Vision 23" by Philco, is offered in hardwood cabinets at \$299.95, \$309.95 & \$319.95. Among other models introduced was a wood-cabinet 21-in. table model starting at \$189.95. Five new 21-in. consoles range from \$199.95 to \$259.95, with one 3-speaker console with casters carrying an "open list." Also introduced: New stereo console with removable speaker enclosures, at \$159.95.

Admiral will enlarge its Harvard, Ill. TV-receiver factory in a \$1-million move to increase the plant's present production capacity of 75,000 sets monthly. Pres. Ross Siragusa reports that a 2-stage expansion will add 150,000 sq. ft. to the 500,000-sq.-ft. building, increase employment from 2,200 to 3,000. A 75,000-sq.-ft. addition will be started in Jan., completed by the end of June. The program will be completed by spring 1961 with a second 75,000-sq.-ft. addition.

Appraising the 1960 Business Outlook

Forecasts of Prospects for Next Year's Economy— Digests of Expert Opinion

Bullish forecasts for 1960 business continued to flow last week from investment services, large companies and govt. bureaus. In the general business field, with an accent on consumer durable goods forecasts for next year, here are highlight digests of some of the most significant recent summaries of '59 and predictions for '60 (for earlier digests, see Vol. 15:50 p18):

American Home Laundry Mfrs. Assn.: Factory sales of home laundry appliances in 1960 should total 5,709,000 units, 4% greater than the 5,495,000 sold in 1959 and 2nd only to the peak year of 1956 (when 6,005,051 units were sold), according to the association's Market Research Committee composed of market research heads of the 20 U.S. home laundry equipment makers.

Frigidaire div., GM: Vp-gen. mgr. Herman F. Lehman expects 1960 appliance industry sales to continue at "about the same high 1959 level, with perhaps slight increases in most product lines, particularly in food freezers, dryers & dishwashers." This year's appliance business "probably will be better than 15% above 1958."

National Electrical Mfrs. Assn.: Shipments of major electric appliances in 1959 were the highest since the record year of 1950 and showed a 17% gain over 1958. A further gain of 3% is forecast for 1960. Sales of all major appliances should increase next year, except food freezers, which will be about the same as 1959.

Prentice-Hall: Chief economist Dr. Leo Barnes predicts a record-breaking business year in 1960—with the gross national product rising 5% to 7% from this year's \$480 billion to between \$501 & \$510 billion. Three major developments will key this rise: (1) Consumer spending will increase \$13-\$19 billion over this year's mark to between \$324 & \$330 billion. Total retail sales will rise from this year's \$217 billion to between \$224 & \$229 billion. Hard goods will record the biggest gain—from 4% to 7%. (2) Plant & equipment spending will increase by \$3.3-\$4.7 billion to as much as \$37.3 billion—an increase as high as 14% over 1959 and a new record. (3) Inventories will increase by \$5-\$7 billion, a gain of 20%-67% over 1959 levels, due to rebuilding of stocks after steel strike.

Sales Management magazine: Survey of 325 sales executives showed that 67% expect a "bigger & better year" in 1960, 22.5% expect a good year, 9.5% a fair year, 1% a poor year. Sales forces will be increased by 75.5% of those responding, ad appropriations by 70%. Principal worries: equipping & training salesmen to fight competition, 70.5%; finding better salesmen, 51%; price-cutting, 35%; cutting sales costs, 24.5%; adequate ad budget, 22%.

Sears, Roebuck & Co.: Pres. Charles H. Kellstadt sees consumer durables sales up 8%-10% over '59, soft goods up 5%. Economic research mgr. Arthur Rosenbaum predicts 6% increase in general merchandise sales next year.

U.S. Commerce Dept.: Consumer Durable Goods Div. of Business & Defense Services Administration estimates that manufacturers' sales of household appliances will exceed 1959's dollar volume by about 7% for a record year, most segments of the industry sharing in the rise.

Packard Bell has completed the best week of distributor sales in the history of the company, 66% over that of a year ago, says home products vp Kenneth R. Johnson.

Finance

Skiatron Electronics & TV Corp. last week took issue with SEC's announcement that the pay-TV promoter's stock-registration statement may be false & misleading (Vol. 15:51 p20). Commenting on SEC's announcement & the 10-day suspension in trading of Skiatron stock (Dec. 18-27), Pres. Arthur Levey said: "We believe that the registration statements of this company, prepared by expert legal counsel, fully & accurately reflect the business affairs of the company, and that to our knowledge, no material facts were ever kept from stockholders." He promised to cooperate with SEC, which presumably will schedule a hearing in the case involving stock allegedly sold by Matthew Fox without SEC registration. The SEC was scheduled to meet Dec. 24 to decide whether to order another 10-day suspension.

Columbia Pictures nearly tripled its net profit in fiscal 1960's first quarter and anticipates equally profitable operations for the 2nd quarter ending this week (31). The improved performance is due in part to healthy revenues from TV films (Vol. 15:51 p20). Columbia TV subsidiary Screen Gems had revenues of \$35-\$40 million in fiscal 1959 compared with \$30-\$35 million in fiscal 1958, reports SG vp-gen. mgr. Jerome Hyams, and "we should do equally as good or better" in fiscal 1960 ending June 30. For 13 weeks ended Sept. 26:

	1959	1958
Net profit	\$886,000	\$319,000
Per common share	65¢	21¢
Common shares (1959) ..	1,270,350	1,270,350

Times-Mirror Co. racked up a 52% gain in profit in the 44 weeks ended Nov. 1. Pres. Norman Chandler said principal contributors to the improved results were its wholly owned TV subsidiary KTTV Los Angeles and the *Los Angeles Times* and *Mirror-News*. For 44 weeks ended Nov. 1:

	1959	1958
Revenues	\$79,855,159	\$69,379,582
Net income	3,762,192	2,478,191
Per common share	3.27	2.15
Common shares	1,152,000	1,152,000

United Telefilms Ltd. submitted for stockholder approval last week (22) a proposal to reorganize on a 1-for-4 consolidation basis and with a change of name to Creative Telefilms & Artists Ltd. Pres. G. P. Cass said the Toronto-based concern will expand by acquiring products in all phases of the entertainment field. United Telefilms' present authorized capital is 6 million shares, of which 3,993,000 are outstanding.

Thompson Ramo Wooldridge has acquired Radio Industries Inc., Des Plaines, Ill. maker of TV-radio transformers & ceramic disc capacitors, for 87,160 shares of TRW stock. Additionally, 36,894,542 shares of TRW stock have been allocated for distribution through 1964 to Radio Industries shareholders, according to a formula that will apply if RI's earnings increase. Privately held RI produces \$6-\$7 million sales annually. TRW Pres. Dean E. Wooldridge said that RI will be operated as a wholly-owned subsidiary, with no changes in management or personnel planned.

Associated TV Ltd., British commercial program contractor, seeks SEC registration of 50,000 shares of "A" ordinary registered stock in an application (File 2-15922) submitted by Morgan Guaranty Trust Co., N.Y.

Dominion Electrohome Industries Ltd. anticipates a 30% drop in profits in 1959 from record 1958 despite a slight increase in sales. Pres. C. A. Pollock of the Canadian TV-radio-phono concern told stockholders that "while this may seem a substantial drop, 1959 should still yield a good profit return on investment. Pollock noted that TV sales have slumped from 1958's level, that stereo is ahead but not up to expectations, that radio business is in trouble. "Imported transistorized radios from low-wage countries have been so competitive that the industry in both Canada & the U.S. has not been able to compete," he said. "Ways & means of meeting this competition are being intently studied; it may be some time before answer is found."

Muntz TV Inc. foresees a \$1-million profit on \$12-million sales for the 1960 fiscal year ending Aug. 31. Pres. Wallace A. Kiel said first-quarter sales, for the period ended Nov. 30, had more than doubled to \$4,082,000 from \$1,988,000 in the year-ago quarter. He said Muntz will offer a 1960 line of 24-in. sets, is looking at 19-in. picture tubes, and doesn't think the market is ripe "at this time" for 23-in. TV. Muntz, which concentrates 90% of its activities in TV, also will have stereo-TV combos, ranging from under \$200 to around \$350. Muntz is operating under Chapter X reorganization.

Eitel-McCullough will acquire for stock this week (31) 2 Geneva, Ill. electronics firms, National Electronics Inc. and Industrial Tubes Inc. Pres. W. W. Eitel of the San Carlos, Cal. tube producer said Eimac will issue 175,450 shares of its authorized but unissued capital stock in exchange for all the outstanding stock of the 2 Ill. concerns. John Hutchings, pres. of both National Electronics and Industrial Tubes, said the 2 companies anticipate combined 1959 sales of \$3 million. Both will be operated as wholly-owned Eimac subsidiaries.

Data-Control Systems Inc., Danbury, Conn. maker radio telemetry systems for missile & space programs seeks SEC registration (File 2-15943) of 122,500 outstanding common shares, 75,000 for public sale, 10,000 for employee stock-option plan, 37,500 for possible sale by present holders. The public sale, intended primarily to working capital (price & terms to be supplied in amended SEC statement), is underwritten on an all-or-nothing basis by C. E. Unterberg, Towbin Co.

Universal Pictures anticipates a net profit from operations approximating \$900,000 for the fiscal year ended Oct. 31, compared with fiscal 1958's loss of \$2,020,055. Total net will be about \$4.6 million, but includes a non-recurring profit of \$3,667,387 from the sale of the Universal Radio last Dec. Decca Records owns about 87% of Universal's 900,000 common shares.

Reports & comments available: National Video Corp., prospectus, Bache & Co., 36 Wall St., N.Y. 5 . . . Allied Radio, analysis, Shearson, Hammill & Co., 14 Wall St., N.Y. 5.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Avco Corp.	Q	\$0.12½	Feb. 20	Jan. 29
Columbia Pictures ...	Stk.	2½%	Jan. 29	Dec. 29
Daystrom	Q	.30	Feb. 15	Jan. 27
Electronic Associates .	Stk.	3%	Dec. 31	Dec. 24
General Dynamics	Q	.50	Feb. 10	Jan. 8
Packard Bell.....	Q	.12½	Jan. 25	Jan. 11
Packard Bell.....	Stk.	2%	Feb. 11	Jan. 11