

# 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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### Other Departments

**ADVERTISING** (p. 11). **FILM & TAPE** (p. 12). **PERSONALS** (p. 14). **PROGRAMMING** (p. 14).

**DOERFER ON HARRIS HOT SPOT:** Flushed & unhappy, but standing defiantly on ground that he had violated no "judicial code of ethics," FCC Chmn. Doerfer was denounced & berated last week by House investigators for spending part of his Feb. vacation in Fla. as yacht-&-plane guest of Storer Bcstg. Co. Pres. George B. Storer.

Double-feature hearing on what FCC & FTC are doing to combat payola had been billed by Commerce Legislative Oversight Subcommittee as its big business for week. But hearing wound up with that subject dropped while Oversighters took turns taking Doerfer to task for accepting "gratuities" from Storer.

"I was very frankly amazed," Rep. Moss (D-Cal.) sternly told Doerfer, reminding him that just 2 years ago, Subcommittee had reprimanded Doerfer for cruising with Storer on another trip south. Moss pointed to a batch of clippings on the story of the most recent jaunt, which was broken March 3 under big headlines by N.Y. Herald Tribune.

"I simply can't avoid all social contacts because somebody at some time may be before the Commission," Doerfer protested. He said he had "ascertained that Mr. Storer has no matters pending before the

Commission of an adjudicatory nature," and that there was nothing in any judicial code which prevented him from picking his own friends. But Moss pointed out that Storer stations have had trouble with payola-taking disc jockeys.

"Grown people shouldn't have guidelines as to what is right & wrong," Rep. Mack (D-Ill.) told Doerfer. "I think this [Doerfer's conduct] follows the same pattern as some of the disc jockeys." Shortly after that, Doerfer was excused after spending nearly 4 hours on stand. Asked by reporters if he planned to resign, he angrily brushed question aside.

In his defense of the Fla. trip, Doerfer reminded Subcommittee that there has been "high mortality rate" among ex-FCC chiefs and argued that he needed to take advantage of opportunities for rest. As for his 16-day vacation this time, he said, he went to Fort Lauderdale as guest of Wis. friends, spent "parts" of 6 days & nights with Storer on yacht Lazy Girl. Under questioning, Doerfer also acknowledged that after buying Northeast Airlines tickets he flew from Miami to Washington & back again on Storer's private plane. But he said he'd had the tickets refunded March 2, planned to send the money to Storer for "charity."

Doerfer fared little better at hands of Subcommittee in presenting 7-page report & documents on course of FCC's moves in fields of payola (see pp. 5 & 6), TV-quiz rigging, hearings on FCC powers, etc. From Chmn. Harris (D-Ark.) to last-ranking Oversighters, Subcommittee sounded a too-little, too-late, too-cautious critical theme. If Doerfer had a friend on Subcommittee, it was Rep. Springer (R-Ill.). He pointed out that Commission at least had made some definite moves against wrongdoing in broadcasting since TV quiz scandals broke last year.

In contrast, clear sailing through hearing was enjoyed by FTC Chmn. Kintner. Oversighters complimented him for FTC's anti-payola work (see p. 9), expressed warm approval when Kintner promised that from payola, FTC planned to move into plugola practices. He named no companies as being under investigation for buying hidden plugs for products on broadcast programs, but said 8 of them had been docketed for inquiries. Kintner said TV writers, prop men, producers, entertainers, directors, cameramen were involved with putting across secret commercials sold for \$200-270 per plug.

Kintner also was agile in skirting touchy issue which was raised briefly with Doerfer, too—Doerfer's speech to CBS affiliates last week (see p. 7). Moss wanted to know if Kintner agreed with Doerfer that Subcommittee overstated extent of corruption in TV-radio "Sir," said Kintner, "I'd rather not get into that."

Flareup over ABC-TV headliner Dick Clark also marked hearing. Rep. Bennett (R-Mich.) read list of 17 record & music publishing firms in which he said Clark had had interests, asked if Subcommittee was going to do anything about Clark instead of putting "peanut disc jockey" on spot in that phase of House investigation. Harris angrily said Bennett was reading from affidavit supplied by ABC itself when it required Clark & others to divest themselves of such business connections. Harris said staff investigators were running preliminary checks on Clark's activities.

**CBS AFFILIATES' STRONG DOSE OF WASHINGTON:** The dramatic Harris-Doerfer debate Feb. 29, which may become historic, left CBS convinced of the wisdom of holding TV affiliates conferences in Washington and exposing the telecasters to key govt. figures. As one CBS executive put it:

"I think the affiliates now believe we didn't act hastily, that our cleanup measures were not too extreme. Previously, some had accused us of pushing the panic button."

The affiliates certainly got a full taste of govt. thinking—from FCC Chmn. Doerfer, Senate Commerce Committee Chmn. Magnuson (D-Wash.), FTC Chmn. Kintner & House Commerce Committee Chmn. Harris (D-Ark.), in that order, followed by the angry Doerfer rebuttal to Harris.

Harris-Doerfer exchange warrants tracing in detail, which we do on p. 7, for it looks like a classic case of misunderstanding of Doerfer's position on part of Harris.

Aftermath of the exchange was buzzing of speculation among affiliates, then later among rest of industry, as to whether Doerfer's spirited ad lib presentation would do anyone any good. Affiliates' immediate reaction was a rising ovation with cheers, but some wondered later whether Harris would attempt reprisals against FCC & industry.

Other side of the Doerfer coin—his prime-time public-service plan for networks (Vol. 16:4 p2)—produced mutterings & misgivings among affiliates. It's understood that during March 1 closed meeting, CBS executives were asked why they accepted Doerfer plan, whether it meant "too much govt. dictation of pro-

gramming." Response: It was a "personal" suggestion by Doerfer, nothing official. Affiliates later passed resolution commending CBS for accepting plan and pledging support for it—although some complained privately that it was "railroaded through."

Sen. Magnuson's off-the-cuff talk had something for everyone—compliments & criticisms. Kintner again offered his carefully-worded thesis that industry can discipline itself, shouldn't invite govt. intervention. (For digest of their comments, see p. 8).

In the closed sessions, CBS topkicks reviewed "cleanup" campaign, govt. relations, business status, and fall program plans. CBS Pres. Frank Stanton sat in audience throughout, except for closing remarks thanking affiliates for help on revising political broadcast law, etc. CBS-TV Pres. James T. Aubrey was MC. Closed-session presentations were made by Thomas K. Fisher, vp-gen. attorney; Joseph H. Ream, vp-program practices; Herbert A. Carlborg, dir. of program practices; William B. Lodge, vp-affiliate relations & engineering; Carl S. Ward, vp-dir. of affiliate relations; Sig Mickelson, pres. of CBS News; Oscar Katz, vp-network programs; William H. Hylan, vp-sales administration.

Attendance at the Shoreham Hotel sessions was best yet for an affiliate conference—with some 300 people representing a remarkable 189 of CBS-TV's 200 affiliates.

**NO U-I POST-1948s FOR TV YET:** When Universal-International Pres. Milton R. Rackmil made his post-1948 deals with WGA and SAG (Vol. 16:9), it was believed he planned to unload them immediately on TV. But industry sources now think U-I made the deals because, badly in need of product, it wanted to avoid a strike. In substantiation, no leading distributor has as yet acknowledged having discussions toward acquisition of the U-I backlog. And last week Rackmil told a press conference that he had no intention of selling his post-1948s in the near future. It had been originally supposed that NTA was in such negotiation, but Pres. B. Gerald Cantor of parent NT&T told us there was nothing to the report. We also learn that U-I, in good financial condition now, has no desperate need for post-1948 revenue.

TV can't look for more backlogs of post-1948s in the near future, Hollywood therefore believes, unless there is liquidation of a studio or two (see page 12).

**FILM STRIKE STILL DEADLOCKED:** The impasse continues in Writers Guild of America strike vs. Alliance of Television Film Producers and TV operations at major studios. Producers hold firmly against WGA's principal demand, for foreign residuals, and WGA shows no signs of giving it up (p. 12).

Meanwhile, Screen Actors Guild is scheduled to strike major movie studios this week (March 7), following majors' refusal to grant the Guild a cut of post-1948 movies sold to TV. SAG's signing of Universal-International to a post-1948 deal has not dented majors' position.

**LATEST TV STATION LOG:** Handy quick-reference list of TV stations in operation (or due on air by spring) is included with this issue as a Special Supplement. It includes all stations in U.S., arranged by state & city, and in U.S. possessions & Canada, together with their channel numbers.

Extra copies of this log are available to subscribers in limited quantities upon request, without charge. The same log will be incorporated in our Map of TV Stations & Network Routes, included as an insert in the forthcoming Spring-Summer edition of our Television Factbook.

## Auxiliary Services

**JERROLD-WRATHER 'MARRIAGE':** Pay-TV, Muzak for the home via CATV systems, new consumer products in the TV field, further expansion & diversification in the CATV & electronics fields—all these are now on Jerrold Electronics Corp.'s horizon, thanks to the current alliance between Jerrold, the Wall St. investment house of Carl M. Loeb, Rhoades & Co., and the Jack Wrather Organization.

Details of Jerrold's plans were explored at a press conference in N.Y. March 1 by Jerrold Pres. Milton J. Shapp and Jerrold board member Jack Wrather.

On the pay-TV front, more was hinted at than actually

revealed. "We have for a number of years had an interest in pay-TV," said Wrather. "We've kept an eye on the various processes. I feel pay TV will definitely come about, and that Jerrold is the perfect 'vessel' if we enter pay-TV." Shapp pointed out that Jerrold has been active in pay-as-you-look TV for some time, having supplied the beyond-studio equipment in the Bartlesville (Okla.) experiment and for the Toronto Telemeter test now going on (see p. 4).

Now operating 9 CATV systems with 32,000 subscribers and planning more, as well as supplying electronic equipment to many others, Jerrold has some other plans in this area. One is to include Muzak as part of the CATV program service in small towns—Muzak being one of the several companies in the Jack Wrather set-up. (For details of Jerrold finances & product plans, see p. 20.)

**HOW VIEWERS SEE TELEMETER:** Canada's pay-TV experiment appears to be pleasing the customers—but businesswise . . . ?

"Its heaven without commercials . . . The whole family can see a decent movie for a buck," are typical reactions expressed to us by pioneer subscribers.

But there are a few dissenters. "I miss the break the commercials give. Now I can't get a fresh bottle without missing some of the show," commented one.

Overhead is big at \$90 per coinbox selector, cable at 55 cents a foot, toll fee to the telephone company and the rake-off to the movie maker. It costs Telemeter \$100 to hook up an Etobicoke home, we learned from Telemeter executives in N.Y. March 3, although the one-time installation charge to subscribers is only \$5. Compared to theater costs, though, this expense is low, Telemeter added, pointing out that theaters today cost \$400-\$500 per seat.

Trans Canada Telemeter—div. of Famous Players Theatres, which in turn is a subsidiary of Paramount Pictures—considers it is having real success thus far with the new entertainment medium. The world premiere of coinbox TV took place in Toronto's suburban Etobicoke Feb. 26 with 1,000 subscribers (Vol. 16:9 p6). An additional 2,000 homes have paid for the service, and are merely waiting installation. There are 13,000 homes in the TV-wired area and, as a result of the initial interest, the full scope of Etobicoke township—an additional 27,000 homes, totaling 40,000 altogether in a 2-mile radius—will now be included in the Telemeter circuit.

#### Installation Rate Stepped Up

Rate of installation is 300 a week and waiting periods are anything from 2 days to a month depending on the area and availability to cables. On the day after the debut there were 64 new applications. Telemeter says it is doubling the number of installation personnel, will have 60 men & 30 trucks at work next week.

The subscriber pays no rental, and may pay anything between 85¢ and \$2 to see a movie or sporting event. Of the subscribers we talked to, most said they watch every night.

Mrs. R. G. Thomson, Glen Allen Drive, took on pay TV because it is new and "sounded interesting." Reception is good and in many cases better than free TV. "We don't have to stay up late to see a movie," she said.

Mrs. G. W. Mullen of Edwalter Drive, like many other subscribers, said she still watches free TV. "We don't watch pay TV every night—only if we have not already seen the movie . . . We like the sports without commercials . . . It's heaven to see an uninterrupted program."

Mrs. William Stewart of Strath Ave., became a subscriber because "I got so darned sick of commercials." Said she: "This is better than free TV and I have just about given up watching anything but pay TV."

Biggest beef against pay TV is the nightly hunt for coins. All interviewed subscribers were satisfied with the look of the coin box perched on top of the set. Its beige color does not detract from its surroundings, they felt.

All programs are fed through Ch. 5 on the normal TV dial. The box also has a switch with its channels labeled A, B and C. The last is the "barker," bringing taped music and news of the film titles or sporting events available. A subscriber can tune to Channel A, turn to free TV, and then come back to A at no extra charge. But channel B would cost whatever the price was for that program.

The few dissenters against pay TV were the few who do miss commercials. One woman said she missed commercials because "some of them are very clever—especially

the beer ads—and I get a great kick out of those . . . Anyway I can pick those up on free TV when I want."

\* \* \*

Zenith hopes to file "within a few weeks," to request FCC approval of an on-air pay-TV test, Pres. Joseph S. Wright told us last week. "We're working hard on it," he said, "and we hope to go ahead as soon as FCC approves it. We can't disclose the market [we'll use] yet. We hope to do it on a large scale. We've been discussing program material with various sources but can't comment now.

"I should think that this would be of vital concern to the broadcasting industry. The NAB or some other spokesman has said that wired pay TV is OK but that on-air systems aren't. I think this was said with tongue in cheek because they thought that a wired system couldn't be done. But it's about time they woke up. A wired system can offer, in addition to subscription TV, several free channels with advertising—direct multi-channel competition but without the responsibilities that on-air telecasters have. No requirement for public service programs, and the like. And don't think that the telephone company isn't rubbing its hands, for it will be right in there with the wired systems." The cost of the experiment can't be pinpointed now, Wright said, but "it's much more economical than wire."

Zenith is the only pay-TV proponent besides Telemeter known to have funds to carry out a substantial experiment. Skiatron, the only other firm that was once believed to have a potential, is in bad financial shape—in addition to being in trouble with SEC. Furthermore, Skiatron Pres. Arthur Levey has testified that, even if he had funds, he would be dubious about pay-TV's prospects because of the attitude of Congress & FCC (Vol. 16:8 p23).

The conditions of an on-air test, as specified by FCC & endorsed by the anti-pay House Commerce Committee (Vol. 15:13 p3), are:

(1) Applications for tests limited to one market per system and one system per market. (2) No pay-TV program be broadcast simultaneously over more than one station. (3) Viewers of test programs must not be required to buy any special equipment. (4) Trial operations will be permitted for 3 years only. (5) Tests will be permitted only in markets with 4 or more commercial stations.

## Technology

**RCA's 4½-in. Camera Tube:** A domestically-made 4½-in. image orthicon tube, interchangeable with the tube in the new British Marconi camera now being sold in this country by Ampex, was announced last week by RCA. This led to the conjecture that domestic manufacturers soon may offer 4½-in. cameras. In addition to the Ampex-Marconi tie-up (Vol. 15:40 p3), 4½-in. cameras made by EMI are being offered here by Telechrome (Vol. 15:51 p7) and similar Pye cameras are due on the U.S. market.

Principal advantage of 4½-in. cameras over the standard 3-in. units now in use here—greater sharpness, better contrast and tonal effects, lower noise-level—probably would not be outstandingly noticeable to the home viewer of live programs. Where the new-size camera is considered especially valuable is in the making of video tapes which must be duplicated. Because of the greater detail possible with the bigger tube, more "generations" of high-quality duplicate tapes may be made from an original TV tape made with a 4½-in. camera.

The new RCA camera tube is designated 7389-A; the English Electric tube in the Marconi camera is type 7389.

## The FCC

**PAYOLA IMPERILS LICENSES:** Four Boston area AM stations which figured in payola testimony at House Commerce Legislative Oversight Subcommittee hearings last month (Vol. 16:7-8) were challenged by FCC last week to show why their licenses should be renewed.

The Commission on Feb. 29 mailed similar letters to WMEX, WILD and WORL Boston and WHIL Medford whose licenses run out April 1, telling them in effect to put up good cases or prepare to defend themselves in tough hearings. Other letters are expected. The identity of only one other station suspected by FCC was disclosed by the Commission, however. In a letter to Asst. Attorney Gen. Malcolm R. Wilkey, reporting on the payola moves, FCC Chmn. Doerfer said an investigator had been sent to New Orleans to look into practices at WJBW, whose renewal won't be up until May 1961.

Each station was called on to file formal answers to the payola allegations within 30 days—and placed on notice that hearings would be held on the applications if their replies aren't adequate.

All of the letters cited House testimony, replies by the stations to the FCC questionnaires—"and other information relating thereto," meaning payola files sent to FCC by FTC (see p. 9)—as grounds for Commission suspicions about payola practices. In addition, all but WORL also were asked to explain other alleged infractions of Commission rules & programming defaults.

"It appears from the above that payments or other consideration have been received by employes [of your station] and by the station itself" for broadcasts for which no "appropriate announcements" were made, each station was told. FCC cited Sec. 317 of the Communications Act and Sec. 3.119 & 3.111 of Commission rules, said the reported conduct of the stations raised questions as to whether they were in compliance.

### Commission Asks 3 Questions

The questions: (1) "Whether the above-mentioned activities constituted an abdication by the licensee of its responsibility to select the station's programming material." (2) "Whether the licensee has engaged in activities bearing adversely upon its character qualifications." (3) "Whether the licensee has misrepresented to the Commission the facts with respect to the above operations, or has failed to disclose pertinent information with respect thereto or was lacking in candor in responding to the Commission's Dec. 2, 1959 inquiry." Other bills of particulars, as listed by FCC:

**WMEX (Richmond Bros. Inc.):** Its renewal application showed that "no time was devoted to agricultural, educational or talk programs and that .5% of time was devoted to religious programs during the composite week." Its claimed "public service" programs are mostly spot announcements for organizations. Its Dec. 1, 1959 balance sheet showed \$64,500 in stockholders equity-capital stock, whereas its ownership report showed 20 shares of no-par stock outstanding "at a stated value of \$6,168 per share." Its transmitter log disclosed unauthorized changes in operating specifications.

**WILD (Noble Bcstg. Corp.):** Its balance sheet as of Oct. 31, 1959, showed its current liabilities of \$78,745 exceeded current assets by \$60,950 and didn't indicate any plan for liquidating the liabilities. Its renewal application showed no agricultural or educational programming during the composite week, "entertainment" taking up 92.89% of the broadcast time. It claimed "public interest" programming, but submitted no samples.

**WHIL (Conant Bcstg. Co. Inc.):** A petition filed Jan. 4 by Simon Geller, who seeks a CP for a new AM station in Gloucester, alleged—"among other things"—that the station carries regular "horse racing programs direct from the tracks" and broadcasts other racing information. Yet "no mention of these matters," said FCC, "is contained in your opposition to said petition."

With slight variations in language, FCC's letters concluded: "In light of the above, the Commission is unable, at this time, to find that a grant of the above application for renewal of license would serve the public interest. It appears, therefore, that said application must be designated for a hearing."

**Shorter License Periods:** Closer check on questionable operators, through license periods less than the normal 3 years, was proposed by the FCC last week in a notice of rule-making. Industry comments are due April 1.

Current practice is to give stations "temporary" indefinite licenses when the Commission has doubts about something—issuing 3-year licenses when the problems are cleared up. The FCC has long thought that this procedure was uncertain & sloppy. The law doesn't permit licenses more than 3 years long—but it allows rule-making for shorter periods at FCC's discretion. In last week's announcement, FCC didn't indicate what periods it's thinking about—but many at the Commission believe that a one-year license is a reasonable "probation" period. It's worth noting that FCC, not many years ago, was sympathetically inclined toward industry suggestions that licenses be extended to 5 years.

Said the Commission, explaining its reasoning: "The Commission proposed rule changes which would enable it to make occasional use of shorter-term licenses in the case of any broadcast station which it does not feel is entitled to a regular 3-year renewal and which merits closer observation during a shorter period of operation. It believes that this would not only have a bettering effect on the performance of the station involved but would also have a beneficial influence on broadcast station generally."

The new rule would read as follows: "Licenses for [broadcast stations] ordinarily will be issued for a period of 3 years and, when regularly renewed, at 3 year intervals thereafter: *Provided, however,* That, if the Commission finds that the public interest, convenience, and necessity will be served thereby, it may issue either an initial license or a renewal thereof for a lesser term . . ."

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"Licensee responsibility" was the theme of a short address by FCC Comr. Hyde March 3 at a luncheon of the Federal Communications Bar Assn. He harked back to one of the first acts of the Federal Radio Commission—sending a questionnaire to stations, asking each to describe its past & proposed public service performance. "It's time," he said, "for licensees to show awareness of their responsibilities as trustees of public facilities. And it's time for the Commission to make them aware of it, if they can't do it voluntarily." He suggested that highly qualified applicants, in comparative hearings, might well wrest facilities away from shoddy "formula" operators. He said that FCC has been charged, from time to time, with both "arrogance" & "passiveness" and that he'd rather be charged with the former. As for the Congressional investigations: "To be frank, they were urgently needed in some respects." FCBA presented certificates to FCC employes with 25 or more years of Commission service.

**QUIZ & PAYOLA COMMENTS:** FCC's proposed rules to deal with the twin sins of quiz rigging & payola (Vol. 16:7 p7) drew more-or-less hearty "amens" in a half-dozen comments filed last week.

Only CBS, NBC, & ABC had been heard from by the March 1 deadline for making observations about Commission cures for evils of program deceptions. The March 1 deadline for payola-rule comments was extended by FCC at NAB's request to March 22 (replies March 31), but CBS, Triangle Publications, Inc., and WOWL Florence, Ala. filed early returns on that issue.

On the quiz rule:

CBS: Agrees with FCC's proposal, but seeks some clarification. Suggests that FCC's language should be directed at programs "in which there purports to be a *bona fide* game, etc.," instead of at programs in which there is "the appearance of a *bona fide* game, etc." Wants to make sure that hints given to panelists on some programs with the deliberate intention of confusing them don't fall within FCC's definition of deception. In such shows as *GE College Bowl* and *What's My Line?*, CBS now enforces "procedures aimed at preventing any improper prearrangement or advance assistance designed to influence the outcome of the contest."

NBC: Favors adoption of FCC's plan, which "accords with NBC's previously stated position."

ABC: Urges adoption of Commission rule. "ABC has taken steps to ensure that no rigging will occur on any quizzes or contests it may broadcast and stands ready to give its affiliates the assurance which the new rule would require in this regard."

On the payola rule:

CBS: Supports purposes of FCC's proposal, although there's no sure cure. "CBS has sought over many years to devise adequate procedures to prevent 'payola.' Our experience has demonstrated that no procedure can provide a remedy that is both complete & certain." Suggests language in FCC proposal should be revised to include "any officer or employe" of independent contractors—as well as contractors themselves—in general coverage of payola prohibition. Also thinks FCC raises some confusion by its failure to define "valuable consideration" as payola, and suggests rule-making to "explore various situations" in which—for example—stores & other suppliers furnish free props for TV shows.

Triangle Publications, Inc.: Supports proposed amendment. "Triangle has adopted internal controls & procedures to prevent the broadcasting of any matter for which any consideration is received unless such is announced as required." Points out that FCC "in avoiding any detailed itemization of the procedures which must be adopted by a station licensee to fit its particular format & personnel, has fittingly recognized that the industry can through self-imposed procedures make govt. regulation more effective." Triangle is prepared "to support any industry action designed to assure the confidence of the public in broadcasting & its advertising function."

WOWL-TV Florence, Ala.: Suggests finalization of rule-making should be held up for one year. Before FCC imposes further sanctions, the industry should be allowed a reasonable time "in order to effect self-regulation before such rules as proposed be adopted."

An FCC "enforcement bureau," proposed by gen. counsel John FitzGerald to make field checks of station compliance with Commission rules, has been rejected by the Commission. One Commissioner called it "the Gestapo."

New political-time policy, based on the amended Sec. 315 of the Communications Act, is in the works at FCC as the result of a Texas equal-time claim. Jack Woods, weatherman of KWTX-TV & KWTX Waco, is also a candidate for the state legislature. His opponent, William H. Bingham, asserted that he is entitled to free time on the stations because of Wood's broadcast appearances. The FCC majority believes that weathercasts are "*bona fide* news" and that this exempts the stations from any need to give Bingham equal time. This would reverse the policy established in 1958, when the Commission decided that time must be given to opponents of J. B. Garner, an announcer for radio KFPW Ft. Smith, Ark., who was also a candidate. Major stockholder of KWTX-TV is the wife of Senate Majority Leader Lyndon B. Johnson (D-Tex.). The FCC vote was 5-1-1, with Craven dissenting, Lee abstaining. The action ran counter to Commission attorneys' interpretation of Sec. 315. Private practitioners express fear that the new policy would invite abuse.

Political-time complaint to FCC by Salt Lake City Mayor J. Bracken Lee, alleging that radio KALL had unfairly given his opponent, Bruce Jenkins, free time during the last campaign, was rejected by FCC last week. KALL mgr. Homer K. Peterson told the Commission that the station had received \$649.80 for Lee's broadcasts, \$549.46 for Jenkins's. He asserted that no candidate was given free time or credit. FCC Chmn. Doerfer wrote Lee: "On the basis of the information in possession of the Commission, action on your complaint does not appear to be warranted at this time."

Democrats' complaint to FCC about CBS's policy against multi-network "saturation purchases" of political time (Vol. 16:8 p11) is very likely to be turned down. Democratic National Chmn. Paul M. Butler had asserted that CBS's exceptions would permit the White House to use the networks for messages with "direct or indirect political overtones." However, the Commission is expected to rule that the matter has nothing to do with Sec. 315 of the Communications Act and that any FCC intervention would amount to telling networks how to program.

Legislative history of Sec. 317 of the Communications Act proved fascinating to one attorney as he prepared comments on FCC's anti-payola rule-making. He reports that the section was lifted from a 1912 law covering 2nd class mailing privileges, and it requires the identification of anyone supplying "valuable consideration" to a station for material broadcast. In the original draft of the 1912 bill, the word was merely "consideration." Debate brought out that "love & friendship" were "consideration"—and Congress decided that it would be wise to amend the bill. The attorney wonders what the anti-payola investigations might have produced had the old language stood.

Field engineering & monitoring bureau of FCC may get a name change. Frequently, when the Commission goes before Congressional committees, new Congressmen perk up their ears at the word "monitoring," demanding to know whether it's a program-checking facility. There's a move to drop the word, which applies to engineering matters.

Hartford's Ch. 3, now used by WTIC-TV, should be shifted to Providence, and WTIC-TV should be given a uhf channel, according to petitions filed with the FCC by WWLP (Ch. 22) Springfield.

How to apply for a CP is described, step by step, in a new FCC release, "Broadcast Application Procedure." Copies of the guide (INF Bulletin No. 1-B) are available from the Commission.

## Networks

### More about

**AFFILIATES' TASTE OF GOVT.:** The Harris-Doerfer tangle (see p. 2) was a striking climax to the first day of the CBS-TV affiliates Feb. 29-March 1 conference in Washington—which also included addresses by Senate Commerce Committee Chmn. Magnuson (D-Wash.) and FTC Chmn. Kintner (see below). Here's how the big debate developed:

On Feb. 25, FCC Chmn. Doerfer addressed the presidents of state broadcasting associations and analyzed the recommendations of the Harris' Legislative Oversight Subcommittee (Vol. 16:9 p7). He said FCC agrees wholeheartedly that there should be anti-deception & anti-payola laws, and that there should be punishment for stations less severe than total license revocation. He added that deceptive practices in the industry are no more prevalent than in other industries but that "whatever there is must be uprooted"—and he quoted FCC's proposed rules & laws for the purpose. He labeled as "canards" the charges that such practices are widespread.

Most of his speech, however, was devoted to the Harris group recommendation that FCC "monitor programs broadcast by licensees to the extent necessary to determine whether the program balance is in the public interest."

#### "Dangers of Creating a Modern Pied Piper"

Such proposals, Doerfer said, "are definite threats to the American concept of freedom of expression for mass media of communication. You should assume the duty to study the full implications of having a govt. agency monitor broadcast stations to determine program balance—a vague & indefinable concept at best. Congress & the people should be alerted to the dangers of creating a modern Pied Piper. He may lead broadcasting—one of the most powerful media of mass communication—down a road from which there is no return."

Then, before the CBS affiliates Feb. 29, Doerfer elaborated on that theme, asserting there are both dangers & impracticalities in attempt to judge "program balance."

Harris came to the rostrum, following Magnuson & Kintner, and listed the 7 "legislative recommendations" his subcommittee made. He did not mention the group's "recommendation for administrative action" that FCC monitor programs for balance. Then he said:

"Those are the legislative recommendations. I challenge anyone to show me where there is any censorship. I challenge anyone to show me where in these recommendations closing up some loopholes, strengthening the law & strengthening your own business, in my humble judgment, where there is any threat to creative talent, programming or otherwise."

Harris proceeded to challenge Doerfer's statement that deceptive practices were not widespread by saying sarcastically: "Of course, it just covered every NBC & CBS affiliate station in these United States." Then came his stinger:

"Well, my good friend is entitled to his views, and I respect them. We always seek the advice & the views of the Commission on legislative & other problems. But this seems to me a concept of recognition of certain practices that cannot be condoned, but leave them alone and they will come home—in other words, status quo.

"Now, this concept of the American way was recently expressed by another person. Listen to what he says: 'I

would like to enter on the record that I know of many, many businesses—as a matter of fact, this seems to be the American way of life, which is a wonderful way of life. It is primarily built on romance. I will do for you; what will you do for me?'

"Remember we are talking about responsibilities now in this country, and this great American way of life. Who expressed these views? The same—parallel them, if you will—by a disc jockey who admitted to our committee that he received substantial sums as favors outside of his own employment in connection with the playing of records on his own broadcasting programs."

When Harris finished, CBS officials asked Doerfer if he wanted to respond. Flushed & grim, he strode to the platform and thanked CBS for "giving me the opportunity to correct what I think has been a misinterpretation of the context in which my remarks were made."

He quoted extensively from his Feb. 25 speech, giving the texts of the FCC's proposals to combat payola & deception and asking: "What is there in this which indicates any callousness toward the idea that the American public should be protected from both deceptions?" When he spoke of "threats to the American concept," he said, "it is obvious that I refer to the requirements of attempting a balanced program and to conduct a monitoring system to check, to determine whether or not they comply with somebody's concept of what is balanced."

In a finale interrupted by applause, Doerfer asserted: "I challenge anybody to show me more than a handful of licensees who had even been charged with corruption. The fact that some employe can get his hand in your till shouldn't necessarily smear an entire industry.

"What evidence is there that there has been any [misbehavior] on the part of the licensee, even in the TV quiz show? I know there is suspicion. Some people said it is incredible that the owners, operators, licensees, didn't know anything about it. But I, not only as a lawyer, but as a Commissioner, sworn to uphold the law, must be guided by rules of evidence. I will never take a man's license away on pure rumor or conjecture. A thing of that kind must be proved to me beyond a reasonable doubt."

Doerfer walked to the rear of the room, sat beside Harris and they discussed the hassle. Said Harris: "John, I read the speech, then I re-read and re-read it again. Maybe I misconstrued it, but—."

#### Quarton Reports on Broadcasters' Problems

The conference began with remarks by William B. Quarton, WMT-TV Cedar Rapids, chmn. of the affiliates, who stated in part: "There is still much work to be done in TV . . . For instance, we need to clear away the brush of regulatory small print that obscures the field of fire of our editorial guns. When we get this job done we will become first class citizens along with those who use the second class mailing privileges to disseminate their editorial material . . ."

"In flagrant cases where the broadcaster does not deliver what he has promised, the FCC certainly should have the right to take away the license of that station when the license comes up for renewal. Here the point is not programming, but character. Certainly this view is not inconsistent with our desire to keep any form of programming censorship out of the field of broadcasting."

Doerfer followed with his initial presentation, devoted largely to the dangers of govt. interference. He quoted recent news reports of Russian orders to its TV-radio officials to improve their propaganda effectiveness and to Fidel Castro's "govt. by TV" in Cuba. He attacked the Harris

Subcommittee's recommendation that FCC conduct hearings in the field, stating that the Commission hearing-load would increase from 200-250 to 2,200-2,500 annually and that "program balance" evaluation would mean the weighing of some 60,000 hours of broadcasting daily—"absolutely an impossible task."

Doerfer suggested "that you people undertake to tell people some of the problems of TV . . . that they have a wholesome fear of any further govt. intervention." He concluded: "I would suggest to the printed media that if a chill is put upon the freedom of expression in the broadcast media, how far behind can a bleak winter be for the printed media?"

Magnuson left everyone puzzled with a speech that labeled TV-radio a "quasi-common carrier" but gave assurance that self-regulation would take care of things.

As for Harris's recommendations, Magnuson said that his committee will give it "ample hearings, that all sides will be heard." He touched on his own group's activities:

**Allocations**—A report will be issued within 30 days because "there is a lot to be done yet . . . to spread free TV to the widest possible use."

**Ratings**—"I don't know whether we would have any authority to legislate a private concern that does a personal service for the broadcasting industry, but I do know inasmuch as ratings seem to be a very important criteria in what the public gets, that we have a further responsibility, to at least tell the public how they are arrived at, and why, and that will be done."

**Public service**—Networks & stations "all feel that if & where they can, there should be more public service. Both the Senate & House committees are going to have to deal with the problem of public service as it relates to the coming campaign, and that is a knotty problem."

#### Gives "Priority" to Ad Problems

Questionable advertising bothers Magnuson more than programming, he said. "I never have suggested there isn't room for improvement and I never had suggested that anyone—or discussed at least my viewpoint—that there are some things in programming I don't like, but like the Chairman of the FCC, I don't want to assume any role of a public censor. I think that would be somewhat impracticable but I do think that those of you who have direct responsibility as licensees or as networks using the licensees, ought to take a long, hard look at advertising on TV . . . and I think that has priority."

Generally speaking, he concluded: "There has been a great consciousness in the whole industry and I am the last to subscribe to a lot of regulation about things that can be done by the intelligence, responsibility and integrity of you people."

Kintner's address was an up-&-down thing, too. He praised CBS Pres. Frank Stanton as "a real statesman, a leader of integrity, a leader of imagination" and said that Mrs. Kintner is "delighted with recent noticeable improvements in TV programming—just as delighted as I have been with some obvious improvements in TV advertising."

On the other hand, he said: "Sure, your station must make a profit. You are entitled to that in our capitalistic, competitive free-enterprise system. Sure, you must seek & accept enough advertising to support your operation. But can you use these considerations to justify over-loading your station hours with advertising, to justify leaving your station on network all of the day & evening without regard to the needs of your community, or to justify accepting advertising of questionable legality or taste?"

Kintner also said that printed media should derive no

comfort from his criticism of TV. "They, too, have sinned," he said. "And their responsibility to the public also is a heavy one—even heavier in terms of preserving our previous freedoms." He concluded: "Repairs are needed, and you can make them."

Harris, in his one-hour speech, took credit for pushing through the McFarland amendments to the Communications Act, fostering the TV Code, blocking pay TV, easing the law on political equal time.

He urged stations to strengthen public morality by emphasizing educational & informational programs. "It seems to me," he said, "that you have a tremendous responsibility in providing those people, American citizens, with the right kind of material for the right kind of thinking . . . Anyone who is not concerned with morality in my judgment has no business with a license to operate a facility or have anything to do with its utilization or, for that matter, in the administration of the rules governing its operation."

He also urged telecasters to use their own facilities to tell their own story. "One of your affiliates," he said, "came to me not long ago for an interview. While he was setting up & getting ready, he told me of an experience with his own facility. He told me how the competitors were treating him, and how they were taking business away from him."

"I said to him then, as I say to you today: 'You have a chance at an opportunity in operating your facility as is intended in the public interest to reach more homes, in my opinion, than any of your competitors, regardless of who they may be. And there is nothing wrong with your letting the people of the country know what the facts are.'"

Encouraged by Doerfer & Harris, the affiliates passed a resolution stating that "CBS-TV is urged to undertake the preparation of periodic programs in the *CBS Reports* series covering the biography of the TV industry with particular emphasis in the area of philosophy & regulations."

## NETWORK SALES ACTIVITY

### ABC-TV

Daytime Programming, participations starting March 10 for 13 wks.  
*American Redball Transit Co. (Ruben Adv.)*

American Bandstand, Mon.-Fri., 4-5:30 p.m., participations starting July 6, 14 wks.  
*Polk Miller Productions (N. W. Ayer)*

### CBS-TV

Olympic Medal winners, Mar. 4, 4:30-5:30 p.m., taped highlights of winter Olympics.  
*Carter Products (Ted Bates) & Kent Cigaret (Lennen & Newell)*

Sunday Sports Spectacular, 3-4:30 p.m., half sponsorship effective March 27.  
*Brunswick-Balke-Collender (McCann-Erickson)*

Hotel de Patee, Fri., 8:30-9 p.m., alt. wk. sponsorship.  
*Carter Products (Sullivan, Stauffer, Colwell & Bayles)*

Rawhide, Fri., 7:30-8:30 p.m., one-third sponsorship eff. immediately.  
*Wm. Wrigley Co. (Erwin Wasey, Ruthrauff & Ryan)*



## Stations

**FTC WINS PAYOLA PLEDGES:** Record manufacturers & distributors accused by FTC of illegal TV & radio payola practices in a rat-a-tat-tat enforcement drive which started 3 months ago (Vol. 15:49 p12 et seq.) began flocking to the mourner's bench last week.

One after another, respondents named in payola complaints lined up to sign FTC consent agreements which said in effect: "We haven't sinned, but we'll sin no more." The consent orders, forbidding the firms to give anybody concealed payments for broadcasting their records, followed a pattern set by RCA, first company to capitulate under FTC charges (Vol. 15:51 p6).

At the same time, FTC filed more payola complaints in its campaign, which mounted to the 60-case mark. And FTC sources told us that filing of charges against still more record makers & dealers was imminent.

FTC Chmn. Earl W. Kintner told the House Commerce Legislative Oversight Subcommittee at a check-up hearing (see p. 1) that so far the payola cases have involved payments to 255 disc jockeys & other bestg. personnel in 56 cities—and that 95 additional investigations had been started by his agency. Kintner was asked by Subcommittee Chmn. Harris (D-Ark.) to deliver to him personally a single copy of the FTC list of the 255 names—an arrangement presumably designed by Harris to prevent leaks of the names by other Subcommittee members to newspapers—a practice Harris tries to discourage.

Signing FTC pledges last week in settlement of cases were these firms which promised not to engage in payola—but didn't admit they had violated the Federal Trade Commission Act:

London Records Inc., 521 39th St., N.Y. Sparks Music Distributors Inc., 1618 N. Broad St., Philadelphia, and Pres. Leonard Rakliff; Class Records Sales, 3617 W. Pico Blvd., Los Angeles, and Pres. Leon Rene. A & I Record Distributing Co. Inc., 100 Broadway, Cincinnati, and Pres. Isadore Klayman. Chips Distributing Co. Inc., 1415 N. Broad St., Philadelphia, and Pres.-Treas. Harry Chipetz. Main Line Cleveland Inc., 1260 E. 38th St., Cleveland, and Pres. William M. Shipley & vp James J. Shipley. Laurie Records Inc. & Abel Productions Inc., 1755 Broadway, N.Y., and Pres. Allan Sussel, vp Gene Schwartz, Treas. Robert Schwartz and secy. Eliot Greenberg.

New payola charges were filed by FTC against these firms & officers:

Fargo Records (Lou Fargo), 50 W. 57th St., N.Y. Record Merchandisers Inc. (Charles D. Gorman, pres.; Alfred L. Chotin, vp-treas.; Ben G. Landau, secy.), 1933 Washington Ave., St. Louis, King Records Inc. (Sidney Nathan, pres.-treas.; John S. Kelley Jr., vp-secy.) 1540 Browster Ave., Cincinnati. Volkwein Bros. Inc. (Carl R. Volkwein, pres.; Walter E. Volkwein, vp-treas.), 632 Liberty Ave., Pittsburgh. Midwest Distributing Co. (Paul Levy, pres.-secy.), 2642 Olive St., St. Louis. Commercial Music Co. (Charles Lampe, Edward A. Oehel and John Pohl, partners), 2338 Olive St., St. Louis. Eric Distributing Co. (Irving Pinensky, pres.), 1251 Folsom St., San Francisco. Bigtop Records Inc. & Bigtop Record Distributors Inc. (Julian J. Aberbach, pres.; Joachim Jean Aberbach, vp; Freddy Bienstock, vp); 1619 Broadway, N.Y.

Still another batch of FTC payola complaints went into the mail at last week's end, listing these respondents:

Astor Records Inc., 1711 5th Ave., Pittsburgh. United Artists Records Inc., 729 7th Ave., N.Y. Roberts Record Distributing Co. Inc. (Robert L. Hausfater, pres.; Sam Rosenblatt, vp), 1906 Washington Ave., St. Louis. Rick Records Inc., Rick Record Co. and Ron Record Co. (Joseph S. Ruffino), 630½ Baronne St., New Orleans. State Record Distributors Inc. and Whirling Disc Record Distributors Inc. (Melvin & Carl G. Herman of State Record and Herbert Harlowe of Whirling Disc), 140 W. 5th St., Cincinnati, and Indiana State Record Distributors Inc. (Melvin & Carl G. Herman), 1311 N. Capitol Ave., Indianapolis. All-State N.J. Inc. (Melvin Koenig, pres.; Sidney Koenig, treas.; Sherman Koenig, secy.; Irwin R. Fink, vp), 87 Stecher St., Newark. Mutual Distributors Inc. (George D. Hartstone, pres.; Leon C. Hartstone, treas.; Robert S. Hartstone, clerk), 1241 Columbus Ave., Boston. Interstate Supply Co. (Dale B. Neislander, pres.; James A. Hertzler, secy.; Clarence W. Mangels, treas.), 4445 Gustine Ave., St. Louis.

Capital Cities Bestg. Corp. (formerly Capital Cities TV Corp.) has moved its N.Y. offices to 24 E. 51st St. Capital Cities operates WTEN & radio WROW Albany with satellite WCDC Adams, Mass.; WTVD Durham, N.C.; WPRO-TV & WPRO Providence, R.I.

Toronto will be the toughest assignment for Canada's Board of Broadcast Governors when, next Monday—March 14—it must decide which of 9 applicants will get the single license for a private TV station in Toronto on Ch. 9. Applicants are: (1) Consolidated Frybrook Industries Ltd., Jack Kent Cooke, owner & pres., radio CKEY; (2) Spencer W. Caldwell, on behalf of a company to be incorporated; (3) Henry Borden, industrialist, on behalf of a company to be incorporated and including Southam Publishing Co. which publishes daily newspapers in Ottawa, Hamilton, Winnipeg, Calgary, Edmonton, Medicine Hat and Vancouver; (4) Upper Canada Bestg. Ltd., including the international comedy team of Wayne & Shuster, and Sir Ernest MacMillan, director, Toronto Symphony Orchestra; (5) Rogers Radio Bestg. Co. Ltd., owners of 50-kw radio CFRB; (6) Beland H. Honderich, vp, *Toronto Daily Star*, on behalf of a company to be organized; (7) Baton Aldred Rogers Bestg. Ltd. (publisher John Bassett of the *Toronto Telegram*, chmn.; radio-TV personality Joel Aldred, pres. and including Foster Hewitt, owner radio CKFH); (8) Maclean-Hunter Publishing Co. Ltd. and including Associated Television Ltd.; (9) J. S. D. Tory, Q.C., director of *Toronto Globe & Mail*, on behalf of a company to be incorporated and including publisher Howard G. Webster, owner of *Globe & Mail* and Odeon Theaters.

"Clipp Plan" for TV code previewing of programs & commercials (Vol. 15:47 et seq.) will be explored in a special meeting March 11 at the Drake Hotel, Chicago, by some 40 telecasters who have shown the greatest interest in the concept proposed by Triangle Stations' Roger W. Clipp. Six operators joined Clipp in extending the invitations: Hayden Evans, WBAY-TV Green Bay, Wis.; Harold See, KRON-TV San Francisco; George Storer Jr., Storer Bestg. Co.; Joe Drilling, KJEO Fresno; James Leake, Griffin Stations; Ward Quaal, WGN-TV Chicago. The idea has been endorsed publicly by FCC Chmn. Doerfer, informally by FTC Chmn. Kintner. Clipp considered offering the proposal as a resolution during the CBS-TV affiliates conference in Washington last week, withdrew it after some members protested that the conference was the wrong forum. Among the objectors was TV Code Review Board Chmn. Donald McGannon, who said that affiliate action might "embarrass" the Code Board at this time.

TV will get equal treatment with the press in N.Y.—when it comes to libel laws, at least—if a bill passed unanimously by the state Assembly clears the Senate. The bill writes into law several state court decisions extending the law of criminal libel to defamatory statements made on TV & radio. Designed to end the distinction between slander & libel laws, it provides that a person is subject to criminal libel when he deliberately defames another person on TV or radio with intent to convey the statement to the public. Defamatory statements on the air thus would be made subject to the same criminal libel laws that now apply to newspapers & magazines.

Strike-bound KDKA-TV & KDKA Pittsburgh were still deadlocked with AFTRA on key issues late last Friday, but a station spokesman indicated that settlement was in the wind and return of the strikers was imminent. Negotiations continued daily last week with little perceptible headway. At week's end, the Westinghouse Bestg. Co. outlets were petitioning AFTRA to have only KDKA-TV & KDKA personnel (46 persons, or only 19% of the local AFTRA membership involved, according to the station) vote on the broadcaster's counter-proposal.

## Congress

**FCC UHF RESEARCH QUESTIONED:** The \$2.25-million uhf research project proposed by FCC (Vol. 15:48 *et seq.*) ran into trouble last week before the House Appropriations Subcommittee. Chances of getting the funds are now estimated at no better than 50-50. The decision should be known within a few weeks.

It's understood that in the closed session, before the group headed by Rep. Thomas (D-Tex.), the Commission was given almost no opportunity to present its facts before the questions began to fly. Apparently, the Congressmen don't object to the project particularly; they just don't want to spend the money.

So the Commission is going back with an amended budget, hoping to cut about \$250,000. A Subcommittee member suggested that FCC might get help from the National Academy of Sciences. Preliminary inquiries have been made, and it's thought that NAS may offer some aid.

Most of the day was taken up by Congressmen raking FCC over the coals for not exerting greater control over station programming & business practices. FCC Chmn. Doerfer & Comr. Hyde did most of the talking for the Commission, each stressing his customary position—the former expressing fears of “censorship” and the latter agreeing that FCC should demand greater licensee “responsibility.”

The Congressmen present were: Thomas (D-Tex.), Yates (D-Ill.), Evins (D-Tenn.), Boland (D-Mass.), Jonas (R-N.C.), Rhodes (R-Ariz.), Ostertag (R-N.Y.).

Indefinite reprieve from Senate Commerce Committee going-over has been won by NAB, TV networks, national advertising organizations, FCC & FTC. Just 24 hours before a previously postponed conference on wrongdoings within the industry was due March 1, Chmn. Magnuson (D-Wash.) announced it had been called off because of the 24-hour daily debate on civil rights on the Senate floor (Vol. 16:9 p4). He said no new date for the top-level meeting would be set until the floor filibuster is over. In its last regular meeting before most off-the-floor Senate business was suspended for the debate's duration, the Commerce Committee decided meanwhile to merge its new (& inactive) Freedom of Communications Subcommittee with its standing Communications Subcommittee. Set up last year under Sen. Yarborough (D-Tex.) as a watchdog on TV & radio implementation of Communications Act equal-time amendments (Vol. 15:42 p10), the free-speech unit had had little business since. Yarborough was put on the Communications Subcommittee headed by Sen. Pastore (D-R.I.), increasing the Democratic lineup on it to 6 vs. 3 Republicans.

Broadcasters & legislators alike are faced with serving the interests of special groups in the community without losing the confidence & attention of the majority, TIO dir. Louis Hausman said March 2. Addressing the annual legislative dinner of the N.Y. State Assn. of Bcstrs. in Albany, Hausman called upon legislators & broadcasters to “help each other fulfill their common responsibility to serve the public interest.” In paralleling the 2 groups, Hausman said: “Unless we are willing to settle for a totalitarian approach, we cannot force people to watch or listen to what they don't want or to obey laws for which there is no broad public acceptance.” He urged that both legislators & broadcasters avoid activities which “diminish the public's respect for the work of the other.”

CBS Inc.'s Frank Stanton gave industry's arguments against govt. program controls “clearly, succinctly and persuasively” in his *Printers' Ink* Advertising Gold Medal Award acceptance speech last month (Vol. 16:8 p11), Rep. Rhodes (R-Ariz.) told the House. Inserting Stanton's speech in the *Congressional Record*, Rhodes said it “placed in perspective the basic questions involved in govt. regulation of broadcasting.” The text of the speech also was carried in full-page newspaper ads by Capital Cities Bestg. Co. (WTEN & WROW Albany, WPRO-TV & WPRO Providence, WTVD Raleigh-Durham), which hailed Stanton's “clear statement of principles.” A dissenting opinion was filed by *N.Y. Herald Tribune* syndicate columnist Walter Lippmann, however. He wrote that Stanton advanced “a thoroughly false argument” in the speech by equating broadcasting with the press. Lippmann said Stanton seemed to forget that TV & radio stations—unlike newspapers—are licensed by the govt., that the broadcasting industry has no “unrestricted right to set its own standards of conduct.” If 3 printing presses monopolized press communications as the 3 networks monopolize broadcast communications, the presses would have to be regulated, too, Lippmann added. But meanwhile: “There is an essential & radical difference between TV & printing, and Mr. Stanton should not pretend that they can or should be treated alike.” Sen. McGee (D-Wyo.), a Commerce Committee member, told the Senate he found Lippmann's criticism of Stanton “extremely penetrating.” At the same time, Lippmann got a rebuttal from his *Herald Tribune* Syndicate stablemate David Lawrence. In his column, Lawrence said the govt. has no business interfering with programming—or dictating equal-time on the air for politicians, either.

Conflict-of-interest legislation proposed for govt. employes by N.Y. lawyers (Vol. 16:9 p5) won't do the job of preventing abuses, House Judiciary Committee Chmn. Celler (D-N.Y.) said last week. He argued that the bills (S-3080 & HR-10575) would place “primary reliance” on federal agencies to see to it that officials & employes don't use govt. connections for their own gain. “You cannot expect the agencies to enforce conflict-of-interest statutes,” Celler said. “They just won't do it.” But Chmn. Roswell B. Perkins of a special committee of the Assn. of the Bar of the City of N.Y., which drafted the bill, told Celler's Anti-trust Subcommittee that the proposed measures could bring “vast improvement” in enforcement of the laws. He said present laws rely too much on harsh penalties.

All-channel TV sets could be required of interstate manufacturers by FCC under FCC-proposed bills (S-3115 & HR-10817) introduced at the Commission's request by Senate Commerce Communications Subcommittee Chmn. Pastore (D-R.I.) and House Commerce Committee Chmn. Harris (D-Ark.). The legislation was recommended in FCC allocations testimony last month before Pastore's subcommittee (Vol. 16:6 p2). The nominal Congressional sponsors of the measures aren't expected to push for action on them, however, as both Pastore & Harris have expressed doubts about the need—& constitutionality—of such legislation.

Lee group newspapers, which under separate corporate setups have extensive TV & radio interests in the Midwest (see TELEVISION FACTBOOK No. 29, pp. 298 & 302), demonstrate “qualities of character, intellect and leadership,” according to Rep. Schwengel (R-Ia.). In a *Congressional Record* statement, he said the family newspaper-broadcasting enterprise founded by Alfred W. Lee “emphasizes the American dream and what can be accomplished by dedicated men working toward a goal.”

## Advertising

**Biggest TV Agencies Reported:** The top 10 ad agencies billed \$708.9 million in TV during 1959, based on figures supplied by *Advertising Age's* annual agency billings report. J. Walter Thompson, with the highest overall billings (\$328 million, including foreign) was also the top TV agency with \$110.5 million in 1959. McCann-Erickson recorded the highest all-media domestic billings of \$231 million, of which \$90 million went to TV. The top 10 agencies billed \$1.496 billion in all media domestically, the trade paper reported.

Following JWT & M-E, the remaining top 8 (with their estimated TV billings) include: Young & Rubicam (\$89 million), BBDO (\$73 million), Ted Bates (\$90 million), Leo Burnett (\$55.7 million), Benton & Bowles (\$73.7 million), N.W. Ayer (\$35.8 million), Kenyon & Eckhardt (\$39.9 million), Dancer-Fitzgerald-Sample (\$51.3 million).

Billings & account breakdowns of 629 ad agencies, ranging from over \$300 million to less than \$100,000 a year were reported in the special 218-page issue (Feb. 29). There were 39 agencies billing \$25 million or more, including 7 who were not in this category in 1958: Doherty, Clifford, Steers & Shenfield; Gardner; Doyle Dane Bernbach; Geyer, Morey, Madden & Ballard; Ogilvy, Benson & Mather; Fletcher, Richards, Calkins & Holden; and Tatham-Laird.

Camera trickery was used, Libby-Owens-Ford conceded last week, in its TV commercials for safety plate glass installed in General Motors cars. FTC had started Toledo & Detroit hearings on a deceptive-advertising complaint against the companies. In a formal reply to the charges last month, L-O-F denied using "any false, misleading or deceptive representations or statements whatever" (Vol. 16:7 p12). Both companies again entered denials when FTC examiner Harry R. Hinkes opened the hearings. But subsequently L-O-F issued a statement which said it had "learned for the first time that certain plate glass scenes in its commercials had indeed been filmed through an open or rolled-down automobile window"—as FTC had claimed. The L-O-F statement blamed an unnamed commercial producer for disregarding instructions to film scenes through plate glass car windows to demonstrate lack of optical distortion in contrast to vision through sheet glass.

FTC "honors program"—to recruit law school graduates in the top 10% of their classes—has been started by Chmn. Earl W. Kintner "to maintain the highest level of competence" on the ad-policing agency's staff. Candidates selected for FTC jobs will get higher-than-usual starting salaries: \$4,980 for law clerk-trainees, \$5,985 for attorneys who have been admitted to the bar.

**Ad People:** Mort Green resigns as director of TV & radio, Revlon Inc. . . . James Shelby named dir. of radio & TV dept., Joseph Katz Co. . . . Robert J. Greiner appointed radio & TV dir., Earle Palmer Brown & Associates, Washington . . . Ken Torgerson has been named senior associate media dir., Dancer-Fitzgerald-Sample.

Harold A. Smith elected a vp of Needham, Louis & Brorby, Chicago, continuing as head of program promotion & merchandising for the TV-radio programming dept. and as head of press relations . . . Ralph C. Robertson, ex-ad dir. of B. T. Babbitt Inc., appointed senior vp and director, Geyer, Morey, Madden & Ballard . . . James K. Graham named associate dir., TV-radio dept., Reach, McClinton & Co.

**It's TV's Fault, Says Kenyon:** "Rigged TV quiz shows & payola alone are responsible for the recent hubbub over truth & taste in advertising," charged Magazine Publishers Assn. Pres. Robert E. Kenyon Jr. in Detroit last week. The N.Y.-Washington quiz disclosures, said Kenyon, "were the keys that unlocked a Pandora's box of investigations & exhortations, pointing of fingers, beating of breasts and wailing at the walls throughout the ad & media world."

In a put-the-record-straight speech before Detroit's Adcraft Club, Kenyon stated that before the quiz probes, the FTC was receiving only "a couple of hundred letters of complaint a month" and that following the investigations "complaint letters jumped 5 times." Chmn. Kintner (of the FTC) "wrote me," said Kenyon, "that complaints on magazine ads numbered about 50 a month before Nov. 4, 1959, and about 60 a month out of about 1,000 received monthly since then."

Prime responsibility for truth & taste in magazine advertising lies with "the advertiser & his agency," Kenyon further stated. Any attempt by FTC, or other govt. agency, to hold magazines as well as advertisers & agencies legally responsible for the truth in magazine advertising would be fought by MAB, Kenyon indicated. "We would question whether this might not be an approach to that censorship which we must resist at all times," he said.

For the future in print media, Kenyon offered a broad platform for "further improvement" of ad practices. He urged "stricter enforcement of laws against the few violators," periodic checkups of voluntary codes & standards, a "fresh look" by corporate management at advertising responsibility of companies, agencies & media and "stricter self-discipline" by admen.

\* \* \*

Main viewer criticism of commercials is that "there are simply too many," Schwerin Research Corp. has found in a recent attitude survey of 1,720 viewers. When asked "What is your major criticism of TV today?" 46% criticized commercials, 44% programs. In the commercials category only 3% specified they were "false & misleading," while 60% said there were "too many," 26% that they were "too lengthy, loud or annoying" and 8% that they were "interruptive."

Print circulation isn't readership, a Daniel Starch & Staff research study circulated last week by one of the major TV networks pointedly reminded admen. Based on a checkup of 41 issues of 8 newspapers in 5 markets, the Starch study shows that a typical 1,000-line newspaper ad "is noted by only one out of every 5 issue readers," that even full-page newspaper ads can expect to attract only one reader in every 3, and that only 4% to 12% of an issue's readers can be expected to "read most" of the average newspaper ad. On a related research front, Sindlinger & Co. reported, however, that people spent 17.3% more time reading newspapers in late 1959 than they did in the last part of 1958, and spent 20.8% less time watching TV and 7.9% less time listening to radio.

### U.S. Station Rate Increases

| Station                     | Base Hour        | Minute                      | Date         |
|-----------------------------|------------------|-----------------------------|--------------|
| KABC-TV Los Angeles         | \$2600 to \$3500 | \$800 to \$900 <sup>1</sup> | March 1      |
| WDSU-TV New Orleans         | 1100 to 1200     | 250 to 300                  | March 1      |
| KOMO-TV Seattle             | 1200 (no change) | 350 to 380 <sup>2</sup>     | March 1      |
| WFAA-TV Dallas              | 1200 (no change) | 250 to 275 <sup>3</sup>     | Not reported |
| WCHS-TV Charlestown, W. Va. | 800 to 850       | 175 to 200                  | March 1      |
| KHQA-TV Hannibal, Mo.       | 400 (no change)  | 80 to 90                    | March 1      |

<sup>1</sup> New Class AAA Min. rate (7:59-10 p.m. daily), Class AA Min. (7:29-7:59 p.m. daily) remaining \$800.  
<sup>2</sup> New Class AAA Min. (7:29-10 p.m. daily).  
<sup>3</sup> 20 Sec. only.

## Film & Tape

**FILM STRIKE STILL DEADLOCKED:** It looked last week like a long strike which well may affect next season's product that normally goes into production between April & July. For neither side was predicting an early settlement in the WGA strike against Alliance producers and TV operations at the major movie studios. The disputants didn't even bother to hold a negotiation session. WGA was disturbed by the refusal of the Alliance to so much as discuss the issue of foreign residuals (WGA seeks 4% of the gross on telefilms shown abroad).

But production executives representing the networks, the majors and independents met last week to discuss the situation. With 90% of TV-film producing companies represented, they firmly reiterated their solidarity against WGA's demands.

WGA strategy, meanwhile, appeared to be to sign independents outside the Alliance fold, in hopes that this would break producer-resistance to the overseas residuals demand. The contract for such independents expires March 12. However, there appeared to be little chance of any major break in that area. (For example, Warren Lewis, who is involved in the production of *Man With a Camera*, *Peter Gunn* and *Mr. Lucky*, plus several pilots, is one of the leading producers outside the Alliance, and he's firmly against granting overseas residuals to WGA. Lewis told us that the smaller independent's only means of recouping some of his investment in the near future is the overseas market, and granting such residuals to the various guilds "would destroy that source." A contract with a sponsor normally prevents a producer from putting his series into reruns for 3-5 years, and that's why the overseas market is important, Lewis explained.)

### Old Properties Being Re-Made

What were the telefilm companies doing for stories? Some were digging into their vast backlogs & remaking old stories. Minor changes were being made in such scripts by non-Guild production executives.

Some Guild members were reported writing, but under pseudonyms to avoid fine & expulsion from WGA.

Some companies said they were using non-Guild writers. WGA, aware of this, said they could represent only a miniscule number since virtually every professional is a WGA member.

One thing was clearly evident—overall production has not yet been hurt badly by the WGA strike. While executives were admitting they have begun to feel the story shortage, their cameras were nevertheless busily filming series at every studio.

SAG's March 7 strike against the major movie studios, seemingly inevitable, will have little effect on TV film production at those studios. Our check on this point brought out the following:

**MGM:** "We will continue with our regular production of pilots and with our TV rentals. A SAG strike will mean we will have 10 more stages available for rentals." (CBS-TV, which already has *Twilight Zone*, *Rawhide* and *Mr. Lucky* filming at MGM, is negotiating to move 3 more of its series to the Culver City lot.)

**Paramount:** "We plan to continue operations as long as possible."

**Warner Bros.:** "Closing has never entered our minds."

**Columbia:** "A SAG strike will in no way affect production of our series & pilots."

Twentieth Century-Fox "We wouldn't keep all our departments open for a single series (*Adventures in Paradise*). In event of a SAG strike, we probably will film the *Paradise* exteriors here and the interiors at Fox Western. We will keep only that production personnel necessary for filming of the series, plus personnel working on movies already filmed, also studio police, etc."

SAG and the majors held an unproductive negotiation meeting last week at which the majors discussed a pension plan, minimums, and everything but the explosive question of payments on post-1948 movies sold to TV. Studio negotiators said they had orders not to discuss it, so little was done, since that issue is SAG's principal target.

The majors were unimpressed when SAG, like WGA the previous week, reached a post-1948 deal with Universal-International. The SAG-U-I deal provides that U-I will pay 6% of the gross from distribution of U-I movies sold to TV after deduction of 40% for distribution costs. The deduction is reduced to 10% if the U-I backlog involved is an outright sale. On movies made after Jan. 31, 1960 the producer will pay 7% with similar deductions. U-I will pay 5% of actors' earnings into a pension & welfare fund. U-I can release post-1948 movies to pay-TV without additional payment to actors, but for any movies made after Jan. 31, 1960 SAG may reopen pay-TV negotiations.

SAG signed Carlyle-Alpina S.A., the Otto Preminger Company which is producing "Exodus"; and independent producers Frank Sinatra, Tony Curtis and George Sidney to deals similar to that made with U-I.

SAG and major independent producers were reported near agreement in their negotiations.

TV will undoubtedly be affected if there is to be a prolonged SAG strike. It's the considered opinion of most informed industry executives that at least 2 major studios may be liquidated by stockholders in the event of such a strike. Certain stockholders have been seeking an excuse for such liquidation and a SAG strike would provide it.

Some sources say, too, that at least some of the majors would welcome a strike because it would permit a housecleaning of personnel at the studios. If SAG strikes, a number of majors may exercise *force majeure* clauses in their contracts with high-paid executives and production talent, thus economizing and perhaps, in some instances, paving the way for liquidation.

The first evidence of a dissident group within SAG came last week when about 40 actors opposing the strike action met to criticize their Guild. Principal speaker was Glenn Ford, who said, "Actors are not morally justified in striking & causing backlot workers to be laid off. Personally, I could retire tomorrow on the post-1948 residuals but it would be morally wrong. No amount of money can compensate for the resentment & tragedy we will cause." A second meeting of anti-strike SAG members was held later in the week, with over 200 attending.

\* \* \*

Disclosure that the striking Writers Guild of America maintains "spies" at the telefilm companies it has been striking since Jan. 16 came out at a membership meeting. When writer-producer Carey Wilber criticized this scab-hunt as a "junior model Heinrich Himmler & Gestapo," and characterized the Guild's leadership as "inept," he was booed & hissed. Wilber (and others) left the meeting, claiming he was threatened. The producer-director (who has just finished the pilot of *Innocent Jones* at Paramount) said, "I am opposed to the strike. I felt WGA chose a bad time for it . . . The Guild has achieved a lot for writers—but you can't push a good thing too far."

## NEW YORK ROUNDUP

Another round of overseas-taped shows is in the works. Early in April, Pat Boone and key members of his 30-min. Chevrolet-sponsored ABC-TV show will start a month of European taping, with the facilities of Ampex-equipped Intercontinental TV S.A. (ITSA). Four shows are planned—2 in Paris, and one each in Venice & Munich. Dave Garroway, first U.S. TV star to utilize tape on overseas locations, will fly to Rome next month to tape a week's worth of NBC-TV shows with ITSA facilities. In N.Y., ITSA executives told us they anticipated no problems in finding engineers familiar with U.S. equipment to handle the European assignments. "We've had a small flood of letters & resumes lately from network engineers who tell us they'll just happen to be on vacation at the time we plan our tape shows in Europe. Everybody wants to go on the junket."

Block-booking anti-trust action in N.Y. Federal Court against major film firms starts March 7. None of those we contacted among the defendants (MGM, Screen Gems, United Artists, *et al.*) expressed worry that the distribution of features for TV would be radically changed or that the estimated \$450-million worth of contracts already written in the TV field would be torn up & rewritten. Said an official of one of the defendant firms: "We've long since dropped the selling of features in big blocks. Now, we sell small packages and even a few choice films out of the packages." Said a UA source: "First the govt. made the industry sell films to TV. Now, the govt. doesn't like the way it's been done. Where do we go from here?"

New color tape equipment has been ordered by Mobile Videotape Productions, N.Y.-based independent firm specializing in location-produced tape commercials & programs. A spokesman for MVT Pres. Ted LeVan told us the firm has already received its second Ampex recorder, a colorized 1000-B model, and expects to receive a set of GE color cameras shortly. No major color-commercial orders have been placed with MVT, however. MVT's original equipment, housed in mobile units, was entirely black-&-white.

Screen Gems & ABC-TV are discussing a deal for network reruns of one of the most sought-after film packages on the market: the 200-odd 30-min. episodes of *Father Knows Best*. Co-producers Eugene Rodney and Robert Young, who stars in the situation comedy series, may get as much as \$6 million from a daytime rerun network sale. Currently, the show is in first-run on CBS-TV for Scott Paper Co. and Lever Bros., and the sponsors are willing to renew for another season. But Rodney & Young reportedly want to drop the series after 6 successful seasons, believing they've exhausted the idea. Screen Gems is due in any event to be a major supplier of programming on ABC-TV this fall, with program deals lined up for *Naked City*, *The Flagstones*, *Winston Churchill's Memoirs* and the *Donna Reed Show*.

WPIX N.Y. has launched syndicated sales of its latest station-produced 60-min. documentary film, "The Secret Life of Adolf Hitler." Aired in prime time (8:30 p.m., Feb. 25), the show scored a surprise smash hit with a 49.7 local ARB and a 60% share of audience—highest in the independent station's history—against competition from the other 6 N.Y. channels. Another WPIX 60-min. film, dealing with the Berlin crisis, is being held by the station pending President Eisenhower's visit to Moscow.

## HOLLYWOOD ROUNDUP

William Morris Agency last week sold its third series out of 3 pilot pitches. It was Four Star Television's *The Law and Mr. Jones*, starring James Whitmore. The previous Morris sales were *The Tom Ewell Show*, also from Four Star (sold to CBS-TV), and *The Andy Griffith Show*, a Marterto Productions-Griff Link Corp. series, sold to General Foods. P&G bought the Whitmore series, which is produced by Cy Gomberg. Ironic feature of this deal is that a pilot was originally made last year by Bing Crosby Productions for ABC-TV under the title, "Lincoln Jones." After ABC-TV decided not to buy it, Four Star acquired the rights and reshot the pilot. P&G has not decided on time or network.

Lucille Ball's divorce action against Desi Arnaz will in no way affect Desilu Productions, owned by the pair, it's emphasized by studio sources. We're told that Arnaz, pres. & exec. producer of Desilu, is planning a series of 60-min. filmed specials for next season, with Lucy to star in 5 of them. They will be filmed this summer before she moves to N.Y. While property settlement hasn't been disclosed, the couple's 49% ownership of Desilu is not affected.

Movie industry can't survive without foreign markets, yet "some countries devote their highest ingenuity" to barring film imports from the U.S., Motion Picture Assn. of America Pres. Eric Johnston said last week. As spokesman for the first industry to be heard in a series of Commerce Dept. conferences on foreign trade problems (Vol. 16:9 p18), he said the govt. should obtain assurances from other nations against "new & unreasonable" trade barriers. Johnston argued that U.S. movies have particularly important international roles as goodwill ambassadors & salesmen for other American products.

NBC-TV's planned pre-taped drama, "The Ira Hayes Story," based on the life of the late Pima Indian who participated in the historical flag raising on Iwo Jima, will be telecast as scheduled March 8, despite protests by the Pima tribe. The tribal council objected strongly to the show on the grounds that "NBC seemingly intends to misrepresent Ira Hayes and the Pima Indians to the American public by showing Hayes as a drunken Indian." No action has been taken against the network.

Revue Studios has signed Joel Murcott as associate producer to develop new properties . . . Producer Hubbell Robinson will pilot a 30-min. comedy, *That Man Adam*, starring Paul Ford. Mac Benoff is producer-writer . . . Robinson's *The Lawyer* series for ABC-TV goes into production March 7, with Jules Bricken as producer, and his thriller series for NBC-TV begins filming this week . . . A new comedy pilot, *Ichabod*, soon goes into production at Revue, with Bob Mosher and Joe Connelly as producers. It hasn't been cast yet.

"Father Knows Best" producer Eugene Rodney, Groucho Marx, Bob Cummings and Steve Allen will be the panelists when the Academy of Television Arts & Sciences meets to discuss TV comedy March 31. George Fenneman will be moderator . . . Rodney, incidentally, told us he hasn't yet decided on continuing his series for another season.

Allied Television Film Corp. has acquired from C. V. Whitney Pictures Project X, which photographs & develops movies over a 360-degree viewing angle.

## Television Digest

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Hollywood 5-5210  
DAVID KAUFMAN

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**Personals:** John K. West, ex-NBC Pacific div. vp, named NBC West Coast vp, representing network management in areas of public relations, talent relations, advertiser relations & community relations. Thomas W. Sarnoff, ex-production & business affairs vp, becomes West Coast administration vp and head of new West Coast coordinating committee formed "to strengthen the links between NBC's N.Y. hq and network activities on the West Coast."

Benedict Gimbel Jr., pres. & gen. mgr. of radio WIP Philadelphia until its purchase by Metropolitan Bestg. Corp., elected vp & a dir. of Metropolitan; H. D. (Bud) Neuwirth, ex-John Blair & Co., joins Metropolitan as asst. to Pres.-Chmn. John W. Kluge.

Richard Maguire, ex-KUAM-TV & KUAM Guam, named gen. mgr., KVUE-TV (Ch. 40) Sacramento . . . Edward P. Dittlof promoted to new post of community affairs dir. of Storer's WITI-TV Milwaukee . . . James A. Bacharach, ex-O. E. McIntyre Co., named to new post of dir. of mktg. services, Trendex . . . Richard N. McHugh, ex-mgr. of financial evaluation, appointed NBC-TV mgr. of special program sales . . . Blaney Harris named program sales mgr., WPIX N.Y.

Lt. Col. Rene P. Landry, asst. to CBC Pres. Alphonse Ouimet, appointed a vp; C. E. Stiles named CBC dir. of purchasing & stores . . . Don W. Lyon, dir. of TV-radio for U. of Rochester and conductor of oldest continually sponsored educational TV program (7 years on WROC-TV), appointed to new position of dir. of public affairs for the university.

### Obituary

Melvin Purvis, 56, owner of radio WOLS Florence, S.C. and ex-FBI agent who led the teams that killed criminals John Dillinger and "Pretty Boy" Floyd, shot himself to death Feb. 29 at his home in Florence. His physician said Purvis had been depressed and in poor health recently. Since leaving the FBI in 1935, he had practiced law in Florence, and in 1941 served as counsel for a subcommittee studying civil service. He is survived by his wife and 3 sons.

Joseph M. (Joe) Boland, 55, nationally known sports announcer and sports & special events dir. for WSBT-TV & WSBT South Bend, died Feb. 26 in South Bend. He was widely known for his formation in 1947 of the Irish Network, which grew to 190 radio stations, to broadcast Notre Dame football. Survivors are his wife, daughter and son.

## Programming

**SPECIALS NOT SO SPECIAL:** Program plans of at least 2 of the 3 networks call for fewer & bigger TV specials this fall, and a definite trend away from the concept of regularly-scheduled "specials" which often aren't so special after all.

NBC-TV, leading proponent of specials this season, will have televised nearly 200 before mid-summer, but will chop this number to between 75 and 100 next season, we're told. CBS-TV will reduce its nearly 100 specials of the 1959-60 season to no more than 30 or 40 next season. ABC-TV, which has had only about a dozen specials in the current TV season, may step up the number a bit but will still be far behind the present NBC-CBS volume.

A major reason for network reticence on specials can be seen in a new study of such shows prepared by A. C. Nielsen Co. We had an exclusive look at it last week and found it to contain sour news for program executives who hold specials to be the answer to TV's problems.

Network specials are generally dwindling in popularity & in their ability to draw audiences, the Nielsen report indicates. All commercial network evening specials aired in the Sept.-Nov. period of 1958 averaged a 22.2 AA rating and an audience-share of 38%. In the comparable 3-month period in the 1959-60 season, specials drew an AA rating average of 20.2 and an audience-share of 35%.

The only specials that have been doing significantly better this season are those classified as "general variety," i.e., star-studded vaudeville lineups that get by on the sheer weight of high-priced star names. In the fall of 1958, such shows scored an AA average of 18.3; last fall, they pushed the average up to 24.7.

Specials classified as "musical-variety" made a slight gain (up from 17.0 to 17.1), but drama specials dropped from 23.1 to 18.5 and comedy specials fell off from 25.4 to 24.1. The general *potpourri* of remaining specials classified as "miscellaneous" (fashions, sports, semi-news, etc.) also dropped, from 27.2 in the fall of 1958 to 17.7 last fall.

Nielsen wouldn't tell us what cost-per-1,000 figures are involved in network specials this season vs. last. However, a spokesman admitted that cpm figures for specials "are often of the order of \$6-\$7 or more." Most agencies generally consider a cpm of \$3.50 to represent a good buy in network TV.

Chicago TV-radio stations have won a major victory in their long fight to obtain newsreel & radio coverage of City Council meetings. The Council last week passed a special resolution permitting film coverage—for the first time—of the meeting at which Mayor Richard Daley introduced an ordinance reorganizing the police dept. TV newsreel crews of WNBQ, WBBM-TV and WGN-TV covered

CBS-TV did "wonderful job" in covering the Winter Olympics (Vol. 16:9 p9), Sen. Monroney (D-Okla.) told the Senate. In a brief speech, the frequent critic of TV practices (Vol. 16:9 p5) said that the network's Squaw Valley performance was a "spectacular job of detailed coverage," that it was a "perfect example of what TV can do to bring into American homes new & exciting experiences."

A 70-station non-network special sponsored by Gamble-Skogmo Co. (chain stores) will be carried by nearly 70 stations in central U.S. at 7:30 p.m. local time March 10. The 60-min. show will be microwaved from Minneapolis, Denver & Detroit for the different time zones.

# Trade Report . . . .

MARCH 7, 1960

**'INVENTORY READJUSTMENT'—BUT GOOD TV SALES:** We've heard a little moaning in the TV trade that 1960 business hasn't been as good as it might be—so we checked with market research directors and other officials of several important TV producers, and here's the consensus:

Retail sales of TV sets so far this year have been good—at an annual level of approximately 6.5 million units. This is actually higher than the industry's own predictions for 1960, as reported in our survey last December (Vol. 15:51 p14). Much of the retail selling in Jan. & early Feb. was done from inventory, and retailers' purchases from distributors were relatively low.

This inventory readjustment, traditional at this time of year—but perhaps carried a little further than usual in 1960—is considered healthy by marketing analysts. As a result of the selling from inventory at the dealer level, distributor inventories were up somewhat at end of Jan., but had declined by the end of Feb. to about the same level as the beginning of the year. Factory inventories increased slightly at the end of Feb., but production is being trimmed now to meet this situation.

There's not much danger of mass dumping, market researchers agree, since manufacturers are carefully keeping production abreast of sales, not permitting the inventory cushion to get too padded. Preliminary figures indicate that Jan. 1960 production totaled about 525,000 TV sets, 20% above the 437,000 of Jan. 1959. In Feb., output was lowered to 499,600, less than 9% ahead of Feb. 1959's production of 459,500. Each of last 4 weeks for which industry TV figures are available (to Feb. 26) shows a decrease from the preceding week (see table on page 16).

"The current volume in TV sales at retail is exceeding the general gains in the economy," we were told by one TV marketing expert. He reminded us that retailers went into 1960 with too-heavy inventories. For the 4 weeks ended Feb. 19, he added, distributor sales to dealers averaged about 136,000 sets per week. "With no further readjustment of retail inventories," he said, "this would indicate retail sales are running at an average rate of about 6.6 million, although the present level projects to annual distributor sales of about 5,750,000"—the difference being due to the inventory readjustment at retail.

Spot check of manufacturers confirmed trend. Generally they said production had been trimmed to sales pace—and their reports from retailers showed Jan. & Feb. slightly better than last year. One exception was Sylvania, Pres. Robert Shaw of Sylvania Home Electronics telling us that TV set sales to distributors exceeded the record sales of the same period last year, and that despite increased production, the company's inventories are at an all-time low for this usually slow period.

Summing up: TV retail business to date in 1960 is better than last year—but not sensational. Some set makers are counting on their spring drop-ins of the new 19-in. sets & other new models to provide the sensation.

**First of the 19-in.:** As we predicted last month, Admiral was the first to introduce a 19-in. set. It did so at distributor meetings—showing a whole 7-set line of them, with price tags varying from \$169.95 to \$259.95, in same range as 17-in. sets. Admiral's sets use the non-bonded tubes with conventional safety glass.

Admiral's new 19-in. line uses same size cabinet as 17-in. sets, consists of 5 portables and 2 consolettes. Two of the portables have cabinets only 12¼-in. deep and 2 use Admiral's newly-announced 7-transistor remote-control amplifier chassis (Vol. 16:8 p21).

Sylvania will introduce line of 19-in. sets next month, and they'll have the bonded-on implosion plates—probably the first bonded-shield 19-in. sets to be shown. It's expected Sylvania will concentrate initially on table models & consolettes in the 19-in. size, rather than portables.

Within the next 2 months, many other manufacturers will be showing new drop-in models (or in some cases previewing nearly complete 1961 lines)—and you can bet 19-in. sets will be featured prominently by many of them.

**Price-Fixing Restricted:** U.S. Supreme Court's Feb. 29 decision which further tightens manufacturer's right to enforce retail prices was getting close study from TV & appliance makers at week's end—but there was a paucity of interpretations as to what it actually will mean to the trade.

Ruling in a pharmaceutical case, high court said Parke, Davis & Co. violated Sherman Act when it took active moves, in cooperation with its distributors, to stop price-cutting on its products by D.C. & Va. drug-stores. Enforcement of retail prices on TV sets, both in & out of fair-trade states, is extremely spotty, varying widely from company to company.

The Court's decision indicated that "the simple refusal to deal" with a price-cutting retailer was still a legitimate action, but there were considerable doubts within the trade as to how Justice Dept. will interpret the decision. For example, Magnavox, which deals directly with retailers and strictly maintains list prices, still had decision under study in its legal dept. at week's end, and would venture no opinion as to whether new ruling would affect its operations.

**TV-RADIO PRODUCTION:** EIA statistics for week ended Feb. 26 (8th week of 1960):

|                   | Feb. 19-26 | Preceding wk. | 1959 week | '60 cumulative | '59 cumulative |
|-------------------|------------|---------------|-----------|----------------|----------------|
| TV .....          | 113,066    | 121,577       | 96,248    | 1,026,085      | 896,518        |
| Total radio ..... | 321,852    | 378,670       | 282,163   | 2,794,203      | 2,250,122      |
| auto radio .....  | 126,939    | 153,661       | 112,336   | 1,228,293      | 852,603        |

**GE's Reorganization:** The revamping of GE's consumer-electronics organization is now nearly complete—and here is the picture of the new set-up, as announced piecemeal over the last few months:

Coming under GE's consumer-products group is the radio & TV div., with hq in DeWitt, N.Y., near Syracuse. Gen. mgr. of the div. is Hershner Cross, from GE's marketing service organization, whose special study team recommended & devised the reorganization. Functioning at the division level will also be John Seaver, as mgr. of mkt. development operations.

Under the radio & TV div. are the TV-receiver & radio-receiver depts. and broadcasting-stations operation.

TV-receiver dept. in Syracuse is headed by gen. mgr. Herbert Riegelman, who is also acting mktg. mgr., pending appointment of a permanent mktg. mgr. Radio-receiver dept. moves its hq about May 15 from Bridgeport, Conn. to Utica, N.Y. It's headed by gen. mgr. Robert C. Wilson, with S. Martin Fassler as mktg. mgr. Audio-products section of radio-receiver dept. will headquarter in Decatur, Ill. by May 15, moving its phono & packaged hi-fi operations from Utica, its audio-hi-fi component operations from Auburn, N.Y. The section is headed by gen. mgr. Charles J. Coward, with Marshall Bartlett as mktg. mgr.

The broadcasting-stations operation (WRGB & radios WGY & WGFM Schenectady) is headed by J. Milton Lang.

Reports that Philips of Eindhoven, Netherlands, has developed a simplified color tube and is planning to export low-priced color receivers to the U.S. are "not based on reality," we were informed last week by a spokesman for Philips. "Philips is working in the field of color TV, but this activity is still limited to the laboratories," said Philips. Recent visitors to the Philips plant told us that the company appears to be concentrating heavily on the shadow-mask (RCA-type) tube approach.

Granco's FM auto radios (Vol. 15:47 p18) will be formally announced next month for distribution in the fall. Two sets will be introduced, listing at about \$59 & \$79.

Raytheon has been awarded \$35,271,000 in Army contracts for work on the Hawk missile.

**Sony Moves West:** One of the largest—and youngest—of Japan's electronics manufacturers is following a growing trend and establishing a wholly-owned U.S. subsidiary to handle distribution of its products here. Sony Corp. (founded in 1945), which claims to have manufactured the first transistor, first transistor radio, first tape recorder and first recording tape in Japan, last week set up Sony Corp. of America, 514 Broadway, N.Y., to be headed by Akio Morito, exec. vp of the parent firm.

Among other Japanese manufacturers which recently have taken over all or part of their U.S. distribution through new American subsidiaries are giants Hitachi (Hitachi-N.Y. Inc.), Matsushita (Maco Electric) and Mitsubishi (Mitsubishi of America). Sony products have been distributed in the U.S. by Delmonico International, which promoted the anticipated import of the Sony 8-in. battery TV (Vol. 16:4 p15). Delmonico plans to replace Sony merchandise with another leading Japanese line.

Sony's new company-owned distributorship will offer—for the first time in the U.S.—the Sony line of semiconductors. While the company plans to show a sample of the 8-in. battery TV set at the IRE Radio Engineering Show March 21-24 in N.Y., its spokesmen say it does not yet know when the sets will be sold in this country.

Sylvania sold 280,000 TV sets last year, Chmn. Donald C. Power of parent General Telephone & Electronics Corp. disclosed in an address to the Investment Analysts Society of Chicago. His disclosure of sales figures was almost unique in the industry, since nearly all manufacturers guard these as closely-held competitive secrets. [In the annual "guesstimates" of TV production made for us last Aug. by industry financial consultant Edgar N. Greenebaum Jr., Sylvania's 1959 TV output was estimated at 250,000.] Power also said that Sylvania's TV operation has been in the black the last 7 months and that his company's picture-tube business increased 20% over 1958 in '59.

Negotiations to acquire Du Mont Labs have been broken off by Republic Aviation Corp. Concluding a 2-month study of the electronics firm (Vol. 16:5 p20), Republic has decided to look elsewhere in its desire to acquire electronics companies which fit into its operations.



**EIA'S SPRING MEETING:** The proposed "stereo education" campaign, under consideration by EIA's consumer products div. (Vol. 15:48 *et seq.*), is a top topic for the annual spring meeting in Washington March 15-18 at the Statler-Hilton hotel. It's expected that a final decision will be made on whether to begin the nationwide institutional advertising campaign in the fall. The div., under Sylvania's Marion E. Pettegrew, has been trying to recruit funds to support the campaign. Among other major subjects:

(1) A progress report on EIA's efforts to blunt Japanese competition, to be presented by imports committee Chmn. Robert C. Sprague, Sprague Electric Co.

(2) A review, by EIA exec. vp James D. Secrest, of the "program to encourage consumers to purchase products made in America by American workers."

(3) Pending legislation, discussed by the legislative policy committee under Chmn. Max F. Balcom, Sylvania.

An innovation will be the first Defense Market Planning Seminar, featuring addresses by Rep. Ford (R-Mich.), ranking member of the House Armed Services Appropriations Subcommittee; John M. Sprague, deputy asst. defense secy.; Maj. Gen. R. T. Nelson, Chief Signal Officer. Some 150 Defense Dept. representatives have been invited to participate. E. R. Quesada, FAA administrator, will speak at the March 17 govt.-industry dinner.

The awards committee, headed by H. Leslie Hoffman, pres. of Hoffman Electronics, will nominate the EIA Medal of Honor recipient, who will receive his award at the annual convention in Chicago May 20.

**'Electronic Equipment' Defined:** EIA submitted a new definition of the electronic equipment industry to the Labor Dept. last week, urging that it be used in the department's upcoming survey preliminary to a minimum wage determination for the industry covering govt. contracts under the Walsh-Healey Act. If approved, the new definition would replace a considerably more general definition proposed earlier by the Labor Dept.

The EIA proposal defines the industry in terms of classes of products it manufactures. It resulted from a survey of major electronics manufacturers. EIA pointed out to the Labor Dept. that the proposal would eliminate the possibility of including products of other industries already covered by Walsh-Healey wage determinations. The proposed definition:

The manufacture of electronic equipment for the purpose of this survey, is defined as that industry which manufactures any of the following classes of products: radio and TV transmitters; radio and TV receivers (including home-type, military and industrial); electronic search, detection, surveillance, and tracking devices; electronic navigational devices; electronic airborne computing and associated airborne information processing devices; electronic missile guidance and missile control devices; electronic weapons fire control devices; electronic sound distribution devices; (including public address and music distribution apparatus, except records); electronic counter-measure devices; complete audio IF and RF amplification devices; and electronic power supplies for use in any of the foregoing classes of products.

Specifically excluded from this definition are: electron tubes and parts; solid-state semi-conductor devices and parts, functional electronic component parts (including but not limited to resistors, capacitors, relays, and connectors); complex components, packaged components modules, and other similar component combinations or sub-assemblies manufactured as a single unit; structural electronic components (including but not limited to cabinets, blank panels, binding posts, wire and cable harnesses and assemblies, tube sockets, dial assemblies, and knobs and control handles); structural components and devices (including but not limited to antenna structures, pedestals, drives, launchers trailers, platforms, pallets, elevators, gimbals and handling equipment); computing and associated information processing devices (except airborne); scientific, industrial and laboratory instruments; x-ray tubes and apparatus; electro-therapeutic and electromedical instruments and apparatus; telephone and telegraph equipment (including but not limited to radio telephone and radio telegraph devices of the kind generally manufactured for the use of public utility communications systems); and electronic control devices other than electronic missile guidance and missile control devices (including but not limited to signals, alarms and automatic industrial controls).

**STEREO BATTLE JOINED:** Focusing its gunsights on manufacturers advertising "3-channel stereo" and "multi-channel stereo," Magnavox is unleashing a hard-hitting editorial-type ad campaign aimed at dealers and the public. First ad in the series is appearing in retail trade publications and addresses itself directly to dealers. This will be followed up with a consumer campaign.

"Facts You Should Know About Stereophonic High Fidelity to Help You Make More Sales" is the full-page caption of Magnavox's 2-page kickoff ad in March 2 *Home Furnishings Daily*. Second page is devoted to question-&-answer text. Some excerpts from the ad, which is signed by Pres. Frank Freimann:

"Some advertisers have been promoting a mythical '3-channel' stereo system on the assumption that *three* has more sales appeal than *two*. These claims are now recognized as such blatant misrepresentation that they evoked the protests of the National Better Business Bureau. To circumvent this reprimand, they are now being called 'multi-channel'—*implying* more than two . . .

"Magnavox has been building models using 4 amplifiers and 4 speakers since its introduction of the first stereo phonographs but has never laid claims to a '4-channel' stereo system because there are still only 2 channels to reproduce . . ."

The ad goes on to point out that in so-called "3-channel" systems, the bass notes are reproduced monaurally. What about high-fidelity music? Magnavox's answer: "It's been all but lost in the shuffle between ping-pong balls, railroad trains, non-existent stereo channels, mythical super-power claims and the baffling multiplicity of knobs . . . Pre-stereo, good high-fidelity phonographs sound better than many of the stereo sets now being offered . . ."

"Let's take the confusion out of selling and make demonstrations based on the true merits of stereophonics," concludes the ad.

Motorola, the leading exponent of "3-channel" stereo, declined to make an official comment. A spokesman, however, stated that Motorola's stereo sales last year were 125% higher than 1958, and added: "The engineering of our stereo instruments with 3 amplifiers and 3 speaker systems produces demonstrably better music and the public has responded by buying Motorola stereo. We ask the consumer to listen to both approaches and take his choice."

Tax incentive for basic research was urged by Westinghouse Pres. Mark W. Cresap Jr. to "help America meet the challenge of the Soviet Union." Addressing the Economic Club of Detroit, he pointed out that the govt. already pays for almost 50% of the total national basic research effort, and the remainder must come primarily from American industry or funds supplied by industry. He called attention to—but did not specifically endorse—the Curtis Bill (HR-4797), which would permit businesses or taxpayers to deduct from their tax bills 90% of their contributions to research, not exceeding 5% of the total tax bill. The same bill would permit a business to take tax credit for its own basic research—75% of the amount spent, and not exceeding 3% of its total tax bill. He called the tax-incentive method of research support "more desirable, more effective and less expensive than direct grants by govt."

Amateur licenses, now more than 200,000, are up 285% since the end of World War II, according to FCC.

**Trade Personals:** I. L. (Chuck) Griffin, ex-GE appliance & TV receiver div. mktg. mgr., named mgr. of GE's Hotpoint refrigerator dept. . . . Charles H. David joins Bogen-Presto as high fidelity products mgr. . . . David B. Nicholson, engineering vp, elected pres. of Kollsman Instrument Corp., Standard Coil Subsidiary . . . John R. O'Brien promoted to vp of Hoffman Electronics' govt. relations div., hqing in Washington . . . Rein Narma, ex-Fairchild Recording Equipment, named mgr. of engineering, audio products div., Ampex Professional Products Co.

F. J. O'Hara, gen. mgr. of the tube & semiconductor div., and J. G. Sutherland, gen. mgr. of technical products div., appointed vps, RCA Victor Co. Ltd. (Canada) . . . Dr. Frank S. Stein, ex-Westinghouse semiconductor dept., joins General Instrument as mgr., semiconductor research & development dept., in major expansion of that dept. . . . James P. Carrigan, ex-Associated Merchandising Corp., named sales dir. of special accounts, Capehart Corp.

Milton E. Mohr named vp-operations, Ramo-Wooldridge div., Thompson Ramo Wooldridge . . . Sir Robert Watson-Watt, British inventor of radar, will be featured speaker at the 8th Weather Radar Conference, April 11-14, Sheraton-Palace Hotel, San Francisco . . . Arthur Antrasian, ex-American Shippers, named sales mgr., garage door openers, for Packard Bell Electronics.

Dr. W. R. G. Baker, electronics pioneer and former GE vp who now is Syracuse U. research vp & pres. of Syracuse U. Research Corp., will be honored Nov. 30 on his 68th birthday with a birthday ball in Syracuse. Proceeds will go to the Dr. W. R. G. Baker Scholarship Fund at Syracuse U.

Page Communications Engineers has moved into its own building at 2001 Wisconsin Ave. NW, Washington (Federal 7-7600). The new 4-story structure more than doubles the space formerly occupied in the Communications Bldg., 710 14th St. NW and the Bond Bldg., 1404 New York Ave. NW. The research & development labs, formerly located in suburban Takoma Park, Md., are already installed on the ground floor with facilities capable of prototyping equipment as large as 100-kw transmitters.

Electronic Components Conference co-sponsored by EIA, IRE, American Institute of Electrical Engineers and Western Electronic Mfrs. Assn. will be held May 10-12 in the Washington Hotel, Washington. Robert L. Henry of ACF Electronics is general chmn. of the conference. Its theme will be "Electronic Components: Art & Science."

Ad agency changes: Audio products section of GE's radio-receiver dept. has named Young & Rubicam to handle phono advertising. (Y&R also handles GE TV-receiver dept. advertising.) . . . Raytheon has shifted about \$1 million in billings to Fuller & Smith & Ross from 4 other agencies, consolidating its estimated \$1,720,000 account in one agency . . . General Precision Inc. has named Compton to handle its corporate advertising.

Reports of low-priced color-TV exports from Japan were categorically denied as an "absurdity" by spokesmen for Tokyo Shibaura Electric Co. (Toshiba), *Home Furnishings Daily* stated March 1. The Tokyo-dated article reported that 9 Japanese firms are now producing or preparing to produce small quantities of color sets and they plan to put color TV on the domestic market at about \$1,670 soon after full-scale colorcasting begins.

New plants & expansions: GE, \$1-million, 2-story, 75,000-sq.-ft. radio production plant to be erected at Utica, N.Y. starting in April . . . Hewlett-Packard, constructing \$1 million electronics plant at Loveland, Colo. Facility will start production around June 1 and be in full operation by year's end . . . Dynamics Corp. of America leased a 31,000-sq.-ft. plant at Farmingdale, N.J. for production of TV & FM broadcast equipment by its Standard Electronics div. Additional facilities are now cleared at DCA's Long Island City plant for expanded production of communications systems . . . Western Electric, \$25-million electronics plant embracing 2 one-story factories and an administration building with total 1.5 million sq. ft. of floor space, will be built at Lee's Summit, Mo. Construction is scheduled to start this spring and end in 1962 . . . RCA electron tube div. has established a mid-eastern distributor sales district, with hq at 1625 K St., N.W., Washington, D.C., to embrace Philadelphia, Harrisburg, Richmond and Washington sales territories. N.Y. & Newark territories now comprise the eastern district.

Admiral added to its portable radio line last week three 7-transistor & three 8-transistor models ranging in price from \$29.95 to \$99.95. All were "produced with American craftsmen in Chicago, use only high quality American components," Admiral announced. Two of the pocket models use 3x4-in. oval speakers—the "largest used in a pocket radio," according to radio div. sales mgr. Clarence B. Flinn. Topping the line is a 3-band, 8-transistor model.

Another tiny U.S.-made radio, designed as an answer to Japanese imports, is Zenith's new 6-transistor Zenette, to retail at \$39.95. The new set measures 5x3x1½ in. with a 2¾-in. speaker. In trade ads for the Zenette, Zenith says: "No Japanese Components! Built in America by American Craftsmen!"

Admiral's spring TV ad campaign will embrace three 1,000-line dealer-listing newspaper ads in 82 markets, two 1,000-line individual-dealer ads in each distributor market, and inserts in *Life* (April 7, May 5, May 17) and *SatEve-Post* (April 13, June 7). Admiral's new 19-in. Thinman portable TV set will be featured in the April 7 *Life*. The new transistor-radio line will be promoted with four 600-line dealer-listing newspaper ads and insertions in *Esquire*, *Holiday*, *National Geographic*.

Zenith has scheduled a record print-media ad campaign for national & local spring-summer promotion of TVs, radios and stereo phonos. Sales Corp. Pres. L. C. Truesdell said the campaign will embrace more than 230 newspapers in major markets from coast to coast, dealer co-op ads, a 20% increase in Zenith's half-year investment (1960 compared with 1959) in national magazine advertising.

Western Electric Pres. H. I. Romnes will be featured speaker at IRE's annual banquet March 23 at Waldorf-Astoria, N.Y. Topic: "Flood Tide in Electronics."

### Obituary

Henry M. (Skeet) Rundle, 63, RCA TV div. commercial development mgr., died Feb. 26 at Fort Lauderdale, Fla. He joined RCA in 1930 as an ad artist, is credited with introducing illustrated album covers for phonograph records. In 1944, he became styling mgr. for RCA Victor home instruments, was honored 2 years later with the company's Award of Merit, highest employe honor for outstanding achievement. He lived in Haddonfield, N.J., is survived by his widow, daughter and son.

**Finance**

**Philco Profit Soars:** Philco closed out its 68th year on a sound & rising note, Pres. James M. Skinner Jr. notified stockholders last week in the 1959 annual report. The report substantiated earlier estimates (Vol. 16:5 p24). Sales were up 13% over 1958 to nearly \$398 million, with all divisions contributing to the increase. Net income climbed hand over fist to more than \$7 million from less than \$3 million in the previous year.

Skinner noted that consumer products accounted for 66% of Philco's total volume, and that sales of TVs, radios and stereo systems were up. "Our transistor business more than doubled in 1959," he said, "and is expected to double again in 1960, thus further consolidating [Philco's] position as a leader in the industry." Philco's electronic volume increased last year "to 34% of sales," he added, "and, based on our current backlog, we anticipate a further increase to approximately 40% in 1960."

Philco's patent holdings were increased in 1959 with the addition of 120 U.S. patents, the majority in the electronics field. Included were 6 additional transistor patents. Philco now holds a total of 1,047 U.S. patents and 1,265 patents in 24 countries abroad. Consolidated Philco & subsidiaries report for the 53 weeks ended Jan. 3, 1960 (vs. 52 weeks ended Dec. 28, 1958):

|                             |               |               |
|-----------------------------|---------------|---------------|
|                             | 1959          | 1958          |
| Net sales, etc. ....        | \$397,792,000 | \$351,093,000 |
| Net income .....            | 7,176,000     | 2,874,000     |
| Per com. share (after pfd.) | 1.67          | 61¢           |
| Common shares .....         | 4,074,866     | 4,069,629     |

Motorola's expansion "from its auto & home radio and TV business into the sophisticated—and profitable—gadgetry of the electronics age" is traced by Feb. 27 *Business Week*. Profiled is exec. vp Daniel E. Noble, who is responsible for Motorola's communications, military electronics and semiconductor divs. The article emphasizes Motorola's healthy TV-radio business ("sales in this category yielded about half of the company's 1959 sales of \$280 million") but points out: "In the last few years Motorola has moved quietly & decisively into leadership in selected areas of commercial electronics—where profit margins are much fatter. These fields are Dan Noble's hunting grounds. The emphasis is on developing new products & technologies."

Admiral's 1959 profit will total approximately \$4.1 million, not \$3 million as we reported earlier (Vol. 16:9 p18). Admiral's preliminary report for year ended Dec. 31:

|                        |               |               |
|------------------------|---------------|---------------|
|                        | 1959          | 1958          |
| Sales .....            | \$199,000,000 | \$170,777,126 |
| Net income .....       | 4,100,000     | 1,375,017     |
| Per common share ..... | 1.70          | 58¢           |
| Common shares .....    | 2,405,471     | 2,372,476     |

Zenith common stock trading privileges on an unlisted basis have been approved by SEC for the Philadelphia-Baltimore Stock Exchange.

**Common Stock Dividends**

| Corporation            | Period | Amt.     | Payable       | Stk. of Record |
|------------------------|--------|----------|---------------|----------------|
| Clevite .....          | Q      | \$0.30   | Mar. 28       | Mar. 14        |
| Corning Glass .....    | Q      | .37½     | Mar. 31       | Mar. 14        |
| Decca Records .....    | Q      | .25      | Mar. 29       | Mar. 10        |
| Electronic Assistance  | Stk.   | 100%     | Mar. 10       | Mar. 10        |
| GE .....               | Q      | .50      | Apr. 27       | Mar. 18        |
| Radio Condenser .....  | —      | .07½     | Mar. 21       | Mar. 1         |
| Siemens & Halske ..... | —      | 14% cash | (for 1958-59) |                |
| Wells-Gardner .....    | Q      | .30      | Mar. 15       | Mar. 8         |

EMI Ltd. anticipates that profit & sales in the 1960 fiscal year (ending June 30) will approximate those of fiscal 1959, when the British maker of industrial & consumer electronic products netted pre-tax earnings of some \$14 million. Chmn. Sir Joseph Lockwood noted EMI's increasing interest in the U.S. market: an agreement with Fairbanks, Whitney Corp., under which that concern is licensed to make & sell EMI computers and other products, and an arrangement with an unnamed concern to market EMI's line of high-priced hi-fi components (examples: a \$600 speaker, \$225 pre-amplifier). Telechrome Mfg. Corp. distributes EMI TV cameras & other TV studio equipment. Sir Joseph said EMI "would like to get into the closed-circuit TV equipment market [in the U.S.]" Fairbanks-Whitney Pres. David Karr noted that the first EMI closed-circuit systems to be imported under the new 2-way program are slated for immediate installation for Trans-Lux Movie Ticker Corp., which furnishes brokerage houses with visual reproductions of market quotations. Sir Joseph disclosed that earnings of Capitol Records (96% owned by EMI) are down, that EMI hopes to pay dividends of about 14% (of the common stock's \$1.40 par value) for this fiscal year, "if profits are about the same as the last fiscal year's. This doesn't mean we might not pay more."

Transitron Electronic Corp.'s success story is profiled in Mar. 1 *Forbes*, which notes: "The brothers Bakalar (Chmn. Leo, Pres. David) have parlayed an equity investment of \$125,000 into a realized cash profit of some \$34 million. It has left them with a paper net worth—based on recent market valuation of their company stock—of nearly \$300 million. They have done all this in less than 8 years." Commenting on Transitron's offering last Dec. of one million shares at \$36 per ("and over 25,000 buyers scrambled for the issue"): "The Bakalars [who owned 98.6% of Transitron's 7.5 million shares outstanding] could hardly be said to be giving their company away. In effect, the public was paying \$36 million for 13.3% of a company whose total assets at the time were \$22.8 million, whose sales for its latest fiscal year (ended June 1959) were only \$30.9 million. Transitron's total sales amounted to barely 10% of the theoretical market value of its shares . . . Yet by the time the stock was listed on the Big Board last month, the price had risen to \$40, which put the paper value of \$260 million on the Bakalars' . . . 85.3% of the stock."

General Precision Equipment Corp. expects 1960 to start rolling with an improved first quarter (ending Mar. 31) and to continue piling up substantial profit & sales gains in the balance of the year. "The picture for all 1960 is pretty clear," reports Chmn. J. W. Murray. "Earnings per common share should be considerably improved, and I don't just mean by 25¢. Sales should be up by about \$20 million." In 1959, GPE earned \$4,198,199 (\$2.63 a share) on sales of \$215,588,430. He attributed the improved business in part to the consolidation of 4 electronics divs. into a single, "very strong combination which did about 80% of our 1959 business." He forecast that sales "are going to accelerate in 1960's 2nd half" and that 3 of the 4 divs. would set individual records this year. Murray said that no merger talks with the Martin Co. have been held "for quite some time. They made a proposal once, but never an offer." Martin holds some 13% of GPE's voting classes of stock.

Magnasync Corp., North Hollywood electronic-equipment manufacturer of sound-reproducing & recording equipment, seeks SEC registration (File 2-16177) of 200,000 capital stock shares to be offered for public sale at \$5 per share by Taylor & Co. Proceeds would be used to pay loans, expand lab facilities, etc.

**Jerrold's Expansion Plans:** Jerrold Electronics Corp., now controlled by the Jack Wrather-John L. Loeb combination (Vol. 16:6 p5), will be a "vessel" through which new electronics companies will be acquired & new products introduced—in addition to the expanding plans in CATV & related fields (see p. 3). So said Jerrold Pres. Milton J. Shapp & entertainment magnate Jack Wrather last week at a joint news conference in N.Y.

At the same time, Shapp estimated that the company's net sales for the fiscal year ended Feb. 29, 1960 totaled about \$8.5 million, a new record and nearly 15% higher than the preceding year's \$7,658,371.

The company hopes to acquire "carefully selected electronics manufacturing companies." Shapp explained that the acquisition program initially will be directed toward expanding the activities of the test instruments div. He said he's "looking for a company which would complement Jerrold's own manufacturing facilities, expand its line of test instruments and intensify national sales coverage." Jerrold also will be interested in acquiring firms "in the field of TV communications," he added.

Approved by the Jerrold board Feb. 27 was a 3-point expansion program providing for acquisitions, close cooperation between Jerrold and the Jack Wrather Organization, and intensive new-products development.

A new Jerrold consumer product, announced at the news conference, is the "Magic Carpet" antenna—printed on a 2½x6-in. flexible plastic sheet and designed to be stapled to the attic floor or placed under the carpet. The indoor antenna "has the same characteristics as an outdoor conical antenna," Shapp said, and is now being introduced to builders as part of Jerrold's built-in home antenna system which includes a TV-FM amplifier & plug-in antenna outlets. It will soon be offered to the general public at about \$10.

For 1960, Jerrold anticipates "net sales of about \$10 million," Shapp stated. For 9 months ended Nov. 30, he gave this picture:

|                          |             |             |
|--------------------------|-------------|-------------|
|                          | 1959        | 1958        |
| Sales & service revenues | \$6,312,502 | \$5,262,166 |
| Net income .....         | 727,685     | 210,572     |
| Per common share .....   | 57¢         | 19¢         |

The 1959 net income figure includes non-recurring income of \$284,240 (22¢ a share) representing profit on the sale of the Key West, Fla. CATV system.

MPO Videotronics Inc., multi-affiliate producer of TV & industrial films, is making its first public offering of stock—150,000 shares of Class A (priced at \$10 a share) through a group of underwriters headed by Francis I. duPont & Co. The corporation is selling 100,000 authorized but unissued shares, will receive no part of the proceeds of the remaining 50,000 shares which are being offered by selling stockholders. The corporation's proceeds will be added to working capital. In its 1959 fiscal year ended Oct. 31, MPO Videotronics obtained 85% of its revenue from production of TV commercials, 15% from industrial films. Its wholly-owned subsidiaries include M.P.O. Productions Inc. (industrial film producer); MPO Film Distribution Co. Inc.; Studio Rental Inc. & Boulevard Studios Inc. (which lease studios & film facilities), and recently-formed MPO TV of Cal., which produces TV commercials.

Capitol Records, 96% owned by EMI Ltd., reports a drop in sales & income in the 6 months to Dec. 31:

|                        |              |              |
|------------------------|--------------|--------------|
|                        | 1959         | 1958         |
| Net sales .....        | \$26,177,243 | \$28,709,869 |
| Net income .....       | 1,348,807    | 2,049,214    |
| Per common share ..... | 2.83         | 4.30         |

**Electronics Investment Corp. Gains:** A healthy 32.4% increase in total net assets was tallied by Electronics Investment Corp. in fiscal-1960's first quarter, ended Jan. 29. Assets advanced to \$30,015,605, compared with \$22,671,390 recorded a year ago. The mutual investment fund also increased its net asset value per share to the equivalent of \$7.82, up from \$6.66 on Jan. 30, 1959. The per-share value was adjusted for a net capital gains distribution of 44½¢ per share paid May 29, 1959.

Portfolio changes in common stock since the close of the 1959 fiscal year Oct. 30 (Vol. 15:49 p22):

Purchased: 1,600 shares of Eitel-McCullough (making a total of 12,000); 2,978 Electronic Associates (total 10,609); 2,000 Storer Bestg. Co. (total 17,000); 900 Taft Bestg. Co. (total 15,000).  
 Sold: 5,651 shares of Collins Radio Co. (holds none); 2,200 Electronic Specialty Co. (holds none); 2,600 Epsco Inc. (holds 2,600); 900 Haloid Xerox (holds 3,500); 9,000 Hoffman Electronics (holds 5,000); 1,700 Midwestern Instruments (holds none); 6,100 TelePromp-Ter (holds none).

Tele-Broadcasters Inc. (radios WPOP Hartford, KUDL Kansas City, KALI Pasadena-Los Angeles, KOFY San Mateo-San Francisco) reports that 1959 was "the best operating year" in its 4-year history. Pres. H. Scott Killgore told stockholders in the annual report: "The overall outlook for increased revenues on our stations in 1960 is excellent, and we anticipate another year of increased sales." The balance sheet lists total current assets at \$206,108, property & equipment (less depreciation) at \$284,088, total assets \$979,594. Current liabilities on Dec. 31, 1959 were \$298,040, long-term liabilities \$394,649, earned surplus \$110,031. The consolidated statement of operations for 12 months ended Dec. 31:

|                             |             |           |
|-----------------------------|-------------|-----------|
|                             | 1959        | 1958      |
| Broadcasting revenue ...    | \$1,051,023 | \$881,592 |
| Other revenues .....        | 111,843     | 20,432    |
| Net profit (loss in '58) .. | 139,730     | (31,128)  |
| Per common share .....      | 31¢         | —         |
| Average common shares .     | 450,185     | not given |

Storer Bestg. Co. net income more than tripled in 1959, including a net capital gain of \$581,614 from the sale of radio WAGA Atlanta (Vol. 15:14 p10). The 1958 profit accrued after giving effect to a loss of \$2,304,551 incurred on the closing of Storer's former Wilmington, Del. TV station. For the year ended Dec. 31:

|                         |             |             |
|-------------------------|-------------|-------------|
|                         | 1959        | 1958        |
| Net income .....        | \$5,336,682 | \$1,676,754 |
| Per combined share .... | 2.16        | 68¢         |
| Common & B shares ..... | 2,474,750   | 2,474,750   |

General Instrument Corp. has asked SEC to register 200,000 shares of common stock for public offering through a group of underwriters headed by Carl M. Loeb, Rhoades & Co. The offering price & underwriting terms will be supplied later.

Reports & comments available: Philco, report, James Anthony & Co., 37 Wall St., N.Y. 5; analysis, A. C. Allyn & Co., 44 Wall St., N.Y. 5 . . . RCA, study, Arthur Wiesenberg & Co., 61 Broadway, N.Y. 6 . . . AT&T, memo, W. E. Hutton & Co., 14 Wall St., N.Y. 5 . . . Varian Associates, memo, Hill, Darlington & Co., 40 Wall St., N.Y. 5 . . . Loew's Theatres, discussion, Shearson, Hammill & Co., 14 Wall St., N.Y. 5 . . . National Co., review, H. Hentz & Co., 72 Wall St., N.Y. 5 . . . Electro Instruments, Inc., prospectus, Bear, Stearns & Co., One Wall St., N.Y. 5 . . . Siegler Corp., study, Porges, Singer & Co., 15 Broad St., N.Y. 5 . . . Electronics Capital Corp., semi-annual report, D. H. Blair & Co., 42 Broadway, N.Y. 4 . . . Information Systems Inc., report, Boenning & Co., 115 Broadway, N.Y. 6.





# 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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**LEGACIES OF HAROLD FELLOWS:** Death of NAB pres. after 9 stormy years leaves hard choice of successor, but NAB is at peak and codes are stronger (pp. 1 & 6).

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**PROSPECTS OF THE FORD REGIME**—and lessons of the Doerfer case (pp. 2, 3 & 5).

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### Film & Tape

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**WGA MODIFIES TV DEMANDS** but producers still object, as SAG-movie studio negotiations make progress (p. 10).

**BLOCK-BOOKING TRIAL BEGINS** in N.Y., with parade of broadcasters & film executives to testify (p. 12).

### Advertising

**HOW PLUGOLA WORKS** is described by FTC's Kintner; promoters of concealed TV commercials guarantee on-air ad (p. 13).

**NEW CBS COMMERCIAL RULES** for fall concern news shows, personal products, placement & timing, etc. (p. 14).

### Congress

**CLAMOR FOR DICK CLARK** to be payola probe witness is raised again by Oversight Bennett (R-Mich.). He's due to be summoned following legislative hearings (p. 12).

### Manufacturing & Distribution

**JAPANESE TV's HERE**—at \$69.95 list for 7½-in. set, selling to jobbers at \$47.50. Importer reports orders for 15,000 sets, mainly from dept. stores (p. 17).

**TV-RADIO-PHONO** retail sales in Jan. 1960 were higher than Jan. 1959, EIA figures show. Retail TV sales ran at annual rate of 6.6 million, phonos up 33% (p. 19).

**ZENITH'S WRIGHT PREDICTS** sales of 7.5 million TV sets next year, over 8 million in middle '60s (p. 19).

**MOTOROLA SHOWS NEW TV's** and radios, forerunners of 1961 line. Six 21-in. TV's are introduced, along with portable radios featuring Japanese unit at \$24.95 (p. 20).

### Networks

**FOOD LED NETWORK-TV's 1959** advertising list with an investment of more than \$113 million, up from \$109.2 million in 1958, TvB analysis shows (p. 14).

### Finance

**ELECTRONICS PROFITS** of firms in our "weathervane index" rose 23.3% on 12.4% greater sales in 1959 over 1958. Components group leads in percentage rise (p. 17).

**NEW RECORDS** for set makers in sales & profits: Motorola \$289.5 million & \$14.2 million, Zenith \$260 million & \$16.6 million. Pacific Mercury, Emerson, Andrea up (p. 21).

### Other Departments

**TECHNOLOGY** (p. 8). **PROGRAMMING** (p. 15). **PERSONALS** (p. 16). **AUXILIARY SERVICES** (p. 16). **FOREIGN** (p. 24).

**LEGACIES OF HAROLD FELLOWS:** Sudden death March 8 of NAB Pres. Harold E. Fellows on job in midst of broadcasting's most crucial year was—literally—stunning blow to industry which left it groping for somebody to carry on as leader.

Fellows died on eve of critical NAB Board sessions which he had called in Washington to preview grim problems which TV & radio will face at NAB's 38th annual convention in Chicago April 3-6. He suffered heart attack at desk after returning to office from lunch, complaining of difficulty in breathing, and died several hours later in George Washington U. Hospital. He had been warned by his doctors to take it easier—which he didn't do. He would have been 61 March 22.

"Ambassador of American Broadcasting" was title Fellows had won in his years as NAB leader (pres. since 1951, chmn. since 1954) and as active NAB committeeman long before he took on top task. No NAB predecessor had ever served so long. His own experience as broadcaster stretched back to 1929, when he went on radio in Boston as singer sponsored by paint company. He joined radio WEEI there in 1932 as asst. mgr., became gen. mgr. in 1936, worked there 15 more years. He also was CBS operating mgr. in New England (1944-51) before he succeeded Justin Miller as NAB pres.

Who will succeed Fellows? Impulse of many NAB joint TV-Radio Board members was to call off Statler Hilton sessions and not try to come up with any answer now, but wait for convention. But they went

ahead with agenda prepared by Fellows, expanding Code operations which he had made item No. 1 (see p. 6)—and beginning to grapple with their own unexpected item No. 1.

Stopgap caretaker plan was adopted under TV Board Chmn. G. Richard Shafto (WIS-TV Columbia, S.C.) and Radio Board Chmn. F. C. Sowell (WLAC Nashville). NAB secy.-treas. Everett B. Revercomb, who first joined staff in 1935 as auditor, was appointed acting administrator, in charge of coordinating activities, supervising services. Committee of 7-10 (not necessarily Board members) will be named to seek successor to Fellows. In interim, NAB policies will be carried on by committee of 3 picked from among 43 directors: Shafto, Clair R. McCollough (Steinman Stations), Merrill Lindsay (radio WSOY Decatur, Ill.). They were named by TV & Radio Board vice chairmen. (Payson Hall of Meredith Stations, Thomas C. Bostic of KIMA Yakima), who also were authorized to pick members of nominating committee.

Some names of possibilities for NAB leadership were discussed in Statler corridors & in mezzanine-floor rooms where closed Board sessions were conducted. But there was no reported agreement—even tentative—on likeliest choices for job, which paid Fellows \$75,000 per year plus \$12,000 expenses.

There was talk that 2-man leadership might be solution—pres. to be front-running broadcaster (perhaps from networks) to speak for industry, 2nd man as exec. vp (perhaps from outside industry) to run NAB's day-to-day affairs. As pres.-chmn., Fellows filled both positions—and no single top candidate for grueling dual job had emerged at last week's end.

Biggest achievement of Fellows in his 9-year NAB span, which paralleled big growth of TV, may turn out to be that he held organization together as all-broadcasting trade association. Astute politician, he not only combated threats in Congress to tear industry apart but succeeded in preventing splits of competing & dissident TV & radio segments within NAB itself. He had enemies & critics, but most agreed Fellows was masterful tactician when it came to keeping NAB on keel against industry cross-currents.

Chronic issues confronted Fellows. Way he handled them—with argument, cajolery and frequently slashing wit—left NAB at his death with its biggest membership yet. If trouble wasn't flaring on Capitol Hill or at FCC, there always were internal issues: Radio vs. TV as advertising medium; too much Code vs. too little; big stations vs. little; networks vs. field; radio daytimers vs. clear channels; vhf vs. uhf, etc.

Washington funeral services for Fellows were conducted March 11 in Westmoreland Congregational Church. Simultaneous memorial service was held in Old South Church, Boston. Burial was arranged for Gilmanton, N.H., site of his family's homestead. Survivors include his wife, 2 daughters, 7 grandchildren.

**PROSPECTS OF THE FORD REGIME:** The pendulum of govt. regulation has reversed. The move toward stronger FCC supervision of broadcasting began the moment President Eisenhower announced designation of Comr. Frederick W. Ford as Chairman, following resignation of Chmn. John C. Doerfer.

There's a "honeymoon period" in govt., as in business, during which new leaders are given strong support by just about everyone. It's expected Ford will take advantage of this and move fast.

His selection was hailed on the Hill. Rep. Harris (D-Ark.), whose Legislative Oversight Subcommittee has clobbered FCC without letup, called it "a very good appointment." Sen. Magnuson (D-Wash.), chmn. of Commerce Committee which has also been very critical of Commission, notably on allocations, said: "He's been an able member of the Commission so far. As far as I know, he'll do a good job as Chairman. He's had sufficient experience to handle the job."

But some of industry has fingers crossed, anxious lest Ford go too far in his concept of closer supervision. FCC staff, among whom he once served, is extremely enthusiastic about him by & large.

Ford's administration certainly will be firm but it won't be vindictive, punitive or wild-eyed. In most important area—program surveillance—Ford has always made it completely clear that he disagrees totally with philosophy of predecessors Doerfer & McConnaughey (which was that FCC has nothing to say about programming except in cases of obscenity, subversion and similar clear-cut infractions of specific laws).

Ford has none of the antipathy to industry that seemed to characterize moves of the old New Deal administrations, but he has long squirmed as the Commission reeled under incessant charges of "laxity."

He has never claimed there's a simple programming method for stations to telecast shows "in the public interest." Extremely prolific with ideas, however, he's originator of the "narrative-on-needs" concept (Vol. 16:7 p6). He believes stations should be required to tell Commission what they've done to determine communities' needs and how they plan to serve them. And he believes FCC has duty to ask operators how



well they carried out their plans, and, if not, why not. He doesn't go beyond that, doesn't say FCC should then move immediately to revoke licenses of those who seem to make poor showings. If nothing more, he believes that mere effort of seeking out civic needs will stimulate broadcasters' efforts to meet such needs.

Ford's philosophy was epitomized in this paragraph from his Feb. 11 Philadelphia speech (Vol. 15:7 p8): "No broadcaster should ever feel that he is in a straitjacket of any kind or that his programming flexibility is fettered or his imagination is circumscribed. He should take seriously the burden & trust that the Congress has placed in him that he will properly exercise his privilege to serve all the public in his service area. How he is to do this is his problem, but that he must do it the law demands. Our problem is to determine whether he has done it & plans to continue to do it."

Other examples of Ford's initiative: FCC's statement of TV allocations status, to Senate Commerce Committee last year (Vol. 15:17 p1), was largely his work—and it kept Committee somewhat satisfied for months; proposed rules & laws to eliminate payola & deception (Vol. 16:7 p7) originated primarily with him.

Contributing to his inventiveness is his familiarity with FCC's work. An attorney, he served as chief of Commission's hearing div. (1947-53), which became one of Commission's toughest jobs in 1952, cracking log-jam of TV applications when freeze ended.

Ford is much concerned about difficulty of getting anything done under FCC's legal setup. "Every move a Chairman makes," he says, "must be accompanied by 3 other Commissioners."

Much depends on Doerfer's replacement. Presumably, Ford will have some say in man's selection. Of course, Democrat-controlled Senate could sit on the nomination, awaiting outcome of Nov. elections. If that's done, Commission would have 3 Republicans (Ford, Hyde & Lee) and 3 Democrats (Bartley, Craven & Cross)—an uncomfortable split. However, Bartley thinks a lot like Ford, and Cross may join them from time to time—particularly on the programming concept. The 3-3 split, if it develops, could last until Congress recesses this summer; then, President could make a recess appointment of Republican, who would serve until Congress returns. Another uncertain factor is Republican Lee, who has been renominated but still awaits confirmation. However, his chances look very good.

There will be real changes in staff. Ford has never made any bones about his dissatisfaction with performance of several key men.

Ford didn't rush around lobbying for the job, is well aware of fierce toll it takes of a man. However, he has unusual capacity for taking matters in stride, genially—contrasting with quick-to-anger Doerfer. Asked how he views demands of job, Ford laughed: "I've got a built-in thermostat."

Ford is 50, in excellent physical condition, makes an exceptionally handsome appearance. He's native of Bluefield, W.Va. His late father had been state supt. of schools and was active in Republican politics. A 1934 W.Va. U. Law School graduate, he was associated with law firm of Stathers & Cantrell in Clarksburg, 1934-39. In govt., he served Federal Security Agency & OPA 1939-42. In Air Force 1942-46, he became major. After war, he returned to OPA for a few months before joining FCC in 1947. After his stint on FCC staff, he joined Justice Dept. as Asst. Deputy Attorney General. He became Commissioner Aug. 29, 1957.

Ford's first wife, Virginia, died of cancer Feb. 19, 1958. On Oct. 11, 1959, he married Mary Margaret ("Pris") Mahony. He has a daughter, Mary Carter Ford, 14, student at St. Agnes School, Alexandria, Va.

**LESSONS OF THE DOERFER CASE:** John Charles Doerfer paid a fearful price for his stubbornness & his "blind spot" regarding govt.-industry relationships. With elections coming up, Republicans simply couldn't afford to keep him. If he hadn't offered to resign as Chairman of FCC—and he told us he initiated the move—President Eisenhower would have been compelled to ask for his resignation.

There are many afterthoughts & analyses. However, it seems quite likely that he could have succeeded in challenging Rep. Harris's legislative recommendations & philosophy of FCC regulation, as he did in an impromptu rebuttal before CBS affiliates (Vol. 16:10 p7)—had he not accepted Fla. plane-&-yacht hospitality of Storer Bcstg. Co. Pres. George B. Storer. Furthermore, he probably could have weathered criticism of the hospitality, too, if his accounts of the vacation hadn't varied throughout last week—because, he said, of misunderstandings between him and reporters.

Congressional & press demands for resignation mounted as situation degenerated—and President Eisenhower's advisors concluded that Doerfer had become an absolute political liability. Doerfer, though his

first impulses were to fight, to seek a TV forum such as Meet the Press or Face the Nation to confront his journalistic accusers, also became aware of political facts of life—and submitted his resignation, effective March 14. (Ford takes over as Chairman next day; see p. 2.)

Copious details of week's developments needn't be recounted at length, for you've seen & heard them. To summarize: Doerfer went to White House March 9, saw President, who obviously was kind & understanding but agreed that resignation would be "wise." Doerfer asked for 24 hours delay, after which he submitted resignation. Simultaneously with White House announcement 4 p.m. March 10, Doerfer was addressing a warm farewell to colleagues & top staff members. President's designation of Ford as Chairman came at same time. (For all the statements, see p. 5.)

Doerfer protested to the very end, and after, that FCC Commissioner's job demands contact with industry which must inevitably develop occasionally into warm friendships. Next day, March 11, he insisted to us there was nothing in nature of "luxury cruise" about his visits to Storer yacht, re-emphasizing that it was at dock all except 4-5 hours of time he was aboard—which was parts of 6 days & nights.

But Congressional, administrative & journalistic critics concluded that if Doerfer couldn't understand that these distinctions were irrelevant he had to go.

Some of Doerfer's friends feared, for a time, that he might try to put up a fierce, quixotic fight to remain, but they were glad he didn't. Said one: "He'd have lost that warm letter from the President, and that would have murdered him as he sought to make a living later."

Doerfer doesn't know what he'll do, he told us. "You've got to think things over for a while," he said. "I never knew I had so many friends, however. You should see the letters, calls & wires I've received. For years, several of them have been begging me to get out of this rat-race and join them at twice what I'm making. I just don't know. As far as practicing law is concerned, I certainly couldn't try criminal cases & things like that. I've been too far away from that. If I went into practice, I think I'd stay closer to what I've been doing for many years—utilities, govt. regulation, and so forth." He was chmn. of Wis. Public Utilities Commission before joining FCC in 1953. He became FCC Chairman in 1957. Before the PUC tenure, he served as West Allis, Wis. city attorney.

He sounded calm, looked well. In his statement before colleagues, he wasn't overwrought.

Doerfer is no man of wealth, needs steady income. He's 55, has 2 children, sons, both in college. FCC Chairman gets \$20,500, other Commissioners \$20,000.

Resignation was hailed by Rep. Harris who said: "I am not surprised. I think it was a wise decision." Among others who agreed were Harris's Subcommittee colleagues Rep. Mack (D-Ill.) & Rep. Moss (D-Cal.), who had given Doerfer such a rough time about yacht incident.

Democrats generally sought to make political hay of resignation, listing other Eisenhower appointees who resigned under fire. Some tried to compare Doerfer with ex-Comr. Mack, who resigned, then was indicted for "conspiracy" to give Miami Ch. 10 to National Airlines. But no question of illegality has been raised about Doerfer's actions.

President must now find Republican to fill vacancy, and Sen. Magnuson (D-Wash), chmn. of Commerce Committee, made it very clear to us that nominee will receive a most thorough examination.

New Chmn. Ford hasn't got a mark on him, despite 2½ years on FCC during its harrowing experiences, and he intends to keep it that way. For present, at least, he'll undoubtedly decline even slightest proffers of hospitality from licensees. (For prospects of Ford's administration, see p. 2.)

**STERN ORDERS NEW LOOK AT ST. LOUIS CH. 9:** Acting just 2 weeks after his deadline for receiving briefs in the St. Louis Ch. 9 "influence" case (Vol. 16:8 p4), Special FCC examiner Judge Horace Stern last week told Commission to take another look at deintermixture proceedings which led to the grant of the channel to KTVI.

FCC's deintermixture decision is "voidable" because of ex-parte approaches to Commission members while it was pending, Stern said. He ruled that "the matter must be reconsidered in further proceedings to be determined by the Commission." This procedure could involve new filings in the Springfield, Ill.-St. Louis switch and another vote by FCC.

Nobody involved in the case will be barred from participating in the new proceedings, and no FCC member need disqualify himself, Stern added. He said KTVI Pres. Harry Tenenbaum in particular wrote letters

& made "private visits" to FCC members to persuade them to go his way on deintermixture. This sort of ex-parte activity raised "danger of deception," Stern said, although he acknowledged that at that time many believed "there was nothing illegal or improper in so doing."

Opening up participation by everybody in the fresh proceedings, Stern said "the conduct of any party [has not] been such as to reflect adversely upon it from a comparative standpoint in any licensing proceeding which may be held upon applications for such TV channel."

**ZIV BUY MAKES UA NEW TV COLOSSUS:** Newest telefilm giant is United Artists, which added one of biggest syndication producer-distributors, Ziv TV Programs, to its corporate family last week in a complex \$20-million deal. UA is now in TV film business at every level from first-run network properties to rerun local syndication (see p. 9).

Few firms now rival UA-TV in size & scope as result of new UA-Ziv combine. MCA-Revue operation (which produces network & syndication shows, handles telefilm reruns & sales of Paramount backlog, and operates studio property) and Columbia Pictures-owned Screen Gems (with somewhat similar set-up) are virtually matched or exceeded by enlarged UA status.

UA upsurge has been fast & furious. Formed in 1919 by Douglas Fairbanks, Mary Pickford, D. W. Griffith & Charles Chaplin, UA hit the red ink in 1946, was pulled out of slump in 1951 by new management team (Arthur B. Krim, Robert S. Benjamin, William J. Heineman, Max Youngstein, et al.) that pushed film grosses up from \$20 million to 1959 peak of \$90 million. UA became active in TV only as recently as 1957, but 1960 grosses may hit \$35-\$40 million.

## The FCC

### More about

**THE OFFICIAL STATEMENTS:** Herewith are the full texts of statements made by the principals involved in FCC Chmn. Doerfer's resignation and the designation of Comr. Ford as Chairman (see pp. 2 & 3):

Doerfer's letter of resignation, to the President: "My Dear Mr. President: I am resigning as a Commissioner of the Federal Communications Commission and its Chairman, effective at the close of business on March 14, 1960.

"The mandate from Congress which requires a Commissioner 'to study new uses for radio and generally encourage the larger and more effective use thereof' requires day-to-day contact with many industry people. A number of these contacts eventually ripen into social acquaintances and sometimes friendships, which, despite appearances, do not imperil the integrity of either the government official or the member of industry.

"I have not, nor will I waver from my views that the best solution to modern day government regulation of complex industry problems demands a thorough knowledge of that industry and actual contact with the members thereof. Nonetheless, to avoid possible embarrassment to you and your administration, I submit this resignation as of the date above indicated.

"It was indeed a privilege to serve under you these past seven years. Respectfully, John C. Doerfer."

President Eisenhower's acceptance of Doerfer's resignation: "Dear Mr. Doerfer: I have your letter submitting your resignation as member and Chairman of the Federal Communications Commission. I regret the circumstances which have led you to your conclusion, but they do, in my opinion, indicate your decision to be a wise one. Your resignation is, accordingly, accepted effective, as you suggest, at the close of business on Monday, March 14.

"In the discharge of your duties, first as a member, and then as Chairman of the Federal Communications

Commission, you have served tirelessly, loyally, effectively—and with dedication. For your public service over many years at local, state and federal levels you have earned the appreciation of your fellow citizens and of the administration. I wish you every success in your future undertakings. Sincerely, Dwight D. Eisenhower."

Doerfer's statement at a special meeting of Commissioners & top staff members: "I wish to take this occasion to tell all of you how much I appreciate your help throughout the years. You have had & will continue to have a most difficult task; viz., to account for imposed responsibilities without commensurate controls.

"If I have been impatient with any of you in the past it was born of the moment and not any lack of sustained respect for your abilities. I have the highest regard for them. In fact, some of it was because I frequently asked you to do the impossible.

"I also wish to take this occasion to declare before all the members of the FCC family my high regard for my colleagues. You who are experienced in the give & take of discussion will understand the surcharge of emotion in one's position is only superficial.

"I am satisfied that through all of your efforts throughout the years this country enjoys one of the finest communication systems in the world. You can take a deep and genuine pride in this—in between barrages. Good luck to you all!"

Ford's statement after being designated Chairman: "I appreciate the expression of confidence which the President has shown in designating me as Chairman. It is with a great degree of seriousness that I undertake this assignment. There are more problems facing the Commission today than at any time in history. The problems, at times, seem almost insoluble. The Commission, however, is composed of dedicated men, better qualified than any group I know, who will continue to apply their long years of experience, knowledge and ability to the solution of these problems. I'm sure that solutions can be found and we are determined to find them."

## Stations

**NAB CODE EXPANSION:** NAB's TV & Radio Boards took decisive steps last week to preserve & nurture 2 legacies of NAB Pres. Harold E. Fellows (see p. 1)—the industry's self-administered Codes of good advertising & programming practices.

Following Fellows-approved courses charted by the TV Code Review Board, the TV Board: (1) Expanded the Review Board from 5 to 7 members. (2) Approved establishment of a TV Code office in N.Y. (3) Ordered increases in personnel & activities at the Code's Washington & Hollywood offices. (4) Seconded the nomination of vp-gen. mgr. E. K. Hartenbower of KCMO-TV Kansas City to succeed Westinghouse Bestg. Co.'s Donald H. McGannon as Review Board chmn.

In concurrent actions to strengthen the Radio Code, the Radio Board: (1) Voted to permit non-NAB members to subscribe. (2) Approved "in principle" recommendations by the radio good-standards committee to put teeth in enforcement of Code rules. (3) Charged the committee & NAB staff with responsibility for working out enforcement procedures. (4) Set the annual Code subscription fee at 10 times a station's highest published one-time rate for a 60-sec. spot announcement; maximum of \$360; NAB radio members to get a 40% discount.

### New Code Board Members

New members of the TV Code Review Board, taking the newly-created places and the vacancy left by McGannon, who wasn't eligible for reappointment, are vp-gen. mgr. George Whitney of KFMB-TV San Diego, exec. vp-gen. mgr. Robert W. Ferguson of WTRF-TV Wheeling, Pres.-gen. mgr. J. M. Gaines, WOAI-TV San Antonio.

Along with new Chmn, Hartenbower, already a Review Board member, they will take office officially at the end of NAB's April 3-6 Chicago convention. Holdover Review Board members: gen. mgr. Gaines Kelley, WFMY-TV Greensboro, N.C.; Mrs. A. Scott Bullitt, pres., KING-TV Seattle; gen. mgr. Joseph Herold, KBTB Denver.

In its Code expansion moves, the TV Board under G. Richard Shafto of WIS-TV Columbia, S.C. ordered opening of the N.Y. office "as soon as possible," in charge of an asst. dir. of NAB Code affairs under dir. Edward H. Bronson, who will retain Washington as hq.

The Washington Code staff will be increased by addition of an exec. asst. to handle detail work for dir. Bronson & asst. dir. Harry H. Ward. The West Coast office, assigned to TV film-production problems, will get another staffer to help asst. dir. Frank Morris.

The TV Board at its Washington sessions also heard reports from Bronson that Code subscribers now total 381 stations—another new high. In a related report from dir. Louis Hausman of the TV Information Office in N.Y. and Chmn. Clair R. McCollough (Steinman stations) of NAB's TV Information Committee, the TV Board was told that 150 TV stations are TIO subscribers—and 25 more are expected to sign up by the end of April.

NAB's radio membership was reported as 1,657 AM stations 473 FM stations.

In other board actions:

Chicago's Conrad Hilton Hotel was picked for NAB's 1964 convention, which also will be held there in 1962 & 1963. (Next year's convention will be in Washington.)

NAB's special task force to set strategy in regulatory & legislative issues was continued.

**NEW & UPCOMING STATIONS:** Educational KRET-TV (Ch. 23) Richardson, Tex. began programming Feb. 29 with a schedule basically aimed at primary school classrooms. Its debut raises the U.S. operating total to 562 (86 uhf), of which 45 are non-commercial educational outlets (11 uhf). The other recent starters are CJCN-TV (Ch. 4) Grand Falls, Newfoundland, which began March 1 as a CBC supplementary outlet and satellite CFCY-TV-1 (Ch. 7) New Glasgow, N.S. which began Jan. 23 repeating parent CFCY-TV (Ch. 13) Charlottetown, P.E.I. They increase the Canadian on-air total to 68 stations.

KRET-TV was built by Electron Corp., Dallas, for owner Richardson Independent School District. It has a 1-kw RCA transmitter, Ling Electron studio equipment, and an Alford antenna on 100-ft. Rohn tower. Raymond Bynum is program director, Bill O'Fallon, chief engineer, both reporting to school supt. J. J. Pearce.

CJCN-TV has a 2-kw RCA transmitter and a 300-ft. Micro Tower with a 5-bay antenna at Norris Arm, Nfld., near Gander International Airport. Studios are on High St., Grand Falls. Owner is Newfoundland Bestg. Co. Ltd., which also operates CJON-TV (Ch. 6) St. John's and satellite CJOX-TV (Ch. 10) Argentia. CJCN-TV will carry some CJON-TV programs, but will operate independently, not as a satellite. Don Jamieson, v.p.- gen. mgr. of CJON-TV, is in charge of operations. Base hourly network rate is \$75. Reps are Weed and Stovin-Byles.

CFCY-TV-1 has RCA equipment for low-power 175-watt visual ERP operation as automatic repeater. It's sold as bonus to CFCY-TV, which has \$190 hourly rate. Reps are Weed and All-Canada Television.

\* \* \*

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

WJPB-TV (Ch. 5) Weston, W. Va., plans to start by the end of March with ABC-TV & CBS-TV. It has 5-kw GE transmitter and 25-kw amplifier on hand, reports Pres. J. Patrick Beacom. It will use 5-bay antenna on 510-ft. Blaw-Knox tower on Fisher Summit, Jane Lew, W. Va. and will connect by microwave to studios in downtown Fairmont, W. Va. Owners are Beacom, with 50%; Pittsburgh Pirates vp Thomas P. Johnson, 47.5%; and George W. Eby of Pittsburgh's Harris Enterprises, 2.5%. Base hour will be \$225. Rep will be Gill-Perna.

WOLE-TV (Ch. 12) Aguadilla, P. R. hopes to begin about April 1, writes John G. Johnson, exec. v.p., who also owns stock in WAPA-TV (Ch. 4) San Juan. It has an RCA transmitter installed & wired and an Alford antenna has been installed on a 60-ft. Utility tower. Mariano Angelet is operations mgr. Rep will be Caribbean Networks Inc.

KORN-TV (Ch. 5) Mitchell, S.D. has a 5-kw Gates transmitter scheduled for March delivery and plans to begin programming in April, according to R. V. Eppel, pres.-gen. mgr. of grantee Mitchell Bestg., which also operates radio KORN. RCA antenna has been installed on a 500-ft. Utility tower. M. A. Johnson & J. Doherty, both from radio KORN, will be TV commercial mgr. & chief engineer, respectively. Network affiliation hasn't been signed, nor has base hourly rate been set. Rep not chosen.

KIFI-TV (Ch. 8) Idaho Falls, Ida. plans to begin programming Aug. 9, according to J. M. Brady, pres.-gen. mgr. of grantee Eastern Idaho Bestg. & TV, which also operates radio KIFI. Transmitter hasn't been ordered as yet, but construction of a studio-transmitter was scheduled to begin

this month. It will use a 300-ft. Swager tower. Network affiliation hasn't been signed as yet. Rates not set and rep not chosen.

**KTPS (Ch. 62)** Tacoma, Wash., planned as non-commercial outlet by grantee Tacoma School Dist. No. 10, has a Sept. 1961 target, writes John McClamrock, chief engineer. It hasn't ordered its 1-kw transmitter as yet, but a 369-ft. tower is ready for a 12-gain antenna, also not ordered. Grantee also operates FM radio KTOY.

Triangle Stations have opened a West Coast sales office to increase their services for advertisers & agencies, Roger W. Clipp, radio-TV div. vp, Triangle Publications, Inc., announced last week. Charles S. Cady, formerly asst. mgr. & national sales mgr. of WCSC-TV Charleston, has been appointed manager of the new facility, located at 3440 Wilshire Boulevard, Los Angeles, Cal. He will represent Triangle Stations WFIL-TV & WFIL Philadelphia, WNBC-TV & WNBC Binghamton, WLYH-TV Lebanon-Lancaster, Pa., WFBG-TV & WFBG Altoona-Johnstown, Pa., WNHC-TV & WNHC Hartford-New Haven, and KFRE-TV & KFRE Fresno, Cal.

Facility changes: **KSWO-TV (Ch. 7)** boosted power to 316 kw Feb. 28 after moving its transmitter to a new site 24 mi. from Wichita Falls, Tex. & 32 mi. from Lawton. **KRBC-TV (Ch. 9)** Abilene, Tex. received program test authorization Feb. 26 for a boost to 145 kw ERP. **WCTV (Ch. 6)** Tallahassee, Fla. plans to begin using its new 1,000-ft. tower March 15. **KPHO-TV (Ch. 5)** Phoenix, Ariz. began construction March 1 of \$400,000 transmitter facilities to boost power to 100 kw.

**KDKA-TV & KDKA Pittsburgh** and **AFTRA** patched up their differences March 5 with a strike-settling 2-year contract. Among key issues resolved: Minimum weekly base pay & fee guarantee for announcers & performers was raised to \$185 from \$150; **AFTRA** had sought \$225, **KDKA** said, and \$185 was its counter-offer prior to the Feb. 21 walkout. The stations retained the right to contract directly & independently with outside performers.

**Jansky & Bailey Inc.**, consulting engineers, moves its research & development div. from 1339 Wisconsin Ave. NW, Washington, to larger quarters at 901 Columbus St., Alexandria, Va. (Phone: King 9-7500). The executive offices, broadcast & TV div. & systems & operations research dept. are moving to the Wisconsin Ave. quarters from offices at 1735 DeSales St. NW.

**Whitney North Seymour**, NAB's special counsel on constitutional issues at FCC's programming-&-power hearings in Jan. (Vol. 16:5 p2), will address an April 6 luncheon session of the 38th NAB convention April 3-6 in the Conrad Hilton Hotel, Chicago. Among other luncheon speakers will be Secy. of State Christian Herter.

Coaxial transmission-line designs of Communication Products Co. have been purchased by the Mectron Co., 166 Ridge Ave., North Plainfield, N.J., which will furnish replacement or substitute parts previously made by CPC.

**RCA broadcast equipment seminar** has been scheduled for April 7-8 in the Hubbard Room of the Blackstone Hotel, Chicago, following NAB's convention April 3-6 in the Conrad Hilton Hotel there.

**CPs granted:** Ch. 32, Clearwater, Fla., to West Coast TeleCasting Corp.; Ch. 18, educational, Ogden, Utah, to Weber County school district.

**Translator CP granted:** Ch. 73, the Dalles, Ore. & Goldendale, Wash., to Mid-Columbia Community TV Corp.

**Montreal's Applicants:** Competition for an English-language (Ch. 12) and a French-language (Ch. 10) TV station in Montreal has narrowed down to 2 applicants for each (from a total of 7). The BBG moves to Toronto for critical hearings this week (March 14) and later will hand down its decisions on Montreal. Applicants for the English license are big electronics firm Canadian Marconi Co. and Mount Royal Independent Television Ltd.

Canadian Marconi has been controlled since 1926 by Canmar Investments Ltd., formed to keep Marconi's overseas communications in Canadian & British hands. Canmar holds 50.6% of the 4,554,000 issued shares of Canadian Marconi. The remaining 2,200,000 shares are held by 22,000 shareholders (59% Canadians).

Pres. Crosby Lewis, presenting data supporting the Mount Royal application, said Canadian program content would be 56% of total, 1% above requirement, and all Mount Royal directors would be actively concerned with station management. He made the lowest estimate of any applicant on anticipated revenue, saying station would operate on \$1,000,000 revenue annually. Other groups estimated revenue between \$3,000,000 & \$5,000,000. Geoffrey Sterling, owner of radio CKGM Montreal, to be gen. mgr.

Seeking the French-language channel are Paul L'Anglais & Associates, and a joint application from radio CKVL and United Amusement Corp. Named in the Anglais application are J. A. Deseve, pres. & gen. mgr.; Andrew Ouimet, vp & asst. gen. mgr.; Jean-Paul Ladourceur, film maker & TV producer; Marcel Piche, lawyer & labor consultant; Maurice Godbout, lawyer; Lionel Leroux.

The CKVL-United Amusement group includes (from CKVL, and holding 83.33% voting stock) Jack Tietolman, pres.; Marcel Provost, program dir.; Martin R. Carabine, secy.; Maurice Rousseau, chief engineer. United Amusement lists William Lester as pres.; George Arnott; and Gerald Martineau, member Quebec Legislative Council (provincial Senate). Others in the joint application are Roger Baulu, TV-radio personality; radio performer Jacques Desbaillets, and industrialist Severe Godin.

BBG Chairman Andrew Stewart said licensees would share a single tower on Mount Royal in the heart of Montreal where CBC now has the antenna tower for its existing English & French-language stations. The tower will have to be rebuilt, which may prevent licensees from getting on the air until early 1961.

\* \* \*

Five applications for one Edmonton TV channel and 2 for one channel in Calgary will be heard May 11 and 16 respectively in the two Alberta cities. Applicants for Calgary are CFCN TV Ltd., and Chinook Communications Ltd. The former is owned by radio CFCN, whose Pres. H. Gordon Love also heads the Canadian Chamber of Commerce. Chinook was formed by Calgary businessmen, with Herbert Stewart, ex-mgr. of Calgary's CHCT-TV, as pres. The 5 applicants for a 2nd TV in Edmonton include gov.-owned CBC which currently uses privately-owned CFRN-TV as the outlet for its network telecasts. Other applicants are Mayfair Bestg. Co. Ltd., CHED Ltd., Edmonton Video Ltd., and Northgate Bestg. Co. Ltd. Edmonton Video includes Gerry Gaetz, vp & gen. mgr. of radio CJCA, as pres.; Selkirk Holdings Ltd., a public company owned by 1,000 Canadian shareholders; and H. R. Milner, A. McLean, H. McMahon, G. K. Wynn, F. W. Forster, C. W. Carry and J. E. Sydie, all Edmonton businessmen. CHED Ltd. is owned by radio CHED. Mayfair and Northgate have outside affiliations, some British.

**TOP 100 TV GROWTH MARKETS:** To ascertain the nation's 100 fastest-growing TV markets, Feb. *Television* introduced in its special study "a new factor other than market size as one of the bases for advertising decisions." The factor: market "vitality." To gauge "vitality," the magazine undertook a 10-year comparison (1950-59) of growth in population & households. The resultant "vitality" analysis helps indicate those markets which "are expanding at a rate that justifies the establishment of new consumer franchises, despite the size of the market."

Way-out leader as the fastest growing TV market is Las Vegas, which in the past decade has exploded its population by 167.3% (vs. U.S. average of 16.1%); its households by 175.9% (vs. 19.6%). In 2nd place is Miami.

The 100 top TV markets embrace 82% of the nation's population—up from 76% in 1950. The first 50 markets are more than a third of total population & households.

A complete study of growth patterns in 254 TV markets has been compiled by *Television*. In addition to population data, the study embraces effective buying income, retail sales, household growth. Additional information about the study can be obtained from research dir. Marvin Melnikoff, *Television*, 422 Madison Ave., N.Y. 17. In the adjacent column is the magazine's list of the 100 fastest growing TV markets (in population).

## Technology

**FM STEREO TESTS DUE:** EIA's now-inactive National Stereophonic Radio Committee will press its field-testing panel back into active duty—at request of FCC—to make comparative actual-use tests of the various systems proposed for transmitting & receiving 2 stereo channels on a single FM carrier.

FCC last week wrote to EIA urging it to carry out its original plans for field testing, and EIA indicated that the tests would be conducted. Actually, details had been ironed out earlier between EIA officials & FCC Comr. Bartley, who is eager to see FM stereo get off the ground.

The Commission's letter requested that the final field-test report be filed by July 29. NAB engineering dir. A. Prose Walker, head of NSRC's field-test panel, had previously arranged to use the facilities of Pittsburgh's KDKA-FM for the system tests.

Deadline for proposals in FCC's FM stereo proceeding is Tuesday, March 15. EIA is expected to file the NSRC intra-industry report (which lacks the participation of CBS & RCA) March 14. The Commission's letter said that "undoubtedly your report will be the nucleus [of FCC's notice of proposed rule-making] and will form the basis upon which technical comments will be requested."

Film competition for tape? Eastman Kodak is developing an experimental unit to process 16mm film to a pre-controlled density & contrast in 30 sec. dry-to-dry time. Eastman is also working on a new type of kinescope recording camera for 16mm film designed to provide a photographic image directly comparable to TV-monitor quality. News of these developments was told by D. E. Hyndman, mgr. of the firm's motion-picture film dept., at a TV Film Assn. meeting in Hollywood. The executive predicted that in the near future, with the new type camera and simplified processing unit, it will be possible to see a black & white kinescope in less than a minute after the recorded action has occurred.

## FASTEST GROWING TV CITIES BY RANK

| Television Market                   | Rank based upon % change | % Change 1959 vs. 1950 | Population in thousands 1959 |
|-------------------------------------|--------------------------|------------------------|------------------------------|
| Las Vegas, Nev. ....                | 1                        | 167.3                  | 151.8                        |
| Miami, Fla. ....                    | 2                        | 108.6                  | 1700.9                       |
| San Jose, Cal. ....                 | 3                        | 80.6                   | 906.2                        |
| San Diego, Cal. ....                | 4                        | 73.6                   | 1076.0                       |
| West Palm Beach, Fla. ....          | 5                        | 69.9                   | 299.8                        |
| Orlando-Daytona Beach, Fla. ....    | 6                        | 67.7                   | 972.5                        |
| Ft. Myers, Fla. ....                | 7                        | 61.9                   | 86.6                         |
| Tucson, Ariz. ....                  | 8                        | 61.5                   | 447.7                        |
| Los Angeles, Cal. ....              | 9                        | 58.4                   | 8973.9                       |
| Tampa-St. Petersburg, Fla. ....     | 10                       | 58.3                   | 1282.4                       |
| Phoenix-Mesa, Ariz. ....            | 11                       | 57.8                   | 864.6                        |
| Eureka, Cal. ....                   | 12                       | 54.3                   | 191.6                        |
| Midland-Odessa, Tex. ....           | 13                       | 53.7                   | 420.3                        |
| El Paso, Tex. ....                  | 14                       | 48.9                   | 469.2                        |
| Roswell, N.M. ....                  | 15                       | 48.3                   | 284.0                        |
| Santa Barbara, Cal. ....            | 16                       | 46.1                   | 260.5                        |
| Lubbock, Tex. ....                  | 17                       | 39.4                   | 497.0                        |
| Corpus Christi, Tex. ....           | 18                       | 35.2                   | 588.6                        |
| Yuma, Ariz. ....                    | 19                       | 34.6                   | 122.5                        |
| Houston, Tex. ....                  | 20                       | 33.9                   | 2015.7                       |
| Denver, Colo. ....                  | 21                       | 33.1                   | 1362.4                       |
| Salinas-Monterey, Cal. ....         | 22                       | 32.8                   | 725.4                        |
| San Francisco, Cal. ....            | 23                       | 32.6                   | 4565.2                       |
| Sacramento-Stockton, Cal. ....      | 24                       | 32.3                   | 1488.8                       |
| New Haven, Conn. ....               | 25                       | 30.9                   | 3254.8                       |
| Detroit, Mich. ....                 | 26                       | 30.4                   | 5893.6                       |
| Albuquerque, N.M. ....              | 27                       | 30.3                   | 686.1                        |
| Harlingen-Weslaco, Tex. ....        | 28                       | 30.2                   | 442.6                        |
| Washington, D.C. ....               | 29                       | 28.4                   | 3353.9                       |
| Akron, Ohio ....                    | 30                       | 27.3                   | 522.0                        |
| Reno, Nev. ....                     | 31                       | 26.9                   | 151.0                        |
| Carlsbad, N.M. ....                 | 32                       | 26.8                   | 51.5                         |
| Laredo, Tex. ....                   | 33                       | 26.6                   | 71.0                         |
| Colorado Springs-Pueblo, Colo. .... | 34                       | 26.5                   | 416.1                        |
| Salt Lake City, Utah ....           | 35                       | 26.2                   | 1038.7                       |
| Flint, Mich. ....                   | 36                       | 25.1                   | 1363.1                       |
| Lansing, Mich. ....                 | 37                       | 24.6                   | 1550.7                       |
| Lake Charles, La. ....              | 38                       | 24.5                   | 440.0                        |
| Amarillo, Tex. ....                 | 39                       | 24.3                   | 492.7                        |
| Dayton, Ohio ....                   | 40                       | 24.2                   | 1744.5                       |
| Jacksonville, Fla. ....             | 41                       | 23.6                   | 1534.1                       |
| Bay City-Saginaw, Mich. ....        | 42                       | 23.4                   | 1159.7                       |
| Mobile, Ala. ....                   | 43                       | 22.8                   | 1120.3                       |
| Yakima, Wash. ....                  | 44                       | 22.6                   | 518.9                        |
| Baltimore, Md. ....                 | 45                       | 22.5                   | 2570.5                       |
| Kalamazoo, Mich. ....               | 45                       | 22.5                   | 2111.5                       |
| South Bend-Elkhart, Ind. ....       | 47                       | 22.0                   | 686.8                        |
| Waterbury, Conn. ....               | 48                       | 21.5                   | 655.8                        |
| Beaumont-Port Arthur, Tex. ....     | 48                       | 21.5                   | 695.7                        |
| Pensacola, Fla. ....                | 50                       | 21.3                   | 963.3                        |
| Grand Rapids, Mich. ....            | 51                       | 21.2                   | 1629.5                       |
| Dallas-Ft. Worth, Tex. ....         | 52                       | 21.0                   | 2727.0                       |
| Norfolk, Va. ....                   | 52                       | 21.0                   | 1527.8                       |
| Eugene, Ore. ....                   | 54                       | 20.9                   | 430.7                        |
| Columbus, Ohio ....                 | 55                       | 20.8                   | 1739.0                       |
| Chico, Cal. ....                    | 56                       | 20.5                   | 380.3                        |
| Milwaukee, Wis. ....                | 57                       | 20.4                   | 2169.7                       |
| Rapid City, S.D. ....               | 58                       | 20.2                   | 225.9                        |
| Toledo, Ohio ....                   | 59                       | 20.1                   | 1338.7                       |
| Panama City, Fla. ....              | 59                       | 20.1                   | 118.5                        |
| Cleveland, Ohio ....                | 61                       | 19.9                   | 4662.8                       |
| Rockford, Ill. ....                 | 62                       | 19.8                   | 718.3                        |
| San Antonio, Tex. ....              | 63                       | 19.3                   | 1220.3                       |
| New Orleans, La. ....               | 64                       | 19.0                   | 1710.7                       |
| Spokane, Wash. ....                 | 64                       | 19.0                   | 1022.0                       |
| Great Falls, Mont. ....             | 66                       | 18.9                   | 218.4                        |
| Wichita-Hutchinson, Kan. ....       | 67                       | 18.4                   | 956.3                        |
| Bellingham, Wash. ....              | 67                       | 18.4                   | 198.2                        |
| Chicago, Ill. ....                  | 69                       | 18.3                   | 7650.9                       |
| Salisbury, Md. ....                 | 70                       | 18.2                   | 211.0                        |
| Philadelphia, Pa. ....              | 71                       | 17.5                   | 7138.9                       |
| Cincinnati, Ohio ....               | 72                       | 17.2                   | 2396.1                       |
| Seattle-Tacoma, Wash. ....          | 73                       | 17.1                   | 1877.8                       |
| Big Spring, Tex. ....               | 74                       | 16.6                   | 109.1                        |
| Portland, Ore. ....                 | 75                       | 16.5                   | 1671.1                       |
| Muncie, Ind. ....                   | 76                       | 16.3                   | 148.3                        |
| Hartford, Conn. ....                | 76                       | 16.3                   | 2339.5                       |
| Parkersburg, W. Va. ....            | 78                       | 16.2                   | 143.8                        |
| Bakersfield, Cal. ....              | 78                       | 16.2                   | 654.0                        |
| Butte, Mont. ....                   | 80                       | 16.1                   | 154.8                        |
| Grand Junction, Colo. ....          | 81                       | 16.0                   | 129.3                        |
| Ft. Wayne, Ind. ....                | 82                       | 15.9                   | 777.9                        |
| Lima, Ohio ....                     | 83                       | 15.7                   | 197.9                        |
| Wilmington, N.C. ....               | 84                       | 15.6                   | 803.9                        |
| Florence, Ala. ....                 | 84                       | 15.6                   | 108.4                        |
| Fresno, Cal. ....                   | 86                       | 15.5                   | 829.7                        |
| Williston, N.D. ....                | 87                       | 15.3                   | 135.8                        |
| Buffalo, N.Y. ....                  | 88                       | 15.2                   | 2400.1                       |
| New York, N.Y. ....                 | 89                       | 14.7                   | 17533.7                      |
| Missoula, Mont. ....                | 90                       | 14.6                   | 212.0                        |
| Indianapolis, Ind. ....             | 90                       | 14.6                   | 2182.0                       |
| Redding, Cal. ....                  | 92                       | 14.4                   | 234.2                        |
| Cheyenne, Wyo. ....                 | 92                       | 14.4                   | 381.1                        |
| Rochester, N.Y. ....                | 94                       | 14.3                   | 1168.4                       |
| Bloomington, Ind. ....              | 95                       | 14.2                   | 2216.1                       |
| Casper, Wyo. ....                   | 95                       | 14.2                   | 146.7                        |
| Madison, Wis. ....                  | 97                       | 13.9                   | 883.7                        |
| Billings, Mont. ....                | 97                       | 13.9                   | 257.1                        |
| Richmond, Va. ....                  | 99                       | 13.8                   | 1315.5                       |
| Medford, Ore. ....                  | 100                      | 13.2                   | 178.8                        |
| Total United States                 |                          | 16.1                   | 174,914.2                    |

## Film & Tape

### More about

**UA NOW TV GIANT:** With the acquisition of Ziv TV Programs Inc., United Artists can now supply a wide range of film product at every level:

**Networks:** Ziv, now to be known as Ziv-UA TV Co. Inc., has at least 4 major network-level pilots on tape, including the 60-min. *Savage of the Deep*, currently scheduled for fall start on CBS-TV. At least 6 more are known to be on Ziv's drawing boards. UA's own roster of independent feature producers (Bryna, Edward Small, Mirisch Co., Melville, Titanus, etc.) has been moving in on the TV field, with a number of pilots being readied as network hopefuls. At the moment, Ziv is network-represented with *The Man & the Challenge* (NBC-TV, Sat. 8:30 p.m.) and *Men Into Space* (CBS-TV, Wed. 8:30 p.m.) UA has 2 network-level properties, *The Dennis O'Keefe Show* (CBS-TV, Tues. 8 p.m.) and *Troubleshooters* (NBC-TV, Fri. 8 p.m.), from Cypress Productions and Northstar Pictures.

**Syndication:** Although UA itself is a newcomer to syndication, having launched the Kirk Douglas-produced *Tales of the Vikings* only last season, Ziv is not. Since 1948, Ziv has been turning out a steady stream of first-run, 30-min. action-adventure properties (*Highway Patrol*, *Sea Hunt*, *Harbor Command*, etc.). Most have wound up on long station lists, both in this country and in almost every overseas telefilm market, thanks in no small measure to the smoothly-functioning, well-drilled Ziv field sales force, generally regarded as one of the best in the business. With a combined sales staff, UA can now draw on Ziv's syndication experience to move new Ziv entries, as well as further syndicated series from UA independents. Through Ziv-owned Economee TV, Ziv has long been successful in squeezing maximum film mileage from rerun film product; some Ziv oldies, like *Cisco Kid*, have been going around as many as 7 or 8 times in the same market.

### Started in TV with Post-1948 Features

**Features:** UA's first move in the TV field, about 3 years ago, was to clear a group of post-1948 films ("African Queen," "Moulin Rouge," etc.) with the Hollywood guilds, under an escrow agreement. Other post-1948s have been fed into the market by UA with regularity ever since. Soon thereafter, UA moved to acquire control of Eliot Hyman's Associated Artists Production Corp. (after a wrangle with NTA, which also wanted AAP). That gained for UA the TV control of 800 sound & 200 silent pictures in the Warner Bros. pre-1948 library, as well as 2,000 short subjects (including durable *Popeye*). Now known as UAA, the feature distribution arm is one of the largest in its field. In Aug. 1958, UA also acquired control of Lopert films, a top importer of foreign movies. This season, Lopert has been moving into TV distribution as well, armed with a large group of post-1948 British & European pictures, mostly from the J. Arthur Rank backlog. Ziv has produced no feature pictures, but its large Hollywood lot—often used as a rental lot by low-budget producers—will now become a UA property.

**Live Programming:** Neither Ziv nor UA has produced live or tape TV series, and none have been discussed recently. Ziv, however, has been "interested" in TV tape for some time, and may expand into this production area, as have NTA and ITC.

So much for the outline of the new UA telefilm corporate giant. The financial deal itself, like many of UA's large-scale transactions, was fairly elaborate and some-

what indirect. It had been in the works for some time (Vol. 15:51 p10).

The purchase price included: (1) \$1,750,000 in 3-yr., 5.6% installment notes of the purchasing subsidiary, UA TV investments Inc., maturing 1963-1965 and guaranteed by parent UA; (2) \$3 million of 6% debentures of the UA subsidiary, not guaranteed by UA, maturing 1966 to 1970 with conversion privileges after 4 years into UA stock at 10% above average market price, under special conditions; (3) \$2 million of subordinated notes of Ziv TV acquired by the purchasing subsidiary for \$2 million of 3-yr., 5.6% installment notes of UA TV Inc., guaranteed by UA and maturing 1961-1963; (4) assumption by the purchasing company of bank debt in the amount of approximately \$14 million. Total Deal: \$20,750,000.

Control was not acquired directly from Ziv, but primarily from F. Eberstadt & Co. and Lazard Freres & Co. (who had acquired about 80% of the Ziv stock several months ago), as well as from the remaining Ziv stockholders, Ziv Chmn. Frederic W. Ziv and Pres. John L. Sinn. No UA stock was issued, and there is no equity financing by UA.

### Ziv Billings Estimated at \$25 Million

How big are Ziv TV's annual grosses has been a conjectural subject, for the telefilm firm's stock has hitherto been privately held. Industry sources, however, generally credit Ziv with annual billings (network & syndication combined, plus overseas film sales) of about \$25 million, and current assets on the order of \$20 million (film backlog, studio, etc.).

In the new UA-Ziv combine, Messrs. Ziv and Sinn will be dirs., as well as chmn. & pres. respectively. Other Ziv officials, such as sales vp M. J. Rifkin, continue in their present posts. So will the personnel of UAA and UA-TV, although UA-TV Pres. Herbert L. Golden is resigning to spend full time as a vp of the parent UA picture company, and exec. vp of UA-TV Bruce Eells will not hold a similar post in the Ziv-UA organization. UA, however, stated last week that "an announcement will be made shortly of the way in which Eells' activities will be co-ordinated with the new combined organization."

**Syndicators Face Futile Fall:** With the networks planning 60-min. across-the-board film shows in early prime-time hours, and an extension of prime time to 11 p.m., regional & local advertisers will probably be able to buy the first 20 min. of these programs on a local co-op basis, giving them syndication's advantages on network shows. This warning to film syndicators was sounded March 8 by BBDO vp Herminio Traviesas, at an RTES timebuying seminar in N.Y. Other factors working against syndication, cited by Traviesas, were the various network "scatter plans" which allow an advertiser to buy one-third participations on alt.-wk. schedules, and video tape, which has made it possible for local stations to produce many of their own shows.

Syndicators must spend \$1.7 million to get a 39-episode film series into public view and can hope only to gross \$1.5 million the first time around, NTA vp for sales E. Jonny Graff told the group. Most of these, with the exception of off-network reruns, "lose loads of money," he said. He pointed out that the \$1.5 million gross, which comes to about \$40,000 a segment, is \$6-7,000 less than the show usually costs to make. He noted that many market prices are "way out of line unless the shows can be placed in prime time or a good adjacency."

**WGA MODIFIES TV DEMANDS:** Writers Guild of America, striking the Alliance of Television Film Producers and TV operations at the major movie studios since Jan. 16 (Vol. 16:10 p12), modified its demands in proposals submitted to non-Alliance producers last week. But the producers we checked told us they still found WGA's demands too stiff. The strike seemed likely to continue for a long time. At the same time, we learned from WGA that it is willing to make concessions on the thorny overseas residuals issue. WGA, whose contract with the non-Alliance group would have expired March 12, granted those companies a further extension to March 26. Meanwhile, powerful IATSE displayed signs of unhappiness over SAG's closing of the movie sets, but prospects for an early end of SAG's strike against the majors appeared brighter following a lengthy negotiation session Friday afternoon. For the first time in months, both sides reported, in a joint statement: "Sufficient progress has been made in the negotiations so that a further meeting will be held Tuesday [15]."

TV operations at major movie studios: WGA hasn't held a negotiation session in months with this group and none appears imminent. Like the Alliance, the majors are adamant against Guild demands. A shortage of scripts has cropped up at Warner Bros., where the studio is remaking stories. MGM-TV is proceeding with no interruption in its pilot-making schedule. Screen Gems has minor script shortages. Twentieth Century-Fox considered moving its entire TV operation, including *Adventures In Paradise*, to its Fox Western lot, then decided it wouldn't be economical. *Paradise* exec. producer Dominick Dunne has just 4 scripts, which means the series will end after 31 episodes—5 short of its contractual commitment—barring the unexpected likelihood of a strike settlement. Because of the SAG strike on March 7, Fox dismissed a number of crew employes on *Paradise*, replacing them with workers who had seniority, some of them heads of movie-studio depts. Allied Artists, because of the WGA strike, has shelved pilot plans for *Flame Kimberley*, to have been made for ABC-TV.

#### Independents Cool to WGA Proposals

Independent TV film producers: While the Alliance-WGA impasse continued, with no negotiations being held, WGA did present its proposals to producers not aligned with the Alliance last week. The demands were not greeted favorably, although they were less than had been asked of the Alliance. WGA asked for a 20% increase in minimums (compared to the 50% demand made to the Alliance). It sought residual payments of 10% each on the 7th, 8th and 9th runs (now being made on 6 runs), which compared to the demand for residuals in perpetuity made of the Alliance. (Present residuals are 140% of the minimum. New demand is 170% based on writer fee.) In its negotiations with all independents, WGA seeks to base residuals on the writer's fee, not the minimum, as at present. In the important field of overseas telefilm residuals, WGA seeks \$300 an episode for foreign showings, plus \$1 a year for each country in which the episode is seen. The \$1 is actually a wedge leaving the foreign payment issue open for renegotiation in the future. In addition, WGA's proposals to the non-Alliance independents called for establishment of a fact-finding committee composed of producers & writers who would explore each foreign market. WGA demands would be flexible, depending on conditions in each market, Guild officials told us. Said one non-Alliance producer of the WGA demands: "They're very tough. I don't

know if I can live with them. The writers & actors are helping to destroy the entire industry. In fact, lately we've had requests to produce live shows." He asserted that WGA demands also call for the writer to view a rough cut and then tell the producer if he wants changes made in the film; also for a clause whereby a script not filmed within a year is returned to writer, although he's been paid.

The Alliance has offered WGA about 8% across-the-board increase in minimums on a 4-year contract, with payments to a health & welfare plan which would mean an overall increase of over 9%. The TV operations at the majors have offered a 7% hike and a 2-year contract. None is willing to concede on the foreign issue. Production has not been seriously affected at the independents.

WGA West Pres. Curtis Kenyon said it looked to him like a long strike. He said of the foreign residual issue, "We're willing to work out any kind of reasonable formula. We don't want to make a contract that puts people out of business. We seek to establish a principle, but the Alliance has refused to negotiate on this issue." It was the first time a top WGA executive had stated that the Guild would retreat from its demand to the Alliance for 4% of the foreign gross. Producers argued that if they make concessions on the key residual issues to WGA, they are committed to make similar concessions to SAG, the Directors Guild of America and other unions. Said an Alliance executive: "If the writers will give up the foreign residuals issue, they can have a very nice deal."

#### Networks Not Yet Struck by WGA

Networks: While WGA's contract with the networks on TV film has lapsed, the Guild has not yet struck. This depends on the outcome of current negotiations with the networks in live TV & radio. Producers of network-filmed series are stockpiling scripts against the strike possibility.

In other strike developments, the Motion Picture Research Council, financed by AMPP, announced it would close March 18 "as a result of economic pressure & the uncertain conditions now facing the industry." And a group of anti-strike SAG members called off a protest meeting when SAG called a membership meeting for Sun. (March 13). Other actors, such as Bing Crosby, Lauren Bacall, Bob Hope and John Wayne, pledged support for the strike.

Enter IATSE: SAG's strike aroused the ire of IATSE locals in Hollywood, because it brought mass firings of their members at every major. IATSE immediately moved into the picture, seeking its cut of post-1948 movies. SAG, unhappy at this development for fear it might scare off producers, protested to AFL-CIO Pres. George Meany. Meany contacted IATSE International Pres. Richard F. Walsh to learn if that union was trying to pressure SAG into settling with the majors. Walsh said he told Meany IATSE would not negotiate with any companies until SAG had finished. He added that IATSE was willing to pass up any claims to post-1948 revenue if it would bring about a reopening of the studios. Since this would mean other groups such as SAG, WGA and the Directors also abandoning this demand, there was little likelihood of such an occurrence. And while SAG and IATSE professed peace & amity, even to the point of a joint negotiation session with United Artists producers, there was discord in the IATSE rank & file over the unemployment caused by the strike. Walsh said IATSE, in new contracts with the majors, will require that movies not be released to free TV for 5 years, and if they are released to pay TV, IATSE may reopen negotiations within 10 days, and terminate its contract 30 days thereafter if no agreement is reached. IATSE wants twice the cut of all other unions on post-1948s.



## HOLLYWOOD ROUNDUP

Window Productions owner-producer-star John Payne has negotiated a deal with NBC-TV whereby he will produce the pilot of a 60-min. series, *O'Connor's Ocean*, for the network. NBC-TV and Window would split profits 50-50, but Window would own the negatives. The pilot goes into production March 28 at the Goldwyn studios, with Payne as exec. producer & star (playing a West Coast attorney). NBC-TV has given Payne the green light to order additional scripts beyond the pilot stage. The contract calls for NBC-TV to make its decision within 5 days after delivery of the pilot. Payne, who starred in *Restless Gun* on NBC-TV several years ago, told us he thinks the Westerns will level off next season, and that viewers are surfeited.

Warner Bros. has dropped Jeff York from *The Alaskans* . . . Screen Gems has signed Skip Homeier to star in *Raven*, a 60-min. show being done for NBC-TV. William Sockheim is exec. producer of the pilot, which goes into production about March 25 . . . Filmaster has acquired the pilot film & all rights to *Swiss Family Robinson* from Trans-World Artists.

ABC Films will finance & distribute *Expedition*, a documentary series on KCOP Los Angeles . . . Twentieth Century-Fox has raised Gardner McKay's weekly salary from \$1,200 to \$1,400. He stars in *Adventures in Paradise*.

Four Star Television has been forced to postpone production of its new Tom Ewell series because he's appearing in "The Thurber Carnival" on Broadway, and can't get a release until Aug.

CBS-TV has shelved plans for a Keefe Brasselle pilot, reportedly because of difficulty in finding a property. It will, however, do pilots for 60-min. *New York 21*, produced by Albert McCleery; *Bringing Up Baby*, starring Enid Markey & Doro Merande, a situation comedy to be filmed in N.Y.; *Win, Lose or Draw*, with Ed Sullivan as host-narrator, an anthology series to be filmed in N.Y.; *Open All Year*, starring Phil Silvers; and *Those People Are Here*, a 60-min. comedy series produced by Nat Hiken.

Production has begun on *The Three Stooges Scrapbook* series at Amco Studios . . . Producer Blake Edwards (*Peter Gunn*) has sold Four Star Television the rights to his Willie Dante character for use in a series starring Howard Duff . . . Revue Studios has resumed production of its *Whispering Smith* series, starring Audie Murphy.

MGM-TV puts the pilot of the 60-min. *Asphalt Jungle* into production this week. Jack Warden stars, and Jaime del Valle is producer.

Bernard L. Schubert Productions has been purchased by National Outlook, a Wall St. investment firm. Ex-NBC sales mgr. John B. Cron has been elected pres. of Schubert Inc. Schubert plans to form a new TV production company.

Producer Herbert B. Leonard has signed James Brown, Johnny Seven and Kier Dullea as regulars for his *The Venturers*, which goes into production March 14 in Venice.

Mort Sahl Productions has been formed by the comedian for the production of movies & telefilms. He plans a series, *Mort Sahl Presents*, a weekly humorous commentary on current events.

## NEW YORK ROUNDUP

Robert Precht will succeed Marlo Lewis as producer of CBS-TV's *Ed Sullivan Show* when Lewis leaves the helm in June after 12 years. Precht has been associate producer. Lewis plans to continue as a *Sullivan* consultant and may do several specials for the network next season, in addition to a 30-min. series.

NBC's "Little Theater" group, The Theatre Workshop, is staging William Inge's "Picnic" April 1 & 2 in the network's Studio 6A with a cast & production team of NBC employes. Male lead will be played by Lou Catching (guest relations). His co-star will be Sara Baker (participating programs). Dirs. for the performances are Stan Levine (CNP) and Harvey Fondiller (press dept.).

Lou H. Gerard has been named dir. of public relations, Trans-Lux entertainment div. . . . C. P. (Pete) Jaeger has been appointed vp for sales, Flamingo Films.

Paramount TV will have 7 pilots making the rounds of N.Y. ad agencies before the current buying season ends, we're told, representing a \$750,000 production investment. Currently one of the few film majors without a network TV show, or at least a signed-up deal for fall, Paramount will include *Band of Gold*, *Henry D.* and an untitled 30-min. situation comedy starring Teddy Rooney in the 7-show group.

Ziv-United Artists TV's *Home Run Derby* is now in 49 markets. Regional advertisers include Consolidated Cigar Co., Schmidt Beer, Stagg Homes and Schlitz Beer . . . Ziv's *Sea Hunt*, in its 3rd syndication year, is currently in 157 markets, 93% of which are renewals.

CBS Films has signed an agreement whereby Carousel Films will distribute on 16mm film 12 CBS News programs: 9 episodes from CBS-TV's *Conquest* series, 2 from *CBS Reports* ("Biography of a Missile" & "Population Explosion") and one from *Twentieth Century* ("Reaching for the Moon").

Flamingo 'Telefilm Sales' newest foreign film package, *Flamingo Festival Films*, contains 4 features which haven't had U.S. theater first runs. Titles include "Gas & Oil" (re-titled "Hijack Highway"), "Fugitive in Saigon," "A Bride for Frank," and "Photo Finish." Several additional feature titles are being released to TV directly from first-run theatrical showings.

NTA has placed into distribution 6 new-to-TV features under the title *Special Six*. Included are David O. Selznick's "Tom Sawyer," "Little Women" & "Prisoner of Zenda," plus "Gulliver's Travels" and "Hoppity Goes to Town" (both full-length cartoon films) and "Bambuti."

MCA TV's *Johnny Midnight* has scored prime-time syndicated sales in 120 markets to date . . . Screen Gems' *Manhunt* has been bought for 4 midwest markets by Jacob Schmidt div. of Pfeiffer Brewing.

Marvin Kalb, CBS News specialist in Russian affairs, has been assigned to reopen the CBS News Moscow bureau. Kalb's assignment follows the recent Soviet denial of a visa to CBS News correspondent Larry LeSueur . . . Mel London, Transfilm-Caravel exec. producer, is currently freelance directing NTA's *Play of the Week* production of "Rope Dancers."

**BLOCK-BOOKING TRIAL BEGINS:** A "counterfeit clause," so worded that no block-booking taint would fall on a major feature-film package sale, was inserted in several TV film distributor station contracts, U.S. Federal Court learned last week. The clause came to light as the 2-year-old govt. anti-trust suit against MGM-TV, United Artists, Associated Artists Productions, Screen Gems, NTA and C&C Super opened in N.Y. March 7.

Lead-off witnesses, attesting to the "counterfeit clause," were George Hartford, vp & gen. mgr., WTOP-TV Washington, and Thomas Jones, TV program dir., WJIM-TV Lansing, Mich., formerly with the Washington station. Jones and Hartford testified to the presence in MGM-TV and UA contracts with WTOP-TV of such a clause inserted "for the deliberate purpose of conveying the impression that the companies did not engage in block booking in the sale of old feature films to TV." Jones said "the clause in question did not reflect the facts as they were," but he signed because he thought "there was no choice as it was presented, in order to secure the pictures."

Prosecuting attorney Leonard Posner expects to call 100 witnesses (cracked Judge Archie O. Dawson: "We'll be in the trenches until Christmas at that rate").

Representing the film companies is a group of attorneys headed by Louis Nizer, who has been conducting the cross-examination. Should the govt. prevail, broadcasters stand to recoup millions of dollars from contracts which, the government charges, forced stations to take bad pictures with good ones. One of the govt.'s objectives is to force renegotiation of existing film contracts. Many stations still have in their feature libraries pictures which they did not want and have not used, testimony revealed.

The Justice Dept. declared that "requiring telecasters to take films they did not want is a violation of the Sherman Anti-Trust Act." Theatrical block booking was outlawed in the motion-picture industry in 1948. Several defendants in the current action have come into existence since the 1948 decree, however, and are not liable to the terms of that judgment, claims the defense.

Residual payments to the Screen Actors Guild for distribution to actors in movies shown on TV aren't wages for federal employment tax purposes, but are subject to income tax, according to the Internal Revenue Service. Answering questions raised by the union, IRS decided (Rev. Rul. 60-89) that such residuals have nothing to do with salaries originally paid by the movies' producers to the actors, hence aren't liable for deductions for unemployment compensation, etc. On the other hand, IRS said, residuals aren't gifts and therefore come within "the broad sweep of the definition of gross income." The ruling applies "whether the amounts distributed by the Guild are received from the purchaser or licensee of TV rights in, or by the original producer of, the motion pictures involved."

NLRB elections for musicians in TV films gave the American Federation of Musicians jurisdiction at Revue Studios, while Musicians Guild of America won for Alliance of Television Film Producers and ABC-TV. CBS results weren't final, since some votes were challenged, but AFM was leading MGA 122-90. Revue, while a member of the Alliance, has long employed AFM musicians, and preferred a separate election. An election is scheduled at Ziv TV. At week's end, AFM charged in Washington that NLRB had violated its constitutional rights in the ABC-TV election. It asked a federal court to nullify the election.

## Congress

**CLAMOR FOR DICK CLARK:** The House Caucus Room, stage of the payola-probing Commerce Legislative Oversight Subcommittee, was being set last week for the first public appearance on Capitol Hill of the most celebrated disc jockey of all—ABC-TV's Dick Clark.

No date for *American Bandstand* Clark's performance was set, but one Subcommittee source told us it could be counted on that "he'll be next" after the Oversighters run through legislative hearings which start this week. ABC-TV officials also are expected to be summoned then to tell what they know about payola.

Subcommittee Chmn. Harris (D-Ark.) has kept Clark under subpoena on his inactive list of prospective witnesses since payola hearings opened last month (Vol. 16:7 p6). But persistent demands by Rep. Bennett (R-Mich.), ranking minority Oversighters, that Clark be brought front & center made it likely that his turn on the stand would come late this month or early in April.

On March 4, Bennett tiffed publicly with Harris over the delay in calling Clark. At the day-long FTC-FCC hearing (Vol. 16:10 p1) which led to FCC Chmn. Doerfer's resignation last week (see p. 3), Bennett made a sub-headline by reading from a Clark affidavit which showed the jockey had had affiliations with 17 record & music publishing firms before dropping them at ABC-TV's insistence. Harris shushed Bennett then, arguing that the Subcommittee wasn't ready for Clark yet, but Bennett continued.

"Clark's admission in the affidavit alone made a stronger case against him than any of the hinky-dink disc jockeys we've had as witnesses so far," Bennett said last week, adding these details from the affidavit and other Subcommittee files: (1) Clark "admitted playing songs that were owned or distributed or pressed by companies that he wholly or partly owned, and that he thereby made a financial profit." (2) Clark received a ring and his wife a necklace with a combined value of \$3,400 as gifts from a record manufacturer. (3) ABC had an arrangement under which it received a 7¢ royalty on each "Dick Clark" record-carrier sold.

### To Review Status of Reform Bills

Immediate scheduled business of the Subcommittee, however, is a rundown at hearings for FCC, FTC, regulatory agencies—"and other interested parties"—on long-pending administrative reform bills. They begin March 15, may run several weeks. Harris said he had sent invitations to more than 70 witnesses from the agencies, regulated industries, trade & bar associations and law schools.

First witness scheduled this week was to have been Doerfer, who could have anticipated another rough time at the hands of Harris. The Subcommittee had scheduled no substitute for Doerfer at last week's end, but other spokesmen for FCC will be on hand, followed by representatives of FTC and a half-dozen additional agencies.

Major bills up for the hearings are (1) an omnibus measure (HR-4800) introduced by Harris last year to ban *ex-parte* & other abuses in agency processes which were exposed in 1958 FCC hearings by the Oversighters. (2) a sweeping anti-*ex-parte* measure (HR-6774) introduced by Harris at the request of the American Bar Assn.

For good measure, Harris said he also will bring up a series of FCC housekeeping proposals which got some Senate action last year, but have been hung up on the House side. Sponsored either by Harris or Senate Commerce

Committee Chmn. Magnuson (D-Wash.), they include bills to repeal the Communications Act's "honorarium" provisions for FCC members (S-1735), reduce affidavit requirements for some FCC documents (S-1736 & HR-6127), give more scope to FCC's review staff (S-1738 & HR-6573), permit FCC members to serve after their terms expire until successors are confirmed (S-1965).

Also ahead for the Subcommittee on the legislative (as opposed to the exposé) front: as-yet-unwritten bills carrying out the Subcommittee's recommendations for ridding broadcasting of fraud & deceptions on the air. These controversial recommendations were included in the Subcommittee's Feb. report on its 1959 TV quiz disclosures.

**Ask 'Great Debate' On TV:** A proposal by Adlai Stevenson that TV networks provide prime time for Lincoln-Douglas-type debates by Presidential candidates has been picked up by Sen. Monroney (D-Okla.)—and quickly given support by other members of the Commerce Committee.

Monroney said his bill (S-3171) carrying out Stevenson's plan, as outlined by the 1952-56 Democratic nominee in the March 6 Sunday supplement *This Week*, would require the 3 networks to give one hour weekly to each major candidate for 8 weeks immediately preceding Presidential Elections. Presidential candidates of minor parties would be prevented from claiming equal time by a requirement that their parties must have polled at least 4% of the popular vote at the preceding election.

The free time would be "free of hoopla—no orchestras, but a very serious debate," Monroney said. Under the Monroney plan, each Presidential candidate would get 30 min. of speaking time & 15 min. for rebuttal.

The Monroney Bill was co-sponsored by Commerce Chmn. Magnuson (D-Wash.). Committee members Pastore (D-R.I.) & Smathers (D-Fla.) also signed it, as did Sens. Kefauver (D-Tenn.) & Church (D-Ida.). And Monroney's office said others were lining up in support.

Another political broadcast proposal came meanwhile from Sen. Morse (D-Ore.). He said he was drafting a joint resolution "to require that before any politician appears on radio or TV to read a manuscript, he shall file a certificate that he wrote the manuscript." As things stand now, Morse said, ghost-written speeches by candidates on the air constitute "downright deception & deceit."

**Communications Act amendment** requiring painting & lighting of unused broadcasting towers in conformity with standards for in-use towers, as recommended by FCC (Vol. 16:7 p9), has been approved by the Senate Commerce Committee. It voted endorsement of a bill (S-2812) by Chmn. Magnuson (D-Wash.) to implement the Commission proposal. A similar measure (HR-10259) is pending in the House Commerce Committee.

Still another TV-radio probe—"a major inquiry into the present status of the communications industry in the country"—has been proposed in Congress. Sen. McGee (D-Wyo.) called for "some soul-searching on all levels of the govt. and in our public life" to find answers to questions as to whether more govt. controls would harm freedom of expression: (1) "Whose freedom is at stake?" (2) "Is the industry in fact free now?" (3) "Has it not become prisoner of commercialism & program purchasers?"

Booster-CATV bills (HR-11040 & HR-11041) similar to FCC-regulation measures pending in the Senate (Vol. 16:7 p3) have been introduced in the House by Rep. King.

## Advertising

**HOW PLUGOLA WORKS:** Details of plugola practices uncovered in the TV industry by FTC in the course of its anti-payola campaign were described last week by Chmn. Earl W. Kintner, who had told House investigators March 4 that at least 8 firms were under formal investigation for promoting concealed commercials (Vol. 16:10 p1).

In a speech to the Philadelphia Chapter of the Federal Bar Assn. on his agency's role in cleaning up advertising deceptions in broadcasting, Kintner said plugola practitioners seemed to have developed a regular business of soliciting "a cross-section of American industry to buy hidden plugs or commercials on regularly sponsored TV."

As an example of how the business operates—at \$200-,\$275 per plug, with money being passed to performers, directors, writers and other program personnel—Kintner related that one plugola firm promised prospective clients these returns from "surreptitious" payments:

(1) "Visual & audio identification." (2) "Fifteen to 20 words of descriptive copy delivered simultaneously with the visual identification." (3) "Copy prepared & written by the person paying for the plug." (4) "Advance notice of the dates on which all plugs appear." (5) "A recording of the broadcast plugs."

Kintner also scored another payola refinement—"the washout arrangement" by which he said disc jockeys pay required union scales to singers who appear on TV & radio shows, then are reimbursed by record manufacturers & distributors.

Kintner reported that in still another payola washout scheme, record makers assign musicians to record hops conducted by disc jockeys. "Usually the disc jockey retains all profits from such hops or shares the profits with a sponsoring organization," the FTC chief told the Philadelphia lawyers. "From the information in our investigational files, it is a rare occasion when the disc jockey will pay the appearance fees of the artist upon whom, in many instances, the financial success of the record hop will depend."

Asked after his speech if FTC planned any moves directly involving ABC-TV's *American Bandstand* headliner Dick Clark, Kintner replied: "We have Clark under consideration and we don't intend to lose interest in his case." Kintner said that FTC was awaiting "further information" on Clark from the House Commerce Legislative Oversight Subcommittee, which also has the top-billed jockey on its investigative list (see p. 12).

Meanwhile, payola complaints against record manufacturers & distributors continued to flow from FTC's Washington hq.

Ace Record Co. Inc. and Record Sales Inc., Millsaps Bldg., Jackson, Miss., were accused of making illegal payments to TV & radio jockeys "or other employes of broadcasting stations." Also named were John V. Imbraglio of both firms and Record Sales treas. Joseph Caronna.

Roulette Records Inc., 659 10th Ave., N.Y., named in a payola complaint last Dec. (Vol. 16:1 p7), conceded in a formal answer that it had "given valuable consideration to disc jockeys" but denied that the payments were illegal under the Federal Trade Commission Act.

On-location TV tour is being used by an Indiana builder to introduce a new housing tract. Perine Development Co. of Indianapolis has scheduled 3 remote telecasts in 15-min. segments, via WFBM-TV Indianapolis.

**NEW CBS COMMERCIAL RULES:** A tight new set of "guide lines" covering questions of taste & time standards in TV commercials now faces advertisers at CBS-TV. It was distributed to agencies last week in the form of memos from program practices vp Joseph Ream & dir. Herbert Carlborg, following Ream's announcement of its new rules at the CBS affiliates meeting in Washington.

The memos call for a near-complete separation of the content & personalities of news & public-affairs programs from commercialization. Newscasters, for example, will now name "only the product or the sponsor without additional descriptive phrasing." Tighter standards will be followed in personal-product commercials, particularly in the realm of demonstrations, product claims, "schematic charts of circulatory, respiratory or digestive systems," "scare copy," and suchlike.

Commercial length & placement are also covered by the new CBS rulings, allowing for no more than 3 commercials (plus billboards) in 15-min. shows, a maximum of 3 commercials in 30-min. entertainment shows (although the main entertainment portion may not be interrupted more than twice), a maximum of 6 commercials in 60-min. shows, somewhat tighter regulations in news shows, and a detailed description of what's allowable in the way of billboards, lead-ins, alternating sponsorship commercials. All the new standards will be in effect at the unofficial start of the fall season, Sept. 15, 1960.

**Television's Decade:** TV has scored the biggest gain among ad media since 1950, the National Industrial Conference Board reported last week. A decade ago, all-media spending was at the annual rate of \$5.7 billion, with TV getting only 3 cents from every ad dollar. By 1959, all-media dollar volume had climbed to a whopping total of \$11.1 billion, with TV getting more than 14¢ of every dollar.

Newspapers are still tops in the media list, having gotten a 36.4% share in 1950 vs. a 31.7% in 1959. (The percentage drop, it should be noted, is offset by a climb in total dollar volume, from \$2.1 billion in 1950 to \$3.5 billion in 1959.) Direct mail showed a slight percentage gain in over-all media standings (14.1 vs. 14.2) and business papers moved up somewhat (4.4% vs. 5.1%), but magazines fell off (9.0% vs. 7.8%), as did radio (10.6% vs. 5.8%). Throughout the decade, estimated NICB, a total of \$86 billion was spent for advertising in the U.S.

Legal guideposts for advertising are summarized by ANA in a new booklet for members, "Legal Rules of the Road to Honest Advertising," by the organization's general counsel, Gilbert H. Weil. The 19-page booklet details "the basic criteria which distinguish honest & lawful advertising from that which the courts & regulatory agencies would consider misleading or deceptive, and hence unlawful," said ANA Pres. Paul B. West, who added that the project was "stimulated" by FTC Chmn. Earl W. Kintner.

Newest TV talent showcase for N.Y. agency men is—of all places—a film-studio dining room. On Mar. 9, Robert Lawrence Productions initiated a new policy at the company's West 54th St. cocktail bar and executive dining salon: Actors, actresses and models will receive invitations to join the dozen or so agency men who take a lunch break while supervising the filming of commercials at RLP's studios. The meet-new-talent policy, said the film firm, is "also designed to raise performers' offstage status."

## Networks

**Full 1959 Category Report:** Network TV's most nutritious source of ad dollars in 1959 was food, reports TvB. Advertisers of food & food products poured more than \$113 million into network time last year—up from \$109.2 million in 1958. Runner-up spenders: toiletries & toilet goods, \$102.3 million (\$99 million in 1958); smoking materials, \$75 million (\$62 million).

Major increases in network ad spending were made by agriculture & farming with \$1.8 million (vs. \$63,454 in 1958); gasoline & lubricants, \$9.8 million (\$3.1 million); household equipment (\$30.1 million (\$23.5 million). Major cutbacks: automotive (including accessories & equipment), \$46.7 million (down from \$52.5 million in 1958); horticulture, \$249,608 (from \$1 million); TV-radio-phono, music instruments, \$5.3 million (\$8.5 million). TvB's listing of estimated time-investments in network TV by product:

| Category   | Jan.-Dec. 1959       | Jan.-Dec. 1958       |
|--|----------------------|----------------------|
| Agriculture & Farming .....                          | \$ 1,809,137         | \$ 63,454            |
| Apparel, Footwear & Accessories .....                | 7,221,250            | 5,408,809            |
| Autos, Accessories, Equipment.....                   | 46,709,247           | 52,500,296           |
| Beer, Wine .....                                     | 6,715,256            | 6,288,987            |
| Building Materials & Equipment .....                 | 3,380,407            | 2,395,117            |
| Confectionery & Soft Drinks .....                    | 12,982,938           | 9,324,276            |
| Consumer Services .....                              | 3,441,788            | 2,777,321            |
| Drugs & Remedies .....                               | 74,950,528           | 58,043,625           |
| Entertainment & Amusement .....                      | 383,278              | 249,989              |
| Food & Food Products .....                           | 113,099,511          | 109,205,706          |
| Freight, Industrial & Agricultural Development ..... | 404,807              | —                    |
| Gasoline, Lubricants & Other Fuels .....             | 9,830,669            | 3,132,351            |
| Horticulture .....                                   | 249,608              | 1,007,774            |
| Household Equipment & Supplies .....                 | 30,112,185           | 23,544,658           |
| Household Furnishings .....                          | 4,025,729            | 3,465,904            |
| Industrial Materials .....                           | 20,980,307           | 17,879,698           |
| Insurance .....                                      | 10,270,755           | 6,944,696            |
| Jewelry, Optical Goods & Cameras ..                  | 13,966,553           | 12,971,333           |
| Office Equipment, Stationery .....                   | 4,615,765            | 6,751,311            |
| Political .....                                      | —                    | 274,290              |
| Publishing & Media .....                             | 26,593               | 848,841              |
| Radios, TVs, Musical Inst. ....                      | 5,373,926            | 8,515,340            |
| Smoking Materials .....                              | 75,009,215           | 62,092,208           |
| Soaps, Cleansers & Polishes .....                    | 67,140,302           | 61,475,688           |
| Sporting Goods & Toys .....                          | 2,999,564            | 1,762,906            |
| Toiletries & Toilet Goods .....                      | 102,311,526          | 98,921,152           |
| Travel Hotels & Resorts .....                        | 1,125,861            | 2,590,983            |
| Miscellaneous .....                                  | 8,174,825            | 8,153,688            |
| <b>TOTAL .....</b>                                   | <b>\$627,311,530</b> | <b>\$566,590,401</b> |

## NETWORK SALES ACTIVITY

### CBS-TV

Love of Life, Mon.-Fri., 12-12:30 p.m. & For Better or Worse, Mon.-Fri., 2-2:30 p.m. participations. *Toni Co.* (Tatham-Laird)

As the World Turns, Mon.-Fri., 1:30-2 p.m., The Verdict Is Yours, Mon.-Fri., 3:30-4 p.m., Millionaire, Mon.-Fri., 3-3:30 p.m., Secret Storm, Mon.-Fri., 4:30-5 p.m. & Love of Life, participations. *Standard Brands* (Ted Bates)

Dennis the Menace, Sun., 7:30-8 p.m., alt. wk. buy starting mid-April. *Best Foods* (Guild, Bascom & Bonfigli)

### NBC-TV

1959-60 Emmy Awards telecast, Mon., June 20, 10-11:30 p.m. 12th annual presentation by Academy of TV Arts & Sciences. *Procter & Gamble & Greyhound Corp.* (both Grey Ad.)

### ABC-TV

Johnny Staccato, Sun., 10:30-11 p.m., reruns of ex-NBC-TV action series. 26 wk. order. *Alberto-Culver* (Geoffrey Wade)

**Gen. Sarnoff's Proposal:** A program of annual conferences "enlisting the best of American brains" to review & improve the course of U.S. TV—that's the proposal made by Brig. Gen. David Sarnoff, RCA chmn., in N.Y. March 10 before the 20th anniversary dinner of the RTES. Leaders in such fields as broadcasting, govt., education, labor, etc. should hold the annual meetings in "an appropriately cloistered atmosphere, away from kleig lights, microphones, printing presses," Gen. Sarnoff urged.

He also cautioned broadcasters against accepting proposals for greater outside-the-industry censorship of the TV medium. "Either you have censorship or you don't. Either it applies across the boards or not at all," he warned. Then, aiming a verbal blōw at print media, Gen. Sarnoff further stated: "How can one with reason relate [censorship] to a non-subsidized communications medium which uses the public airways to reach the people free of charge, and ignore the other media that make a circulation charge and, in addition, use public subsidies to reach these same people?"

The future of TV, Sarnoff stated, was secure, and would grow in world-wide scope through such developments as TV satellites orbiting the earth, instantaneous TV language-translation systems, super-miniature portable TV sets and "the practical use of extremely high frequencies" to end channel shortages.

Gen. Sarnoff was awarded RTES's first gold medal for outstanding achievement in broadcasting.

No CBS San Francisco-station deal (whereby the network would acquire KRON-TV as an o&o) is in the works, Louis Simon told us last week. The manager of Westinghouse's KPIX (CBS-TV affiliate in San Francisco) added: "Relations between KPIX & CBS were never stronger." NBC recently signed a deal to buy independent KTVU as an o&o, switching the affiliation from KRON-TV (Vol. 16:9 p1). Pres. Charles deYoung Thieriot of Chronicle Publishing Co., which owns KRON-TV, told us: "There is no truth whatsoever in this story." Merle Jones, pres., CBS-TV stations div., drove another nail into the report with: "It's new & interesting to us. It's strictly a speculative story."

Minn. Mining & Mfg. plans to purchase a substantial interest in Mutual Bcstg. System from top shareholder Albert G. McCarthy. Word of the deal leaked out last week when the conversation of a 3M official was overheard by a financial reporter in a Minneapolis cafe. Actual purchase of part of McCarthy's holdings has been discussed by MBS and 3M, although no price or arrangement has been reached. Mutual, recently reorganized under Chapt. XI of the Bankruptcy Act, "is now nearing the break-even point, and has just racked up \$1.5 million in new & renewed business," a spokesman told us. One of 3M's prime reasons for an investment in MBS, we're told unofficially, is to seek "the kind of field-test opportunity for new 3M electronic products that RCA has with NBC."

Jack Paar's return to his show Mar. 7 found NBC-TV still wielding the censorial scissors, this time by mutual consent. Left on the tape-editing blocks was a 10-sec., 10-word gibe by Paar at columnist Walter Winchell's private life which network officials (and, prior to airtime, Paar) decided might well be libelous. Jack hit the rating jackpot, Arbitron crediting the show with a 7-city 24.5 rating and an audience share of 64.0. In N.Y., Arbitron measured a whopping 24.8 rating and 73.0 share.

## Programming

**MPAA Censures Censors:** Always loaded for bear on matters of film censorship, Motion Picture Assn. of America has found "A Wolf in Sheep's Clothing" in the various film-classification bills which have been introduced in the N.Y. State Legislature. A fact sheet under that title has been distributed by MPAA to N.Y. Senators & Assemblymen to refute the arguments of proponents who contend that state classification or rating of films according to suitability for children & adolescents will effectively combat juvenile delinquency.

Not so, argues the fact sheet, pointing out that many foreign countries which have been classifying films for years still have high rates of juvenile delinquency. Other pro-classification theories hit by MPAA: Parents need outside assistance in reviewing films (Fact: some 20 national groups already rate films, and ratings are published in a number of national publications); state ratings will be objective & authoritative (Fact: "no such assumption can be guaranteed . . . There is no single set of standards or exact age delineation upon which a 'classification' law could be based and apply to all members of any given age group"); parents would be assured that state-approved films were good for their children (Fact: "these classifications would indicate 'suitability' only in the negative sense of innocuity").

"Let us continue to oppose measures for 'film classification' and other forms of censorship which, no matter how well-intentioned, can only result in a weakening of those freedoms of mind & communication which represent our greatest democratic strength," concludes MPAA.

\* \* \*

TV's largest audience—100 million viewers—is forecast by MPAA for the April 4 Oscar show, which will be carried by 186 NBC & 40 CBC stations. The event is expected to top by far the record 57.8 Trendex scored by last year's Awards program.

Ford's Startime specials aren't likely to be back this fall in the NBC-TV lineup—or anywhere else. The current contract between Ford, NBC-TV and the Hubbell Robinson Jr.-MCA production set-up runs out on June 28, and nothing has been set beyond. In the latest NBC-TV blueprints for fall schedules, Startime is conspicuous by its Tues.-night absence. The lavish show series (average talent budget: about \$300,000), like many other specials in the 1959-60 season, has been something of a rating flop, despite some strong critical successes such as Ingrid Bergman's "Turn of the Screw" (Vol. 16:10 p14).

Big change in CBS-TV's Thurs.-night lineup for next season is being studied in Hollywood conferences between network Pres. James T. Aubrey Jr., vp Oscar Katz and Guy della Cioppa, West Coast program vp. It's reported that *To Tell the Truth*, Dick Powell's *Zane Grey Theater*, *Revlon Revue* and the *Betty Hutton Show* may be off the Thurs. night schedule next season. The 60-min. *Savage of the Deep* has been tentatively slotted for 7:30 p.m. Thurs., and *Angel* for 9 p.m. *Markham* will most likely return.

"Biography of a Missile" (CBS Reports) has been cited by the U.S. Army, Dept. of Defense, "for its outstanding contribution to public understanding." Plaques honoring Edward R. Murrow & Fred W. Friendly, co-producers, and Palmer Williams, dir. of production, were presented by Secretary of the Army Wilbur Brucker at the CBS-TV affiliates annual conference.

## Television Digest

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

### WASHINGTON BUREAU

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

### NEW YORK BUREAU

625 Madison Ave.  
New York 22, N.Y.  
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**Personals:** NBC-TV has announced the election of 4 vps in the program dept.: Harold F. Kemp, vp, nighttime programs, West Coast; Richard L. Linkroum, vp, special programs; David W. Tebet, vp, talent relations; Felix Jackson, vp in West Coast program dept. . . . Carleton Hence, ex-national sales dir. of WBRE-TV Wilkes-Barre, appointed sales development mgr., Transcontinent TV Corp. (WGR-TV & WGR Buffalo, WROC-TV & WROC-FM Rochester, WNEP-TV Scranton-Wilkes-Barre, KFMB-TV & KFMB San Diego, KERO-TV Bakersfield).

Willard Block named to new post of international sales mgr., CBS Films; Jack Ballard, ex-NBC-TV, joins CBS Films as mgr. of programs-Hollywood . . . Dean Woodring, ex-KIEM-TV Eureka, Cal., joins KGW-TV Portland, Ore. as sales service mgr. . . . John B. Sias, TV vp of Peters, Griffin, Woodward Inc., moves his hq to PGW's San Francisco office . . . Don Brice, ex-radio KIRO program mgr., appointed news dir. of Queen City Bestg. Co. (KIRO-TV & KIRO Seattle) to launch combined TV-radio news operation . . . Richard C. Pistell, pres. of Pistell, Schroeder & Co., named finance committee chmn. & a dir. of Bartell Bestg.

Ira G. Delumen, ex-Eastern sales mgr., named to new post of mgr., program & project sales for CBS-TV production sales, the network's video-tape production unit; Jack Reynolds, ex-National Educational TV & Radio Center, named asst. to Richard D. Heffner, dir. of special projects, CBS-TV information services . . . Gordon A. Hellmann, ex-dir. of adv. & sales promotion, Transcontinent TV Corp., forms Hellmann Marketing Services (654 Madison Ave., N.Y. Templeton 8-8834), providing consultation & creative marketing research for clients in broadcasting & related fields . . . Vern Behnke, ex-CBS-TV Films, named gen. sales mgr., UPA Pictures Inc. . . . Wayne M. Nelson Jr., ex-Lennen & Newell, joins N. C. Rorabaugh Co. as editor of *Spot TV Quarterly Report*.

J. M. Higgins, gen. mgr. of WTHI-TV & WTHI Terre Haute, also elected vp & dir. of parent Wabash Valley Bestg. Corp. . . . William G. Mulvey appointed asst. gen. sales mgr., James E. Kovach program mgr., WNHC-TV New Haven . . . Don Shepherd, ex-Southeastern Newspapers Inc. (WRDW-TV & WRDW Augusta, Ga.), appointed promotion dir., WLOS-TV Asheville-Greenville-Spartanburg . . . Gene Fullen named community relations dir., WTVN-TV Columbus . . . James Symington, 32, son of Sen. Stuart Symington (D-Mo.), joins Washington law firm of Arnold, Fortas & Porter.

Honors & awards: Frank B. Palmer, gen. mgr. of WFBG-TV & WFBG Altoona, voted one of Pennsylvania's 3 "outstanding young men of 1959" by Pa. Jr. Chamber of Commerce . . . Arnold Peterson, farm service dir. of WOW-TV & WOW Omaha, presented special U.S. Treasury Dept. award as chmn. of radio & TV div. of Neb. advisory committee for Savings Bond program . . . Keith S. Glatzer, news & special events dir. of radio WFOR Hattiesburg, Miss., named winner of NBC News' 3rd annual Earl Godwin Memorial Award for his coverage of the Mack Charles Parker kidnaping & murder case in Poplarville.

RTES timebuying-selling seminar March 15 will hear CBS Inc. vp Richard S. Salant and speaker from ad agency of one of the major political parties, discuss "Fall Political Campaigns & Broadcasting" at Hotel Lexington, N.Y.

Storer ad in current issue of *The New Yorker* supplies an unintended bitter postscript to *l'affaire Doerfer*. Under a sketch of 2 men walking from an airplane, the caption reads: "Leo pegged it when he said 'quit guessing—you know where you're going with Storer.'"

## Obituary

Harry M. Bitner Sr., 76, ex-chmn. of Consolidated TV & Radio Bestrs. (WFBM-TV Indianapolis, WOOD-TV Grand Rapids-Kalamazoo, WTCN-TV Minneapolis-St. Paul), died in an auto collision March 7 at Delray Beach, Fla. Also killed in the crash was a friend, George E. Sexton, 58. They were passengers in a car driven by Mrs. Bitner, who, with Mrs. Sexton, suffered minor injuries. Bitner was former gen. mgr. of the Hearst newspaper chain and served as dir. of the printing & publishing div. of the War Production Board during World War II. He sold his broadcast properties in 1957 to *Time* magazine subsidiary TLF Bestrs. Inc., for about \$20 million. Bitner's survivors also include a son, daughter, and 2 brothers. A brother, Lynn, is gen mgr. of the Gannett Newspapers.

## Auxiliary Services

Telemeter's infant pay-TV project could be running afoul of Canadian federal law. Rev. A. S. McGrath, claiming that Sunday pay TV is contrary to the Lord's Day Alliance Act, is considering action. He is leader of an unofficial group which set itself up to police the act. Rev. McGrath asserted that Sunday pay TV does not differ from Sunday movie-theater opening, which is banned by the act. He also classified Sunday free TV & radio as contrary to the act, but agreed that the act should be modified to allow these. The operators of Toronto's pay TV are not concerned with Rev. McGrath's threat at present. Said Trans-Canada Telemeter's James Nairn: "They have said nothing to us, and when they do we'll seek legal action."

Application for pay-TV test will be filed with FCC by mid-April by Teleglobe Pay-TV System Inc., 15 E. 48th St., N.Y., according to Pres. Solomon Sagall. He said he is now lining up financial backing. He declined to identify the market he'll use.

Videotape-equipped aircraft carrier is USS Ranger, Navy's largest. An Ampex recorder and a Marconi 4½-in. image orthicon camera make it possible for jet-pilot trainees to view their own takeoffs & landings immediately after completion of these flights.

Translator starts: W73AD & W80AC Rhinelander, Wis. began Feb. 2 repeating WBAY-TV & WLUK Green Bay.

# Trade Report . . . .

MARCH 14, 1960

**JAPANESE TV SETS HERE—FOR \$69.95:** The first quantity imports of Japanese TV sets have begun. Initial interest by dept. stores, distributors & dealers has been described as enthusiastic. The big selling point: importer's price is \$47.50, suggested list \$69.95. We're told that some 15,000 have already been ordered, mostly by dept. stores.

The small 7½-in. set uses 14 tubes. It operates from 110-volt line power—don't confuse it with those promised imports of 8-in. battery-operated transistor TV sets (to retail at about \$200 or more). Orders have been placed by such big dept. store merchandisers as Macy's, AMC and Allied Stores.

Importer is Star Lite Merchandise Co., N.Y., which imports transistor radios and sells them under its own brand. Star Lite's co-owner Al Dayon declined to identify the manufacturer of either the TV sets or radios, but said he was leaving for Japan next week to see if production could be increased to accommodate the unexpectedly heavy flow of orders.

The importer says it plans to deliver 3,000 units monthly—and already is sold out until August. The set was shown for first time last week at the Variety Merchandise Fair in N.Y. Coliseum and initial batch of 1,000 was sold out on opening day of show. Dayon told us Star Lite will sell the set through dept. stores, TV-radio distributors, dealers and such specialized avenues as hardware & tobacco jobbers.

The Japanese set carries lowest list price ever for a TV set in this country, in our memory. It measures about 11 in. front to back, weighs 18 lb., has metal cabinet, built-in rabbit-ear antenna, side tuning controls under hinged panel, comes in assorted colors. Aimed at 2nd-set trade, it undoubtedly will show up at lower than the suggested \$69.95—and you can bet that other competitive Japanese sets will now be appearing.

Whether public will really buy 7½-in. TV sets—even at \$69.95 or less—is problematical. Even in TV's first days—1947-48—7-in. sets were considered too small, and sizes quickly moved up to 10-in. and then 12-in. As recently as 1956, RCA made a rather costly excursion into the tiny-screen field with its neat-looking 8½-in. 10-tube "personal portable" at \$125 (Vol. 12:9 et seq.) and Emerson & others introduced sets the same size—none a notable success. Even 14-in. sets—once a popular portable size—are disappearing from the market. Only 115,000 sets with screens 14 in. & smaller were sold to public last year—less than 2% of total.

Against this background must be weighed novelty value & price. It's our guess that several Japanese set makers will be in the small-screen U.S. market by year's end. If imported "personal" sets can make any inroads on TV market this time around (which we consider unlikely at any price), U.S. manufacturers can also play this game—at competitive prices, if necessary, as shown by the new U.S.-made pocket radios.

**ELECTRONICS PROFITS ROSE 23% IN 1959:** The 1959 financial reports digested in our pages in the last few weeks prove that, individually & collectively, electronics-oriented firms had a banner profit & sales year in 1959. Our tabulation of 24 "weathervane" companies—well-established firms active in electronics—shows an aggregate profit increase of 23.3% on sales 12.4% higher than 1958.

The electronics profit increase corresponds very closely to the aggregate rise among all types of industrial corporations. A recent tally of 420 industrial firms by Wall St. Journal showed an earnings increase of 22.2% from 1958 to 1959. A year ago our own compilation showed that our index of electronics firms dipped 3.2% in profits while Wall St. Journal's industrial aggregate dropped 16% from 1957 to 1958 (Vol. 15:12 p.16).

Subdividing our 24 weathervane companies into specialized groups (fields in which they are best known), we find that the volatile components group showed largest increases in sales & earnings; consumer electronics placed 2nd, and the large diversified electronics firms—as might be expected because of their size & range—showed the smallest change. All figures covered the calendar year 1959 except as noted.

The 7-company consumer electronics group showed an aggregate 73.5% increase in after-tax earnings last year on 22.1% more sales. Firm showing biggest proportionate profit increase was Admiral (198%),

largest percentage increase in sales being shown by Motorola & Zenith (both over 33%). Companies making up consumer electronics group: Admiral, Andrea, Emerson (year ended Oct. 31), Hoffman, Motorola, Philco, Zenith. (Latest set-maker financial reports will be found on p. 21.)

The 7 firms in the diversified electronics group aggregated 17.7% rise in net profit, 10% increase in sales, Daystrom's 55.9% being biggest individual profit increase, Raytheon's 31.7% the biggest increment in sales. The diversified companies tallied: Daystrom (9 months to Dec. 31), GE, GT&E, RCA, Raytheon, Thompson Ramo Wooldridge, Westinghouse.

Components industry group of 10 companies increased profits by 81.7% last year over 1958, while sales rose 36.7%. Best performers here were International Resistance with a 254% rise in profit, Texas Instruments with 110.1% rise in sales. The components group: Erie Resistor, General Instrument (9 months to Dec. 31), Globe-Union, International Resistance, P. R. Mallory, Oak, Speer Carbon, Standard Coil, Texas Instruments, Tung-Sol.

We realize many of the tallied firms go beyond electronics into electrical equipment, appliances, etc.—but, to give a fair indication of the financial climate, we have avoided using new & highly specialized firms in our compilation. It's interesting to note that all 24 firms reported sales increases from 1958 to 1959 and 23 of the 24 had increased profits—the one exception being a components firm plagued by costly strike in 1959.

This table summarizes 1959-vs.-1958 comparison of operating results of 24 TV-electronics weather-vane firms in terms of aggregate increases:

|  | Net Profit | Sales  |
|--|------------|--------|
| Consumer Electronics Group (7 companies) ..... | +73.5%     | +22.1% |
| Diversified Group (7 companies) .....          | +17.7%     | +10.0% |
| Components Group (10 companies) .....          | +81.7%     | +36.7% |
| AGGREGATE 24 COMPANIES .....                   | +23.3%     | +12.4% |

**TV-RADIO PRODUCTION:** EIA statistics for week ended March 4 (9th week of 1960):

|                   | Feb. 26-March 4 | Preceding wk. | 1959 week | '60 cumulative | '59 cumulative |
|-------------------|-----------------|---------------|-----------|----------------|----------------|
| TV .....          | 107,794         | 113,066       | 95,794    | 1,133,879      | 994,388        |
| Total radio ..... | 318,650         | 321,852       | 277,682   | 3,112,853      | 2,528,432      |
| auto radio .....  | 122,507         | 126,939       | 99,847    | 1,350,800      | 952,409        |

Double-duty transistor portable radio that can be consumer-converted into an automobile set has been announced by RCA. The 6-transistor set is offered in a do-it-yourself conversion kit that carries a suggested retail of \$59.95. The kit includes, in addition to the Model T-1 radio, a vertical antenna, dashboard bracket, generator condenser, ignition suppressor, complete instructions for car installation. After installation of accessories, the portable radio can be used as a car set by snapping it into the dashboard bracket. The bracket swings under the dashboard when not in use. "This unique 2-in-1 radio kit is ideal for the auto owner who wants an inexpensive car radio and also a powerful portable which he can take with him wherever he goes," notes consumer products exec. vp P. J. Casella.

"Compensating diode" which extends battery life and improves the sound quality of transistor radios has been introduced by RCA's semiconductor & materials div. Marketing mgr. T. R. Hays described the diode as the first germanium device of its kind, and said it's now commercially available to electronics manufacturers. "When used in suitable circuits," he explained, "the compensating diode (RCA-1N2326) can bring about a substantial reduction in audio-frequency distortion caused by temperature variations. In addition, it prolongs useful battery life. Standard dry cells may be used to substantially lower end-point voltages before AF distortion becomes apparent."

U.S. industry needs protection now from foreign imports produced at "slave labor wage rates," Rep. Van Zandt (R-Pa.) told the House. Urging action on his bill (HR-9841) and a companion measure (S-2882) by Sen. Keating (R-N.Y.) to curb "crippling competition" by low-wage goods from Japan, Germany, Italy and Great Britain, Keating said: "Now is the time for straight talk on a problem so serious that few political districts remain untouched." He cited damage—or threatened damage—to such U.S. industries as textiles, wood working, chemicals, glass and machinery which he blamed on foreign wage rates. The Van Zandt-Keating bills would authorize the Secy. of Labor to recommend tariff increases for imports produced "under

"Influence peddling," by retired military officers who get jobs with defense contractors, would be curbed under legislation drafted by the House Armed Services Committee. The bill, recommended by a subcommittee which investigated employment of retired generals & admirals by industry—and found a heavy concentration of them in electronics (Vol. 16:4 p18)—would: (1) Ban retired pay for officers who "sell anything" to the Pentagon within 2 years after they leave the services. (2) Cut off pay of any active officer (except 5-star brass on the active list for life) who is employed in any capacity by a defense contractor. (3) Require retired officers who take defense-connected jobs to register at the Pentagon.



**JAN. TV-RADIO-PHONO SALES:** Retail sales of TVs, radios & phonos in Jan. 1960 were well ahead of Jan. 1959, EIA figures confirmed last week. TV sales of 590,867 were at an annual rate of more than 6.6 million sets, as indicated in these pages last week (Vol. 16:10 p15). Phono sales figures, issued on a monthly basis for the first time, reveal that Jan. 1960's business was 33% better than Jan. 1959 in terms of units. Even this doesn't tell the whole story, since a far greater proportion of total sales was in stereo units this year—meaning higher dollar value per average unit.

Here are EIA's Jan. retail sales & production (factory sales for phonos) statistics, with Dec. 1959 & Jan. 1959 comparison figures:

**TV-RADIO-PHONO PRODUCTION & SALES**

|                                  | Jan. 1960 | Jan. 1959 | Dec. 1959 |
|----------------------------------|-----------|-----------|-----------|
| TV production .....              | 526,494   | 437,026   | 593,170   |
| TV retail sales .....            | 590,867   | 501,704   | 701,705   |
| Total radio production .....     | 1,355,788 | 1,124,737 | 1,553,308 |
| auto radio .....                 | 632,461   | 420,052   | 581,378   |
| Radio, retail (excl. auto) ..... | 803,388   | 700,490   | 1,755,027 |
| Phono factory sales .....        | 459,729   | 361,483   | 562,318   |
| stereo .....                     | 341,329   | 177,336   | 407,744   |
| monaural .....                   | 118,400   | 184,147   | 154,574   |
| Phono retail sales .....         | 519,652   | 390,642   | 822,761   |
| stereo .....                     | 368,964   | 159,214   | 592,772   |
| monaural .....                   | 150,688   | 231,429   | 229,989   |

\* \* \*

Picture & receiving tube sales in Jan. 1960 were slightly higher than those in Jan. 1959, EIA reported last week, although they were seasonally lower than the Dec. 1959 sales. EIA's figures on factory tube sales:

|                     | Picture Tubes |              | Receiving Tubes |              |
|---------------------|---------------|--------------|-----------------|--------------|
|                     | Units         | Dollars      | Units           | Dollars      |
| January 1960 .....  | 795,250       | \$15,834,785 | 31,367,000      | \$26,872,000 |
| December 1959 ..... | 816,787       | 15,941,040   | 37,248,000      | 32,401,000   |
| January 1959 .....  | 784,906       | 15,209,896   | 31,150,000      | 26,808,000   |

TV dealers' income from set-service contracts is taxable in the year it is received, and can't be pro-rated for the duration of the contracts, the Internal Revenue Service has ruled (Rev. Rul. 60-85). Rejecting a contrary May 28, 1959 decision by the U.S. Court of Appeals in N.Y., IRS held that "where a taxpayer receives pre-paid income under a claim of right & without restriction as to its disposition, it must report the entire amount received each year as income." The Court of Appeals had ruled that Bressner Radio Inc., N.Y. TV & radio set dealer, could allocate income from service contracts to months following the tax year, thereby deferring taxes.

So-called "compatible" stereo recording system, developed by Fairchild Recording Equipment Co. and Beltone Recording Studios (Vol. 16:3 p16), said to play equally well on stereo & monaural phonos, has met with less than widespread enthusiasm from record industry. Last week, the Record Industry Assn. of America made it official. Its engineering committee announced that "a compatible true stereo record . . . is no closer to attainment than was the case 2 years ago," following independent tests of the new system by all engineers on the committee. The Fairchild-Beltone system confines stereo to tones above 200 cycles.

Packard Bell has introduced stereo hi-fi equipment with "3 sound sources"—3 separate amplifier-speaker systems—including a "stage center" channel for bass frequencies. Shown to distributors at their annual midwinter meeting in Los Angeles, the new line includes a special model for custom installation. Prices of the new sets range from \$199.95 to \$495.

**ZENITH'S WRIGHT PREDICTS:** TV is "over the hump," and a steadily improving set sales picture can now be expected. So said Zenith Pres. Joseph S. Wright last week in a talk before the N.Y. Society of Security Analysts. He predicted a rise from last year's 6,012,979 sets sold to dealers by distributors to nearly 7 million this year, 7.5 million next year and "over 8 million in the middle '60s."

As to Zenith's own immediate TV future, he made this guarded comment: "At the first of the year I predicted that our industry would be up in TV receiver sales by about 10% and said that Zenith hoped to increase its business by some 20%. If I were asked to start with a fresh sheet, I don't know whether I would be quite as optimistic at this point, although certainly we are going to have another record first quarter. Currently we are running well ahead of last year, and expect this year to continue the same way."

Analyzing Zenith's successes in consumer electronics, he reiterated these points made in former talks, notably last July's address to San Francisco Security Analysts (Vol. 15:24 p21): (1) Reputation for quality product. (2) Efficient inventory control. (3) Emphasis on original research & engineering as a result of "resigning" from the RCA patent pool. He added another point—lack of diversification: "We are thankful that over the past 2 or 3 difficult years in our industry, many of our competitors were considerably preoccupied with the problems connected with breaking into computers, washing machines or the parts & components businesses, so that they were scarcely aware of Zenith's progress."

"There is no company which markets a full range of heavy appliances and radio & TV which is the leader in any one product type within the range," he said. This benefits Zenith and its distributors, "who are thus able to put together the very strongest independent lines of appliances."

As for pay TV, he re-stated what he told us 2 weeks ago (Vol. 16:10 p4)—that Zenith will apply to FCC for a Phonevision test operation within a few weeks. Before the end of the month, he added, announcement will be made of "another large & fine company which is interested in going forward with us in subscription TV on a broad basis."

In the question period following the talk, he made these additional comments: (1) Zenith has a 12-in. transistorized TV set "on the workbench," but it would have to be sold for about \$400 to be profitable. He didn't know whether Zenith would offer a transistor set this year. (2) Both the 23- & 19-in. sets are going to be important, and "I don't know the answer" to the place of the 21- & 17-in. sizes in the future. (3) Color interest may perk up within the next 2 years, and "if it becomes a business we may be right in it."

New plants & expansions: P. R. Mallory was slated to start construction last week of a 43,000-sq.-ft. plant at Greencastle, Ind. for the production of tantalum capacitors. The plant is scheduled for Sept. completion, and will employ 200 when in full production . . . Sylvania has initiated a \$500,000 facilities-expansion program at its Towanda, Pa. plant to step up the production & processing of germanium & silicon used in semiconductors. The new facilities are expected to be in operation within 3 months.

Previews of RCA's 1961 color TV line for dealers & distributors will be held May 17-20 in Las Vegas and May 25-28 in Miami Beach.

**New Motorola Lines:** Motorola indicated that it believes there's still plenty of life in 21-in. TV when it showed distributors 6 new low-end models in its 1961 line. Meeting in Chicago last week, the distributors also saw a new portable radio line whose price-leader is a \$24.95 shirt-pocket set made entirely in Japan.

The new 21-in. sets in the leader line contain features adapted from Motorola's higher-price TV merchandise—including 20,000-volt power, 4-wafer cascode tuner, Tube Sentry, pre-set fine tuning and greater emphasis on furniture design. Table models range from \$189.95 to \$209.95, consoles \$239.95 to \$269.95, lowboys \$279.95 to \$299.95.

Consumer products div. exec. vp Edward R. Taylor told the distributors that sales of Motorola portable radios for Jan. & Feb. are running more than 50% ahead of the same 1959 months, clock radios 65% ahead, table radios nearly 60% up. Orders for the new FM car radio "are greater by far than we had expected," he added.

The tiny new 6-transistor shirt-pocket model will be made entirely in Japan, and most other portables in the line will use "some foreign parts," a company spokesman told us. One new set, at \$39.95, is described as "the first really practical cordless radio." It is designed for use as a table or portable receiver, has a 4-in. speaker and uses 2 battery packs which will operate for 1,500 hours at an average use of 4 hours a day. Other sets sell for \$34.95, \$39.95 & \$49.95.

Motorola's stereo sales so far this year are running 71% ahead of last year, the distributors were told by radio & phono sales mgr. W. E. Laswell. "These sales are especially gratifying," he said, "because the period a year ago represented the highest in the company's history."

New receiving-tube design, especially for use in TV sets, auto radios and other electronic equipment using printed-circuit boards, was announced last week by Sylvania. Designated "9-T9," the design consists of a straight-sided T-9 (bantam) bulb with a 9-pin miniature circle of leads replacing the conventional 8-pin base. Advantages claimed are easier assembly of printed-circuit equipment & adaptability to higher power than is possible with conventional tube types.

Sony Corp. of America, new wholly-owned subsidiary of Sony Corp. (Tokyo) plans to step up national advertising for Sony radios & the upcoming portable transistorized TV set (Vol. 16:4 p15). A 2-page ad in March 7 *Home Furnishings Daily* advises dealers that "large" ads will be used in *Life*, *Esquire*, *Holiday*, *New Yorker* and *National Geographic*. Deliveries & service will be speeded up, according to the ad, all orders being shipped "no later than the day after they are received."

Philco has slashed prices on about a third of its transistor line. The cuts range up to 52% on one type, but most of the reductions are between 25% & 40%. Affected are 21 specific transistors, including Philco's complete line of silicon types.

Another former TV manufacturer may return to the fold: Philharmonic Radio & TV Corp., subsidiary of big Symphonic Electronic Corp., is understood to be planning to go into TV production this year. Philharmonic once was a private-label TV supplier.

More business aid to service dealers: Sylvania is making available to TV-radio technicians a 12-lesson correspondence course on business techniques & practices published by Radio-TV Training Assn.

**Trade Personals:** L. Berkley Davis, gen. mgr. of GE electronic component div., Owensboro, Ky., elected a vp . . . Leonard S. Hermelin, ex-Republic Aviation, appointed vp of engineering & infg., Emerson Radio govt. electronics div., succeeding Dr. Werner F. Auerbacher, who becomes consultant on operations on staff of exec. vp Dorman D. Israel . . . Bernard I. Belasco, ex-ad & sales promotion mgr. of Raytheon semiconductor div., named to similar post in General Instrument semiconductor div. . . Dr. Morton B. Prince named vp-gen. mgr. of Hoffman semiconductor div., succeeding Maurice E. Paradise, now serving in new post of corporate vp, product planning.

David Cole, ex-Crosley Distributing Corp. (N.Y.), resigns as Capehart gen. sales mgr. to become vp of Louis R. Goldman & Co., N.Y. manufacturer sales rep . . . Robert T. Cavanagh resigns as military electronics dir., Du Mont Labs . . . A. A. Passarello promoted to mgr., Zenith hearing aid div. . . Lt. Gen. Harold L. George (USAF ret.) has retired as vp & exec. asst. to the pres., Thompson Ramo Wooldridge . . . Julius Haber, RCA community relations dir., moves his office from Camden, N.J., to N.Y., July 1.

Donald S. Burns, ex-commercial products group chief engineer, promoted to technical asst. to Stromberg-Carlson commercial products div. vp-gen. mgr. Arthur J. Hatch . . . J. Reynolds Carey, ex-Norge, named mgr. of consumer products for Ampex subsidiary Orr Industries Co. (magnetic tape) . . . Ralph E. Van Hoorn, ex-Cresap, McCormick & Paget, appointed ITT area director of mktg., charged with directing commercial marketing plans & programs of U.S. & Canadian ITT divs. & subsidiaries . . . Ed Claffey appointed consumer products merchandise mgr., Glaser-Steers Corp. (record changers) . . . David E. Corbett named ad coordinator for Electrohome products div., Dominion Electrohome Industries, Kichener, Ont. . . Arthur Glantz promoted to controller, Blonder-Tongue Labs, succeeding Harry Gilbert, now vp (Vol. 16:9 p16).

Harold A. Wheeler, pres. of Wheeler Labs Inc., Hazeltine subsidiary, has received George Washington U.'s distinguished engineer alumnus award.

Catalog of closed-circuit TV equipment has been published by RCA as an aid in planning industrial installations. The 112-page compilation, described as the first complete listing of its kind, is available on letterhead request to ITV-Dept. 759, RCA, Bldg. 15-1, Camden 2, N.J.

Semiconductor marketing forum will be conducted by EIA April 5-6 at Hotel Roosevelt, N.Y. April 5 banquet speaker will be RCA dir. of mktg. research & development Dr. Wendell R. Smith. Details of the meeting, open to all industry representatives, are available from C. R. Joyner, EIA, 1721 De Sales St. NW, Washington 6, D.C.

War chest to fight excise tax on hi-fi components is being raised by Institute of High Fidelity Manufacturers. IHFM is asking its members for voluntary contributions of \$100 each to present the case against the proposed imposition of a 10% tax on hook-it-up-yourself hi-fi.

Allowances on returned TV picture tube bulbs have been increased by 50¢ to \$1.25, effective March 1, by most tube makers, including Sylvania, GE & Tung-Sol.

### Obituary

Jules M. Smith, 66, a former vp of Davega Stores Corp. and a veteran of 36 years with Davega and City Radio Stores, died March 6 in Mt. Vernon, N.Y., after a brief illness. He is survived by his wife, 2 daughters, 2 sisters and a brother.

**Finance**

**NEW RECORDS FOR SET MAKERS:** Highlighted by record 1959 figures for Motorola & Zenith, improved sales and/or earnings were reported last week by 6 U.S. TV-radio-phono manufacturers and one Canadian firm. These follow the previously noted 1959 reports of RCA's record sales and 30% profit increase (Vol. 16:9 p18), Admiral's threefold increase in earnings (Vol. 16:10 p19), Philco's doubled profits (Vol. 16:10 p19), GE's record sales & earnings (Vol. 16:8 p22), GT&E's all-time records (Vol. 16:9 p19), Westinghouse's increases (Vol. 16:5 p24) as well as new records for Packard Bell and Siegler Corp. for 3-month & 6-month periods ended Dec. 31 (Vol. 16:5 p24).

These are the most recent financial reports of set manufacturers:

Motorola's 1959 earnings were 92% higher than those of 1958, while sales were 33% higher. Pres. Robert Galvin attributed the results to "enthusiastic acceptance by consumers" of Motorola's home electronics lines, the rise in sales of 2-way radio systems and improved volume of car radio sales as well as higher earnings in military electronics. Fourth-quarter sales also set a new high, and earnings for the quarter were the best since 1950. Galvin predicted a 10% gain in sales & earnings in 1960, if the economy maintains its present pace.

The annual report shows Motorola's net investment in plant & equipment increased 20% during the year as a result of an investment of nearly \$6 million in 1959. Shareholders' equity in the company rose to more than \$83 million from about \$27 million in 10 years. The profit-sharing fund for employes reached nearly \$45 million in 1959. Working capital at the end of the year was \$57.1 million vs. \$54.6 million at 1958's end. The report for 12 months ended Dec. 31:

|                             | 1959          | 1958          |
|-----------------------------|---------------|---------------|
| Net sales .....             | \$289,529,444 | \$216,590,325 |
| Net earnings .....          | 14,171,237    | 7,356,213     |
| Per common share .....      | 7.17          | 3.80          |
| Common shares .....         | 1,975,131     | 1,935,131     |
| For 3 months ended Dec. 31: |               |               |
| Net sales .....             | \$83,516,711  | \$79,427,342  |
| Net earnings .....          | 4,686,213     | 4,138,487     |
| Per common share .....      | 2.27          | 2.14          |

\* \* \*

Zenith chalked up a 37% increase in earnings and a 33% sales gain in 1959, celebrating its first year of selling more than a million sets. Chmn. Hugh Robertson gave these company sales-increase figures (vs. 1958) in a preliminary report to stockholders: TV set sales 40%, remote-control TVs 110%, table model TVs 36%, consoles 44%, transistor portable radios 53%, home-radio sales setting a new record for the company. "Our sales so far this year," he added, "are substantially ahead of any previous comparable year." (For comments by Zenith Pres. Joseph S. Wright, see p. 19.)

The Zenith business story for 12 months ended Dec. 31 (1958 shares & per-share earnings adjusted to reflect 3-for-1 stock split in May 1959):

|                          | 1959          | 1958          |
|--------------------------|---------------|---------------|
| Consolidated sales ..... | \$260,033,866 | \$195,041,624 |
| Net income .....         | 16,630,144    | 12,116,165    |
| Per common share .....   | 5.63          | 4.10          |
| Common shares .....      | 2,954,784     | 2,954,784     |

\* \* \*

Hoffman reports record profits on a 17% sales increase in 1959. Pres. H. Leslie Hoffman said total sales were lower than anticipated because of production delays on a

large govt. contract. The company's order backlog at the end of the year was the highest in history, military backlog totaling \$65 million. For 12 months ended Dec. 31 (1958 shares & per-share earnings adjusted to reflect 1959 stock split):

|                        | 1959         | 1958         |
|------------------------|--------------|--------------|
| Sales .....            | \$46,359,832 | \$39,544,064 |
| Net income .....       | 1,990,165    | 1,712,509    |
| Per common share ..... | 1.31         | 1.15         |
| Common shares .....    | 1,513,955    | 1,482,656    |

\* \* \*

Pacific Mercury Electronics, private-label TV-radio-phono supplier to Sears Roebuck, and manufacturer of Thomas electronic organs & military electronic equipment, reported record sales for 6 months ended Dec. 31, 1959, more than 17% higher than the comparable 1958 figure. For the 6-month period:

|                        | 1959         | 1958         |
|------------------------|--------------|--------------|
| Sales .....            | \$12,723,525 | \$10,847,496 |
| Net income .....       | 258,345      | 232,110      |
| Per common share ..... | 37¢          | 33¢          |
| Common shares .....    | 700,000      | 700,000      |

\* \* \*

Andrea Radio Corp., whose stock is now publicly traded, reports increases in sales & profit for 1959. For 12 months ended Dec. 31: (per-share earnings for both periods based on 250,700 shares):

|                        | 1959        | 1958        |
|------------------------|-------------|-------------|
| Net sales .....        | \$6,526,827 | \$5,798,571 |
| Net income .....       | 279,675     | 263,919     |
| Per common share ..... | 1.12        | 1.05        |

\* \* \*

Emerson reports an increase in net profit for the 13 weeks ended Jan. 30, as compared with the similar 1959 period. The company does not release sales figures in interim statements. For 13 weeks to Jan. 30:

|                            | 1960      | 1959      |
|----------------------------|-----------|-----------|
| Consolidated net profit .. | \$675,512 | \$627,468 |
| Per common share .....     | 32¢       | 30¢       |
| Common shares (1960) ..    | 2,115,906 | 2,115,906 |

\* \* \*

Fleetwood Corp. (formerly Electrical Products Mfg. Co.), Montreal manufacturer & distributor of Du Mont TVs, radios & phonos, and importer of Grundig products, reports record sales & earnings for 1959. Never before publicly held, the company now has 225,000 shares outstanding. Pres. Myer F. Pollock stated that 66% of 1959's sales dollar represented TV, 22% radios & radio-phonos, 12% other products. Private-label output accounted for about 24% of sales. For 12 months ended Dec. 31:

|                        | 1959         | 1958         |
|------------------------|--------------|--------------|
| Sales .....            | \$12,437,600 | \$11,742,713 |
| Net profit .....       | 752,756      | 539,193      |
| Per common share ..... | 1.16         | 83¢          |

■

Raytheon expects 1960's sales & earnings to top 1959's record performances (Vol. 16:5 p23), Pres. Charles F. Adams noted in the Waltham, Mass. concern's annual report. "We have well-developed plans for further expansion both internally and by acquisition in those areas of military, commercial and industrial electronics which offer the most attractive opportunities for profitable business," he said. Adams noted that Raytheon also expects further growth in non-military business this year. For the year ended Dec. 31:

|                        | 1959          | 1958          |
|------------------------|---------------|---------------|
| Sales .....            | \$494,278,000 | \$375,156,000 |
| Net income .....       | 13,481,000    | 9,403,000     |
| Per common share ..... | 3.89          | 3.08          |
| Common shares .....    | 3,423,567     | 3,050,459     |

National Video Corp., Chicago picture-tube manufacturer, will be listed on American Stock Exchange.

**Skiatron Swiss Deals Cited:** A note of international mystery was injected last week by SEC attorneys into the stock-registration hearings for Skiatron Electronics. That organization is accused of filing inadequate & inaccurate data on its pay-TV system (Vol. 16:9 p20).

The featured witness on the stand as the on-&-off proceeding ran through another 2 days was John Rush, partner in the Swiss-American Corp., N.Y., and American correspondent for Credit Suisse of Zurich. He testified that, on instructions from Credit Suisse, he "picked up" 77,000 shares of Skiatron Electronics stock from Pres. Arthur Levey between June 1957 & Dec. 1959 and sold them on the U.S. market for an unidentified "special account" in the Swiss bank, where the proceeds were deposited. Under Swiss banking laws anonymity of customers can be maintained, the SEC lawyers pointed out.

The hearings were recessed by SEC trial examiner Robert N. Hislop until March 17 before the Swiss bank transactions were explored further. Other witnesses last week included N.Y. brokers who added details to earlier testimony about complicated deals in Skiatron Electronics stock—many of them involving Matthew (Matty) Fox's Skiatron of America, licensee of the pay-TV system. Fox himself was not called to the stand.

Prior to the resumption of the public proceedings this week, SEC counsel & Skiatron Electronics lawyers will try to work out stipulations about the company's business affairs. "We want to reach agreement on Skiatron's chances of success or lack of them—or what they are, anyway," one SEC source told us. If no agreement is reached, more witnesses probably will be summoned by SEC.

Perkin-Elmer Corp., Norwalk, Conn. maker of electronic instruments, reports slight increases in sales & earnings in the 6 months to Jan. 31:

|                             | 1960        | 1959        |
|-----------------------------|-------------|-------------|
| Net sales .....             | \$8,656,174 | \$8,166,112 |
| Net income .....            | 342,919     | 326,757     |
| Per common share .....      | 30¢         | 30¢         |
| Common shares .....         | 1,146,350   | 1,090,330   |
| For the quarter to Jan. 31: |             |             |
| Net sales .....             | \$5,409,453 | \$3,880,764 |
| Net income .....            | 287,369     | 172,361     |
| Per common share .....      | 25¢         | 16¢         |

Gabriel Co. reports a decline in profit despite sharply increased sales in 1959. The Cleveland producer of automotive parts, antennas, microwave equipment (Gabriel electronics div.) notes an "extraordinary charge" in 1959 of \$40,901, representing a loss on the settlement of a govt.-contract claim of a now-merged subsidiary. For the year ended Dec. 31:

|                                   | 1959         | 1958         |
|-----------------------------------|--------------|--------------|
| Net sales .....                   | \$28,836,253 | \$22,825,684 |
| Net income .....                  | 536,906      | 545,066      |
| Per com. share (after pfd.) ..... | 77¢          | 80¢          |
| Common shares .....               | 675,838      | 661,038      |

Minnesota Mining & Mfg. Co. scored record sales & earnings in 1959. Its first consolidated report for worldwide operations shows a net income of more than \$63.5 million (\$3.74 a share) on sales topping \$500 million. Tape & allied products accounted for 21% of total 3-M sales. Domestic & Canadian operations for the year ended Dec. 31:

|                        | 1959          | 1958          |
|------------------------|---------------|---------------|
| Sales .....            | \$446,580,323 | \$376,293,016 |
| Net income .....       | 60,262,440    | 43,879,033    |
| Per common share ..... | 3.54          | 2.58          |

Speer Carbon Co. (components) reports record sales & net income in 1959. For 12 months to Dec. 31 (1958 per-share earnings adjusted to reflect 2-for-1 split in July 1959):

|                        | 1959         | 1958         |
|------------------------|--------------|--------------|
| Net sales .....        | \$23,525,268 | \$18,338,899 |
| Net income .....       | 1,970,817    | 1,176,034    |
| Per common share ..... | 2.20         | 1.30         |

Standard Coil Products Co., Melrose Park, Ill. producer of TV tuners, nearly tripled income on a healthy sales rise in the year ended Dec. 31:

|                        | 1959         | 1958         |
|------------------------|--------------|--------------|
| Net sales .....        | \$73,765,428 | \$69,489,636 |
| Net income .....       | 1,523,379    | 558,887      |
| Per common share ..... | 77¢          | 36¢          |
| Common shares .....    | 1,983,553    | 1,568,182    |

Globe-Union, Milwaukee maker of batteries, automotive parts, electronic components (Centralab div.), netted strong sales & profit gains in 1959, according to the preliminary consolidated report for the year ended Dec. 31:

|                        | 1959         | 1958         |
|------------------------|--------------|--------------|
| Net sales .....        | \$65,170,127 | \$59,246,085 |
| Net income .....       | 2,269,746    | 1,466,621    |
| Per common share ..... | 2.72         | 1.78         |
| Common shares .....    | 834,190      | 825,310      |

Erie Resistor Corp. reports a substantial 1959 decline in net income, stemming mainly from a 3-month strike in the 2nd quarter. For the year ended Dec. 31:

|                        | 1959         | 1958         |
|------------------------|--------------|--------------|
| Sales .....            | \$24,506,569 | \$21,202,186 |
| Net income .....       | 359,340      | 510,441      |
| Per common share ..... | 35¢          | 57¢          |

Textron Electronics scored net earnings of \$384,000 (18¢ a share on 2,140,000 common shares) on \$9,884,000 sales in the 7 months of 1959 following its formation. Textron Electronics, subsidiary of Textron, Inc., was organized in mid-1959 to take over the operations of Textron div. MB Electronics, subsequently acquired other businesses in the electronics & related fields: Globe Electronics (Council Bluffs, Ia.), G. C. Electronics (Rockford, Ill.), Schafer Custom Engineering (Burbank, Cal.). For the full 1959 year, the divisions now owned by Textron Electronics had a combined net profit of \$892,000 (31¢ on 2,890,000 shares) on \$22,609,000 sales. Textron Electronic sales currently are running at an annual rate of \$27.5 million. The company "hopes" to acquire other companies, expand into a large electronics concern.

Sonar Radio Corp., Brooklyn-based maker of marine electronic & radio equipment, last week made a public offering of 180,000 shares of common, priced at \$3 a share (Vol. 16:5 p22). The offering was by George, O'Neill & Co. Inc., and associates. After the sale, Sonar will have 410,940 shares of common outstanding. Proceeds will be used to establish new production, research and development facilities, increase working capital, etc. Sonar was formed in 1946. Sales climbed from \$474,400 for the fiscal year ended June 30, 1957 to \$806,500 in the 1959 fiscal year.

Telectro Industries expects that its 1959 net will finalize at about \$175,000 (about 30¢ a share) on sales topping \$5.1 million. Pres. Harry Sussman forecasts the 1960 volume at \$7.5 million, and notes "we are in good shape to handle the growth that lies ahead." Expected to help Telectro's 1960 sales picture are a transistorized tape recorder & a slow-scan TV system known as Telectro-Vision.

Midland Mfg. Co. & subsidiary Wright Electronics, Kansas City makers of quartz crystals for the TV & electronics industries, have been acquired through an exchange of stock by Pacific Industries Inc., San Francisco concern with various products & activities, including processing of motion picture & TV film. Pacific Industries entered the electronics manufacturing field last year with the purchase of Computer Measurements Co. The San Francisco corporation anticipates fiscal-1960 sales of more than \$20 million, up from \$15.9 million in the 1959 fiscal ended Aug. 31. Midland & Wright forecast 1960 sales of more than \$4 million.

Monogram Precision Industries has sold its Los Gatos, Cal.-based Lewis & Kaufman div., producer of electron power tubes, to a group headed by Robert A. Lehman, former Monogram senior vp & div. chief who resigned Dec., 1959. The Los Gatos facility has been organized as the Lewis & Kaufman Electronics Corp. Monogram Pres. Benjamin A. Smith said his concern received some \$200,000 for the division's assets, principally equipment & inventory. The division operated in leased facilities.

Electronic Communications Inc., St. Petersburg, Fla. maker of electronic devices & communications equipment, proposes to acquire W. L. Maxson Corp., N.Y. producer of electronic components & devices. Terms of the planned merger—approved by the boards of the 2 concerns and now subject to the agreement of their stockholders—call for the exchange of one share of Electronic Communications common for 1¾ shares of Maxson stock. Electronic Communications has 593,684 shares outstanding; Maxson, 739,185 shares.

Indiana General Corp., formed by the merger last year (Vol. 15:40 p18) of Indiana Steel Products Co. (permanent magnets) and General Ceramics Corp. (magnetic materials), set record sales in 1959—one-third higher than the companies recorded in the preceding year, before merger. Pres. Robert F. Smith, in the annual report, said that consolidated net earnings reached \$1,552,449 (\$2.76 per share on 564,261 shares) on consolidated net sales of \$19,865,218. Comparative 1958 performance (adjusted to reflect the "pooling of interests"): net earnings of \$888,245 on \$15,283,018 net sales.

Dynamics Corp. of America has acquired, for 9,800 shares of stock & an undisclosed cash sum, Winston Electronics Ltd., Shepperton, England. The latter makes military, commercial and medical electronic equipment. Winston is Dynamics' first overseas subsidiary, and "it will add immediately to Dynamics' earnings," Chmn.-Pres. Raymond F. Kelley said. The English subsidiary will continue under the management of Chmn. F. Winston Reynolds, and construction of facilities to increase production space is already under way.

Cornell-Dubilier Electric Corp. acquired U.S. Dynamics Corp. last Jan. (Vol. 16:7 p24) for \$113,690 and 8,000 shares of common stock valued at \$175,400 for purposes of the transaction. Details of the acquisition of the Boston maker of semiconductors & silicon rectifiers are contained in Cornell-Dubilier's application for listing on the NYSE of an additional 3,000 shares, to increase the authorized total to 515,389 shares.

Electronics companies are lining up to get in on the boom in electronics stocks. Reported to be preparing stock issues for public sale, are Applied Electronics, Arco Electronics, Ionics, American Electronics and Vitramon, says Mar. 5 *Business Week*.

Ling-Altec Electronics, Culver City, Cal. maker of electron tubes, components, TV & communications gear, had record sales & earnings in the year ended Dec. 31. Chmn. James J. Ling reported a net income of \$1.8 million (\$1.31 a share) on sales of \$48 million. Direct comparison with 1958's performance would not be meaningful, he said, because of changes in accounting periods and the subsequent acquisitions of University Loudspeakers Inc. and Continental Electronics Mfg. Co., whose operating results are included from dates of acquisition.

Bendix Corp. is the new name approved by the stockholders of Bendix Aviation Corp., effective June 1. Pres. Malcolm P. Ferguson told the stockholders meeting that electronics accounts for more than 40% of the company's current output. Of the company's \$683.8-million sales last year, he said military & aviation sales totaled \$388.7 million (57%), missile & space equipment sales \$103 million (15% of total, 22% of military sales), automotive industry sales \$114.3 million.

Electronic Assistance Corp., Red Bank, N.J. maker of communications, radar, ultrasonic apparatus, has obtained stockholder approval to increase the authorized common stock to 1.5 million shares from 500,000. This will pave the way for a 2-for-1 stock split. The 255,632 shares outstanding will be increased to 511,264 and an additional share for each one held will be distributed this month to holders of record March 10.

Servonics Inc., Alexandria, Va. maker of electronic systems & components, has submitted an SEC registration (File 2-16171) for 76,600 common stock shares to be offered stockholders for subscription at the rate of one new share for each 5 held. The subscription price is to be supplied by an amendment to the statement. Part of the proceeds would be used to retire a \$100,000 bank note.

United Telefilms Ltd. has been re-named Creative Telefilms & Artists Ltd., following its 1-for-4 consolidation of common stock (Vol. 16:6 p24). Canada's *Financial Post* reports that the Toronto-based concern "is placing \$10 million (U.S.) convertible debentures, and an option on an additional \$5 million, privately with Louis Chesler & other investors."

Times-Mirror Co. (KTTV Los Angeles, *Los Angeles Times*, *Los Angeles Mirror*) will split its common stock 3-for-1, subject to approval by stockholders at the April 5 annual meeting and to authorization by the state of California. Stockholders will be asked to increase authorized stock from 1,469,000 shares of \$10 par to 4,470,000 of no-par value shares. If the split is effected, the Times-Mirror Co. will have 3,601,434 shares outstanding.

Reports & comments available: RCA, review, Hirsch & Co., 25 Broad St., N.Y. 4 . . . ITT, review, A. M. Kidder & Co., One Wall St., N.Y. 5 . . . Siemens & Halske and Philips' Lamp Works, discussions, Ralph E. Samuel & Co., 115 Broadway, N.Y. 6 . . . Sonar Radio Corp., prospectus, George, O'Neill & Co. Inc., 30 Broad St., N.Y. 4.

#### Common Stock Dividends

| Corporation              | Period | Amt.    | Payable | Stk. of Record |
|--------------------------|--------|---------|---------|----------------|
| British Industries . . . | Q      | \$0.12½ | Mar. 31 | Mar. 11        |
| ITT . . . . .            | Q      | .25     | Apr. 15 | Mar. 18        |
| NT&T . . . . .           | Stk.   | 2%      | Apr. 30 | Apr. 1         |
| RCA . . . . .            | Q      | .25     | Apr. 25 | Mar. 14        |
| Textron Inc. . . . .     | Q      | .31¼    | Apr. 1  | Mar. 18        |
| Times-Mirror . . . . .   | —      | .30     | Jun. 1  | May 10         |
| Universal Pictures . . . | Q      | .25     | Mar. 30 | Mar. 21        |
| Western Electric . . .   | Q      | .30     | Mar. 31 | Mar. 21        |

Texas Instruments scored record sales & earnings in 1959 with gains of 110% in volume & 136% in net income over the previous highs set in 1958. In their annual report to stockholders, Chmn. J. E. Jonsson & Pres. P. E. Haggerty brought out these facts: The Dallas concern more than doubled assets, employment and production facilities during the year. Each of its 6 divisions set sales & earnings records, with the semiconductor-components div. making "particularly rapid progress." Sales growth for 1959 "far exceeded" the average 38% annual gain of the past 13 years. Order backlog rose to \$101 million at year's end vs. \$61.4 million at the end of 1958. And TI more than doubled its owned facilities to nearly 1.5-million-sq.-ft. Presently under construction is a 320,000-sq.-ft. addition to its 310,000-sq.-ft. semiconductor-components div. plant. For the year ended Dec. 31 (including full-year results of Metals & Controls Corp. acquired in April, 1959—Vol. 15:13 p23):

|                             | 1959          | 1958         |
|-----------------------------|---------------|--------------|
| Net sales .....             | \$193,212,809 | \$91,953,845 |
| Net income .....            | 14,142,788    | 6,000,928    |
| Per com. share (after pfd.) | 3.59          | 1.84         |
| Common shares .....         | 3,914,730     | 3,256,988    |

Clevite Corp. set sales & earnings records in 1959. Chmn. James L. Myers & Pres. William G. Laffer made that point to stockholders in the annual report last week. Profit more than doubled as sales rose to \$84.6 million from \$63.3 million. Each of the Cleveland-based concern's 9 divisions & subsidiaries contributed to the record performance, the officials said. "Our electronics divisions," the report noted, "showed sharp increases in sales & profits. Rapidly growing demand for Clevite transistors & diodes resulted in approval of plans for a new \$4-million plant in Waltham, Mass., which is under construction." Increased sales in 1960 are forecast by all divisions. For the year ended Dec. 31:

|                             | 1959         | 1958         |
|-----------------------------|--------------|--------------|
| Net sales .....             | \$84,650,821 | \$63,354,991 |
| Net income .....            | 6,493,961    | 3,109,246    |
| Per com. share (after pfd.) | 3.36         | 1.60         |
| Common shares .....         | 1,872,429    | 1,807,152    |

Electronics Corp. of America, Cambridge, Mass. manufacturer of electronic devices, semiconductors, automation systems, reported a decline in 1959 sales & earnings. Pres. Arthur G.B. Metcalf attributed the reduced earnings to a non-recurring cost of \$159,681 in connection with the initiation of its new Electronics Corp. Pan America subsidiary, in San Juan, P.R. Metcalf said the elimination of non-recurring expenses, coupled with an anticipated increase in industrial sales, should produce a sharp increase in 1960 earnings. For the year ended Dec. 31:

|                             | 1959        | 1958        |
|-----------------------------|-------------|-------------|
| Net sales .....             | \$6,391,343 | \$6,639,121 |
| Net income .....            | 175,767     | 208,001     |
| Per com. share (after pfd.) | 21¢         | 25¢         |
| Common shares .....         | 710,328     | 707,603     |

Western Electric's profit climbed to \$102 million from \$86 million on a 7% sales increase during 1959, Pres. H. I. Romnes reported last week. The manufacturing unit of AT&T (which owns 99.82% of WE stock) attributed some \$1.5 billion of its total \$2.3 billion sales to Bell System companies. For the year ended Dec. 31 (per-share earnings based on average number of common shares outstanding in each year):

|                      | 1959            | 1958            |
|----------------------|-----------------|-----------------|
| Total sales .....    | \$2,315,370,000 | \$2,154,703,000 |
| Net income .....     | 102,188,000     | 85,936,000      |
| Per common share ... | 5.92            | 5.17            |

Metropolitan Bcstg. Corp., which reported record 1959 sales & profits before acquisitions of WTVH Peoria, KQVR Stockton and radio WIP Philadelphia (Vol. 16:8 p24), has filed an SEC registration plan (File 2-16227) for a \$6-million debenture offering. The convertible subordinated debentures, due in 1975, would be put up for public sale by an underwriting group headed by Kuhn, Loeb & Co. and Carl M. Loeb, Rhoades & Co. The interest rate, offering price & underwriting terms are to be supplied to SEC by an amendment to the registration statement. Of the proceeds, \$5 million would be used to repay a temporary bank loan for recent & pending acquisitions. The balance would be applied to general funds. Metropolitan's prospectus accompanying the SEC application showed that principal holders of 1.69 million common shares are Chmn.-Pres. John W. Kluge (186,193) and King & Co., N.Y. (308,000).

Universal Pictures racked up a net profit of \$1,850,000 (about \$2 per share) in 1960's first fiscal quarter (ended Jan. 30), compared with the operating loss of \$862,000 suffered in the year-ago quarter. Universal also announced its first quarterly dividend on common stock since Dec. 1957—a 25¢ payment per share, payable Mar. 30 to stockholders of record Mar. 21. Pres. Milton R. Rackmil forecast for stockholders at the annual meeting that net profit in the 2nd fiscal quarter (ending April 30) will top \$1.5 million (more than \$1.60). "The 3rd & 4th quarters will be profitable," he added. "We won't do as well [compared with the first & 2nd quarters] but we'll do well." Replying to a stockholder's query, Rackmil said there are no plans "at the present moment" to sell or lease Universal's post-1948 movies to TV (Vol. 16:10 p3). As of Dec. 31, 777,985 shares of Universal's 893,390 outstanding shares were held by Decca Records. On the same date, Universal held 241,700 of Decca's 1,527,401 outstanding shares.

National Theatres & TV Inc. (NTA Inc., WNTA-TV & WNTA Newark, WDAF-TV & WDAF Kansas City) reports improved revenues & income for fiscal-1960's first quarter. The net income reported is after giving effect to capital gains (net) of \$866,000 in 1959, \$240,000 in 1958. For the quarter ended Dec. 29:

|                        | 1959         | 1958         |
|------------------------|--------------|--------------|
| Revenues .....         | \$17,475,631 | \$12,237,695 |
| Net income .....       | 401,159      | 362,843      |
| Per common share ..... | 15¢          | 13¢          |
| Common shares .....    | 2,705,699    | 2,699,486    |

NT&T stockholders will vote on several amendments, including one increasing the number of authorized shares of stock from 3,750,000 to 5 million, when they meet in Los Angeles March 15. They will also vote on an amendment adopted by the directors last Nov. for the company's stock-option plan, extending the termination date to Feb. 15, 1965. Another amendment is the sinking fund provision of the company's 1958 debentures with the Chemical Bank-N.Y. Trust Co.

## Foreign

Russia's TV-radio broadcasters have been ordered to update their policies & techniques to improve their propaganda & entertainment programming. The joint decree of the government & Communist party, which followed a study of programs & facilities they control, is detailed in the latest edition of the party's *Party Life* magazine. Radio got the hardest raps because it's older and has broader coverage—more than 50 million radios & plug-in speakers vs. 4 million TV sets. TV-radio fare was denounced as dull, ineffective as propaganda, limited in variety.

# WEEKLY **Television Digest**

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## SUMMARY-INDEX OF WEEK'S NEWS

### Congress

**FORD'S BAPTISM BY HARRIS** takes new FCC chmn. into heavy House hearings on agency ethics. Question: When is unusual hospitality not unusual? (p. 1).

**OVERSIGHTERS VS. DICK CLARK:** Reps. Moss & Mack cry for "decency & fair play," denounce Rep. Bennett for demanding payola hearings now (p. 17).

### FCC

**FCC's PAYOLA CRACKDOWN** brings stern warnings to stations—and networks—to eradicate the concealed practices uncovered by answers to questionnaires (pp. 2 & 3).

**PROGRAMMING INQUIRY ADDENDA FILED** with FCC by NBC, ASCAP, Dartmouth's Elmer Smead, others (p. 5).

### Film & Tape

**WGA STRIKES TV FILM AT NETWORKS:** progress is made in talks with non-Alliance producers; SAG is nearer agreement with majors (pp. 3 & 14).

### Technology

**FM STEREO MARKET** may be ready by year's end. FCC's tentative timetable envisions FM stereo standards this year. AM stereo system may take another year (pp. 6 & 19).

### Stations

**SPOT SALES BOOMING.** Gross time spending by national & regional advertisers rose 13.3% in 1959's final quarter, TvB reports. Reps we surveyed foresee spot business swelling (pp. 2 & 7).

**NAB LEADER SELECTION DEFERRED** by special committee named to find successor to late Harold Fellows. No decision seen before convention—if then (p. 3).

**NO BLOCK-BOOKING "GRAVY"** for stations in terms of re-written feature contracts says judge in govt. anti-trust trial against 6 major film distributors (p. 9).

### Manufacturing & Distribution

**TV-STEREO PROMOTION** drives stymied by disputes & lack of interest, EIA hears. Manufacturers take further moves for import labeling at EIA spring meeting (pp. 19 & 20).

**RCA MAKING AUDIO TAPE:** sets up production plant in Indianapolis; will manufacture 2 billion feet in first year; will move into production of TV tape at a later, unspecified date (p. 20).

**JAPAN RADIO PRICES** dip on export market as floor price for 6-transistor radios is cut from \$14 to \$11. Nippon Victor starts battery TV output (p. 21).

**JAPANESE COLOR COMING:** Delmonico readies import of 21-in. model; expects to announce delivery, price and technical data in about 10 days (p. 21).

### Finance

**CBS SALES & PROFITS AT PEAK:** 1959 volume climbed 8% to more than \$444 million; profit rose 3% to top \$25 million for first time; TV network sales also gained 8%, while TV stations div. jumped 19% (p. 24).

### Other Departments

**NETWORKS** (p. 10). **PROGRAMMING** (p. 12). **PERSONALS** (p. 18).

**FORD'S BAPTISM BY HARRIS:** Incoming FCC Chmn. Ford had no sooner taken over March 15 from outgoing Chmn. Doerfer (Vol. 16:11 p2) than he had to speed from his new office to face up to FCC's nemesis—House Commerce Committee Chmn. Harris (D-Ark). Subject of confrontation: Commission ethics.

Ford had no time to get adjusted to new hatrack before he was subjected to full glare of Capitol Hill hearings on bills—especially massive measure (HR-4800) by Harris himself—to purify federal regulatory processes of politics, favoritism, ex-parte manipulations, assorted other evils. And—as always—FCC was Harris target No. 1 for proceedings. As interlude to his Legislative Oversight Subcommittee forays into payola (Vol. 16:11 p12), full Committee legislative hearings had been scheduled to spread over other agencies, too. But instead Harris stuck mostly to FCC, which may be called back when hearings resume March 22.

"Where's the other one?" Harris smiled at outset of last week's 3-day session as Ford took his place on hot seat—flanked by gen. counsel John L. FitzGerald & litigation div. chief Max D. Paglin, while remaining 5 FCC members lined up along front row of spectators' seats. Harris reference, of course, was to Doerfer, who had been Oversighters' latest scalping trophy. Titter ran through packed hearing room 1334 of New House Office Bldg., where touring schoolchildren stood 3 deep along walls for field lessons in civics.

Tone of hostility to Ford & FCC was thus reset by Harris for hearings, during which most Commission office work was suspended. Yet Ford came out of it well. Best evidence of that was that spectators & reporters

who first crowded in to catch expected excitement quickly thinned away. Neither Harris nor other Commerce Committee members seemed able to think up more explosive questions to toss at Ford. Testimony dealing with proposals to shake up & reform administrative agencies may have been important to future of FCC & industry—but it was dull.

"Look before you legislate, please" was import of Ford's exhaustive testimony, which early in hearings ran 2 nearly-uninterrupted hours while he went through 76-page Harris bill almost line by line. FCC's own analysis of that omnibus measure, setting up \$10,000 fines & one-year prison terms for infractions of elaborate & rigid rules of official conduct, ran 18½ closely-packed pages.

FCC members would be locked in "ivory tower," incapable of dealing adequately either with internal problems or industry issues, if all of Harris bill became law, Ford said. His testimony deviated little from what other FCC spokesmen had said last year at Senate proceedings (Vol. 15:24 p3) & Legislative Oversight panel hearings (Vol. 15:25 p2) on same subject.

Case of Doerfer & his yachting became case in point—although Committee interrogators delicately refrained from coming right out with it—when Ford was brought around to discussing Sec. 103 (a) (1) of Harris bill. It would outlaw "any money, gift, favor, unusual hospitality, loan, service, employment or thing of value" used by anybody to influence FCC.

"What is unusual hospitality?" Ford asked earnestly. Could it be lighting somebody's cigaret? He got no definitions from Harris or anybody else on Committee. Rep. Mack (D-Ill.), one of sharpest of sharp-shooting Oversighters, and Rep. Younger (R-Cal.) finally agreed this provision should be deleted entirely.

Committee also seemed to be in retreat on ex-parte prohibitions proposed by Harris. As has every FCC spokesman before him in recent history, Ford said Commission endorses legislative moves which would effectively eliminate possibility of under-cover approaches to FCC in attempts to fix decisions. But Ford & Comr. Bartley, who came from his chair to join Ford, pointed out that this could go too far. They said that if all-embracing ex-parte rules were enforced literally, FCC members quickly would be reduced to impotence and to talking to themselves in rule-making as well as adjudicatory cases.

Week's hearings were enlivened briefly by Harris when he challenged Ford on AP story which quoted new FCC Chmn. as saying in interview that Commission already has enough authority from Congress to deal with "proper areas of programming." Harris demanded to know whether Ford meant no more legislation at all is needed. Ford said he didn't, and Harris appeared mollified.

Spirited note also was injected into hearings by Sen. Proxmire (D-Wis.). He denounced Doerfer as being guilty of misconduct in accepting industry hospitality, urged enactment of no-loophole ethics-in-govt. law. "Without a prohibition against this notorious misconduct, any ethical code might be regarded by the cynical as namby-pamby, fool-the-public-in-election-year waste of time," said Proxmire. But even that didn't make for big Harris headlines last week.

**FCC MEANS BUSINESS ON PAYOLA:** If FCC has been reeling from industry scandals uncovered by House investigators & FTC, it recovered last week, producing forceful, uncompromising answers to critics who say Commission seems incapable of hearing or seeing evil in broadcasting—or of doing anything about it.

Deceptively-titled FCC Public Notice 85460—"sponsorship identification of broadcasting material"—is sweeping indictment of payola & plugola practices in which Commission minces no words (see p. 3). It spells out what has been going on at many TV & radio stations—and at networks, too—and lays down law for industry to follow.

Congressional denouncers of FCC inaction won't be stilled by this manifesto, which was issued coincident with first week of new Chmn. Ford's regime. But it's convincing demonstration to stations that FCC means business in its own attacks on broadcasting evils. And it makes auspicious start for Ford, even if Public Notice 85460 was in FCC works long before he took over.

**SPOT SALES STILL CLIMBING:** Spot-TV spending rose 13.3% in 1959's final quarter, 18% for year, TvB reports, and outlook for 1960 is better than ever. To gauge current year's sales climate, we surveyed cross-section of top industry reps and came up with predicted increases ranging to 20%. Optimism for heavy spot business is high & general. Although some reps note some first-quarter softness, all forecast big finish, more than one anticipate record year. For complete TvB report & comments of reps, see p. 7.



**NAB LEADER CHOICE DEFERRED:** There'll be no quick action by NAB to name successor to Pres. Harold E. Fellows, who died March 8 (Vol. 16:11 p1). This became apparent last week following appointment of special selection committee which made no moves to meet prior to NAB's Chicago convention April 3-6—and the choice may not be made then.

"I'd like for us not to do any rushing on this thing," one member of the nominating group told us. "We are going to need lots of time to think about it & talk about it before we reach any decision." He said "a dozen men anybody could mention" have already been talked about—inside & outside the industry—as possibilities for NAB leadership, but that committee had not yet drawn up even tentative list of candidates.

The 8-man NAB selection committee, picked by the chairmen & vice chairmen of the TV Board & the Radio Board—G. Richard Shafto (WIS-TV Columbia, S.C.) & Payson Hall (Meredith Stations) and Daniel W. Kops (WAVZ New Haven) & Thomas C. Bostic (KIMA Yakima)—is headed by C. Howard Lane of KOIN-TV Portland, Ore. Hall was named vice chairman of the nominating committee, and Bostic also took a place on it. Other members are John E. Fetzer (WKZO-TV Kalamazoo), John S. Hayes (WTOP-TV & WTOP Washington), Dwight W. Martin (WAFB-TV Baton Rouge), William D. Pabst (KTVU Oakland-San Francisco), W. D. (Dub) Rogers (KDUB-TV Lubbock, Tex.).

Some of the committeemen met briefly in Washington March 11, the day of Fellows' funeral, but conducted no business. They decided then to delay their first formal session until some time during convention. Election of successor to Fellows ultimately will be done by joint NAB TV-Radio Boards.

Meanwhile NAB secy-treas. Everett B. Revercomb carried on at Washington hq as acting administrator. Supervising on policy questions was caretaker committee of broadcasters headed by Clair R. McCollough (Steinman stations). TV Board Chmn. Shafto and Merrill Lindsay (WSOY Decatur, Ill.) are serving with McCollough on the emergency committee.

**WGA STRIKES FILM AT NETWORKS:** Already striking the TV Alliance & TV at the major studios, WGA has now struck the film series produced by networks. Negotiations between writers & nets collapsed long ago, but Guild delayed strike, hoping threat of one would help it in its current negotiations with networks on live TV & radio.

Strike will have little impact in near future, since most network-produced series have finished season's production. But a prolonged strike would hurt next season's production (see p. 14).

## The FCC

### More about

**CRACKDOWN ON CONCEALED PRACTICES:** Stern guidelines for conduct by TV & radio stations to skirt clear of payola & plugola were drawn last week by FCC, which said "wilfulness, misrepresentation or serious neglect" had already been exhibited by many licensees. There'll be no excuse from now on for any station to plead misunderstanding of what payola means and what is proscribed, Commission said—and instances of infractions already on file will be handled "on a case-to-case basis and appropriate action will be taken in each case."

Reporting on abuses disclosed by broadcasters in answers to the questionnaires sent to all outlets preliminary to pending Commission rule-making on payola (Vol. 16:10 p6), FCC issued a public notice (No. 85460) calling on all stations to watch their step. Nor did networks escape FCC's lash. Copies of the report on "Sponsorship Identification of Broadcast Material" were being mailed by FCC to all of the more than 5,000 stations. The report also will be published in the *Federal Register*.

The 7-page single-spaced document detailed practices uncovered by the questionnaires, which, FCC said, showed "many station licensees have failed to comply with the requirements" of Communications Act & Commission rules covering unannounced sponsorship of broadcast material.

The same ground was covered—but sketchily—by ex-FCC Chmn. Doerfer in his last appearance before the House Commerce Legislative Oversight Subcommittee March 4 (Vol. 16:10 p1). At the session which led to his resignation (Vol. 16:11 p2), Doerfer was asked for more detail. Last week's public notice—first such issued in new Chmn. Ford's regime—supplied some of it.

The most common forms of concealed commercials uncovered by the questionnaires were these, FCC said:

(1) "Recorded material provided to licensees and/or their employes & independent contractors for actual air use or for some other use by these groups (prizes to listeners, door prizes at 'record hops,' etc.)."

(2) "Promotion of outside activities in which a licensee, employe or independent contractor participated and from which he received financial or other benefits."

(3) "Acceptance of travel expenses, accommodations or other valuable consideration by a licensee or its employes or independent contractors in exchange for 'plugging' a place, product, service or event."

(4) "Payments for 'plugs,' expressed or implied, without accompanying revelation that the particular broadcast material was, in fact, sponsored."

FCC then said it would be "pertinent" to discuss these practices and to lay out some admonitions to licensees—and networks:

Free records: "Information before the Commission indicates that virtually all broadcast stations receive some free musical recordings from manufacturers, distributors

or other parties interested in promoting the recording itself or the performer or musical selection displayed thereon . . .

"The Commission is of the view that the receipt of *any* records by a station which are intended by the supplier to be, or have the practical effect of being an inducement to play those particular records or any other records on the air, and the broadcast of such records, requires an appropriate announcement pursuant to Sec. 317 . . . an announcement merely stating the trade name on the record label, for example, without the added indication that consideration (in the form of the recording itself or otherwise) was supplied or furnished is insufficient."

Promotion of outside activities: "The most frequent activity falling into this category is the promotion of 'record hops.' . . . If the station or its employes do not have the beneficial interest in the enterprise, the station personality acting as 'record hop' master of ceremonies may receive a salary or portion of the profits . . .

"The Commission is of the view that appropriate announcements must accompany *all* broadcast material (announcements, playing of records, etc.) where a *profit* is to be derived from these 'record hops,' or where recorded or other broadcast exposure is being provided (whether based upon an express or implied agreement) in exchange for all or part of a performer's fee or in exchange for the donation of records, prizes, hall rental, etc."

#### Expense-Paid Remote Pickups

"Remote" expenses: "The Commission's attention has been directed to the fact that transportation & accommodation expenses, and equipment operation & origination expenses incurred in 'remote' pickups have been paid in part or in full by persons or organizations as an inducement to the broadcast of program material . . .

"When inducements of the type set forth above result in the broadcast of any type of program material, it is especially important that an appropriate announcement be made. In such instances, the public may reasonably believe that the licensee considered the place, event, etc., to be of sufficient news or entertainment value so as to justify extraordinary expenditures in order to provide broadcast coverage . . ."

"Sneaky commercials": "Instances have come to the Commission's attention in which 'trade out' announcements—announcements in exchange for which the station receives services or products—have failed to disclose the fact that the particular matter broadcast is commercial & is supported by some form of consideration. For example, the Commission considers such statements as 'travel arrangements made through Trans-State Airways' to be the substance of the 'plugs' themselves. Such announcements do not indicate that consideration (free transportation) was provided *in exchange* for the particular broadcast exposure or 'plug.'"

Syndicated plugs: "The Commission has also been advised that networks & other producers & suppliers of program material have made surcharges (in the form of products & 'promotional fees') for the publicity value to a manufacturer resulting from a showing & description of his product on TV programs . . . The Commission . . . considers this matter a serious one inasmuch as such practices, engaged in without the knowledge of the stations broadcasting such programs, have the effect of preventing individual licensees from complying with the Commission's sponsorship identification & logging requirements."

"Teaser" announcements: FCC last Sept. turned down

an NAB petition for rule-making to permit "teasers" (Vol. 15:37 p4). "However, it has come to the attention of the Commission that practices similar to the broadcasting of 'teaser' announcements have been utilized subsequent to the date of this order. We wish to emphasize [that such practices are] proscribed."

Movie music: "We also believe . . . it should be obvious that such practices as periodically playing a song from a current motion picture, when such is inspired by an express or implied agreement with a local theater or distributor to do so (or as a 'bonus' for purchasing a number of spot announcements advertising the movie) and is not accompanied by an appropriate sponsorship announcement, violate Sec. 317 of the Act."

FCC said it recognized that "misinterpretation" of the law & rules had been responsible for some non-compliance by stations. Commission added that it wasn't "delineating precise situations or circumstances which will warrant the imposition of sanctions for past violations." But it warned that such "misinterpretation" wouldn't be "a sufficient excuse for non-compliance occurring in the future."

Doerfer's successor: Scuttlebutt about President Eisenhower's choice of a man to fill out ex-FCC Chmn. Doerfer's unexpired term was heard all over Washington last week. But at our press-time no appointment had been announced. Sources at the White House, Republican National Committee and FCC told us they didn't know who the appointee may be, and new Chmn. Ford hadn't yet been consulted by the White House. One report had it that a top-ranking Justice Dept. lawyer would step into the FCC vacancy until the June 30, 1961 expiration of Doerfer's term. Other rumors had an FCC staffer taking the job.

Miami Ch. 7 "influence" case—pending at FCC more than a year (Vol. 15:9 p6 *et seq.*)—finally will get under way June 16. And it may start sooner if the second Miami Ch. 10 conspiracy trial of ex-FCC Comr. Richard A. Mack & Thurman Whiteside is concluded before then. The new date for rehearing the circumstances of the Commission's grant to Biscayne TV Corp.'s WCKT (Cox-Knight-Trammell interests) was set last week by special FCC examiner Horace Stern at a Philadelphia pre-hearing conference. All hands in the proceedings—including associate FCC gen. counsel Edgar W. Holtz, the Justice Dept. and counsel for Mack—agreed that the rehearing should be deferred until the Mack-Whiteside Ch. 10 retrial is concluded. Mack & Whiteside figured in *ex-parte* allegations in both Miami cases when they were first developed in 1958 by the House Commerce Legislative Oversight Subcommittee. Meanwhile it appeared likely that the second Miami Ch. 10 trial would proceed in Washington's U.S. District Court April 25, as scheduled (Vol. 16:7 p9). Released from Miami's Jackson Memorial Hospital following a month of psychiatric examination & treatment, Mack was reported ready & eager to face trial again. The retrial had been put off because of Mack's illness, but the hospital said no evidence had been found of "any major mental disease."

Weather isn't politics, FCC ruled in rejecting an equal-time plea by an opponent of weather newscaster Jack Woods of KWTX-TV & KWTX Waco, Tex., who is running for the state legislature. William H. Brigham had complained that he was unfairly handicapped in his campaign for the legislative job by the regular appearances on the air of Woods. But FCC agreed with KWTX-TV gen. mgr. M. N. (Buddy) Bostick that weather newscasting is "not political in nature."

**PROGRAMMING INQUIRY ADDENDA:** The massive record of FCC's 19-day, 90-witness hearings on broadcast programming & Commission powers (Vol. 15:50 *et seq.*), which had already filled 4,775 pages of transcript & exhibits, was further fattened last week by a half-dozen additional filings.

In terms of bulk, the major document submitted to FCC's chief hearing examiner James Cunningham for inclusion in the *Record* was a 27-page "supplementary memorandum of law" by NBC's counsel Cahill, Gordon, Reindel & Ohl. ASCAP also was heard from again; a Dartmouth professor buttressed his earlier defense of FCC policies; and other statement-makers got in some late licks.

In response to a request by Comr. Lee during NBC Pres. Robert W. Sarnoff's hearing testimony Jan. 28 (Vol. 16:5 p2), the network's attorneys offered a comparison of legal opinions on FCC's programming authority which had been given by NBC, NAB's special counsel Whitney North Seymour and Washington communications lawyer W. Theodore Pierson (Vol. 16:3 p5).

The NBC memorandum said there were differences "in emphasis & terminology" in the 3 opinions, but that they added up to this:

#### Dangers of FCC Programming Actions

"The memoranda & testimony received in this hearing abundantly demonstrate the dangers & difficulties of any entry by the Commission into the regulation of programming. The danger of any govt. encroachment on freedom of expression is multiplied by the dynamism of the medium & the magnitude & variety of its audience.

"In formulating the means of allocating frequencies necessary to prevent chaos in broadcasting, Congress wisely forbade all censorship, and depended on competition to insure a variety of programming commensurate with the varied tastes of the American public.

"The Commission may properly perform the function confided to it by encouraging broadcasters to exercise their individual responsibility reasonably & thoughtfully in determining what they will broadcast in response to audience needs & interests. It may properly prevent licenses from falling into the hands of persons who are deceitful or irresponsible.

"It is submitted that the First Amendment, the Communications Act, and the demands of sound policy join in restraining the Commission from any regulation of programming beyond that necessary to perform this narrow function."

ASCAP plunked down a 20-page joint statement by Pres. Stanley Adams & gen. attorney Herman Finkelstein as a sort of sur-rebuttal in its acrid, running argument with its competitor BMI. Adams had been challenged by FCC at a Jan. hearing session to come up with some facts when he accused BMI of practicing payola (Vol. 16:3 p5) —a charge vehemently denied by BMI.

ASCAP produced no evidence to support its payola case against broadcaster-supported BMI, but repeated that there ought to be a law banning broadcasters from the music business. The ASCAP brief also called for FCC rules or legislation by Congress making payola a crime. And it cited FTC & press reports in estimating that "at least 53% of the records which achieved top popularity in 1959 were released by companies involved in payola."

Dartmouth govt. prof. Elmer E. Smead, who came to FCC's defense in a letter to the *N.Y. Times* (Vol. 16:8 p4) after testifying in the hearings (Vol. 15:51 p4), filed a

15-page "2nd statement." He analyzed many pro-&-con programming-control points made by other hearing witnesses, added this "personal note":

"I would like to conclude by saying that the FCC in its hearings has given a public demonstration of democracy at its best. In addition, the Commission has been trying to solve the problems involved in program regulation in a constructive & statesmanlike fashion."

An inter-faith committee of N.Y. religious leaders, organized by Mayor Robert F. Wagner's Youth Board, filed a pleading for FCC supervision—"in some manner"—over TV industry self-regulation. The committee said only 4 of 7 N.Y. stations subscribe to NAB's code, that in any event the code is "too often a pious veil behind which a station feels free to program as it pleases."

FCC should "give serious attention to the question of program balance & program content," the religious committee said. "In a true sense, the moral foundation of the future generation of American citizens is more in [FCC's] power to mold than it is in ours."

Herbert Cheyette, N.Y. attorney for the Sam Fox group & other music publishers, urged FCC to improve TV & radio programming by requiring each station to file "periodic notice of each & every use of music by it."

Barney Young, representing the "smallest music-performing rights organizations in the country," called on FCC to "order an immediate divestiture of BMI stock by the broadcasters." He said he spoke for Life Music Inc., Colored Performing Rights Society of America Ltd. and National Juke Box Music Inc.

Equal-time rules aren't involved in CBS's refusal to accept political broadcasts at the same time they're heard on another network, FCC decided recently, rejecting Democratic National Chmn. Paul M. Butler's protest against the network's policy (Vol. 16:10 p6). Moreover, it would be "arbitrary for the Commission to direct CBS to change its announced general policy and to broadcast a particular program at a specified time," FCC said in a letter to Butler. The Democratic spokesman had argued that CBS could discriminate against his party by refusing time for multi-network replies to any all-network statements from the White House. But FCC said Butler had raised no issue covered by the Communications Act's Sec. 315 requirements for equal time for qualified candidates for office.

Joint payola-quiz rigging comments filed recently by a score of TV & radio stations on FCC's rule-making proposals to prevent deception (Vol. 16:10 p6) supported Commission's "general objectives" but objected to some details. Submitted by attorney Ernest W. Jenness, the 18-page document argued that: (1) Proposed payola rules should be modified so that stations are required only to adopt procedures "reasonably calculated" to block the practice. (2) Both payola & quiz rules should be "licensed policies rather than in the form of prohibitions punishable by criminal sanctions."

New Conelrad rules proposed by FCC would require installation by stations of automatic push-button devices to transmit attention signals & alert messages, take stations off the air, then switch to emergency transmission. Deadline for comments on the rule-making, obligating TV, AM & FM stations to invest \$150 or more in equipment, has been extended by FCC at NAB's request to April 11, with reply comments due April 25.

## Technology

**FM STEREO SYSTEMS:** NSRC's FM stereo report, filed last week with FCC (see p. 19), gives the technical specifications of 5 basic systems, but makes no specific recommendations. It contains summaries of the work of 5 panels—only the field-testing panel report being missing. (Field tests will be conducted between now & the end of July.) RCA, not a member of NSRC, submitted its own separate evaluation of various FM stereo approaches, but didn't come up with its own proprietary system. Non-member CBS didn't file comments.

"These reports come to no conclusions," wrote EIA Pres. David Hull in his letter to the FCC, accompanying the NSRC panel reports, "nor do they offer any recommendations, as the technical studies of the various proposed stereophonic radio systems could not be completed." Nevertheless, FCC sources agreed that the NSRC data—particularly the comparative system specifications—will be extremely valuable and will considerably lighten the Commission's burden. Highlights of the panel reports:

### System Specifications Panel

Acting Chmn. William T. Wintringham (Bell Labs) wrote that the panel feels that until field tests are complete and certain questions answered "there is not sufficient technical information available for the choice of a system." The panel noted that "the optimum system might well contain elements of more than one of the systems already proposed."

Four different stereo system proposals were narrowed down to 5 basic types, the panel rejecting those systems which it felt were "not serious contenders for consideration" (but appending their specifications to its report). Several systems were withdrawn by their proponents—Philco (whose system was similar to Zenith's), E. W. Lippincott, C. C. Neeley, L. Schweitzer and I. G. Volpe.

Except for one system (the EMI-Cossar proposal), all 5 NSRC-classified systems use the "sum-&-difference" technique—the main FM carrier containing the sum of left & right stereo channels, the subcarrier containing the "difference" signal, or left minus right. All systems are "compatible"—that is, they are designed to provide a full monophonic signal to standard non-stereo FM receivers. Basic descriptions of the 5 chosen systems:

**System 1 (Crosby-Teletronics system).** This uses a frequency-modulated subcarrier, permits full 15-kc bandwidth (frequency response) in both left & right sound channels. A station using this system for stereo cannot simultaneously transmit additional multiplex services (such as functional music). With regard to signal-to-noise ratio in the stereo output, this system showed up the best of any of the 4 sum-&-difference systems.

**System 2a (Calbest).** This employs an AM subscriber, has full bandwidth on both channels, but stereophonic separation exists only at frequencies up to 7 kc. Additional subcarriers (functional music, etc.) can be used by the station simultaneously with the stereocasts.

**System 2b (Multiplex Development Corp.).** Commonly called the Halstead system, it uses an AM subcarrier, with stereo separation at frequencies up to 8 kc. It provides room for additional multiplex subcarriers and is claimed to be compatible with current AM-FM 2-station simulcast stereo operations. The panel reported an "unbalance of noise which appears to be 6 db greater in the right channel than in the left."

**System 3 (EMI-Cossor).** Also known as the Percival system, "this system differs from previous proposals in that no attempt is made to have the left & right output signals reproduce the left & right input signals," the stereo reproduction being achieved through the precedence effect in human hearing. Noise level of this system was extremely low.

**System 4 (Zenith) & System 4a (GE).** AM subcarrier, full separation at all frequencies, both permit use of additional multiplex subcarriers.

**System 5 (GE).** Another AM-subcarrier system which gives full-frequency separation and permits the use of additional multiplex channels.

### Interconnecting Facilities Panel

"The problem of stereo networking . . . is somewhat more complicated than was at first thought," the panel reported, "and development effort would need to be applied in order to provide a nationwide network of stereo circuits similar in extent to that now available for monophonic transmission."

### Broadcast Transmitter Panel

This panel listed requirements for needed modifications to monophonic transmitting gear required by each proposed system, and concluded that most systems require alterations which are "intermediate" in magnitude—that is, neither in the category of a major overhaul nor a casual home-built hook-up.

### Receiver Panel

Crux of this report—a chart on receiver complexity for each system—was still in the mail to FCC at press time and was not available for review.

### Subjective Aspect Panel

On the basis of tests by listener juries, this panel's most significant contribution was the discovery that stereo separation is not critical at frequencies above 8 kc. "Although many listeners can tell the difference," the report noted, "practically all listeners consider that this modified stereo presentation bears a good spatial resemblance to the original and they also express little or no preference for one or the other."

### Other Industry Comments

RCA's own report on stereo systems made these conclusions: (1) "In all multiplex systems considered, the quality of monophonic reception is reduced." (2) Crosstalk into the monophonic channel in poorly aligned receivers is likely to be one of biggest problems in FM stereo transmission. (3) To provide good stereo, the separation between left & right channels should exist down to frequencies as low as about 150 cycles. (4) A system using a frequency-modulated subcarrier and with no provision for additional subcarriers (such as the Crosby-Teletronics system) would have the best signal-to-noise ratio, but only slightly better than an FM subcarrier system with provision for 2 subcarriers. (5) AM subcarrier systems will always have a poorer signal-to-noise ratio than FM subcarriers. They will also be more vulnerable to crosstalk, and their noise power is concentrated at low frequencies where it is most objectionable.

Zenith urged the FCC to approve its AM-subcarrier system (System 4), terming it the cheapest from the standpoint of receiver manufacture.

GE backed one of its systems (4a) with a filing, pointing out that only a single-tube converter would be

necessary to adapt present FM tuners for stereo reception.

NBC urged that FCC designate "one specific sub-carrier" for stereo, so that receivers may be standardized. It also asked the commission to permit non-broadcast services on stereo channels at times when they're not being used for stereo.

Missile-borne TV camera, which instantly relays to a ground receiver the results of a firing, was successfully launched for the first time last week at the Army's White Sands range. RCA provided both the airborne-transmitting & ground-receiving TV equipment. In the test, the miniature TV camera & transmitter were housed in a small capsule and ejected from the missile during flight, at a 40-mile altitude. As the capsule fell, it transmitted TV pictures of the target area to a receiver some 75 miles from the impact point. RCA defense-electronics exec. vp. Arthur L. Malcarney said the quality of the TV picture is better than that of commercial TV. "The TV system," he explained, "incorporates a new video technique called 'slow scan,' which results in a series of high-resolution still pictures. The 'slow-scan' technique makes possible transmission of high-quality pictures to the ground receiver, using a very narrow bandwidth." He said the bandwidth required was only 1/100 of that normally needed.

Spotmaster tape-cartridge recorder-playback units for automatic announcement programming & cueing will be marketed by Visual Electronics Corp., broadcast industry sales specialist. Spotmaster is made by Broadcast Electronics Inc., 8800 Brookeville Rd., Silver Spring, Md. Its officers are Ben Strouse, chmn.; Ross Beville, pres.; William T. Stubblefield, asst. to pres.; Jack Neff, sales vp. Strouse is also pres.-gen. mgr. of radio WWDC Washington; Beville is WWDC engineering & labor relations vp; Stubblefield is a TV-radio station management consultant.

Atomic-age TV camera, capable of withstanding nuclear radiation for long intervals, has been built by ITT's industrial products div. The camera, about the size of a shoe box, is constructed of special elements (magnesium, silicon, titanium, zirconium, etc.) which allow atomic radiation to pass through it without harmful effects. The camera's vidicon tube is made of quartz. The new unit permits close-up closed-circuit TV inspection of nuclear reactors where radiation is too intense for observation windows.

First outdoor night colorcast of the Mardi Gras was made by WDSU-TV New Orleans with GE's new GL-7629 low-light-level camera tube (Vol. 15:49 p8). "Station personnel set up the huge 3-tube color camera on a platform outside the studios to televise the colorful parade & celebration," reports GE. According to GE, the "see-in-the-dark" camera tube requires only a tenth of the light needed by conventional tubes: 40 foot-candles for color & 10 foot-candles for b&w.

Slow-scan TV system designed for transmitting non-moving material (maps, charts, pictures) over long-distance telephone lines has been demonstrated by ITT at the Air Force's Rome Air Development Center. A 500-mile circuit between Rome and Buffalo was used. Existing telephone lines can be used.

Do-it-yourself TV repair shop has opened in Toronto. For \$2, handy set owners can use the shop's facilities, tools and test equipment to repair their TVs under the watchful eye of an expert. Replacement parts are extra, of course, and technicians stand by to rescue amateurs in trouble.

## Stations

### More about

**OUR SPOT SALES SURVEY:** With Spot TV for 1959 reporting an 18% gain over 1958, indications are that time-buying in this area by national & regional advertisers may intensify throughout 1960 to reach a new record level. This picture of boom & prosperity is implicit both in the 4th-quarter 1959 compilations released this week by TvB & N. C. Rorabaugh and in the results of our own survey of national sales reps.

Spot business in 1959's final quarter rose to \$165,732,000—up a healthy 13.3% from the \$149,105,000 of the year-ago quarter. The figures are based on the volumes of 316 stations, which account for about 90% of total spot revenue. This Oct.-Dec. 1959 spending was also well ahead of the 3rd-quarter volume of \$133,581,000 (Vol. 15:50 p7).

For all of 1959, spot TV billings rose to \$605,603,000 from \$511,770,000 in 1958. (TvB told us the complete 1959 report will be available within a few weeks.)

Night TV accounted for 49.4% of the 4th quarter's spot dollars—\$81,960,000. Day TV attracted 37.6%—\$62,297,000. The balance of 13%—\$21,475,000—was invested in late night TV.

Announcements continued as the primary form of spot activity, accounting for 77.2% or \$127,971,000 of the total investment. Programs cut a 12.1% slice (\$20,066,000); IDs were used for the remaining 10.7% (\$17,695,000).

### Food & Grocery Products Top List

The 4th quarter's top spender by category was food & grocery products, with a total investment of \$47,744,000 in TV spots. Major increases in spending (4th-quarter 1959 vs. 4th quarter 1958) were racked up by automotive, which gained 181% to \$5,435,000 from \$1,936,000; tobacco products & supplies, up 56% to \$9,023,000 from \$5,800,000.

Procter & Gamble was the quarter's leading spender, in a class by itself with an investment of \$12,035,400 in gross time billings. Runners-up: Adell Chemical (\$4,424,200); General Foods (\$3,592,200); Bristol-Myers (\$3,536,600); Colgate-Palmolive (\$3,266,300).

New faces among the Top-100 spot spenders: Contadina Foods (\$382,500), Kayser-Roth Hosiery (\$440,100); Lanvin Parfums (\$379,400); Louis Marx & Co. (\$417,000); North American Philips (\$630,600); Quality Bakers of America Co-operative (\$449,500).

To ascertain the spot-business outlook for 1960, we made our customary survey of the national sales reps. Some of their comments & predictions follow:

Blair-TV (exec. vp Edward P. Shurick): "Spot TV business presently very strong. This condition should exist throughout spring season ahead. Again face perennial problem of persuading advertisers to take advantage of superior availabilities & franchise opportunities that develop in slower months of mid-summer and mid-winter. Plan to hitch-hike Blair Television Companies' new industry presentation 'See It, Hear It, Learn It Now' with facts about summer television. Showings are being staged throughout country to sell medium *per se*."

"Some concern about economic conditions in general before year is out, which might have temporary negative effect upon advertising in general. Past experience of recent years, however, shows quick bounce back. All in all, looks like record year for spot TV affording a wonderful opportunity to put house in order as far as trade practices are concerned."

Blair Television Associates (exec. vp Richard L. Foote): "The outlook is excellent . . . In the majority of our key markets, we expect national spot volume to gain 18-20% for 1960, and in certain markets the gains will be substantially greater. That prediction is not offhand optimism. It represents the convictions expressed by managers of our 10 regional offices—based on specific analyses of advertising accounts & market conditions in their own areas . . . There seems no room for doubt that spot TV will continue its forward march during the current year.

"Marketing executives generally recognize that our giant soap companies have complete knowhow in getting top-value from ad dollars, and certainly it is something besides sentimental interest that leads them to invest from 72-86% of their ad dollars in television. . . . In the food field, no company can be sure of staying in business without aggressive advertising. As a result, regardless of economic ups or downs, the makers of mass market products must continue to advertise aggressively. And it is only logical for them to continue the media strategy already proving so effective—i.e., investing more dollars in spot TV than in any other medium.

"From the longer range viewpoint, I am equally optimistic about the continued growth of spot TV for still another reason: With each passing month, color telecasting moves ahead, both in number of national & local colorcasts and in numbers of color receivers tuned in. Sooner than we might realize, advertisers now using other media because of color, will find spot TV has become their best medium for color advertising."

George P. Hollingberry Co. (Harry H. Wise Jr.): "Television spot business right now is coming along nicely. After a rather slow start at the first of 1960, business has picked up considerably, and except for some unforeseen events that would affect the confidence of advertisers, I feel business during this election year should be excellent."

Peters, Griffin, Woodward Inc. (vp Lloyd Griffin): "With national spot TV now thoroughly entrenched as a primary advertising medium, we find more & more major advertisers supplementing their network schedules in the major markets and extending their spot schedules into medium & smaller sized markets. In addition, there has been a pronounced increase in program sponsorship in the spot field, using the advantages of a product-program tie-in for merchandising & stronger viewer impact.

"Also, there is an increased interest in the 30-sec. announcement unit between network programs both day & night. The prime time 20-sec. announcement has re-established itself as the most-sought-after schedule in spot broadcasting with daytime & late evening "plan" schedules holding a close second. A most encouraging sign is the number of new products going into television . . . General Foods' Gravy Train and Minute Sliced & Mashed Potatoes; Lever's Dinner Ready; and the re-entry of Gulf Oil."

Television Advertising Representatives Inc. (vp-gen. mgr. Larry H. Israel): "With a healthy first quarter already on the books, 1960 should be another excellent year for spot TV. This real workhorse of the industry will

continue as the fastest growing ad medium. The overall picture for 1960 will be contingent on the state of the general economy. If, as the initial forecasts indicate, continued growth & prosperity prevail in 1960, then spot TV can be expected to attract a record number of advertising dollars. But even if there are temporary fluctuations in the economy, in my opinion, spot TV would be the least affected among ad media. Advertisers who want to move merchandise and energize their sales staffs, can take advantage of the dynamic flexibility spot television offers without long term commitments. However, I don't feel spot TV can get a free ride. In light of increasing competition, we must improve our performance. It is incumbent upon the national spot representative business to become one of ideas as well as mechanics. Reps can no longer afford to be mere middlemen between station & client. We must aid and abet the pursuit of good marketing strategy wherein advertisers are able to make their expenditures pay off by achieving the greatest potential in the shortest period."

Venard, Rintoul & McConnel Inc. (Pres. Lloyd George Venard): "Spot TV in 1960 will surpass in total volume network television dollars for the first time in history. There will be a great deal of selective television buying and all markets may not be treated alike. There will be a tendency to get away from the purchase of 2 or 3 stations in the major markets and to add more individual markets with the same money. The demand for 1-min. will continue, but more advertisers will buy 20-sec. nighttime."

Weed Television Corp. (Pres. Joseph J. Weed): "In our experience, business in 1959 showed a substantial gain over 1958, and orders signed over the last 60 days indicate a continuation of this same rate of growth into 1960."

Special temporary authority to Capital Cities TV Corp. to operate WTEN (Ch. 10) Albany should be withdrawn "because it is contrary to law," Veterans Bestg. Co. has told FCC. Citing a Court of Appeals decision denying use of Ch. 9 in Baton Rouge temporarily by WAFB-TV (Vol. 16:7 p9), Veterans said in a petition that continuance by FCC of the STA for WTEN since Oct. 1957 was invalid. Veterans, a contender for the grant when WTEN won it, pointed to the Court's admonition to FCC in the Baton Rouge case against "temporary" operation which "may well last 2 or 3 years." The petition asked that the Albany STA be cancelled within 30 days and that WTEN be required to submit a trusteeship plan by which Veterans should participate in operation of Ch. 10.

Pres. Oscar S. Stauffer of Stauffer-Capper Publications Inc. (WIBW-TV Topeka, radios KSEK Pittsburg, Kan.; KSOK Arkansas City, Kan.; KGFF Shawnee, Okla., variety of newspapers & magazines) has announced the demise of *Capper's Farmer*, effective with the April issue. Stauffer said the discontinuation of *Capper's Farmer* developed from an "untenable position since [the magazine] was selling its advertising in competition against our own 8 state farm papers."

Alaska sale of Midnight Sun Bestg. Co.'s TV-radio holdings for \$1.2 million to Ketchikan CATV operators Randall D. Jansen & Edward W. Christiansen (Vol. 16:8 p13) has been approved by FCC.

**NO BLOCK-BOOKING 'GRAVY':** Existing feature-film sales contracts between film distributors & TV stations probably won't be torn up by the govt. and rewritten in favor of stations. This was indicated last week by U.S. District Court Judge Archie O. Dawson in N.Y. as the block-booking anti-trust suit against 6 major TV film distributors continued (Vol. 16:11 p14).

The question of renegotiation of contracts came up early when defense counsel Louis Nizer asked E. K. Jett, vp & gen. mgr., WMAR-TV Baltimore, if he sought renegotiation of the contracts. Mr. Jett replied that he was not seeking renegotiation, but if the court permitted it, "we would want to get on the gravy train." Judge Dawson interjected: "You can go on home to Baltimore now. Don't count on any gravy train."

Other witnesses who testified in the slow-moving trial last week were David Stickle, film mgr., WMAR-TV; Norman C. Kal, formerly exec. vp. of WAAM Baltimore (now WJZ-TV); James J. Kilian, program mgr., WJZ-TV; Freeman W. Cardall, formerly asst. gen. mgr., WBAL-TV Baltimore; James E. Kovach, formerly program mgr., WBAL-TV; Sidney Barbet, former consultant, WBAL-TV; John Downing, program mgr., WBOC-TV Salisbury, Md.; Norman L. Bacon, film buyer, WHTN-TV Huntington, W. Va.; and Irvin Abeloff, gen. mgr., WXEX-TV Petersburg, Va. The govt. originally planned to call more than 100 witnesses, but last week indicated it will reduce that number to speed up proceedings.

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Another anti-trust film trial, citing Screen Gems for blocking competition by distributing 2 competitive film libraries, opened in N.Y. Federal District Court last week before Judge William B. Herlinds. Screen Gems distributes both pre-1948 Columbia Pictures and Universal-International feature backlogs. Burton O. Hanft, former SG vp & comptroller, testified on SG's general business policies and activities. The defense hopes to prove, by citing examples in different U.S. markets, that there was no lessening of competition on the part of Screen Gems, we're told. Govt. is prosecuting under Sec. 7 of Clayton Anti-Trust Act.

**Add payola settlements:** Three more record distributors—all in Philadelphia—have signed FTC consent orders forbidding them to make undercover payments to anybody to get their records broadcast. Agreeing to the stipulations in FTC's anti-payola-plugola campaign (Vol. 16:11 p13) were: Universal Record Distributing Corp., 1330 W. Girard Ave., and Pres. Harold B. Lipsius, secy.-treas. Clara B. Lipsius and vp Harry Finfer. Main Line Distributors Inc., 1510 Fairmount Ave., and Pres. Haskell Golder & secy. Barry Golder. Raymond Rosen & Co. Inc., Parkside Ave. at 51st St., and Pres. Thomas F. Joyce, exec. vp Joseph B. Elliott, vp Jack S. Rosen, secy. Edward H. Rosen and treas. George M. Mintner.

"Pay TV will be welcome at WXIX if Zenith or anyone else wants to give it a trial," Lew Bryer, exec. vp of the Milwaukee uhf station, told us last week. He would not amplify trade reports that Zenith & WXIX Pres. Gene Posner (now vacationing in Europe and due back April 4) have been conferring on a subscription-TV test since last July. "We certainly wouldn't be averse to it," Bryer commented. "We're operating in the black, sales are good, and we're willing to give pay TV or any other advance a try." Zenith plans to apply to the FCC shortly for authorization to test operate its Phonevision system (Vol. 16:11 p19).

**NEW & UPCOMING STATIONS:** Sleeper starting last week was WSLA (Ch. 8) Selma, Ala., which began programming March 17 without having first signed network affiliation. It's had CP since Feb. 1954, but attempt to get permission to build a 2,000-ft. tower at a site 25 mi. from Montgomery. After FCC turned down application last year (Vol. 15:24), it proceeded with construction of a 300-ft. tower 3 mi. W of Selma on Land Line Rd. Selma is 40 mi. W of Montgomery, which has one vhf and one uhf outlet. WSLA principals, holding 45% each, are Pres.-gen. mgr. William J. Brennan and treas. William E. Bennis Jr. Each also is 50% owner of Vulcan Tower Co. Felix Robinson is WSLA sales mgr.; Bill Wills, program dir.; Cyril Brennan, from radio WBAM Montgomery, chief engineer. Base hourly rate is \$125. Rep not chosen. Net starter changes on-air total to 563 (87 uhf).

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

**KEYC-TV (Ch. 12) Mankato, Minn.** has ordered RCA equipment for summer delivery and is planning an early fall start, writes Herbert R. Ohrt, exec. vp of Lee Radio Inc., which recently acquired 70% control of CP (Vol. 16:9). It is just starting construction of studio & transmitter and will use a 1,116-ft. Kimco tower. Rep. will be Branham.

**WGTV (Ch. 8, educational) Athens, Ga.** is installing a 10-kw RCA driver and a 25-kw transmitter. It hopes to begin programming about April 1, reports Gerard L. Appy, associate dir. of communications div. of grantee U of Ga.'s Center for Continuing Education. It has a 931-ft. Stainless tower with RCA antenna. Work is nearly completed on microwave connection to hook studios (used for closed-circuit programming for some time) with transmitter on Jacks Creek Mt., near Monroe, Ga., 17-mi. WSW of Athens. The station will be part of the University's \$2.5 million Center for Continuing Education.

**CHSA-TV (Ch. 2) Lloydminster, Alta.** has a 5-kw GE transmitter and expects to meet a June programming target. Studio-transmitter building is nearly completed as is a 605-ft. Micro tower. Personnel list not yet released. Base hour not set. Rep not chosen.

**Channel Seven Television Ltd. (Ch. 7) Winnipeg, Man.,** which hasn't call letters as yet, plans a Nov. 1 start. Equipment hasn't been ordered, but studios will be at Polo Park Shopping Centre, transmitter on Hwy. 75, 16 mi. S of Winnipeg. It will use a 1,000-ft. tower. Jack M. Davidson, ex-exec. vp of Winnipeg radio CKY, is gen. mgr.; Stewart MacPherson, ex-gen. mgr. of Winnipeg Enterprises (sports), is program director. R. S. Misener is pres. of Channel Seven; Lloyd E. Moffat, owner of CKY, vp; T. O. Peterson, ex-owner of radio CFOB Fort Frances, Ont., treas.; Campbell Haig, secy. Also on board of directors are Roland G. Couture, managing dir. of radio CKSB St. Boniface, Man. and W. E. Kroeker, pres. of radio CFAM Altona, Man. Rep not chosen.

**WTIC-TV (Ch. 3) Hartford** came back quickly with a reply to the petition of WWLP (Ch. 22) Springfield, Mass., which asked FCC to shift WTIC-TV to a uhf channel and give Ch. 3 to Providence (Vol. 16:10 p6). It stated that FCC had given the Hartford Ch. 3 assignment long & careful consideration and that the Court of Appeals had upheld the allocation as "not only rational, but reasonable."

**Toronto's 9 Applicants:** The contest for Toronto's 2nd TV channel became keener last week as the BBG reviewed the briefs of 8 applicants and slated a Sat. session to hear the bid of a 9th (Vol. 16:2 p9). The winner of coveted Ch. 9 won't be named for several weeks, but observers indicate it's a safe wager that the assignment will go to one of 3 contenders: Baton Aldred Rogers Bcstg. Ltd., Upper Canada Bcstg. Ltd., or Caldwell TV Bcstg. Co.

The applicants who pushed their case before the BBG were virtually unanimous in their conviction that Toronto needs and will support a 2nd station, that such a station will be successful financially, despite heavy competition from CBC's CBLT Toronto, CHCH-TV Hamilton, pay TV in suburban Etobicoke, and U.S. network TV which hops the border via Buffalo's 3 commercial TV stations: WBEN-TV, WGR-TV, WKBW-TV. *Toronto Telegram* publisher John Bassett (associated with the Baton Aldred Rogers group) told the BBG that Toronto advertising is worth more than \$66 million annually. Of this sum, CBC's CBLT (Ch. 6) takes \$3.9 million. He estimated that the new station could attract more than \$3.2 million in its first year. The 9 applicants:

Beland H. Honderich, vp & editor-in-chief of the *Toronto Star*, for a company that will be controlled by the *Star* and include E. E. Fitzgibbons & A. G. Day of Famous Players Canadian Corp. Ltd. (Paramount Pictures).

Caldwell TV Bcstg. Co., headed by Spencer W. Caldwell, TV film producer, Canadian agent for CBS Films, and operator of a radio sales & ad agency. His backers include ex-CBC vp Ernest Bushnell.

Upper Canada Bcstg. Co., whose membership includes British program contractor Granada TV (25%) and Canadian comedians Johnny Wayne & Frank Shuster.

Consolidated Frybrook Industries, owned by Jack Kent Cooke, whose various properties include radio CKEY Toronto, the Toronto Maple Leaf baseball team. He told the BBG he plans 64.4% Canadian content from the first day of operation.

Baton Aldred Rogers Bcstg. Ltd., whose officials include *Toronto Telegram* publisher John Bassett, who said his paper will have 51% control; TV personality Joel Aldred, who'll be pres.-gen. mgr.; Canadian sportscaster Foster Hewitt.

Rogers Radio Bcstg. Co., operator of radio CFRB. J.S.D. Tory, for a company to be incorporated and to include the *Toronto Globe & Mail*, British TV interests, the J. Arthur Rank organization in Canada.

Maclean-Hunter Publishing Co. and Britain's ATV. Toronto Telecasters Syndicate, a group of 60 shareholders headed by Henry Borden and backed by the Southam Publishing Co., which publishes 7 Canadian newspapers, has other TV-radio interests.

Canada's Board of Broadcast Governors last week blasted 2 border stations—CKLW-TV Windsor and CKWS-TV, Kingston—for relying too heavily on filmed U.S. programs & old movies. Both stations, up for a renewal of their 5-yr. licenses, defended their status on the basis of their close proximity to U.S. network stations, and competition for listeners & dollars. BBG Chairman Dr. Andrew Stewart indicated that the Board prefers one-year licenses, presumably to keep a closer check on stations. CKLW-TV pointed out that it had started in 1954 when Windsor people had already had 6 years of U.S. TV from Detroit. BBG's new rule calls for 45% Canadian content for all stations by April 1961 and 55% by 1962.

## Networks

**Gillette's Big ABC Buy:** The largest single chunk of Gillette's \$12-million annual budget for TV-radio sports (about \$8.5 million) will now go to ABC-TV for a year-round schedule of NCAA football (13 wks.), Sat.-afternoon major league baseball (25 wks.) and a Sat.-night schedule of boxing (co-sponsoring with Miles Labs).

To bag this advertising prize, ABC-TV has invested heavily in network sports in recent weeks. The NCAA deal, for example, will cost ABC-TV \$6,251,140 over 2 years. This was the high network bid for NCAA rights—previously held by NBC-TV for about \$2.2 million per year.

ABC-TV has thus also acquired the Gillette boxing billings, which NBC-TV had made no bones about unloading, in the wake of the payola & quiz probes. (Gillette, however, said ad vp A. Craig Smith, is continuing its relationship with NBC-TV, which will carry events like World Series and All-Star baseball games and Rose Bowl game.) ABC-TV has no intention of interfering with the Gillette-sponsored sports shows. "We are carrying events operated under the licenses of the states involved, and there will be no administration of the events," said program vp Tom Moore of the boxing schedule, which will be shifted from its present ABC-TV Wed.-night spot to Sat. this fall.

The Gillette schedule will be launched on ABC-TV April 16 with major league baseball. Football starts Sept. 17 and boxing commences Oct. 8. Commercials will feature Gillette's safety razors and a new male deodorant, Right Guard, currently being test-marketed on the West Coast.

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NBC-TV affiliates, who may have wondered just why so much Gillette business was going ABC's way, received late last week, from NBC Chmn. Robert W. Sarnoff, a telegram which explained that NBC had become "deeply concerned with the public disrepute into which boxing has fallen." He confirmed that NBC had asked Gillette to drop the Fri. *Cavalcade of Sports* boxing series. NBC, however, was far from being shut out of the Gillette ad program, Sarnoff reminded the stations. The Gillette-NBC deal for the World Series, said Sarnoff, is now on a 5-yr. contract basis beyond the 1962 season for a time-&-talent price of \$19 million, plus an additional \$4.2 million for All-Star Baseball. ABC-TV, stated Sarnoff, could afford to outbid NBC-TV by \$1 million annually for the NCAA games because network affiliate rates on ABC-TV are lower than NBC-TV, enabling ABC to make a profit from a deal which would represent a loss to NBC-TV.

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A blast at professional (and TV) boxing appears in the new (April) *Reader's Digest*. Featured along with "Too Tired To Love" (a consideration of the insufficient sex drive in matrimony) is "Abolish Professional Boxing," which characterizes fighting as "a sordid business designed to yield maximum profit to the men who control the fighters, the arenas and the TV outlets." In another attack on TV in the same issue—on "bad taste" in commercials—the editors take video to task for "bringing the bathroom into our living room," apparently forgetful of the fact that they themselves have just brought the bedroom into the bathroom.

CBC plans a \$70,000,000 radio-television city in Toronto's suburban Don Mills. City approval has been won for the project, which will rezone 117 acres for CBC buildings & studios, a shopping plaza and 1,230 apartments.



**Revenue Loss From New CBS Rules?** CBS-TV may lose revenue as a result of its newly promulgated "guide lines" covering taste & time standards in TV commercials (Vol. 16:11 p14), we're told by Herbert Carlborg, dir. of editing for the network. He acknowledged that the network has received resistance from some advertisers, but indicated there will be no retreat from the announced policy. He added that he thought it would be good for the industry if NBC-TV and ABC-TV adopted the same "guide lines."

Carlborg said there's been little reaction to the rulings regarding content, because CBS-TV has been "pointing in that direction" for so long. Placement, on the other hand, is "quite revolutionary . . . People in the main are in favor of our objectives, but you run into cases where they are not conforming. They appreciate our objectives, but have to consider the realities of their own situations. We are working with them, trying to solve the problems." Carlborg added that while there have been comparatively few objections to date, he expects more.

The executive revealed that in another area, a headache to the networks is the continual parade of plug requests it receives from various charities. He made clear that he was not referring to such traditional institutions as Red Cross, but to those in the "gray area"—local or regional in nature and with no national organization. Pointing out that a 30-sec. plug on a network program costs a sponsor about \$30,000, Carlborg said the network seeks to protect the advertiser by keeping charity pitches to a minimum. In many cases, a charity will attach itself to a name star who demands the right to plug it on his show. "The sponsor is put over a barrel by these stars," remarked Carlborg.

Acknowledging widespread criticism from CBS-TV comedians to the network's edict calling for announcement that a laughtrack has been "technically augmented," Carlborg commented, "We're listening seriously to them. We don't pretend to know all the answers." But there was no indication of a reversal of policy on this.

On-air TV editorials will begin in the "near future" on CBS-TV's 5 o&o outlets, CBS stations div. Pres. Merle Jones told the AFA's 9th dist. convention in Lincoln, Neb. The o&o's, said Jones, "are now busily engaged in developing editorial staffs" and will present the stations' editorial opinions on community events "at whatever frequency is deemed advisable." Another o&o project in the works, according to Jones: "A weekly program on our stations reviewing the press." Added Jones, taking a sly dig at newspapers that blast TV sex & violence on TV pages and play up sex-drenched courtroom testimony on page one: "We might want to make some observations regarding the size of type, the headline and front-page position given by some newspapers over the past 2 or 3 months to the affairs of Dr. Finch & Carole Tregoff."

Moving to CBS builds ratings, sales administration vp William H. Hylan asserted to agencies & prospective CBS-TV clients in a letter recently. The scorecard: In the past 6 years, 20 TV shows have either moved from other networks to CBS, or have moved out of the CBS shop. Those moving in "increased their audiences by 4.4 rating points—a gain of 24%." Audience shares also increased, by 19%. On the other hand, programs moving from CBS-TV dropped an average of 6.2 rating points, with shares falling 31%, Hylan reported. "If you are thinking of switching networks, we hope you are coming this way," said Hylan. "this country," Stanton said.

**ABC's New Rate Structure:** Granting advertisers the usual 6-mo. notice, ABC-TV issued a new rate card last week that sets new floors under the network discounts, and—like recent CBS-TV & NBC-TV rate revisions—adjusts rates to take into account seasonal & time-period set usage. A letter from sales vp William P. Mullen said:

1. ABC-TV advertisers must now purchase for each show, effective Oct. 1, 1960, "a minimum cleared gross for station time equivalent to \$85,000 for each class A hour."

2. A new winter-summer relationship. There will now be a 36-wk. "winter season" and a 16-wk. "summer season," with the electronic summer starting May 28. Discounts for the summer period have been scaled higher.

3. Big-budget advertisers, who may spend a total of more than \$5.2 million annually on ABC-TV "may elect to receive a 30% overall discount in lieu of all other discounts."

NBC-RKO General swap agreement, covering exchange of NBC's WRCV-TV & WRCV in Philadelphia for RKO General Inc.'s WNAC-TV & WNAC in Boston, was signed officially Mar. 18. The agreement, in the works for months and related to NBC's dealings for an o&o outlet in San Francisco (Vol. 16:9 p1), is subject to FCC and Justice Dept. approval.

## NETWORK SALES ACTIVITY

### ABC-TV

Daytime programming, participations starting April 8 for 8 wks.  
*Sunbeam Corp.* (Perrin-Paus Co.)

Jubilee U.S.A., Sat., 10:30-11 p.m., participations starting April 9 for 25 wks.  
*Carter Products* (Ted Bates)

American Bandstand, Mon.-Fri., 4-5:30 p.m., participations starting April 6, 26 wks.  
*Positan Corp.* (Kastor, Hilton Chesley, Clifford & Atherton)

### CBS-TV

Hotel de Paree, Fri., 8:30-9 p.m., alt. wk. sponsorship eff. April 15.  
*Carter Products* (Sullivan, Stauffer, Colwell & Bayles)

Be Our Guest, Wed., 7:30-8:30 p.m., alt. wk. one-thirds.  
*Whitehall Labs.* (Ted Bates) & *Helene Curtis* (Edward H. Weiss)

Captain Kangaroo, Mon.-Sat., 8:15-9 a.m., once wkly. 15-min. segs.  
*Union Hardware Co.* (Graceman Advertising)

### NBC-TV

Another Evening with Fred Astaire, Mon., May 9, 10-11 p.m., repeat of last Nov.'s colorcast.  
*Chrysler Corp.* (Leo Burnett)

Daytime programming, participations representing "\$1.5 million"  
*Coty Inc. & Rexall* (both BBDO) *Brown & Williamson* (Keyes, Madden & Jones), *Procter Electric* (Weiss & Geller), *Sweets Co. of America* (Henry Eisen)

The Deputy, Sat., 9-9:30 p.m., renewal of alt. wk. sponsorship for 1960-61 season.  
*General Cigar Co.* (Young & Rubicam)

## Programming

**SUMMERTIME RE-EXAMINED:** Although many TV critics are convinced that what TV needs most is a fresh supply of summertime programs, A. C. Nielsen's latest annual study of summer TV audiences gives that theory scant support. Summer viewing drops almost exactly 33% from maximum Jan.-Feb. winter levels, Nielsen stated, and most advertisers are just about as well off with rerun program fare as with shows that strive to maintain a year-'round freshness. Highlights of the Nielsen *Study of Summer TV*:

1. Winter-vs.-summer audience loss: The summer viewing drop-off varies with time & geography. In the early evening, the seasonal decline is more than twice as heavy as it is after 9:30 p.m. In the late evening, there's also a seasonal decline, but it's "relatively uniform throughout the week," said Nielsen. Since the South & Pacific areas have a more consistent climate, the early-evening summertime potential audience is "26% higher in the South & Pacific areas than in the rest of the country," said Nielsen. "In these 2 areas, TV usage drops 35% below winter viewing levels as compared with 45% elsewhere." Geographically, potential audience for late-night summer shows "is relatively uniform," with the seasonal decline representing only 15% in the South & West Coast areas vs. 25 %elsewhere.

2. Summer audience composition: Advertisers reach about the same kind of TV audiences in summer as they do in winter. "The number of viewers during the summer is approximately halved, although distribution among men, women, teens & children is essentially the same," Nielsen stated of early-evening viewing. The same trend, although not as marked, was at work later in the night. For late-evening summer shows, said Nielsen, "the summer decrease in viewers is only 22%, evenly distributed between groups."

3. Summer program fare: During the summer months, ad advertiser has a choice of 3 program paths:

Programs using reruns last year drew an average rating 36% lower than the winter average. But when balanced against the all-over 33% summer drop-off in audience, reruns produced a break-even situation for the summer advertiser who manages to reduce winter program costs in the same proportion as audience losses.

Summer replacements, contrary to widespread belief, generally don't do well. The loss in delivered homes for summer replacements is 41% (vs. the seasonal drop-off of 33%) and the share-of-audience performance is 14% lower.

Programs operating on a 52-wk. basis with new material do the best job of attracting summer audiences. Such programs lose only an average of 26% of their winter viewers and emerge with an audience share 9% higher than the winter levels. They are not necessarily ahead economically, because program costs do not drop in summer.

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Olympics were an audience success on CBS-TV, advance reports from Nielsen's 2nd Feb. rating cycle indicate. On Thurs. Feb. 18, CBS began TV coverage of the winter sports event with an AA rating of 24.2 (slightly more than 10 million homes) and a share of 37%. On Feb. 19 the ratings dipped, then bounced back to hit a peak for the first 4 days of 25.9 AA (11,345,000 homes) and 62.3% audience share in the 2-5 p.m. period Feb. 21. "It started out as a public-service gesture," a CBS News spokesman told us, "but we were delighted to find we had a hit."

**THOSE WESTERNS STILL LEAD:** Nielsen's latest review of national rating behavior of basic TV program types reveals that audience figures are finally catching up with many predictions made recently by program executives at leading ad agencies. Two stand out:

1. The strongest bread-&-butter 30-min. shows are still those in the Western & situation-comedy categories, we've been told by a number of admen recently. And the Nielsen figures bear out the theory. In Jan.-Feb., all 30-min. nighttime network commercial shows drew an average total audience level of 21.8% of U.S. TV homes. Westerns were clearly above this average, with the shorter-length (19 of them) drawing an average total audience of 26.8%. One 30-min. pulled a top figure of 44.9% in the category. Runner-up, and also above-average in total audience, was situation comedy, with 16 series in the 30-min. length drawing a total-audience average of 24.9%. Variety shows in the 30-min. lengths (11 series) edged past the average mark with a 22.8% total-audience figure, and general drama shows squeaked by with a 22.1%.

On the wrong side of the 30-min. all-evening-programs average, 3 program categories fell short of the mark. Quiz & audience-participation shows (11) managed to pull 20.3%, and suspense-mystery (15) drew 20.0%. Low mark was scored by 30-min. shows in the adventure category (5) which pulled only a 16.0% average total audience figure.

2. Action-adventure 60-min. shows have become a strong trend, while dramatic specials of this length haven't generally been successful, we've been told by agency men shopping among the new crop of pilots & network fall offerings. (Network program buying also confirms this thinking; each network, particularly ABC-TV, has plans for an increased number of filmed action-adventure 60-min. shows.)

Among longer-length shows, the Nielsen figures again give statistical weight to current program theory. Their Jan.-Feb. measurements found 60-min. Westerns (9) drawing a 31.7% total-audience average rating to top the field, and comfortably above the average for 60-min. shows—27.6%. This is not to say that all 60-min. Westerns are automatically above-average successes. In this category, the low-high spread is large. One hour-long Western (*Wagon Train*) pulled in a whopping 51.0% total-audience average during the rated period of Jan.-Feb., but another (Nielsen wouldn't say which) corralled only 17.5%. What the figures *do* mean, for admen who like to play the Nielsen tote board, is that the general chances for audience success are above-average in the longer-length Westerns.

Suspense-mystery 60-min. shows weren't far behind the longer Westerns. They (5) scored a 30.1% average, again topping the general average. Hour-long variety shows & specials did fairly well with an average total-audience level of 28.5% on 9 series. On the bearish side of the all-program-average fence was the 60-min. category which Nielsen terms general drama, with a total-audience average of 20.1% on 5 series (and with a high-low spread ranging from 25.4 down to a mere 11.8%).

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Network news team Chet Huntley & David Brinkley has nosed out longtime champion Doug Edwards on the basis of homes-reached, NBC's research dept. claimed last week. Texaco-sponsored series now draws an average-audience level of nearly 7.7 million homes (more than 15 million viewers) which compares with Edwards' AA score in Nielsen's 2nd Feb. report of nearly 7.4 million homes (13.9 million viewers). This is Huntley-Brinkley's first Nielsen victory over CBS-TV's Edwards.

**CBS Censors Dobie:** The last show on TV many a program executive might think was "controversial" is 20th Century-Fox's *The Many Loves of Dobie Gillis* (CBS-TV, Tues. 8:30-9 p.m.). But a *Dobie Gillis* episode last week became the first program casualty under CBS-TV's new "get-tough" policy of closed-circuit advance screenings, which was first announced at the recent Washington meeting of CBS affiliates by program practices vp Joseph Ream.

The decision to scrap the episode wasn't the network's, we learned by querying Ream. The questionable episode, which dealt with a comedy-of-errors situation in which Dobie's father suspected him of teen-age parenthood, was first piped to the full network. A total of 12 stations, representing affiliates in a cross-section of U.S. markets, responded. All responses were unfavorable, and a rerun episode was hastily substituted.

"We don't have a regular network screening schedule for CBS shows," Ream told us. "It's very informal and occurs only when we think there might be a question. In this case, the stations agreed that there was."

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Philip Morris isn't leaving as co-sponsor of the successful *The Many Loves of Dobie Gillis*, we were told by a spokesman for CBS-TV's sales dept. A Hollywood report had hinted that the cigaret firm was under fire from various groups for sponsoring a show with teen-age leads & considerable teen-age appeal. "It's a family show," said CBS.

More problems for *Startime*, the expensive Ford-sponsored specials series on NBC-TV's Tues.-night schedule, appeared late last week. Sample: After May 17, all shows in the *Startime* series will be taped repeats, except for a few (possibly one in every 4 or 5) new variety packages. Another sample: Announcement of future *Startime* shows will be through J. Walter Thompson (Ford's agency) and NBC-TV, rather than through the Robinson-employed Arthur P. Jacobs PR firm, we learned from the auto firm's agency. Hailed originally as the biggest thing to hit TV in the way of specials, and filled with unrealized promises to deliver star names like Marilyn Monroe and Marlon Brando, *Startime* now seems to be just riding out its 39-program string as quietly & inexpensively as possible.

Televised political debates & discussions should be "exempt from the equal-time law so that viewers will have an opportunity to see & hear candidates do more than just promote themselves or their own parties," CBS vp for corporate affairs Richard Salant told the season's final RTES timebuying seminar March 15. "CBS is ready, willing and anxious to provide prime time for the major Presidential candidates if equal time doesn't have to be provided for lesser opponents," said Salant. "Why must the government direct broadcasters' activities concerning political campaigns when newspapers are not told they must set aside certain columns for any one candidate if they publish anything concerning another?" he asked. Discussing TV's recent image dilemma, Salant said "the hullabaloo over payola & rigged quiz shows is not a sinister conspiracy to cut down TV, but is genuine & justified and will result in some necessary reform."

"Imported robot tapes" for use as background music in U.S. TV filmed shows & movies would be banned under a bill (HR-11043) by Rep. Pelly (R-Wash.) which sets up criminal penalties. Pelly, himself an honorary AFM member, said the Musicians' Union "wholeheartedly endorses this bill."

## Film & Tape

**Dropping Name-Dropping?** Buyers, once starry-eyed in their attempts to line up famous personalities for series, are now concentrating on properties more than on names. The reason's not hard to understand. Series featuring better-known personalities did not fare too well this season, with the exceptions of Robert Taylor's *The Detectives*, and *The Deputy*, starring Henry Fonda.

June Allyson's series has not lived up to sponsor's rating expectations, although this is partly due to the time slot (10:30 p.m. Mon.). Betty Hutton's comedy series has been in trouble from the outset and seems doomed. Joel McCrea's Western, *Wichita Town*, has been axed. Even *Ford Startime*, which has presented many celebrities, has not brought the anticipated ratings (see adjoining column).

On the other side of the ledger, those few new shows which have done well this season were not featuring big names, aside from the Fonda and Taylor series. These are *The Untouchables* (which, while starring Robert Stack, attained success chiefly because of fine production, with Stack not even appearing regularly at first), *The Many Loves of Dobie Gillis* (with Dwayne Hickman, Bob Denver and sometimes Tuesday Weld), *Dennis the Menace* (with Jay North) and *Hennesey* (Jackie Cooper) and *Mr. Lucky* (starring John Vivyan and Ross Martin). Logical conclusion of buyers is that viewers are more interested in quality than names.

**Commercial Marriage:** Another N.Y. film commercial producer has joined the trend toward affiliations or mergers with larger concerns. This time, the deal was between Robert Lawrence Productions (estimated 1960 billings: about \$4-5 million) and RKO General Inc. div. of General Tire & Rubber. The affiliation, according to a joint announcement by RKO General Pres. Thomas F. O'Neill and RLP Pres. Robert L. Lawrence, "involves no change in the management & personnel of either company."

The RLP move follows a pattern set last year by several other commercial film producers. Elliot, Unger & Elliot, formerly an independent, is now a div. of Columbia-owned Screen Gems. Filmways formed a facilities exchange & financial alliance with Warner Bros. whereby Filmways is the only company permitted to shoot commercials on the Warner lot. And Transfilm, following a buy-up by diversification-conscious Buckeye Corp., late last year arranged a merger—under the Buckeye corporate umbrella—with longtime independent Caravel Productions.

"New techniques for films, TV & video tape" will be the theme of SMPTE's May 1-7 convention at Los Angeles' Ambassador Hotel. Among the highlights announced by convention vp Reid H. Ray: A session on acoustics & architecture of studios & stages; discussions of TV tape splicing, editing, cueing, leaders & storage and transfers from tape to film and film to tape; paper on thermoplastic recording by GE's Dr. W. E. Glenn; progress report on video-tape standardization by Ampex's Charles Anderson; special session on training personnel for TV & motion pictures. Herbert Farmer, U. of Southern Cal., is chmn. of the papers program.

CBS-TV last week fired William Talman, "district attorney" in *Perry Mason*, after he was arrested for allegedly cavorting with others in the nude at a Hollywood party. No replacement has been set.

**WGA STRIKES NETS' FILM OPERATIONS:** Writers Guild of America last week extended its strike to TV film operations at the networks, following their refusal to grant overseas residuals. Thus the Guild—on strike against the Alliance of Television Film Producers and major-studio TV since Jan. 16 (Vol. 16:11 p10)—is striking all except non-Alliance independent producers and live TV & radio at the networks. WGA was reported to be making further concessions to non-Alliance companies.

Screen Actors Guild and Assn. of Motion Picture Producers are making progress in their negotiations and there is hope the strike against the movie majors, which began March 7, may soon be settled. The thorniest issue of all—post-1948 movie-to-TV revenue for actors—appears well on the way to being resolved, with a face-saving compromise which will give SAG a better pension deal. Executives of the networks, the Alliance and TV operations at the major studios met last week and decided to ask SAG to present its demands so that negotiations could begin.

Here's the latest rundown of all management areas & unions involved in Hollywood's labor crises:

#### Live TV Unaffected Until March 31

**NETWORKS:** Outlook here is contingent on TV film-WGA talks elsewhere. WGA struck March 18. SAG contract extended to May 31. WGA contract in live TV-radio expires March 31. Directors Guild of America contract expires April 30. There is no IATSE contract with nets on TV film (IATSE works under contracts with majors or independents which film network series).

WGA, which had delayed striking TV film at the networks in the hope this would aid its current negotiations with the nets in live TV & radio, struck the nets last Fri., apparently unable to make much headway in its live TV-radio talks. Included in the Guild's strike are NBC's Cal. National Productions and CBS Film Sales Inc. The series hit by this strike include CBS-TV's *Gunsmoke*, *The Perry Mason Show*, *Have Gun—Will Travel*, *Rawhide*, *Hotel de Paree*, *20th-Century* and *Conquest*, and NBC-TV's *Bonanza*. While pay TV was not an issue in network talks, overseas residuals were, and the nets wouldn't budge on that point. It's expected WGA will also strike live TV and radio at the networks when its contract in those fields expires March 31.

**MOVIES:** SAG struck the majors March 7, but current situation looks favorable.

A wholly new & optimistic climate surrounded the SAG-majors negotiations to end the movie strike, as the ticklish issue of post-1948 movies sold to TV apparently neared resolution. In effect the majors told SAG that if it would drop its demand for a cut of the post-1948s, they'd give the actors a pension fund retroactive to 1953. SAG reacted favorably to this face-saving compromise. When this issue, pay-TV and post-1960 payments are agreed on, SAG will likely stop its strike which has paralyzed movie production at the majors.

In an effort to avoid another stormy issue, SAG is negotiating now on terms for post-1960 movies which may be sold to TV. The Guild's original demand, asking that 6% of the gross of TV revenue for such pictures be placed in a pension fund, has been turned down and a new solution is being searched. The majors are willing to negotiate this issue, whereas they showed a distinct aversion to talks on

the post-1948s.

Regarding pay TV, SAG, unlike WGA, has not made any money demands. Recognizing that pay TV is not yet an established medium, the Guild merely seeks a clause allowing reopening of negotiations when & if there is pay TV. The majors won't discuss pay TV because they consider it an extension of the theatrical boxoffice.

**ALLIANCE OF INDEPENDENTS:** No progress. WGA on strike vs. Alliance since Jan. 16. Contracts expire for SAG May 31; DGA April 30; IATSE Jan. 31.

Again there were no negotiations between striking WGA and the Alliance last week, as the Guild concentrated on seeking an agreement with non-Alliance producers. One hopeful note here was that neutral industry individuals were working behind the scenes to bring about a settlement of the 9-week-old strike. Alliance producers weren't too bothered by the strike at this point, the lowest ebb of production running from March 15 to April 15.

However, they were perturbed by a statement from SAG exec. dir. Jack L. Dales at a membership meeting, to the effect that the Guild will seek overseas residuals from TV producers when it goes into those negotiations. Dales predicted this would be a "very tough issue." Some producers, unwilling to budge on overseas residuals, felt this could lead to a SAG strike, which would shut down production. They talked of getting sponsors to use reruns next fall, and begin first-run programming in 1961. The idea, of course, would be to hold out that much longer against the writers and any potential SAG strike. One exec. commented gloomily: "This is a most discouraging time, all we can do is be patient."

Meanwhile, non-Alliance producers were meeting with the Alliance to discuss current negotiations. The Directors Guild of America requested that negotiations begin with the Alliance, but did not set any date for such talks.

Production overall was not badly hurt, this being the slow season, and cameras were busy where series still are in production. Scripts appeared to be available, but executives weren't talkative about their sources.

#### Another Crisis Due March 26

**UNORGANIZED INDEPENDENTS:** Progress being made, but big issue is overseas residuals. WGA contract expires this week—March 26. Others: SAG, May 31; DGA, April 30; IATSE, Jan. 31, 1961.

Progress is being made in this area, with WGA relinquishing its demand that residuals be based on agreed compensation rather than minimums, as in the former contract. There was also a report that WGA would give up its demand for payments of 7th, 8th, and 9th runs. Although a major obstacle, the overseas residuals question, remains. But well-informed sources said producers might recognize this in principle, provided WGA would recognize that the overseas market today is not lucrative and would act accordingly. The WGA concessions motivated a belief that the strike may not continue for months, as many have predicted.

**MAJOR STUDIO TV OPERATIONS:** Outlook contingent on results in other areas, such as negotiations with non-Alliance group. The WGA contract expired Jan. 16, on which date the strike began. Contracts expire for SAG May 31; DGA April 30; IATSE Jan. 31.

There were no negotiations between WGA and the TV operations of the major studios last week. But in an action attributed to the WGA strike, Warner Bros. placed *Maverick* stars Jack Kelly & James Garner on suspension, exer-

cising the *force majeure* clauses of their contracts. WB's reason: no scripts available. Garner's attorney, Martin Gang, immediately notified Warner Bros. that he considered this a violation of his client's contract. Signed last year, it calls for salary 52 weeks a year. Gang added that WB's action left Garner a free agent. The actor's agent, Bob Coryell of Rosenberg-Coryell, was already lining up other jobs for him. WB notified Garner that if he followed Gang's advice he would be considered "in default." Gang's argument was that since production on *Maverick* has been completed for the season, WB has exercised *force majeure* as a "deliberate" means of avoiding Garner's salary. He draws about \$100,000 a year for movies & TV. It seemed evident that the argument would wind up in the courts, since WB was unlikely to let Garner take a walk. Production on *Maverick* was finished in Feb. WB sources told us.

Jim Garner told us he's received a number of offers, one of them to star in MGM-TV's *Diamond Jim Brady* series. Garner said while he liked the Brady series, he prefers to work in movies after having been in *Maverick* since its inception. Said the TV cowpoke: "I no longer consider myself in the employment of Warners. They suspended Clint (*Cheyenne*) Walker, Kelly and myself by using the *force majeure*, and Clint also has a 52-week deal. They made the one film on next season's series so they could say they ran out of scripts. It's a plot to save on salaries. When you've been with a series as long as I have, there's only one place to go—down."

Jack Kelly told us: "We have reason to believe there is an area to investigate thoroughly," and said his attorney is now looking into it. Kelly, whose contract has 4 years to run, said his investigation is not a move to get out of the contract. However, he added, "I don't feel their use of *force majeure* is correct. If there has been an infraction of the contract on their part, I want to know. There is a question as to the validity of their position."

#### Other strike developments:

SAG exec. secy. John L. Dales quashed rumors that the Guild would allow production of 8 movies halted by the strike, saying this wouldn't be permitted until SAG was "assured of an equitable deal." But some studio sources said they wouldn't go ahead even with the SAG permission because movies, once stopped, are difficult to resume—and "We don't want to operate with a sword hanging over our head."

Musicians Guild of America said it would help SAG and WGA to find a formula on residual payments.

IATSE, in negotiations with newly-formed TV film companies, is seeking a favored nations clause whereby it will receive residuals if other unions or guilds are granted them. IATSE anticipates no difficulties with TV film companies when negotiations begin in Nov., unless producers make concessions in the residuals area. IATSE wants to hold residuals down for fear it will hurt production and result in unemployment, one IATSE source told us.

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No shortage of theatrical films is seen by Motion Picture Assn. of America, despite the Hollywood strikes. By MPA's estimate, "about 150" new movies are waiting on the theatrical beltline and the general supply won't dry up "for another 3½ to 6 months." A small but steady flow of new features will also come from overseas and from companies like Universal Pictures and various independent producers who have settled with the guilds. "Movie attendance this year could hit 45 million weekly," said an MPA spokesman, who admitted however that the figure "doesn't compare with the salad days before TV."

## HOLLYWOOD ROUNDUP

Tape will be next to get the attention of Hollywood unions, predict observers here. They believe the growth & expansion of tape in the entertainment field may be retarded and labor costs will rise, once SAG, AFTRA and the technical unions settle their jurisdictional disputes. Insiders theorize that unions will then contend "Why should there be one price for guild & union workers in tape, and another in film?" The result, in their opinion, will be an upping of tape costs to the TV film level.

QM Productions has been formed by producer Quinn Martin, with *The Woman in the Case*, an anthology crime series and the first TV venture on its schedule. QM will hq at Metro . . . Paul West has been signed by Screen Gems to write a series, *Bringing up Mother*, as soon as the writers strike is settled. Harry Ackerman produces.

CBS-TV has shelved 2 pilots originally planned with Rod Serling's Cayuga Productions. One was a 60-min. Western, *The Loner*; the other a fantasy, *Mr. Bevis*. Serling told us the network wanted him to write a minimum of 6 to 8 scripts on each series and act as story editor, and he replied he couldn't do this, particularly since he also has *Twilight Zone*, currently on CBS-TV. The deals collapsed.

Four Star Television, to avoid agency or sponsor objections, has changed the character of Willie Dante in the series of that name so that he now operates a nightclub, not a gambling casino. Four Star Pres. Dick Powell played the Dante role in several *Four Star Playhouse* episodes some years back, and Howard Duff stars in the new pilot.

WGA West elections for the screen board and TV-radio board will be held May 19. Nominees for 4 posts on the latter are Arthur Alsberg, Richard Collins, Fran Van Hartesveldt, Richard Berg, Les Crutchfield, John Elliotte, Phil Leslie, Louis Pelletier, Rod Serling, Sterling Silliphant and Barry Trivers. The first 3 are already on the board.

Clarence Hopper, vp of CBS Inc. facilities and CBS-TV for staff facilities, is in Hollywood regarding expansion of the network's Television City . . . Desilu Productions has named Jerry Thorpe exec. producer of *The Untouchables*, to replace Quinn Martin.

Eric Fleming is being dropped from CBS-TV's *Rawhide* . . . Jack Kelly and May Wynn's new company, Majak Productions, is working on plans for 2 series—a 60-min. modern adventure & a comedy to star Miss Wynn (Mrs. Kelly). It also plans to do movies.

NBC-TV has bought *Klondike*, an adventure series, from Ziv TV for next season. Ralph Taeger, James Curn, Mari Blanchard and Joi Lansing star in the series which will be produced by William Conrad.

Warner Bros.' *Bourbon Street Beat*, on ABC-TV, won't be back next season. WB & ABC-TV are replacing it (in the same time slot) with another 60-min. private-eye series, *Surfside Six*, set in Florida. It hasn't been cast.

Production has been completed on *Hennesey* (Jackie Cooper) . . . Pilot of *I Married a Dog*, a comedy starring Marcia Henderson and Hal March, has been finished by producer Phil Rapp, who is in association with Philip N. Krasne.

Jack Ballard has resigned as mgr. of film programming of NBC to join CBS Films as mgr., programs, Hollywood. John F. Meyers is program dir., Hollywood, for CBS Films.

## NEW YORK ROUNDUP

Filmways' \$1-million Manhattan film-tape studios were completed recently primarily to house TV commercials & TV film program production. But it has been doing considerable business with its older rival, movies. For the past 6 weeks, 20th-Century Fox has been completing feature production of "Murder, Inc." at Filmways, which also expects a rental contract this summer for an untitled Elia Kazan feature. At the moment, no TV series are shooting at Filmways.

Add syndication sales: Screen Gems' *Medicine 1960*, taped public affairs series (12 programs), has been bought by 25 stations, the latest being KRCA-TV Los Angeles & WJXT Jacksonville, Fla. . . . MCA TV's *Mike Hammer* has been bought for upstate N.Y. markets by John Labatt brewery and for 3 Canadian markets by Sealy Mattress Co. and Perth Cleaners . . . NTA's tape-syndicated *Play of the Week* is now in 24 markets.

Fundamentals of tape-commercial production are explained in a new 35-page book, *Questions & Answers About Video Tape Commercials*, prepared by NTA Telestudios. Among key points cited are tape's "presence, which increases believability, association and acceptance;" tape's "coverage, which is 82 markets representing 95.5% of the viewing audience;" tape's costs & production problems.

Cal. National Productions is the 3rd major house to blueprint a 30-min. adult-appeal animation series. CNP, which would not disclose to us details of the series, termed it "an adult humorous cartoon show in full color." Previously sold this season: Screen Gems' *The Flagstones*, produced by Hanna-Barbera, and Warner Bros.' *Bugs Bunny*, both to ABC-TV for fall scheduling.

Advance film-rerun buying is reported by Screen Gems for its *Rescue 8* 30-min. syndicated series—although the first-run showings are still on the air. WTVJ Miami, KRCA-TV Los Angeles; WXYZ-TV Detroit and KCRA-TV Sacramento have bought, in advance, from 3 to 4 runs of the show in their respective markets. *Rescue 8*, produced by Herbert B. Leonard, is now in its second year.

N.Y. Giants football star Alex Webster has been signed to appear in CBS Films' *Turnpike* in a supporting role. Just to keep it in the family, the same team's Frank Gifford is *Turnpike's* star . . . ABC-TV will telecast reruns of NBC-TV's *Steve Canyon* series Thurs., 7:30-8 p.m., starting April 7.

Animation Producers' Assn. last week elected the following officers: Jack Zander, Pelican Films, pres.; Lew Gifford, Gifford-Kim Productions, vp; Sam Magdoff, Elektra Films, treas.; Bill Weiss, CBS-Terrytoons, secy.

Ross-Danzig Productions is negotiating for Walter Winchell to narrate a new series. The columnist told us he may also narrate Twentieth Century-Fox Television's *IWhodunit* series, which has been optioned by NBC-TV.

Edgar Peterson has been named producer of ABC-TV's forthcoming series based on the memoirs of Sir Winston Churchill . . . Keefe Brassellé will host CBS-TV's *Be Our Guest*, replacing George De Witt who recently resigned.

Robert L. Miller has been named asst. to Richard Carlton, Trans-Lux TV sales vp . . . Julian Ludwig has been named gen. mgr., West Coast operations, Flamingo Films.

## Advertising

**THE QUESTION OF TAPE:** Taped TV commercials are still in the "growing pains" stage, and producer opinion concerning them varies widely. This was evident recently when we questioned the heads of 2 of the largest commercial operations in the field: Jerry Madden, dir. of NBC-owned Telesales, and Martin Ransohoff, pres. of independently-owned Filmways.

Operating closely with the parent network, Telesales' tape-commercial production has boomed. After a year of operation, its annual billings are nearing the \$1-million mark, Madden told us. "Tape was over-sold at the beginning, but it is now catching up to the point where it makes sense as an adult commercial medium," he added.

About 75% of the tape commercials shot by Telesales wind up in network shows, and thus do not face the problems of making & shipping extra tape prints for spot use, by Madden's estimate. Many of the remaining taped commercials are used in spot, however, but distributed (once the original master tape has been edited to final form) through high-quality film kinescopes. Costs are about \$30 for a 1-min. tape duplicate copy as against only \$5-\$6 for a film kine copy. A recent Telesales order from a major advertiser called for 120 kines of a 1-min. taped commercial, with no taped copies, Madden told us.

On the independent-producer side of the fence, Filmways' Ransohoff takes the position that "tape has its place, and it's not going to replace film, nor is it a panacea." Agencies are now taking "a calm, calculated look at tape," Ransohoff told us. "In many cases, because of shooting techniques, the problems are much greater than in film commercials."

Filmways, which expects to gross between \$6 & \$7 million this year from TV commercials, TV programming and studio rentals, was one of the earliest independent film makers to install tape equipment. Although it has encouraged the use of tape by agencies, its project has been far from a resounding success. "We've lost at least \$100,000 on our initial tape investment at our 95th St. studio," Ransohoff admitted, although he denied a report that Filmways had sold its Ampex VTR and British-made TV camera chain.

Film rules the roost at Filmways presently, and Ransohoff expects that during the first 6 months of 1960 he will bill "in excess of \$3 million in N.Y. film commercials alone." Total commercial billings, including film commercials shot on the West Coast under a facilities-exchange agreement with Warner Bros., "may exceed \$4 million in the first half of the year." Tape facilities are planned for the firm's new 127th St. studios in Manhattan (2 sound stages, each 10,000 sq. ft.), however, and should be in operation by May. Said Ransohoff, somewhat tartly: "The video-tape hysteria among agencies has abated somewhat."

How TV molds public opinion is demonstrated in a new study for TvB by Pulse Inc. The study, conducted last Oct. in Boston, Philadelphia and Seattle-Tacoma on the heels of a 4-wk. TV spot campaign by Tyrex (a 5-firm trade group of companies making Tyrex cord for car & truck tires), showed vastly greater inroads for the institutional message among viewers than among non-viewers. Of those who had seen the TV spots, 43% were favorable toward Tyrex, 53% had no opinion, and only 4% were unfavorable. Among non-viewers, a scant 6% were favorable, 13% were unfavorable, and the great majority—81%—had no opinion.

**Ad People:** Paul J. Caravatt Jr., ex-Ogilvy, Benson & Mather, appointed a Foote, Cone & Belding vp . . . Howard S. Johnson named Cunningham & Walsh senior vp; George F. Kleitz, ex-Needham, Louis & Brorby, named C&W media dir. . . . Russ Ford, TV-radio commercial dir., named Doherty, Clifford, Steers & Shenfield vp . . . Raymond D. Reiss named MacManus, John & Adams media dir. . . . Dougals C. Manson, ex-Benton & Bowles vp, has opened Doug Manson Agency for advertising & communications (1 W. 47th St., N.Y.) . . . Lee H. Bristol, Bristol-Myers chmn., elected Advertising Council chmn.; Edwin W. Ebel, ad vp, General Foods Corp., named vice-chmn.

William H. Thomas appointed director of radio-TV & media, Tatham-Laird . . . Sydney W. Morrell, ex-ITT PR vp, named exec. vp of McCann-Erickson's Communications Affiliates Inc. . . . Sigurd S. Larmon, Young & Rubicam chmn., reappointed to USIA's Advisory Committee on Information by President Eisenhower.

FTC consent order, forbidding alleged misrepresentation of Life cigarets in TV commercials & other advertising, has been signed by Brown & Williamson & its agency Ted Bates. Settling an FTC complaint filed last Dec. (Vol. 16:50 p10), the 2 respondents admitted no violations of federal law. But they agreed to stop advertised claims that Life cigarets contain "the least tar or nicotine" and that the claims are supported by the govt. The Brown & Williamson case was one of the first in which FTC cited an ad agency & an agency executive as well as a product's manufacturer, Bates vp & account exec. David Loomis having been named in the original charge of deception. FTC dismissed the complaint against Loomis, however, holding he had no authority to direct or control the policies of the 2 companies. The settlement followed a general agreement in Feb. by the tobacco industry with FTC to eliminate tar & nicotine claims (Vol. 16:6 p12).

FTC crackdowns on TV advertising are just part of the Eisenhower Administration's "leap-year liberalism," according to the March *Democratic Digest*, published by the Democratic National Committee. In an article titled "TV Advertising Finally Losing Its 'Invisible Shield,'" the *Digest* said that "it has been the avowed policy of the men appointed by President Eisenhower to run the federal regulatory agencies so as *not* to interfere with the affairs of their big business friends." But now: "With an election coming on, the Republicans cannot afford to ignore the malpractices of their big business friends any longer."

Just because FTC is out to clean up TV & radio "hucksterism & deception," Chmn. Earl W. Kintner said reassuringly last week, "sackcloth & ashes" needn't be donned by broadcasters. Repeating much of what he said in a speech 2 weeks earlier to CBS affiliates in Washington (Vol. 16:10 p2), Kintner told the Ind. Bcstrs. Assn. in Indianapolis that "we need good entertainment & good showmanship" on the air. Pointing out that FTC's targets include deceptive newspaper advertising as well as fraud in TV & radio commercials, he said broadcasters shouldn't conclude that FTC has a special doghouse for them.

Standard Brands has denied FTC charges that its TV commercials for Blue Bonnet margarine are deceptive (Vol. 16:3 p8). In a formal answer to FTC's Jan. complaint, the company said that for several years it had used "substantial identical" advertising which FTC examined & failed to find objectionable. Standard Brands' agency Ted Bates denied any deception in the "flavor gem" commercials.

## Congress

**Oversighters vs. Dick Clark:** A tug-of-war inside the House Commerce Legislative Oversight Subcommittee over how—and when—ABC-TV's Dick Clark should be exposed to public hearings on payola (Vol. 16:11 p12) was joined last week by Reps. Moss (D-Cal.) & Mack (D-Ill.).

Following private & public exchanges between Rep. Bennett (R-Mich.) & Chmn. Harris (D-Ark.), who instructed the subcommittee staff at one point to keep Bennett from seeing files on the *American Bandstand* jockey, Moss & Mack took up positions. They supported Harris, who had urged caution in calling Clark, and opposed Bennett, who had demanded immediate hearings.

Moss & Mack said Bennett's attempt to hurry Clark hearings "violates the American concepts of common decency & fair play." They called for "careful, orderly procedure," said "there should be no disclosure of unevaluated material gathered by the Subcommittee staff," and appended a memorandum from Subcommittee counsel Robert W. Lishman, who said:

"Every effort is being made to expedite & complete the investigation at as early a date as possible. However, the complex nature of Clark's broadcasting & other activities has required more time, overtime and manpower than was originally anticipated. We should be able to have the case ready for presentation at public hearings in the near future."

Federal-aid-to-ETV bill by Rep. Roberts (D-Ala.), which cleared the House Commerce Communications & Power Subcommittee last month—but without recommendations for action (Vol. 16:9 p14)—has been snagged in the full Committee. The measure (HR-10609) is for \$52 million to match federal grants to all states, D.C. and Puerto Rico for ETV equipment. It was Item No. 1 on the Committee's agenda at an executive session March 17, but, after an all-morning discussion, the Committee under Chmn. Harris (D-Ark.) recessed without voting on the bill, thereby dimming chances that it will reach the House floor this session. The Roberts measure is a compromise version of a Senate-passed bill (S-12) by Senate Commerce Committee Chmn. Magnuson (D-Wash.) which would authorize \$1 million ETV grants by the govt. to each state & D.C.

TV-debate bill, co-sponsored by Sens. Magnuson (D-Wash.) & Monroney (D-Okla.), to require networks to give 2 hours weekly to discussions of campaign issues by the major Presidential candidates (Vol. 16:11 p13) is getting bandwagon backing in the Senate. Additional signers of the measure (S-3171) include Sens. Case (R-S.D.), Clark (D-Pa.), Hartke (D-Ind.), Mansfield (D-Mont.), McGee (D-Wyo.), Gruening (D-Alaska), Bartlett (D-Alaska), Moss (D-Utah), Fulbright (D-Ark.), Cannon (D-Nev.), McNamara (D-Mich.), Engle (D-Cal.), Anderson (D-N.M.), Sparkman (D-Ala.), Yarborough (D-Tex.), Hennings (D-Mo.). Joining with Magnuson & Monroney in introducing the bill were Sens. Smathers (D-Fla.), Pastore (D-R.I.), Church (D-Ida.), Kefauver (D-Tenn.). A similar bill (HR-11233) was introduced by Rep. Johnson (D-Colo.).

"Worldwide TV" is one of the practical goals of the U.S. satellite program, said the National Aeronautics & Space Administration in its semi-annual report to Congress. Manned space flights are long-range NASA objectives, but of more immediate promise are other developments, including TV relays, dir. T. Keith Glennan noted.

## Television Digest

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WALTER H. ANNENBERG, *President*

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JAMES T. QUIRK,  
*Business Manager*

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HAROLD B. CLEMENKO, *Managing Editor*  
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PAUL STONE

JAMES B. DELEHANTY,  
*Asst. Business Mgr.*

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

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**Personals:** Robert D. Swezey, former exec. vp-gen. mgr. of WDSU-TV & WDSU New Orleans, appointed Labor Dept. troubleshooter by Secy. James P. Mitchell in such areas as enforcement of new union regulations, manpower resources, apprenticeship training . . . Robert G. Patt resigns as dir. of promotion & advertising, WRCA-TV N.Y., to take similar post at WCBS-TV & WCBS N.Y. . . . James T. Larkin named to new post of business mgr., ABC international div. . . . Frederick J. Schuhmann appointed ABC-TV dir. of product services.

Burton H. Hanft, ex-Screen Gems vp & treas., elected NBC vp, talent & program contract administration . . . Bernard I. Paulson has been appointed NBC dir. of design, art & scenic production . . . Raymond Eichmann named client presentations & sales promotion dir. in NBC-TV network sales planning; David H. Hedley named program presentations dir.; Nicholas Gordon appointed sales development dir.; Ronald J. Pollock, sales development mgr.

Victor F. Davies named CBC comptroller, succeeding A. M. Henderson, appointed auditor-gen. of Canada; Robert E. Keddy named personnel & organization dir.; Guy Coderre appointed associate personnel & organization dir. . . . Lawrence Grant Wilson and Paul Roussel named program officers, CBC's new bilingual FM radio network, scheduled to start in April.

Leslie Winik, film producer, named a vp of International Telemeter div. of Paramount . . . Aaron Cohen named sales development supervisor, WPIX N.Y. . . . Ted Yates, former TV & movie script writer (*Peter Gunn*), named news & public affairs dir., Metropolitan Bestg. Corp.'s TV stations (WNEW-TV N.Y., WTTG Washington, KOVR Stockton-Sacramento, WTVH Peoria) . . . Norman J. Ostby, ex-Don Lee Bestg. System vp and MBS Western div. gen. mgr., appointed MacKenzie Electronics gen. mgr.

Sidney W. Winslow Jr. elected to new post of chmn., Boston Herald-Traveler Corp. (WHDH-TV & WHDH Boston); Robert B. Choate succeeds Winslow as pres. . . . Jack Dolph, ex-program dir. of WCAU-TV Philadelphia, named CBS News asst. sports dir., succeeding Tex Schramm, who resigned to become gen. mgr. of the Dallas National Football League club . . . Will Fowler named dir. of news & public affairs, KTTV Los Angeles . . . Harry A. Babcock, FTC exec. dir., resigns effective April 1 to join Washington communications law firm of Weaver & Glassie . . . John H.

Battison, ex-gen. mgr. of KAVE-TV Carlsbad, N.M., April 1 opens engineering consultant's office in Washington at 1028 Connecticut Ave., NW (Phone: Republic 7-0458) . . . Harold S. Meden named RAB promotion mgr.

Willard J. Purcell has retired as advanced planning & research mgr. at radio WGY Schenectady after 38 years with the station. A radio pioneer, Purcell built N.Y.'s first broadcasting station (in Hoboken) for the Dempsey-Carpentier fight on July 4, 1921.

Meetings this week: National Educational TV & Radio Center meeting of program mgrs. of affiliated stations (March 20-23), KUHT, Houston . . . Canadian Assn. of Bcstrs. annual convention (21-23), Chateau Frontenac Hotel, Quebec, Que. . . . IRE international convention (21-24), Coliseum and Waldorf-Astoria, N.Y. . . . Bureau of Bcst. Measurement annual meeting (23), Chateau Frontenac Hotel, Quebec, Que. . . . RTES round table on radio as an ad medium. Speakers: D. C. Marschner, Shell Oil sales promotion-ad mgr.; Albert B. Richardson, Chesebrough-Ponds ad vp; James Stocker, Scott Paper ad mgr.; George Arkedis, CBS Radio network sales vp; Maurice McMurray, Storer Bestg. Co. national sales dir.; Hotel Roosevelt, N.Y.

### Obituary

John F. Howell, 40, CBS Films vp & gen. sales mgr., was killed March 16 under the wheels of a subway train in N.Y. Surviving are his widow and 3 children.

### Auxiliary Services

**Fox Off SEC Hook:** Matthew M. (Matty) Fox, pres. of Skiatron of America, and of Television Industries Inc., cleared himself of difficulties with the SEC by voluntarily signing a consent decree enjoining him from selling or offering stock in Television Industries Inc. unless it is first registered with SEC. Television Industries is a TV film distributing firm, successor to Fox's C&C Super Corp.

The judgment, entered in N.Y. federal court, includes a disclaimer by Fox of any personal buying or selling of unregistered stock in the past. Fox had obtained loans from commercial lenders to help finance the business of Skiatron of America, using his 68,840 shares of Television Industries stock as security. Because of defaults by Fox, one of the lenders sold 12,800 shares of Television Industries stock in the open market without Fox's knowledge or consent, according to an affidavit signed by Fox.

Meanwhile in Washington, protracted SEC hearings for Skiatron Electronics, accused of making inadequate disclosures of stock deals with Matty Fox and his Skiatron of America (Vol. 16:11 p22), were recessed until April 4. No further testimony in the Skiatron Electronics case was taken at a brief SEC session March 17, when SEC attorneys asked examiner Robert N. Hislop for a 2-week delay to work out stipulations with the pay-TV company's lawyers on its business outlook. At the same time SEC's ban on trading in Skiatron Electronics stock was continued.

Telemeter's Toronto pay-TV system will get Golden Gloves boxing, which has been off TV for the past 7 years, The East vs. West finals, to be staged in N.Y.'s Madison Square Garden March 21, will be piped by closed-circuit long lines to Toronto. Viewing price for Telemeter subscribers will be 75¢. Telemeter also told us last week that "negotiations for televising legitimate theatrical productions are currently in progress."



# Trade Report . . . .

MARCH 21, 1960

**FM STEREO MARKET BY YEAR'S END?** Manufacturers can begin active design & planning of a new consumer electronic product—FM stereo radio—by year's end, if FCC meets its own schedule to establish standards for the new broadcast service.

Don't hold your breath waiting for AM stereo standards, though. It looks now as if stereo radio will have a year's headstart on the FM band before it's permitted on the standard AM broadcast band. The Commission is giving priority to FM systems, probably won't even formally ask for AM system proposals until next fall, when FM deliberations are well under way.

Mass output & marketing of radios specifically designed to receive dual-channel FM broadcasts can be in high gear by summer 1961, if the system designation comes toward end of this year, as expected. EIA Pres. David Hull says he's hopeful that FCC will have FM stereo standards ready as early as next fall. Not until FCC delineates the standards for the new service will manufacturers be able to work out actual production design of circuits for the new FM multiplex tuners.

Stereo phono sales have gotten off to good start this year, we were told in Washington last week by manufacturers attending EIA's spring conference—and most hi-fi makers look for introduction of real stereo radio to add to momentum of whole stereo field. FM stereo radios would be merchandised both as part of stereo phono systems and as 2-speaker table sets.

One of FCC's stereo radio deadlines passed last week, as industry comments on FM stereo systems were filed. The Commission received the intra-industry report from EIA's National Stereophonic Radio Committee (NSRC), and this will provide basis for Commission's notice of proposed rule-making, expected soon. As anticipated, NSRC report makes no specific recommendations as to system, but outlines specifications of 5 basic system proposals. Commission's rule-making proposal is expected to be equally non-committal. Details of the NSRC report and other industry stereo-FM filings with FCC will be found on p. 6.

Best guesses as to Commission's further timetable on FM stereo: Deadline for comments on proposed FM stereo rules will probably be July 29, same deadline FCC gave to NSRC's field-test panel for completion of its tests, which will use facilities of KDKA-FM Pittsburgh (Vol. 16:11 p8). FCC hopes to have its staff work completed in summer or early fall, for a final Commission decision and new rules before year's end.

There could be slip-ups in this timing, of course. There's hot controversy over FM stereo systems, centering mainly around question: Should the system be one which also permits FM stations to transmit non-broadcast material (such as functional music for stores) in addition to the 2 channels of stereo? The issue will be hard-fought, because many FM stations now are using 2-channel multiplexing for private radio services. They don't want to give up this lucrative business, nor do they wish to be frozen out of stereocasting. Those who oppose the multiplexing of extra channels with the stereo material argue that such a dual-purpose system would result in degradation of stereo sound reproduction. Field tests are expected to tell whether & how much the signal is degraded.

RCA, which is not a member of NSRC, filed its own 222-page detailed evaluation of proposed FM stereo systems with the FCC. Its principal findings are digested on p. 6.

**TV, STEREO PROMOTION DRIVES STYMIED:** EIA has dropped its planned fall campaign to promote sales of TV sets, and the companion "stereo de-confusion drive" seems headed for the same fate.

Although last year's hastily-concocted TV promotion had been deemed a success (Vol. 15:21,30, 33), disagreement among TV set makers last week sounded the death-knell for the proposal for a more elaborate campaign this year. Convening at the manufacturer organization's spring meeting last week in Washington, members of EIA consumer products div. executive committee couldn't get together on a theme for the drive, or on what aspects of TV to promote.

The campaign to develop better consumer understanding of stereo (Vol. 15:48-49) is also dying for want of support, although EIA members were impressed by the promotion plans drawn up under phono section Chmn. L. M. Sandwick, of Pilot Radio. Group had hoped to raise war chest of \$300,000 and had decided to undertake the campaign if companies accounting for 75% of industry phono output came along. To date, about a dozen firms have subscribed, but since some of the largest companies are holdouts, goal hasn't been met. If some of the big firms change their minds, campaign could still get off the ground—but in Washington last week, EIA phono makers weren't very hopeful.

Problem of Japanese imports again was a prime topic at EIA's spring meeting—particularly in the tube & semiconductor, parts and consumer products divisions. Main effort at this meeting was directed toward moves to tighten & enforce product labeling laws.

One new "buy American" law was recommended by EIA's board of directors—at request of the tube & semiconductor div. Patterned after Canadian law, EIA wants legislation to require permanent non-removable country-of-origin labels on all foreign-made tubes & semiconductors. EIA also endorsed House-passed HR-5054 which would require country-of-origin labels on containers of foreign-produced articles which are repackaged for sale here (Vol. 16:6 p20).

The 3rd prong in EIA's product-labeling drive will be request to FTC to act on infractions of present laws which require labeling of products containing foreign parts. (Example: radios made in U.S. with some Japanese parts.) EIA will also ask FTC to rule whether product advertising must state country of origin.

Foreign radio makers haven't been complying with FCC radiation-control regulations, and the EIA's consumer-products executive committee voted to take the issue up with the Commission. FCC rules require all set makers to certify that their products come within maximum limits on radiation and won't be cause of interference. To date, it's understood, Sony has been only Japanese set maker to file certification with FCC.

For more news of EIA spring meeting actions, see story below.

**TV-RADIO PRODUCTION:** EIA statistics for week ended March 11 (10th week of 1960):

|                   | March 4-11 | Preceding wk. | 1959 week | '60 cumulative | '59 cumulative |
|-------------------|------------|---------------|-----------|----------------|----------------|
| TV .....          | 102,939    | 107,794       | 96,653    | 1,236,818      | 1,091,090      |
| Total radio ..... | 350,468    | 318,650       | 275,592   | 3,463,321      | 2,804,791      |
| auto radio .....  | 149,147    | 122,507       | 109,063   | 1,499,947      | 1,061,428      |

**RCA Making Audio Tape:** Close on Pres. John L. Burns's disclosure last month (Vol. 16:8 p19) that RCA has been producing magnetic recording tape for several years in experimental quantities and would go commercial in 1960, the company announced over the weekend that it was open for business in a new business—the full-scale manufacture of audio tape.

RCA already has set up production shop in a renovated Indianapolis plant and is turning out audio tape in quantity for commercial, professional and home use. It expects to produce more than 2 billion feet of tape in the first year.

Initially RCA will concentrate on the production of audio tape. Later, at an unspecified time, it will move into magnetic tape for use in TV tape recorders and electronic data-processing systems.

Group exec. vp Charles M. Odorizzi said that the new activity will come under the jurisdiction of the RCA Victor record div. The audio tape will be marketed both by that division and the RCA electron tube div.

RCA's entry into the new field of operation, he said, was preceded by "years of research to develop the highest quality tape available today and to provide the consumer with a superior product." Prior to establishing its own production facilities, RCA purchased tapes for use in producing RCA Victor records and pre-recorded tapes, and for sale in blank form under its own brand name.

**EIA Meeting Actions:** EIA Pres. David R. Hull was chosen the winner of EIA's 1960 Medal of Honor for "distinguished service contributing to the advancement of the electronics industry." The award will be presented to the Raytheon vp at EIA's annual convention next May in Chicago. Previous winners: Dr. W. R. G. Baker (1953), Robert C. Sprague (1954), Leslie F. Muter (1955), Paul V. Galvin (1956), Max F. Balcom (1957), H. Leslie Hoffman (1958), Frederick R. Lack (1959).

Other actions taken at EIA's spring meeting in Washington last week:

The consumer-products div. executive committee authorized EIA exec. vp-secy. James D. Secrest to prepare a seal which manufacturers may affix to hi-fi sets complying with EIA's Music Power Rating measurement system (Vol. 16:8 p17). The same committee voted to be represented at Congressional hearings to oppose FCC's proposed law to require uhf tuners in all TVs (Vol. 16:6 p2).

The board of directors named H. F. Bersche, RCA electron tube div., a director of the Electronic Parts Show Corp., representing EIA. Pres. Hull named 3 past-presidents to the EIA nominating committee: H. Leslie Hoffman, Hoffman Electronics; Leslie F. Muter, The Muter Co.; Robert C. Sprague, Sprague Electric. Muter was chosen as chmn. of the 1960 convention committee, and Charles N. Hoffman, Warwick, was named to the committee.

**JAPAN RADIO PRICES DIP:** Japan will formally lower the export floor price for 6-transistor radios to \$11 from \$14 April 1. The Japan Machinery Export Assn. made the decision on the grounds that the existing floor price (check price) was no longer realistic and has been circumvented by the trade.

Low prices at which 6-transistor sets have been selling in the U.S.—in some cases just a little above \$20—have been cited in Tokyo as proof that some set makers have been exporting at less than the floor price, a condition widely known in the U.S. trade. If exported at \$14, transistor radios must sell at around \$30 to allow for shipment cost, 12½% *ad valorem* duty, markups, etc.

Increasing economies resulting from high production rates have enabled Japanese manufacturers to fill large export orders at unit prices of \$10-12.

U.S. importers & distributors of Japanese radios have been reducing prices recently. Latest reductions—albeit mainly on paper—came last week from Sampson Co., Chicago, sales representative of Hitachi. Although dealer & distributor price changes were termed “nominal,” suggested list prices of Hitachi radios have been cut by \$10 on most models. Pres. Robert Sampson said distributor & dealer margins are still competitive with most imports and greater than domestic brands. Lowest-priced set reduced: 6-transistor radio, \$39.95 to \$29.95. Highest priced: 8-transistor 2-band marine portable, \$75 to \$59.95.

(Note: Because of the increasing significance of Japan to the U.S. TV & radio market, TELEVISION DIGEST is now supplementing its direct reports from Japanese sources with its own Tokyo correspondent.)

\* \* \*

Second transistor portable TV set to go into production in Japan is an 8-in. receiver manufactured by Nippon Victor, Japanese affiliate of RCA Victor. Sony Corp. put out the first set in Jan. (Vol. 16:4 p15), and it is being demonstrated in the U.S. for the first time at this week's IRE convention at the N.Y. Coliseum.

The Nippon Victor set has 25 transistors & 11 diodes. It is powered by alkali batteries made by Nippon Victor's parent company Matsushita Electric (which also has announced it is bringing out a transistor battery set of its own). It will go on sale in May at a list price of about \$180.

Nippon Victor's U.S. importer is Petely Enterprises, which markets radios & phonos under the Hi-Delity label (RCA does not handle Nippon Victor products here, and the “Victor” brand is not used on them). Its president, Michael E. Lee, told us in Jan. he hopes to handle U.S. distribution of the Nippon Victor portable TV (Vol. 16:4).

Price reductions of 15-45% in its semiconductor products were announced last week by the U.S. semiconductor products div. of United Industrial Corp. The reduction, said div. vp & sales dir. Joseph C. Worth, was a “reasonable step” following the semi-automation of various production processes. Affected are the concern's tantalum capacitors, zener diodes, other solid-state devices. The most expensive products, including diodes, were slashed to \$30-35 from \$48-60.

Distributor sales of Admiral TV sets during the first 2 months of 1960 were 37% higher than in the comparable 1959 period, Admiral Sales Corp. electronics vp Ross D. Siragusa Jr. announced last week. He said 23-in. sets now represent 66% of the company's large-screen set sales.

**JAPANESE COLOR TV COMING:** Don't place any bets against the U.S. debut soon of “low price” made-in-Japan color TV sets. At least one major importer is moving decisively to bring in a Japanese model, which, we are told, is well under “the cheapest American-made set.”

Thompson-Starrett's Delmonico International div., no stranger to Japanese products, has samples of a Nippon-made 21-in. color set at its Long Island City hq, has a top executive in Japan working out the details, and expects to announce delivery, price, and technical details in 10 days.

Delmonico exec. vp Herbert Kabat told us that while no decision has been made on the Japanese color set, the question is “when rather than if” it will be brought in. He declined to identify the Japanese set-maker.

“My partner Albert Friedman is in Japan right now exploring the situation,” he told us. “We won't be in a position to make a final decision until he returns, in about 10 days. Until then, any discussion of the set or our sales plans would be premature.”

Kabat did tell us, however, that the present thinking is to import cabinet as well as chassis from Japan and equip the chassis here with an American color picture-tube.

“Color tubes aren't available in Japan,” he pointed out. However, this situation may change soon. Several Japanese firms which have announced plans to produce color-TV sets are also licensed to use RCA color-tube patents. These firms include Toshiba, Sony, Matsushita.

Note: As color interest revives in U.S., more firms are planning to go back into the color set business. One of the most recent to make this decision is Hoffman Electronics, which now plans to resume output of color sets. As before, Hoffman will manufacture its own sets. The color fever is spreading to Canada, where the Canadian EIA has urged the govt.'s Board of Broadcast Governors to permit color-casting there. Canadian EIA Pres. Stuart D. Brownlee said that Canadian Admiral, which he also heads, will begin color-set production in May.

**Trade Personals:** S. Martin Fassler named mktg. mgr., GE TV receiver dept. He was formerly radio-receiver dept. mktg. mgr., and succeeds I. L. (Chuck) Griffin, now mgr. of Hotpoint refrigerator dept. . . . George L. Mansour, ex-vp-gen. mgr. of the record div., named to new post of consumer products vp, RCA Victor Co. Ltd. (Canada); Robert G. Simpson promoted from sales mgr. to record div. mktg. mgr. . . . John R. Halligan, treas. & asst. to the pres., appointed vp-secy., Hallicrafters Co.; Edward Bishop Jr., formerly controller, named treas.

Martin Dubilier, one time Philharmonic Radio executive, promoted from gen. mgr. to pres. of ITT's International Electric Corp.; he succeeds F. H. Lanahan, now IEC chmn. . . . William Lawrence, ex-Bell Aircraft, Radio Condenser & Magnavox, named dir. of operations, Stromberg-Carlson electronics div. . . . Anthony Dillon has resigned as national sales mgr., Roland Radio Corp.

Archer E. Mohr named production engineering mgr., RCA's new plant under construction at Mountaintop, Pa.; Charles J. Smith, Jr. named purchasing, production & materials control mgr. . . . Paul S. Heflin appointed to new post of engineering vp, General Instrument Corp.'s semiconductor div. . . . Robert O'Brien resigned as gen. sales mgr., Stromberg-Carlson special products div.

**'Captive Credit' Rises:** Four company-owned finance subsidiaries have reported further growth in 1959. The biggest TV-appliance credit organization, GE's non-consolidated General Electric Credit Corp., handled \$649,986,000 in credit contracts last year—22% greater than the \$533,692,140 in 1958. Net income, however, declined 8% to \$7,567,000 from 1958's record earnings of \$8,301,520.

Westinghouse reported in its 1959 annual report that its wholly-owned subsidiary Westinghouse Credit Corp. expanded its volume of financing last year to more than \$90 million, an increase of 66% above 1958. The parent company's investment in the credit company was \$26 million at year's end.

Motorola reported that its investment in non-consolidated Motorola Finance Corp. increased in 1959 to \$6,275,059 from 1958's \$4,941,391, while net earnings of Motorola finance rose to \$333,668 from \$231,863.

Appliance Buyers Credit Corp., the "captive finance" house which handles credit for RCA Victor, Whirlpool & Carrier products, also reported substantial growth in 1959. ABCC is 80% owned by Whirlpool, 20% by Carrier Corp. Its total assets at the end of 1959 were \$162,847,257, compared with \$93,196,184 a year earlier. Whirlpool Corp.'s annual report notes that Whirlpool's share of ABCC's net income totaled \$605,234 in 1959, up from \$230,451 in 1958.

As many as 6.6% of rural householders may be in the market for a TV set this year, according to a survey by the National Rural Electric Cooperative Assn. A survey made among the 4.2 million members of 957 rural electric co-ops, indicated that 256,200 may "possibly" buy a TV set this year, while 67,200 (1.6% of total) "definitely" planned to buy one. Among the 20 commonly-used electrical items & appliances listed in the questionnaire, TV was 4th in the "possibly" category—exceeded in number of responses only by freezer (386,000), frypan (289,800) and water heater (281,400). In the "definitely will buy list," however, TV came midway between top & bottom, running 11th.

Spray TV—the poor man's remote channel-changer—may have been born last week at Southside Hospital in Bayshore, N.Y. When Edward McBride, an appendectomy convalescent, casually depressed the trigger button on a can of spray deodorant, he produced simultaneously a change of program on his rented remotely-operated TV set. Each time he pressed the button, the set switched channels. Interested hospital officials took over from bed-ridden McBride, tested the pressurized can on 15 other TV sets, produced remote channel tuning on 10 of them. A TV repair man theorized that the hissing sound produced by the deodorant can is attuned to the ultrasonic device within the TV sets that operates the remote channel-changer.

"Bonded-Shield" 23- & 19-in. tubes now constitute more than half of Sylvania's picture tube production for set manufacturers, Sylvania Electronic Tubes equipment sales mgr. W. O. Spink said last week. He added that the proportion is expected to continue to rise. The occasion for the statement was the announcement that the company has started production of 19-in. Bonded-Shield tubes.

Symphonic Electronic Corp., which now has "virtually decided to go into the TV set business," according to Pres. Max Zimmer (Vol. 16:11 p20), hopes to begin selling sets May 15. The sets would be produced in the company's New Brunswick (N.J.) plant.

## Finance

**Dynamics Corp. of America**, N.Y.-based manufacturer of communications equipment and numerous electronic & electrical devices & products, netted a 57% profit gain on a 16% sales increase in 1959. Pres.-Chmn. Raymond F. Kelley, in the annual report released last week, said DCA anticipates a "substantial increase in sales & earnings" for 1960. Orders topping \$60 million were obtained during 1959, more than doubling the 1958 volume, and the backlog on Jan. 1, 1960, was approximately triple that of a year ago. For year ended Dec. 31:

|                             | 1959         | 1958         |
|-----------------------------|--------------|--------------|
| Net sales .....             | \$37,606,308 | \$32,386,037 |
| Net income .....            | 1,447,128    | 921,145      |
| Per com. share (after pfd.) | 36¢          | 16¢          |
| Common shares .....         | 2,756,683    | 2,667,094    |

**Collins Radio's** sales & earnings for the 3-month & 6-month periods ended Jan. 31 were the highest for any quarter & half-year in the concern's history, the company announced in its report last week. For the 2nd fiscal quarter to Jan. 31, Collins reported net earnings of \$2,187,130 on sales of \$49,776,356 (no comparative quarterly figures).

|                         | 1960         | 1959         |
|-------------------------|--------------|--------------|
| Sales .....             | \$91,779,750 | \$48,159,426 |
| Net income .....        | 4,211,447    | 986,227      |
| Per common share .....  | 2.16         | 45¢          |
| Common shares (1960) .. | 1,935,749    | 1,935,749    |

**General Bronze Corp.**, manufacturer of metal work, TV-radio antennas and other electronic products, virtually doubled profit on record sales in 1959. Consolidated report for the year ended Dec. 31:

|                        | 1959         | 1958         |
|------------------------|--------------|--------------|
| Net sales .....        | \$35,379,193 | \$26,691,810 |
| Net income .....       | 619,895      | 312,885      |
| Per common share ..... | 1.61         | 82¢          |
| Common shares .....    | 383,937      | 380,377      |

**Stewart Warner Corp.**, Chicago-based maker of automotive, electronic and industrial products & equipment netted substantial increases in sales & earnings in the year ended Dec. 31 (Shares are adjusted to reflect 2-for-1 split effective Dec. 22, 1959):

|                        | 1959          | 1958         |
|------------------------|---------------|--------------|
| Net sales .....        | \$114,309,343 | \$91,412,303 |
| Net income .....       | 7,883,729     | 5,144,307    |
| Per common share ..... | 2.40          | 1.60         |
| Common shares .....    | 3,288,902     | 3,222,706    |

**Sprague Electric Co.** reports record sales & earnings in 1959. The company's annual report lists current assets at \$22,423,528 at the end of 1959, current liabilities \$5,824,212, net worth \$29,791,419. For year ended Dec. 31:

|                        | 1959         | 1958         |
|------------------------|--------------|--------------|
| Sales .....            | \$56,351,571 | \$43,193,717 |
| Net income .....       | 3,502,328    | 1,761,719    |
| Per common share ..... | 2.61         | 1.41         |
| Common shares .....    | 1,340,229    | 1,247,912    |

**Philips' Lamp Works**, huge Netherlands-based electrical-electronics combine, last year passed the \$1 billion-sales mark. Year ended Dec. 31:

|                  | 1959            | 1958          |
|------------------|-----------------|---------------|
| Sales .....      | \$1,108,290,000 | \$952,675,000 |
| Net income ..... | 93,015,000      | 64,660,000    |

**Lafayette Radio Electronics Corp.**, mail-order distributor of electronic parts & hi-fi components, has placed on the market 225,000 shares of common stock at \$5 a share. The offering is through D. A. Lomasney & Co.

Hazeltine Corp. registered a 21% profit gain in 1959 despite a sharp sag in gross income from 1958's peacetime peak. Pres.-Chmn. W. A. MacDonald, in the 36-year-old electronics firm's annual report, attributed the profit increase to operating efficiencies & concentration of production at its own facilities. During the year, he noted, Hazeltine initiated "a carefully planned expansion program to broaden the company's scope of interest without diminishing its depth of capability." The Little Neck, N.Y. concern is among the nation's 100 largest defense contractors. For the year ended Dec. 31 (1958's stock listing is adjusted for a 2-for-1 split in July, 1959):

|                        |              |              |
|------------------------|--------------|--------------|
|                        | 1959         | 1958         |
| Gross income .....     | \$55,883,841 | \$62,424,060 |
| Net income .....       | 2,724,772    | 2,242,226    |
| Per common share ..... | 1.80         | 1.50         |
| Common shares .....    | 1,509,910    | 1,499,910    |

NT&T stockholders voted to increase the number of authorized shares to 5,000,000 from 3,750,000 at the annual meeting in Los Angeles last week (Vol. 16:11 p24). The authorization will facilitate payment of future stock dividends, allow exercise of stock-purchase warrants involved in the acquisition of NTA and provide shares for future public issue or for acquisitions. Pres. B. Gerald Cantor warned stockholders that a decline in demand for TV films coupled with the SAG strike may slice NT&T's 1960 earnings. "This is a volatile business," he said. "It's hard to make earnings projections."

NAFI Corp., automotive-accessory & broadcast concern (KCOP Los Angeles, KPTV Portland, radio KXYZ Houston) plans a public offering of 200,000 additional capital shares, Pres. John G. Bannister reports. The Oakland, Cal. corporation is acquiring boat-maker Chris-Craft Corp., and \$6 million of the stock-sale proceeds will go to repay a bank loan made in connection with the purchase. NAFI has arranged to buy all outstanding common shares of Chris-Craft for \$40 million—including \$11 million in cash.

GE has filed an SEC registration statement (File 2-16260) for 1.2 million common stock shares for use in the company's savings & security program for employees.

Universal Pictures turned in a healthy \$1.8 million profit in fiscal-1960's first quarter, rebounding smartly from the operating loss incurred in the year-ago period (Vol. 16:11 p24). The fiscal-1959 quarter's net income is exclusive of \$3,676,510 net profit from the sale of studio facilities.

For the 13 weeks ended Jan. 30:

|                             |             |             |
|-----------------------------|-------------|-------------|
|                             | 1960        | 1959        |
| Net income (loss in '59)    | \$1,857,039 | (\$864,575) |
| Per com. share (after pfd.) | 2.03        | 1.80        |
| Common shares .....         | 893,390     | 927,254     |

Decca Records reports a decline in earnings in 1959, compared with the preceding year. However, the 1958 figure includes a non-recurring capital gain on the sale of Universal Pictures' studio facilities. As of Dec. 31, Decca held 777,985 of Universal's 893,390 outstanding shares.

For the year ended Dec. 31:

|                        |             |             |
|------------------------|-------------|-------------|
|                        | 1959        | 1958        |
| Net income .....       | \$2,321,923 | \$2,776,382 |
| Per common share ..... | 1.81        | 1.82        |
| Common shares .....    | 1,285,701   | 1,527,401   |

Technicolor Inc. reports a sharp drop in net income for 1959 despite a rise in net sales. For the year ended Dec. 31:

|                        |              |              |
|------------------------|--------------|--------------|
|                        | 1959         | 1958         |
| Net sales .....        | \$27,250,407 | \$26,778,621 |
| Net income .....       | 237,160      | 558,172      |
| Per common share ..... | 12¢          | 28¢          |
| Common shares .....    | 2,034,346    | 2,027,680    |

**RCA's Assets—\$805 Million:** The world's largest corporation specializing in electronics—RCA, whose sales exceeded \$1.395 billion last year (Vol. 16:9 p18)—had total assets of \$804,914,000 at the end of 1959. This was an increase from \$736,256,000 in one year.

Current assets totaled \$535,733,000 (up from \$482,764,000—and all following parenthecized figures are for 1958), including cash of \$56,473,000 (up from \$49,851,000). Investments totaled \$56,834,000 (\$52,255,000), the largest of which was RCA's 1,158,563 shares of Whirlpool common stock, carried at cost of \$21,600,000. Plant & equipment (less depreciation) was carried at \$210,261,000 (\$198,579,000), patents & patent rights (less amortization) at \$1,499,000 (\$1,511,000).

Current liabilities were \$219,631,000 (\$174,781,000), long-term debt \$245,220,000 (\$249,995,000), deferred liabilities & income \$17,110,000 (\$16,041,000), total shareholders equity \$322,953,000 (\$295,439,000).

The results of RCA's unconsolidated wholly-owned foreign subsidiaries in Argentina, Australia, Brazil, Canada, Cuba, England, Japan, Mexico, Switzerland & Venezuela, were not included in the parent company's consolidated earnings statement—except to the extent of cash dividends received in 1959 (\$1,797,000). Sales of these subsidiaries last year totaled \$58,912,000, resulting in a net profit of \$741,000. At year's end, the net assets of these subsidiaries, says RCA's annual statement, exceeded the "RCA carrying value of its investments by \$11,941,000 after increasing the reserve against investments from \$1 million to \$3 million by charging expense in 1959." The wholly-owned foreign subsidiaries are carried on the balance sheet at \$11,695,000.

Philco stockholders will be asked to vote to increase the authorized common number of shares from 5 million to 10 million at the company's annual meeting April 7 in Philadelphia. According to the proxy statement, the increase will permit management to act quickly on acquisitions "or otherwise expand & strengthen the business." Philco said there are no plans to issue the new shares.

Reports & comments available: Andrea Radio Corp., prospectus, W. C. Langley & Co., 115 Broadway, N.Y. 6 . . . GT&E, prospectus, Paine, Webber, Jackson & Curtis, 25 Broad St., N.Y. 4 . . . International Rectifier Corp., prospectus, Blyth & Co., 14 Wall St., N.Y. 5 . . . Lafayette Radio Electronics Corp., prospectus, D. A. Lomasney & Co., 39 Broadway, N.Y. 6 . . . Barnes Engineering Co., prospectus, Hayden, Stone & Co., 25 Broad St., N.Y. 4 . . . Avnet Electronics, report, Grimm & Co., 2 Broadway, N.Y. 4 . . . Multi-Amp Electronic Corp., report, G. Everett Parks & Co., 52 Broadway, N.Y. 4 . . . Tectron Inc., comments, Bruns, Nordeman & Co., 52 Wall St., N.Y. 5 . . . Tung-Sol Electric, memo, Hardy & Co., 30 Broad St., N.Y. 4 . . . Electronics Capital Corp., report, James Anthony & Co., 37 Wall St., N.Y. 5 . . . CBS, analysis, Blair & Co., 20 Broad St., N.Y. 5 . . . AT&T, report, Oliphant & Co., 61 Broadway, N.Y. 6 . . . Lear, discussion in *Investor's Reader*, Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., N.Y. 5.

**Common Stock Dividends**

| Corporation              | Period | Amt.    | Payable | Stk. of Record |
|--------------------------|--------|---------|---------|----------------|
| General Bronze .....     | Q      | \$0.37½ | Mar. 30 | Mar. 21        |
| Hudson Radio & TV ...    | Q      | .06     | Apr. 8  | Mar. 21        |
| Time Inc. ....           | Q      | .20     | Apr. 30 | Apr. 15        |
| Time Inc. ....           | Stk.   | 4%      | .....   | .....          |
| Universal Controls ..... | Q      | .07½    | Apr. 30 | Apr. 15        |

**CBS SALES & PROFITS AT PEAK:** CBS Inc. last week put the official stamp on its record 1959 performance (Vol. 16:7 p24). To stockholders went the annual report and confirmation that sales & profits were the highest in the company's 32-year history. Chmn. William S. Paley & Pres. Dr. Frank Stanton reported that net income rose 3% over 1958's previous high to top \$25 million. Sales climbed 8% to more than \$444 million.

The outlook is for "continued progress in 1960," they said. "The positive indications are that the economy will break all records in 1960. With the rise of the national income & consumer expenditures, advertising expenditures are expected to reach new high levels, and sales of consumer & industrial electronic products are expected to join in this rapid growth." Paley & Stanton pin-pointed these highlights of the record year:

The CBS-TV network increased sales 8% over 1958, ran 13% ahead of the sales of the other 2 networks, and for the 6th consecutive year "was the world's largest single ad medium." For the 5th straight year, the network attracted the largest average audiences.

The TV stations div., embracing o&o's, spot sales, CBS Films Inc., and 2 overseas offices, scored a 19% sales increase.

CBS News became a separate division, provided 18% of the network's TV programming & 30% for radio.

Columbia Records div. jumped total sales by 25%, achieved the highest dollar volume in its history, and "attained first position in the record industry." By the end of 1959, the report claimed, Columbia Records held 21% of total industry sales.

CBS Electronics became the new name for the company's manufacturing division (replacing CBS-Hytron), "reflecting the planned expansion into broader & more diversified areas of electronic products" which now include electron tubes, semiconductors, radios, phonos and accessories. Dollar sales for the division were up "substantially" over 1958, although "considerably below sales goals," due in large part to "industry-wide price cutting."

Consolidated report for the 52-week 1959 fiscal year ended Jan. 2 (vs. the 53-week 1958 fiscal, in which the per-share earnings are adjusted to reflect a stock dividend):

|                        | 1959          | 1958          |
|------------------------|---------------|---------------|
| Net sales .....        | \$444,311,357 | \$411,800,203 |
| Net income .....       | 25,267,187    | 24,428,812    |
| Per common share ..... | 3.11          | 3.01          |
| Common shares .....    | 8,382,239     | 8,118,649     |

Music Corp. of America topped its 1958 net earnings by 20% in 1959, Chmn. Jules C. Stein stated in MCA's annual report last week. Gross income for the big talent-&-program supplier hit a new high of \$57.7 million, but a breakdown of the figures revealed that MCA was taking in about \$6 from TV film production & sales (including sales of Paramount TV features and studio rentals) to every \$1 that came to MCA as "agency commission" on performer earnings. Net earnings were at the strong rate of \$5.1 million (up from \$4.3 million in 1958). For the year ended Dec. 31:

|                            | 1959         | 1958         |
|----------------------------|--------------|--------------|
| Total income .....         | \$57,786,616 | \$48,429,749 |
| Net income .....           | 5,186,066    | 4,328,442    |
| Per com. share (after pfd) | 1.28         | 1.18         |

National Video Corp. Chicago, the industry's 3rd largest maker of TV picture tubes, was admitted to listing on the American Stock Exchange last week. Symbol: NVD-A.

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

Allied Artists. Roger W. Hurlock bought 200, held 19,000. Albert Zugsmith bought 8,100, held 144,100.  
 American Bosch Arma. William P. Smith bought 400, held 1,500.  
 American Electronics. George K. Otis II bought 2,000, held 2,500.  
 Ampex. Murray Innes Jr. sold 1,000, held 1,000 personally, 667 in trusts. Nathan W. Pearson sold 1,000, held 750.  
 Amphinol Borg. Arthur J. Schmitt exercised option to buy 3,250, held 33,108.  
 Arvin Industries. Harlan Foulke sold 909, held 7,010.  
 Avco. C. Cohun Darling bought 364, held 7,000. James R. Kerr exercised option to buy 5,000, held 9,366. Frank S. Larson exercised option to buy 1,900, held 4,703. Kendrick R. Wilson Jr. bought 7,900, held 16,000.  
 Beckman Instruments. Frederick L. Ehrman sold 4,000 through Lehman Bros., held none in Lehman Bros., 3,000 personally.  
 Belock Instrument. Jack J. Fischer sold 600, held 34,898.  
 Clarostat. Irvin Lavine sold 500, held none. George J. Mucher sold 2,200 for wife, held none for wife, 10,868 personally.  
 Clevite. Wilbur D. Prescott exercised option to buy 500, held 500.  
 Collins Radio. Max W. Burrell bought 3,120, held 6,296. J. G. Flynn Jr. bought 1,000, sold 51, held 1,008. Albert H. Gordon bought 34 through Kidder Peabody & Co. sold 600 through Kidder Peabody & Co., held none in Kidder Peabody & Co., 1,040 personally.  
 CBS. Henry C. Bonfig bought 1,000, held 1,212. Arthur Hull Hayes bought 8,278, held 8,278 personally, 132 in joint ownership. Edmund W. Pugh Jr. sold 100, held 200.  
 Consolidated Electrodynamics. Robert F. Bacher exercised option to buy 750, held 1,100 which were exchanged for equivalent stock of Bell & Howell in merger. T. P. Morgan exercised option to buy 500, held 700 which were exchanged for equivalent stock of Bell & Howell in merger.  
 Consolidated Electronics. Charles G. Munn sold 480, held 2,000.  
 Cornell-Dubilier. Edward Bierma bought 100, held 100. Frank H. Rohy bought 100, held 100.  
 Corning Glass. Norman J. Vang sold 2,000, held 500.  
 Decca Records. Milton R. Rackmil bought 200 as co-trustee, held 11,600 as co-trustee, 1,713 personally.  
 Filmways. L. Douglas Nolan received 250 as bonus, held 2,351. Richard B. Sage received 200 as bonus, held 9,305.  
 GE. Hubert W. Gouldthorpe sold 148, held 1,214. Cramer W. La Pierre sold 1,000, held 3,955. Robert Paxton bought 1,000, held 25,727.  
 Carter L. Redd exercised option to buy 108, held 3,310 personally, 8 for wife, 542 for son, 1,350 in trusts.  
 General Transistor. Theodore A. Bruinama sold 5,020, held 2,000.  
 Globe-Union. Harold M. Sauers sold 100, held 474 personally, 1,970 for wife.  
 Hoffman Electronics. Bruce L. Birchard exercised option to buy 100, held 1,600.  
 IBM. William J. Mair bought 225, held 3,137. Bernard F. Wiegard exercised option to buy 220, held 879.  
 ITT. Charles D. Hilles Jr. received 126 as bonus, held 16,358.  
 Litton Industries. Roy L. Ash sold 1,000 as custodian and 10 more through partnership in exercise of option by employees, held 2,400 as custodian, 10,597 in partnership, 119,452 personally. Myles L. Mace sold 5,000, held 16,685. Joseph A. Thomas sold 5,000 through Lehman Bros., held 15,000 in Lehman Bros., 206 in trust, 15,312 personally.  
 Loew's Inc. Nathan Cummings bought 700, held 58,300. William H. Harrison bought 100, held 100.  
 Loral Electronics. Leon Alpert sold 3,500, held 129,500. Edward J. Garrett bought 600, held 10,600. A. Gerald Merlin sold 100, held 400.  
 Magnavox. Walter O. Menge bought 160, held 400.  
 P. R. Mallory. G. Barron Mallory sold 1,500 from trusts, held 84,992 in trusts, 4,492 personally.  
 Microwave Associates. Vessarios Chigas sold 3,200, held 22,300. Julian Pathe sold 3,100, held 11,100.  
 Oak Mfg. G. Corson Ellis bought 200 jointly with wife, held 300 jointly with wife, 125 personally.  
 Packard Bell. Thomas C. Deane bought 100, held 100. Richard B. Leng exercised option to buy 1,000, held 1,900.  
 Philco. Charles S. Cheston bought 700, held 3,000.  
 RCA. Lewis L. Strauss bought 500, held 500. James M. Toney sold 103, held 35. Incentive awards: Martin F. Bennett received 103, held 1,431. Meade Brunet received 112, held 1,086. John L. Burns received 102, held 20,513. John Q. Cannon received 117, held 975. Ralston H. Coffin received 112, held 612. Charles R. Denny received 178, held 1,219. Orrin Elmer Dunlap Jr. received 144, held 898. Elmer W. Engstrom received 178, held 3,321. Douglas H. Ewing received 173, held 186. Frank M. Folsom received 202, held 10,225. Ernest B. Gorin received 153, held 253. Vincent DeP. Gouneau received 114, held 1,190. Charles B. Jolliffe received 160, held 1,622. Howard L. Letts received 127, held 276. Arthur L. Malcarney received 158, held 399 personally, 200 jointly with wife. George R. Marek received 142 and exercised option to buy 1,800 more, held 2,669. Charles M. Odorizzi received 154, held 10,681. Robert W. Sarnoff received 177, held 10,081. Frank Sleeter received 145, held 2,151. Douglas Y. Smith received 139, held 327. Theodore A. Smith received 180, held 2,923. Edward M. Tuft received 169, held 2,024. William Walter Watts received 164, held 777. Robert L. Werner received 181, held 1,394.  
 Raytheon. Edward L. Bowless sold 3,819, held none. Roger C. Damon bought 100, held 100. Roy C. Ellis sold 200, held 1,841. Thomas H. Johnson exercised option to buy 750, held 750. E. Nevin Kather exercised option to buy 385, held 753. Ernest F. Leatham exercised option to buy 525, held 1,762. Percy L. Spencer exercised option to buy 7,350, held 7,798. Thomas C. Wisenbaker exercised option to buy 682, held 682.  
 Republic Pictures. Victor M. Carter sold 32,300, held 315,420.  
 Siegler. Lloyd G. Hallamore exercised option to buy 2,060, held 6,113.  
 Pierpont M. Hamilton bought 1,500, held 32,856.  
 TV Industries. Matthew Fox bought 1,000 in Nov. 1958 and 110 more in Jan. 1959, reported 38,900 sold by pledge from Oct. 1958 to Nov. 1959 to satisfy unpaid indebtedness, held 37,350 reported pledged as collateral against loans.  
 Texas Instruments. W. F. Joyce sold 1,500, held 12,062. Bryan F. Smith sold 800, held 10,565 personally, 150 in trust.  
 Thompson Ramo Wooldridge. E. C. Brelsford sold 280, held 1,000.  
 Westinghouse. William C. Rowland sold 524, held 258.  
 Zenith. Leonard C. Truesdell bought 100, held 100.

# WEEKLY **Television Digest**

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### **FCC**

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**EDWARD K. MILLS GETS NOD** for FCC, second time in 3 years. Ex-GSA No. 2 man, 54-year-old N.J. attorney (p. 2).

### **Congress**

**NETWORKS, FCC PAYOLA** hit by Harris in brace of new bills carrying out stern legislative recommendations of his Legislative Oversight Subcommittee (p. 3). Dept. (p. 15).

### **ETV**

**FEDERAL AID TO ETV** gets new chance in House, Commerce Committee approving of amended Roberts bill cutting grants from \$52 million to \$39 million (p. 4).

**UPCOMING STATIONS:** A recapitulation of U.S. educational outlets scheduled to start operation in 1960. Low-power Canadian satellite on air (p. 7).

### **Stations**

**KFRE-TV ASSENTS TO UHF SHIFT** in unique move, agreeing to go from Ch. 12 to Ch. 30, waiving hearing rights after FCC votes Fresno all-uhf (p. 4).

**NAB CONVENTION TV AGENDA** will be highlighted by report on industry's "Time for Decision" by Code Review Board Chmn. McGannon. Other features (p. 5).

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### **Manufacturing & Distribution**

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**LISTENER STEREO TESTS** by GE indicate full-range 2-channel system "listens best;" all stereo better than monaural (p. 19).

**IRE CONVENTION HIGHLIGHTS:** Non-glare picture tubes, transistor radio batteries, wireless stereo remote controls, new TV-radio tubes & transistors (p. 20).

**MORE NIPPON COLOR TV:** Hitachi swings into mass-production of 21-in. color set that is slated for fall distribution here by Chicago-based Sampson Co.; Hitachi set & tube use RCA license (p. 21).

**17- & 21-IN. SETS** still being introduced—latest being 4 RCA 17-in.—but many manufacturers are de-emphasizing those sizes in favor of 19- & 23-in. (p. 21).

### **Networks**

**LOOK-ALIKE GROUND RULES** developing informally between CBS & NBC as CBS drops its labels on canned laughter (p. 9).

**NETWORK ADVERTISERS** total rose to 320 last year and they purchased \$627,311,530 worth of time, TvB reports (p. 10).

### **Film & Tape**

**WGA MAY DROP KEY ISSUE** of foreign residuals in its 10-wk. old strike (p. 11). Situation at a glance (p. 12).

### **Other Departments**

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**SUSPENSION OF 'IDENTIFICATION' EDICT LIKELY:** FCC is inclined to give industry a breather from the onerous requirements of its tremendously upsetting March 16 document—"Sponsor Identification of Broadcast Material" (Vol. 16:12 p2-3). Though it hadn't acted at week's end, indications were that it would incorporate its interpretation of law on payola, plugola, etc., into rule-making and give industry a chance to tell what's wrong with it.

Seldom has industry been in such a furor. Most of it is about free records. FCC said stations must announce the donor. This hits almost every station in its minute-by-minute operations. NAB, networks and stations reacted with urgent pleas that Commission hold off enforcement, listen to industry's plight, modify its decision, give stations some rules they can live with.

Biggest concern of stations was that FCC requires them to clutter up programs with announcements that "Such-&Such Record Co. supplied following record" or words to that effect. FCC sources say that isn't quite true, that an announcement every 15 min. sounds reasonable. Furthermore, they assert, stations can arrange programs so as not to make announcements unwieldy—by bunching records from each donor into 15-min. groups.

"But what about our libraries?" stations ask. "We don't know which we bought or which were given to us." FCC reaction: Do your best to find out. Show good faith. The law doesn't exempt those.

What irks operators further is that the announcements would have to be logged as commercials and counted in their reports to FCC—thus amounting to a huge increase of as much as 1,000-1,500 spots a week—giving their operations an extremely "overcommercial" impression.

There are many, many other problems & questions, very disruptive to industry's way of doing business. Industry's examples, as filed with Commission last week, point out the ludicrous, such as announcing source of press releases. FCC has said nothing, will discuss problem this week, is expected to remove pressure.

Industry speculated endlessly about reasons for FCC's hasty & disturbing action. Main answer, naturally, is desire to impress Congress with a show of firmness, as if to say: "You say we've been lax about payola, etc.? Okay. Here. Here's what the Communications Act says. If our action was too tough, or impractical, or ridiculous—change the law."

But many attorneys disagree violently, asserting that Commission is cockeyed in its reading of the law and that any court would tell it so. There's no major move afoot yet to amend law. Rather, industry is hoping to persuade FCC into reasonableness. Failing that, appeals to courts are likely—though lawyers aren't certain that the troublesome document is appealable. It's simply a "public notice," spelling out FCC's understanding of the law.

Industry hopes that Commission will be able to ease off gracefully, that it won't give anyone impression that it's "backing down," that Congress will understand FCC's intentions but make it easy for it to "reinterpret" the law.

NAB moved to alert all stations to make their reactions known to powers that be, sending members & non-members copies of "petition for further proceedings" which it had filed with Commission.

NAB's petition, in brisk language, epitomized industry reaction well. Excerpts: "This document is of a sweeping nature, affecting many established & unquestioned practices in the broadcasting industry and would require extensive changes in the day-to-day operations of practically every station in the country. Because many of the concepts set forth are so substantive in nature, it is submitted that they should not be adopted through the medium of an interpretive memorandum . . ."

"Until now it has been regarded as inconceivable that the broadcasting of a recording which was received either free or at a nominal charge, without an announcement to that effect, could by any stretch of the imagination be held to be a violation of Sec. 317 of the Communications Act . . ."

Some stations are now feeling around, attempting to meet what they think are FCC's requirements. They use such language as: "Some of the records in this program were supplied by the manufacturers & distributors." (FCC officials say that isn't enough—that names of suppliers must be given.) But most stations, on legal advice, are sitting tight, expecting clemency. Some, however, have started buying their records. NBC for one, said it will pay for all discs from now on, and that it was examining all programs to determine what announcement it should add where, to comply with its understanding of FCC's requirements.

Last week was also deadline for comments on FCC's proposed anti-payola rule (Vol. 16:7 p7). NAB, networks & several group owners filed. All agreed with Commission purpose but all said that proposed language would put impossible burden on licensees of policing program preparation at stages way beyond their reach. They generally suggested that FCC require stations to apply "due diligence" in suppressing payola—not expect them to guarantee suppression absolutely. Some suggested that law governing under-counter payments be extended to program producers not controlled by licensees. Others asked Commission to supply guidance as to what kinds of licensee controls it wants—in a question-answer type of document such as Commission's "Use of Broadcast Facilities by Candidates for Public Office."

**EDWARD K. MILLS GETS NOD FOR FCC:** Someone in the White House certainly likes Edward Kirkpatrick Mills Jr., because he has been tapped for an FCC vacancy twice in 3 years. First time, in May 1957 (Vol. 13:19-20), he was offered chairmanship to succeed George McConnaughey, but opposition developed and offer was reduced to membership—whereupon Mills declined job. But last week he was ready to accept the position, and President sent his name to Senate.

Big question now is whether Democratic-controlled Senate will choose to pigeonhole nomination pending election, in hopes of substituting a Democrat in Jan.

Mills is an attorney, was No. 2 man (deputy administrator) of General Services Administration from May 1956 to Jan. 2, 1960. He's native of Morristown, N.J. who endeared himself to Eisenhower camp when he



served as chmn. of Morris County Citizens for Eisenhower Committee. He has enthusiastic backing of Sen. Case (R-N.J.), is classified as "liberal Republican." He was mayor of Morristown in 1949-50. Before joining GSA, he was partner in Mills, Jeffers & Mountain law firm there from 1940 to 1956.

Term would last until June 30, 1961, filling out unexpired term of ex-Chmn. Doerfer. Though an early report stated Mills had agreed not to seek full term after that, he says he has taken no position on matter.

Mills was 54 on March 19, is noted as hard worker. In fact, friends blame overwork for his heart attack last year. Apparently, he has recovered well. At GSA, he actually held down several jobs, including acting commissionership of public-building services. He says his attack was "very mild—I didn't even know I had it, at the time."

Associates say he's "fair, pleasant, tough—and tough on himself." He hasn't endeared himself to AT&T, for he led fight which ended with FCC's reduction by 15% of the rates it charges govt. for long lines service, including big SAGE defense system.

Mills had this to say to us about agency conduct: "Members of regulatory agencies like FCC owe the highest integrity to the public in the discharge of their duties. Contested hearings before regulatory bodies are no different in substance than court proceedings and should be decided strictly on the record & the merits."

He's leery of FCC fingers in programming, said that Commission shouldn't try "to determine what programs should be offered to the American public by radio & TV" but that public demand should produce improvement and is now calling for "less emphasis on crime & violence." As for quiz-rigging & payola: "It is discouraging to find this type of thing going on and it should be eliminated." He said he'd hold off suggested cures until he knows more about it.

Mills' nomination was a surprise, just as his selection was in 1957. His name hadn't figured in public speculation, and selection was made only week before it was announced.

He married Shirley R. Burks in 1944, has 2 daughters—12 & 10 years old. During World War II, he was a pilot, attained rank of major. He was educated at Princeton & Yale Law School.

He's an inventor of what he calls "Rube Goldberg things," holds patents on a land-air-sea vehicle, airplane & car safety-seat device, a car bed-seat combination, elementary pilot trainer for youngsters. He has application pending for a "new type of clothes horse," a replacement for the closet.

Meanwhile, Republican Comr. Lee's re-appointment still hangs fire and his chances still look good—better perhaps because of Mills' nomination, since it's doubtful Senate would want to keep 2 FCC vacancies dangling. Commerce Committee is expected to set Lee's hearing for an early date when it meets April 13.

Ex-Chmn. Doerfer hasn't decided what he'll do next, says he's considering several offers, but wants time "to look at this in perspective." (For NAB's talent hunt for late Pres. Harold Fellows' successor, see p. 6.)

**NETWORKS, FCC, PAYOLA HIT BY HARRIS:** Rep. Harris (D-Ark.), who wears 3 legislative hats as chmn. of House Commerce Committee and of its Legislative Oversight and Communications & Power Subcommittees, had another busy time last week.

Drastic broadcasting reform bills to license TV & radio networks, stiffen FCC regulations and outlaw payola & program rigging were tossed at the industry by Harris, who had promised them since Feb. report by Oversighters (Vol. 16:6 p1).

Harris this week moved away from FCC to FPC in hearings on agency ethics (Vol. 16:12 p1), forcing admissions that FPC had been subjected to secret pressures in gas-rate case. He sent staffers out on more evidence-gathering forays for yet-unscheduled payola hearings for ABC-TV's Dick Clark (Vol. 16:12 p17). And he produced one of few actual legislative accomplishments by Commerce Committee so far this season—approval of federal-aid-to-ETV bill (see p. 4).

Harris TV- & radio-control measures probably won't get far before Congress adjourns. But his 2 bills probably will get the biggest push of any reform proposals at session (Vol. 16:7 p1). One (HR-11340) would prohibit station-license trafficking by forbidding FCC to approve transfers within 3 years of grants unless public hearings prove they're in "public interest." Other (HR-11341) is omnibus—and ominous—catch-all. Among other things, it would: (1) Require network licensing. (2) Instruct FCC to set up rules obliging networks to take full responsibility for all material supplied affiliates. (3) Prohibit payola. (4) Make it crime to fix contests on air. (5) Authorize FCC to discipline broadcasters by suspending—instead of revoking—licenses.

For once, Harris-hearing headlines were shifted away from long-spotlighted FCC, however. It was FPC Chmn. Jerome K. Kuykendall's turn to get treatment ("FPC Chief Admits Seeing Pipeline's Lawyer in Secret") after FCC Chmn. Ford emerged unscathed from 2nd week of full Committee hearings on govt. ethics.

Finally releasing Ford from stand, Harris paid him unaccustomed compliments, in fact. Harris said Ford exhibited "patience & diligence as well as persistence" in testimony against some rigid features of Harris bill (HR-4800) to ban ex-parte influences on all regulatory agencies.

Week's hearings wound up with Ford-supporting testimony by ex-FCC gen. counsel Warren Baker. Testifying for Federal Communications Bar Assn., Baker said that Harris measure, as written, is so constricting that agency officials would be unable to accept "a ride downtown in a snowstorm, the loan of a match, the gift of a souvenir."

Oversighters' hearing stage was being prepared meanwhile for Dick Clark, billed as top witness when Subcommittee returns to payola hearings after Committee's ethics hearings are concluded. Subcommittee sources told us no date had been set for Clark's performance, that it may be weeks yet before full Committee finishes with FPC, FTC, CAB, etc. Getting ready for event, Subcommittee counsel Robert W. Lishman & other staffers were amassing more file documents, including Clark's contracts with ABC-TV and Triangle Publications, Inc., whose WFIL-TV Philadelphia is Clark's originating station.

**FEDERAL AID TO ETV GETS NEW CHANCE:** After many starts & stops, weakened proposals for govt. grants to states to set up educational TV stations were headed last week for House vote and possible approval by Congress this session.

Cut-down ETV bill for \$39 million in federal funds by Rep. Roberts (D-Ala.) survived House Commerce Committee delays & opposition (Vol. 16:12 p17) and was approved for floor action. If measure (HR-10609) is passed by House, it must go to conference with Senate, which last year voted for \$51-million ETV bill (S-12) by Sen. Magnuson (D-Wash.).

Advocates of states' rights & govt. economy slashed away at Roberts bill in closed House Committee session, putting through 3 watering-down amendments before permitting it to be reported out to floor. Comfortable majority of 25 Committee members at meeting voted for amended measure, but opponents indicated they'd file minority report, promising floor battle.

Amended House bill authorizes matching grants by govt. up to \$750,000 for each state, D.C. & Puerto Rico—to pay for half of construction costs of ETV facilities operated by colleges, state agencies or foundations. Total federal grants possible were reduced from \$52 million to \$39 million. Limit of federal aid for any station was set at \$150,000, but each state could claim \$10,000 in govt. funds for pre-construction ETV surveys.

Eisenhower Administration is against idea of federal aid to ETV, but Roberts predicted President will not veto his measure if it wins Congressional approval. Once before—in Aug. 1958—House Commerce Committee approved ETV bill (Vol. 14:33 p5) but it died before reaching floor vote. That one authorized \$51 million.

**KFRE-TV ASSENTS TO UHF SHIFT IN UNIQUE MOVE:** A vhf operator agreeing to shift to uhf—an unprecedented action—occurred last week. Triangle Publications' KFRE-TV (Ch. 12) Fresno, immediately after FCC announced that it proposed to make the city all-uhf—and not all-uhf as previously proposed—announced that it would waive all rights to a hearing and agree to the shift. Instead of starting long siege of litigation to fight shift, Triangle TV-radio vp Roger W. Clipp stated:

"When the Commission approved the transfer of KFRE-TV to Triangle, there was outstanding the Commission's proposal that KFRE-TV be changed from vhf Ch. 12 to uhf Ch. 30. At that time, it was determined by our engineers that the people of Fresno could receive a good signal on uhf Ch. 30 from KFRE-TV's present transmitter site. Provided Ch. 30 can be made available to us—and it appears that the present proposal in fact contemplates this—we will in all fairness waive our rights to a hearing and acquiesce in the creation of the new all-uhf area of Fresno."

Though FCC proposes to give KFRE-TV Ch. 53, it also proposes to shift Ch. 30 from Madera to Fresno, which would make it available to KFRE-TV. Commission is undecided about what to do with Ch. 12. It proposes 2 alternatives: Reserve it for educators in Fresno (instead of present Ch. 18) or shift it to Santa Barbara for commercial use. It also proposed to put Ch. 59 in Madera.

Two other telecasters most affected are Fresno's KMJ-TV (Ch. 24) & KJEO (Ch. 47). Principals of both

said they need to study decision before commenting. Also vitally affected are Bakersfield's one vhf & 2 uhfs—KERO-TV (Ch. 10), KLYD-TV (Ch. 17) & KBAK-TV (Ch. 29). As in Fresno, the 2 uhfs had been slated to get vhf channels. But with reversal in Fresno, trend is now toward shifting KERO-TV to uhf. Said FCC:

"ABC proposed that the area be made all-V or all-U and that at least 3 equally competitive services be made available in both Fresno & Bakersfield in either band. While there is self-evident merit in the course urged by ABC, in view of the fact that Fresno & Bakersfield are adjoining markets in the San Joaquin Valley, with vhf service from Bakersfield extending into the service area of Fresno uhf stations, we find it appropriate & desirable to defer for separate consideration the particular problems associated with uhf deintermixture of the Bakersfield market. The Commission is prepared to give consideration to any proposal interested parties may wish to submit in this regard."

Commission voted 4-1 for the move, Cross dissenting, Craven absent (not voting because his engineering firm participated in case before he joined FCC). Though 4-1 vote is a strong one, it shouldn't be assumed that big trend to uhf deintermixture is necessarily in works. Fresno was unusually ripe for move, particularly because TV Allocations Study Organization (TASO) had singled it out as exceptionally good for uhf, noting that uhf coverage was virtually as good as vhf. Furthermore, the all-vhf plan previously under consideration would have moved all stations to Patterson Mountain, 43 miles from Fresno, cutting strength of signal in city "to undesirably low levels."

Though FCC has proposed other vhf-to-uhf shifts, none is still live except plan to shift Evansville's WTVW from Ch. 7—and station has been fighting it bitterly for years.

The week also brought an unusual petition from WEAU-TV (Ch. 13) Eau Claire, Wis. It asks waiver of duopoly rules to permit it to operate both WEAU-TV and a new uhf Ch. 25 station in Eau Claire. WEAU-TV has NBC-TV affiliation; new station would seek CBS-TV. Station says area needs second station and that uhf would be stimulated throughout country if vhf operators were given opportunity to build—and take the risks.

## Stations

**NAB CONVENTION TV AGENDA:** "Time for Decision"—a report by TV Code Review Board Chmn. Donald H. McGannon on the industry's trials & tribulations—heads the TV program at NAB's 38th annual convention April 3-6 at Chicago's Conrad Hilton Hotel.

NAB TV vp Thad H. Brown will preside at the first TV assembly 2:30-5 p.m. April 4 in the hotel's Waldorf Room, where McGannon & other Code Board members will review self-regulation measures & problems. A report by TV Information Office dir. Louis Hausman and an analysis ("Washington 1960—an Election Year") by NBC's David Brinkley & NAB staffers will follow.

The annual closed TV management & ownership conference, including TV Board elections, will be conducted 10 a.m.-12 noon April 5 with Board Chmn. G. Richard Shaf-to in the chair.

TvB takes over an April 6 TV assembly at 2:30 p.m. with a presentation ("How Good Must We Be?") by Pres. Norman (Pete) Cash, station relations dir. William McRae and central div. dir. George Lindsay. Panel discussion of "Spending Money to Make Money" will follow. Participants will include NAB personnel & economics mgr. C. H. Tower and Roger Read of WKRC-TV Cincinnati.

Major convention speakers include: Clair R. McCollough (Steinman Stations) keynoting the opening general assembly at 10:30 a.m. April 4 in place of the late NAB Pres. Harold E. Fellows. Secy. of State Christian A. Herter, addressing the April 4 luncheon. FCC Chmn. Ford, replacing ex-Chmn. Doerfer on the program, as the April 5 luncheon speaker. ABA Pres.-elect Whitney North Seymour, NAB's special counsel on Constitutional issues of FCC program controls, addressing the April 6 luncheon.

For radio members at next week's convention, April

3 will be FM day. The agenda for radio assemblies will include: April 4—Chmn. Cliff Gill of NAB's Standards of Good Practice Committee, Chmn. Robert T. Mason of the all-industry radio-music license committee, managing dir. Lawrence Webb of the Station Reps Assn. April 5—RAB presentation. April 6—"Radio's Public Relations—Your Job" by Chmn. Robert L. Pratt of NAB's radio public relations comm., Broadcasters' Promotion Assn. presentation.

Note: We cordially invite all subscribers and other NAB attendees to TELEVISION DIGEST's suite No. 1319 at the Conrad Hilton. We'll look forward to seeing you.

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Assn. for Professional Bcstg. Education will hold its annual convention April 2 in the Conrad Hilton Hotel, Chicago, prior to NAB's convention there. All NAB members are eligible to attend sessions of the NAB-affiliated organization of colleges & universities which offer broadcasting courses. The featured luncheon speaker at APBE sessions will be gen. supt. Dr. Benjamin C. Willis of Chicago schools. Other speakers will include NAB personnel & economics mgr. Charles H. Tower, Chmn.-designate E. K. Hartenbower (KCMO-TV Kansas City) of the TV Code Review Board, vp Avery Gibson of H-R Reps, vp H. W. Bussman of A. C. Nielsen Co.

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Add NAB-convention-associated meetings: Assn. of Maximum Service Telecasters, April 3, Bel Air Room, Conrad Hilton Hotel, Chicago.

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NAB TV Code staff expansion, including establishment of a N.Y. office under an asst. Code-affairs dir., and appointment of an aide to asst. dir. Frank Morris in the Hollywood office (Vol. 16:1 p6), is due by May 1. Men for the new jobs will be selected after the convention.

**NAB FIELD—OFF & RUNNING:** Informal nominations, recommendations and suggestions for a successor to the late NAB Pres.-Chmn. Harold E. Fellows (Vol. 16:12 p3)—ranging all the way from President Eisenhower down through the ranks of the broadcasting industry itself—began piling up last week.

"We already have 25 or 30 names on hand—some of them just dreamed up," Chmn. C. Howard Lane (KOIN-TV Portland, Ore.) of NAB's 8-member selection committee told us. He begged off mentioning any of the names, since his nominating group won't even get together for a preliminary look at the field until next week's convention.

Lane refused to join in speculation about who his committee might settle on for the NAB leadership. But he agreed that in letters & telephone calls, the talk about likely possibilities for the job already has taken in top national non-TV-radio figures as well as broadcasters who have won public stature.

"We'll be damned lucky to find somebody like Hal Fellows," Lane said. "He was a combination of a respected front-running spokesman for the industry and an administrator." If an available top-caliber candidate combining those qualifications can't be found, it's possible that the nominating committee will recommend to NAB's joint boards that the job be split, Lane added.

If one thing about the NAB succession is sure, Lane told us, it's that no selection will be made during the April 3-6 convention. He hopes to call his committee into its first formal meeting April 3 to begin sifting possibilities.

Meanwhile, Lane called for general participation by NAB members in the hunt. He urged them to come up with ideas and telephone or write him (Mt. Hood Radio & TV Bestg. Corp., 140 S. W. Columbia St., Portland, Capital 8-3333) or nearest members of the selection committee:

Payson Hall, Meredith Publishing Co., Des Moines, Ia., Atlantic 8-8511. Thomas C. Bostic, Cascade Bestg. Co. Inc., Box 702, Yakima, Wash., Glencourt 2-9111. John E. Fetzer, Fetzer Bestg. Co., 590 W. Maple St., Kalamazoo, Mich., Fireside 5-2101. John S. Hayes, Washington Post Co., 40th & Brandywine Sts. NW, Washington, D.C., Emerson 2-9300. Dwight W. Martin, Modern Bestg. Co., Box 2671, Baton Rouge, La., Dickens 4-8571. William D. Pabst, San Francisco-Oakland TV Inc., Jack London Sq., Oakland, Cal., Templebar 4-2000. W. D. (Dub) Rogers, Texas Telecasting Inc., 7400 College Ave., Lubbock, Tex., Sherwood 4-2345.

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Name-droppers are having a field day with the NAB presidency by keeping the rumor mill busy with highly imaginative speculations. Some of the oft-mentioned candidates: President Eisenhower, Richard M. Nixon, Adlai Stevenson, Treasury Secy. Robert B. Anderson, Eric Johnston, Red Cross Pres. Gen. Alfred Gruenther, ex-NAEB Pres. Frank Schooley, FCC secy. Mary Jane Morris, Madison Ave.'s Oliver Presbrey, ex-Secretary of State Dean Acheson, ex-FCC Chmn. Paul A. Porter, CBS-TV program practices vp Joseph H. Ream, ex-WDSU-TV New Orleans exec. vp Robert D. Swezey, ex-FCC Chmn. John Doerfer.

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Tribute to Harold E. Fellows, NAB pres. who died March 8, has been paid by 3 religious charity organizations for "his willingness, along with his industry, to render a public service." A joint statement by the Bishops' Relief Fund (Catholic), One Great Hour of Sharing (Protestant) and United Jewish Appeal pointed out that one of Fellows' last acts was to send out letters to all broadcasters urging cooperation in the organizations' fund-raising campaigns.

**Redundant Block-Booking Testimony:** Fewer witnesses will be called by the govt. in its block-booking anti-trust suit against a half-dozen leading TV feature film distributors (Vol. 16:11 p14 et seq.). Govt. trial attorney Leonard Posner and U.S. District Court Judge Archie O. Dawson reached agreement on this point last week, after Judge Dawson complained that the prosecution was putting "repetitious" testimony on record. The March 25 court session was postponed to give the prosecution a chance to trim its witness list, which originally numbered 126.

Heard in testimony last week: Roger Clipp, TV operations vp of Triangle Publications, Inc., who said he had purchased the AAP (now UAA) Warner Bros. library but was pleased with the deal and didn't feel he'd been pressured; Jack Harris, vp of KPRC-TV Houston, who said he'd bought a large NTA feature package because he wanted "to beat opposing stations to the features;" Samuel Gifford, program dir., and Charles McDaniel, film dir., of WHAS-TV Louisville; George Patterson, program mgr., WAVE-TV Louisville; Charles Vanda, ex-gen. mgr., WCAU-TV Philadelphia, now exec. of J. Walter Thompson; and Morton Cohen, film buyer, WCHS-TV, Charleston.

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Restraint-of-trade trial against Screen Gems brought by the govt. in N.Y. Federal District Court is, like the other govt. film suit (see above), moving at a crawl. After 2 days of testimony on behalf of Screen Gems by economist John J. Corson, who stated that feature films are only "one of a number of important factors" in local-level programming, govt. attorneys asked that his testimony be stricken from the record. Judge William B. Herlands took the move under consideration. Earlier, Herlands had denied a govt. motion to block future sales of the Universal-International backlog (distributed in TV by SG) until the anti-trust suit, under Sec. 7 of the Clayton Anti-trust Act, is completed. Just to make things even, he also denied a motion by the defendants to dismiss the suit on the basis that the govt. had failed so far to prove anti-trust violations.

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United Artists Associated has created a new national sales div. to aid stations in obtaining "full sponsorship for UAA features & cartoons already purchased, on a national, regional and local basis." Leonard E. Hammer has been named dir. of the new UAA div., reporting to national sales mgr. Donald Klauber.

Add payola charges: FTC's anti-payola campaign (Vol. 16:11 p13) has approached the 70-case mark with filing of complaints against these record manufacturers & distributors, each accused of making under-the-table payments to TV & radio disc jockeys:

Decca Distributing Corp., 445 Park Ave., N.Y., Decca Records subsidiary which distributes Decca, Coral and Brunswick records. Southern Record Distributors Inc., 147 Lafayette St., Nashville, and Pres. John Richbourg. Hull Records Inc., 1595 Broadway, N.Y., and Pres. William Kaslin & secy. Blanche Kaslin. Field Music Sales Inc., 1480 Howard St., San Francisco, and Pres. Richard Field. Dolores Enterprises Inc., 1674 Broadway, N.Y., and Pres. Dolores Fuller & secy. Irving Spice. Carlton Record Corp. & Carlton Record Distributing Corp., 345 W. 58th St., N.Y., and Pres. Joseph R. Carlton, vp Norman Walters and vp Don Genson. Herman Lubinsky (Savoy Music Co.), 66 Ferry St., Newark. W. S. F. Inc., 1674 Broadway, N.Y., and Pres. Jack Waltzer & vp-treas. Monte Freed.

Disc jockeys are "musicasters" at radio WEOK Poughkeepsie. A station announcement said that henceforth use of the term "disc jockey" would be banned on its air because of "unpleasant associations." "Musicaster" will be the only acceptable title for record spinners.

Prescott, Ariz. would get Ch. 7 under rule-making proposed by FCC at the request of radio KNOT Prescott.

**Shulton Finds A 4th 'Network':** Undaunted by the refusal of all 3 TV networks to clear time for his prize-winning 60-min. documentary, "The Race for Space," because it wasn't a network-produced news show, producer David L. Wolper found a happy ending last week. The show will be aired in prime time during the week of April 24 on what amounts to a custom-made "network" of more than 100 stations willing to clear time, and purchased on a spot basis by Shulton Inc. through Wesley Associates.

Shulton, which wanted the show from the beginning and optioned it despite the lack of network time, didn't lose the opportunity to take a jab at network resistance to the Shulton-Wolper project. "It's expected," said Shulton vp Frank Carpenter regarding the film's hand-made lineup, "that the show will be viewed by a greater audience than originally contemplated through a network telecast. It will have the backing of public-spirited groups everywhere."

The idea of spot-placing the show was Wolper's. He had shot out a spate of telegrams to stations on the heels of WPIX N.Y.'s recent 49.7 Arbitron success with its station-produced non-network "The Secret Life of Adolf Hitler," now being sold on a syndicated basis. Response was immediate. As part of Shulton's deal, stations have a no-charge right to a 2nd run of the show.

**Toronto Ch. 9 Award:** The *Toronto Telegram*-controlled Baton Aldred Rogers Bestg. Co. was declared the winner in the 9-way competition for Toronto's Ch. 9. Canada's Board of Broadcast Governors, in making the grant at last week's end, rejected 8 applications, which included *Toronto Daily Star*, *Toronto Globe & Mail*, Southam Publishing Co. (7 dailies) and MacLean-Hunter Publications (57 general circulation & trade publications).

Chmn. of the new Toronto grantee is John Bassett, publisher of the *Telegram*, which owns 51% of the station's stock. TV-radio personality Joel Aldred is pres. Other owners include Foster Hewitt, owner of radio CKFH Toronto; Paul Nathanson of Sovereign Films; and TV-radio producer Ray Purdy. Officials say they hope to get the station on the air by year's end.

UA, out to buy stations, has created a TV-radio stations div., to be headed by former UA-TV exec. vp Bruce Eells, who'll have the new title of dir. of broadcast-station acquisitions. Eells will set up the new UA div. (it's part of the parent company, rather than the enlarged UA-Ziv operation) at the Samuel Goldwyn studios in Hollywood. Ziv-TV, meanwhile, is losing none of its sales energy in the UA merger (Vol. 16:11 pp5&9). NBC-TV said it was purchasing 30 min., ZIV-produced *Klondike*.

**Sale of KSBW-TV (Ch. 8) & KSBW Salinas-Monterey, Cal. and its semi-satellite KSBY-TV (Ch. 6) San Luis Obispo for \$3.1 million, was announced last week. Buyers are Paul F. Harron & Gordon Gray, owners of WKTV (Ch. 2) Utica, N.Y. John C. Cohan, major stockholder of the selling group, retains personal ownership of radio KVEC San Luis Obispo.**

**WMBD-TV (Ch. 31) & WMBD Peoria, Ill. have been sold for \$1.85 million to owners of WCIA (Ch. 3) Champaign, Ill., subject to FCC approval. Sellers are John E. Fetzer (WKZO-TV Kalamazoo, Mich.) & Charles C. Caley, who receive an additional \$225,000, spread over 8 years, for agreeing not to compete during that period. WCIA ownership interlocks with the *Decatur Herald & Review* and the *Champaign News-Gazette*.**

## Educational Television

**UPCOMING EDUCATIONAL STATIONS:** The 7 non-commercial outlets which have reported 1960 targets will increase the educational operating total from 46 to 53 by the end of the year. And a few more grants by FCC may bring the 1960 operating total closer to 60 stations. The 7 that have announced 1960 targets include WGTV (Ch. 8, educational) Athens, Ga. (April target).

The new starter for the week was Canadian satellite CHBC-TV-3 Oliver-Osoyoos, B.C., which began repeating parent CHBC-TV (Ch. 2) Kelowna, B.C. on March 27. It's a low-power unattended repeater installation with an RCA transmitter and 50-ft. Western Bridge tower. CHBC-TV also operates satellites CHBC-TV-1 (Ch. 13) Penticton and CHBC-TV-2 (Ch. 7) Vernon, as well as uhf translator CHBC-TV-4 (Ch. 72) Princeton, B.C. CHBC-TV hour is \$170. Reps are Weed and All-Canada.

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In our continuing survey of these educational grantees, here are latest reports from principals:

**KPEC-TV (Ch. 56, educational) Tacoma, Wash.** still hopes to begin shortly, writes V. F. Miner, director of Vocational Technical School for grantee Clover Park Schools. It has a GE transmitter installed & hooked up with a 175-ft. self-supporting tower. Proof of performance tests began week of March 7.

**WIPM-TV (Ch. 3) Mayaguez, P. R.,** planned as a non-commercial outlet by P. R. Dept. of Education, has an April programming target, reports Delgado Marquez, gen. mgr. of the dept.'s other station WIPR-TV (Ch. 6, educational) San Juan. It has an RCA transmitter on hand and a 202-ft. Ideco tower is scheduled for March delivery.

**WFSU-TV (Ch. 11, educational) Tallahassee, Fla.** has a 10-kw GE transmitter scheduled for April 1 delivery and hopes to start soon, according to Roy Flynn, dir. of Fla. State U. bestg. services. Studios, which have been used for closed-circuit programming, are ready. In addition to Flynn, formerly with Birmingham radio WAPI, the staff includes: W. E. Ragsdale, ex-WCTV Tallahassee, chief engineer; Donald E. Wheeler, ex-radio WFIU Bloomington, Ind., program dir.; Richard L. Puckett, studio supervisor.

**WGTE-TV (Ch. 30, educational) Toledo, O.** expects to be on the air this spring, reports exec. mgr. A. R. Bittner for grantee U. of Toledo. It has a 100-watt GE transmitter and helical antenna on University Hall tower.

**KERA-TV (Ch. 13, educational) Dallas, Tex.,** planning full schedule by Sept. 1, hopes to begin with limited programming around July 1, writes exec. director Martin Campbell, ex-WFAA-TV Dallas. Grantee Area Educational TV Foundation signed contract last Dec. to take over the 300-ft. tower, transmitter and other equipment from WFAA-TV (Ch. 8) for \$400,000. It plans to start conversion of equipment this month and has blue prints ready for construction of a temporary studio near the transmitter on Harry Hines Blvd.

**Weber County School Dist., grantee for Ch. 18, Ogden, Utah** hasn't ordered equipment as yet, but hopes to be on the air by next Sept., writes school supt. T. H. Bell. Planned as a low-power outlet, it will use a 100-ft. tower.

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Revised directory of educational TV, AM and FM stations, as of Jan., has been published by the U.S. Office of Education, Health, Education and Welfare Dept., Washington 25, D.C. It was prepared by TV-radio education specialist Mrs. Gertrude G. Broderick.

## Advertising

**FTC TURNS ATTENTION TO PRINT ADS:** FTC Chmn. Earl W. Kintner's plans to put his agency's "crash" program of TV & radio advertising monitoring on a regular, permanent basis (Vol. 16:7 p13)—and take in print media as well—became official last week.

From now on in, Kintner said in a speech to the Washington chapter of the American Public Relations Assn., FTC's expanded 12-member hq monitoring crew (10 lawyers, 2 assistants) will pore over newspapers & magazines for frauds in addition to watching commercials.

FTC always has maintained surveillance over deceptive print ads, but the most common sources of the agency's complaints against non-broadcast media have been consumers and/or the advertisers' competitors rather than FTC's staff itself. Now the strengthened monitoring unit will pay as much attention to printed claims as to spoken & animated claims, Kintner said. He expanded on this thus:

"This will include a continuing survey of all newspapers & periodicals, spot checks of advertising of particular products, spot checks of advertising in geographical areas, and studies of advertising appearing during particular periods.

"Every consideration will be given to the feasibility of tackling advertising evils on an industry-wide basis. Voluntary compliance with the law is always to be preferred if it can be made effective. But we cannot let enthusiastic declarations of good intent on the part of business substitute for law enforcement."

Acting dir. Charles Connolly of the monitoring staff said later that it is scheduling 20-25 newspapers & 15 magazines for inspection each week on a rotating basis. He explained that only newspapers in larger cities and magazines which have national circulations will come under regular scrutiny.

As the broadened monitoring program progresses, Kintner added, FTC will determine: (1) Whether advertisers are complying with FTC law & rules. (2) What "problem areas" exist. (3) Whether drafting of additional special guides to honesty in advertising is needed. (4) Whether the agency should move against groups of leaders in offending industries. (5) What formal complaints should be filed against willful violators.

As he has in other recent speeches, Kintner said that the "crisis in confidence" in advertising brought on by last year's TV quiz scandals can be met by industry itself. He told the APRA meeting that there's "a great opportunity for members of the communications industry to demonstrate once again that private citizens & their organizations can discharge their responsibilities with imagination, speed and decisiveness."

Note: Kintner has set something of a speech-making record for a govt. official since he was promoted to his job last June. As of last week's end, he had made 160 speeches and 35 TV & radio tapes during his 9 months in office. In the last 3 weeks alone he has delivered 12 addresses.

\* \* \*

Renaissance in broadcast advertising is needed, Westinghouse Bestg. Pres. Donald H. McGannon told a luncheon meeting of Chicago's Broadcast Advertising Club March 23. Criticizing some of TV-radio's current advertising excesses, he pointed a finger at "ad-villification," and stated that "knocking the competition . . . is a practice that we could well do without." McGannon reminded his audience of the Elmo Roper survey which found that the public-thought

far less about payola & rigged quizzes than it did about false advertising claims. TV has greater impact than print media, he said, and "advertising on TV and betimes on radio is searched more carefully for believability than advertising in published media. Is it possible," he asked, "to sell aspirin in the absence of abdominal explosions and cranial anvil choruses?"

\* \* \*

Eversharp Inc. has been FTC-cited for allegedly deceptive TV commercials for Schick safety razors & blades "which unduly frighten prospective purchasers of competitive razors." Also named in the complaint as co-respondents were Eversharp vp E. E. Ettinger, the company's ad agency Compton and the latter's vp John Hise & account exec. Alex Hoffman. Challenged by FTC was a "typical" Schick commercial which FTC described this way: "The announcer, Bud Palmer, runs an 'old style round head razor' across a boxing glove worn by heavyweight champion Ingemar Johansson, cutting its surface. 'Look! If that can happen to this glove, think what could happen to your face,' the announcer claims. He then runs his thumb over the edge of a Schick razor, which is drawn across the glove without cutting it. During this video sequence, he tells viewers: 'But Schick shields blade corners . . . no danger of nicks or scrapes. Shave with confidence . . . switch to Schick safety razor, so safe you can shave in the shower.'" In a statement replying to FTC's complaint, Compton said the commercials are "completely valid."

\* \* \*

Ban's Greek statue commercials, subject of quiet negotiations between NAB TV Code staffers, Bristol-Myers and the deodorant maker's agency, Ogilvy, Benson & Mather (Vol. 16:5 p11), are scheduled for replacement—probably this week. All hands in the negotiations had agreed on new commercials to eliminate features which the Code Review Board deemed objectionable, but production difficulties have delayed the changes.

\* \* \*

Bill to curb misleading ads that contain "untrue, deceptive or misleading" facts & figures passed the N.Y. State Assembly last week, and has been passed on to the Senate, where it is scheduled to come to a vote in Albany March 29. Introduced by Assemblyman Luigi R. Morano (R), the bill will absolve TV-radio & print media of responsibility for false ads if the media are "without knowledge" of such deceptions. A bill to correct "abuses" in broadcast rating figures is also pending, having been introduced by Assemblyman Bruce Manley (R).

\* \* \*

Rating services have formed their own trade association "to represent the interests of the broadcast-audience-measurement field." Executives of several research firms attended a recent meeting in N.Y., and took initial steps toward setting up a PR program aimed at the trade & the general public. The group included: Edward Hynes, Trendex pres.; Sydney Roslow, pres., Pulse; James Seiler, ARB pres.; Frank Stisser, C. E. Hooper pres. An invitation has also been extended to A. C. Nielsen Co. to join the group, but the Nielsen firm told us it had no present plans to do so.

\* \* \*

FTC Chmn. Earl Kintner will be interviewed by Mike Wallace March 29 (WNTA-TV New York, 8 p.m.). He'll answer agency criticisms calling his TV ad crackdown "unfair & arbitrary."

**In Other Media:** *Editor & Publisher's* 1960 Year Book reports total U.S. daily newspaper circulation up slightly from 57,594,454 in 1958 to 58,299,723 in 1959. Number of dailies dropped from 1,768 to 1,761. Sundays increased from 558 to 564, with circulation inching up to 47,848,477 from 47,041,203. Ad rates were up in all categories. Evening daily rates (combined) jumped \$8 per agate line (\$215.50 to \$223.50), mornings increased \$2.67 (\$108.55 to \$111.22), and Sundays moved up to \$167.80 from \$167.60.

\* \* \*

Print-media problem is highlighted by the contest being staged by Newspaper Advertising Executives Assn. and American Assn. of Advertising Agencies. They seek a good slogan to explain the advertising virtues of basic circulation figures provided by the Audit Bureau of Circulations. NAEA executives H. James Gediman and John D. Thees in N.Y. said the tendency to project advertising statistics from circulation figures is reaching a dangerous level. "We seem to be returning to precisely the climate of audience inflation that A.B.C. was founded to correct."

**Ad People:** Alan S. Perry and Richard B. White elected BBDO vps . . . Victor M. Ratner, ex-Benton & Bowles, named Grey Advertising planning vp . . . Harry L. Niederauer, ex-J. Walter Thompson, named Fuller & Smith & Ross vp & account mgr. for Raytheon . . . Bryan Houston named pres. of Fletcher Richards, Calkins & Holden, succeeding Fletcher D. Richards, who continues as exec. committee chmn. . . William A. (Bill) Wylie, ex-M-E Productions, named TV-radio dept. vp, Lambert & Feasley . . . William McIlvain, Leo Burnett program vp, moves from Chicago to new N.Y. TV-radio program dept. . . Hugh C. Ralston named mgr., Ford Motor Co.'s new TV dept., Dearborn.

Spot TV is "ideal medium" for promoting compact cars, Larry Israel, gen. mgr., of TvAR, Westinghouse-owned rep firm, said recently in a new brochure, *The Impact of the Compact*. "The first domestic compact-car manufacturer who utilizes spot TV properly to drive home his story with the reach, frequency and impact provided by this medium could well become the pace setter in the field," said Israel. The booklet, based on a TvAR survey in the 5 WBC markets, emphasized the weak auto-owner awareness of U.S.-made compact cars, despite growing sales. In brand identification, only 17% of car owners could name all 5 American-made compacts correctly (Vol. 16:9 p3) and only 38% were able to recall even 3 of the specific makes, said TvAR. Foreign compacts, which generally avoid network TV but do use spot, are still a competitive threat to the U.S. makes, with 13% of men who are interested in buying a compact car expressing a desire for an imported auto, and 20% of these falling into the 18-34 age group.

TV's liquid-detergent success story added more lucrative chapters in 1959. Gross-time billings for 6 of the products topped \$35 million—more than double the 1958 outlay—TvB noted last week. The leaders' 1959 TV-time buys (vs. 1958): Adell Chemical's Lestoil, \$17,627,100 (\$12,339,090), Procter & Gamble's Mr. Clean, \$7,593,219 (\$421,300), Texize Chemical's Texize, \$4,611,500 (\$3,619,000), Lever Brothers' Handy Andy, \$4,096,136 (\$740,730), Colgate Palmolive's Genie, \$1,054,600 (\$319,840).

## Networks

**LOOK-ALIKE GROUND RULES:** What amounts to a near-uniformity of quiz-cleanup ground rules is developing informally between CBS and NBC. Last week, TV admen & producers were notified of these changes:

**CBS-TV:** It's now all right to use canned laughter in comedy shows without terming it "audience reaction technically produced," a March 18 memo from program practices vp Joseph H. Ream made clear. This reversed the stand of CBS and Ream in the Dec. 14, 1959 memo that brought a storm of protest from comedians & producers. Ream's new memo also relaxed the label policy on filmed shows & delayed broadcasts. "We think that after 3 months the TV audience is educated to many basic production techniques, and there's not much further use in cluttering up shows with labels that no longer serve a purpose," Ream told us. "Film, by its very nature, is obvious in a show's own credits, although we will continue to label tape shows, since they could be mistaken for live telecasts."

**NBC-TV:** A new set of "daytime program commercial practices" is now making the rounds of agencies, and will go into effect March 28. Details of the new NBC-TV rules were contained in a memo from daytime programs vp Carl Lindemann Jr. Primarily, they cover the fringe areas of daytime commercials. Advertisers will now be allowed 5-sec. opening & closing billboards in 15-min. program segments (except in film shows) which can't be used for commercial sell, but must restrict their content to the corporate name and mention of TV-sold products. Lead-ins between program content and commercials must be allowed, with these 10-sec. transitions being "devoid of sell." Lead-outs, on the other hand, will "no longer be permitted." In a 15-min. program segment, the advertiser with multi-product lines may now use "two 30-sec. commercials back-to-back in one commercial position (but not in 2 commercial positions) on his major portion."

Comparison of NBC-CBS ground rules, in light of these new memos, reveals an interesting fact. The new CBS rules covering program labels are now quite comparable to those of NBC, issued Jan. 26, and the new NBC daytime ground rules are not unlike those recently issued by CBS. Will ABC complete the picture of ground-rules uniformity? We asked an ABC vp, who said: "We seem to be doing pretty well with the rules we have, and we don't anticipate any changes in the near future."

U.S. guide to BBC-TV, the 1960 edition of the British-govt.-owned network's *Handbook*, is now being distributed by BBC's N.Y. office. It is a hefty (274 pages, plus ads & illustrations), detailed job, and points with pride to the fact that BBC: has a staff of over 16,000 and is the largest non-commercial TV-radio organization in the world; maintains 13 full-time orchestras; is building a \$45-million TV center from its own funds; broadcasts in 40 languages; pulls up to 12.5 million viewers for its top comedy & variety shows; and has an annual gross income of \$87 million from TV-radio set fees. On another BBC-TV front, the network's London hq last week revealed that BBC intends to enter the world program market with a 60-min. taped drama series (26 episodes) based on Georges Simenon's well-known detective-novel hero, Inspector Maigret. Using its own conversion facilities, BBC intends to distribute Maigret tapes—which are compatible with "any lines-system in the world."

**1959 Had 51 More Net Advertisers:** Network TV attracted 320 advertisers in 1959. This figure was up sharply from the 269 participants of the preceding year, TvB reported last week. Procter & Gamble headed the time-buying parade with an investment of more than \$50 million, and Standard Oil Co. of Ohio brought up the rear with a \$3,118 expenditure. LNA-BAR compilations show a total investment of \$627,311,530 in network time by the entire list—vs. 1958's \$566,590,401 (Vol. 16:11 p14).

Among the users of network TV last year were these representatives of the TV-electronics industries: Channel Master Corp. (\$26,808), CBS Inc. (\$126,680), Consolidated Electronic Industries Corp. (\$35,566), General Dynamics (\$20,475), GE (\$6,194,634), GT&E (\$327,700), Philco (\$306,348), RCA (\$3,841,836), Westinghouse (\$5,166,205).

The top 10 network advertisers in 1959 were:

| Rank | Company                      | Expenditures |
|------|------------------------------|--------------|
| 1.   | Procter & Gamble .....       | \$50,293,552 |
| 2.   | Lever Brothers .....         | 32,734,955   |
| 3.   | American Home Products ..... | 28,109,458   |
| 4.   | Colgate Palmolive .....      | 22,478,524   |
| 5.   | General Foods .....          | 20,890,321   |
| 6.   | General Motors .....         | 20,021,744   |
| 7.   | Reynolds Tobacco .....       | 16,123,827   |
| 8.   | Gillette .....               | 13,642,174   |
| 9.   | Sterling Drug .....          | 12,975,463   |
| 10.  | General Mills .....          | 12,919,237   |

**NETWORK SALES ACTIVITY**

**ABC-TV**

Hong Kong, Wed. 7:30-8:30 p.m., co-sponsorship starting in fall 1960.  
*Kaiser Industries Corp.* (Young & Rubicam)

**CBS-TV**

Masters Golf Tournament, April 9, 5-6 p.m. & April 10, 4-5:30 p.m., co-sponsorship.  
*American Express Co.* (Benton & Bowles) & *Travelers Insurance Co.* (Young & Rubicam)

Game of the Week, Sat. afternoon baseball coverage.  
*Falstaff Brewing Co.* (Dancer-Fitzgerald-Sample), *Colgate-Palmolive* (Ted Bates), & *General Mills* (Knox Reeves)

On the Go, Mon.-Fri. 10:30-11 a.m., alt. 15-min. segs. eff. April 4.  
*Pharmaceuticals, Inc.* (Parkson Advertising)

Captain Kangaroo, Mon.-Sat. 8:15-9 a.m., alt. 15-min. segs. eff. April 2.  
*General Mills* (Dancer-Fitzgerald-Sample)

To Tell the Truth, Thurs. 7:30-8 p.m. co-sponsorship eff. March 31.  
*R. J. Reynolds* (William Esty) & *Helene Curtis* (McCann-Erickson)

**NBC-TV**

Major League Baseball, starting April 16 for season.  
*Phillies Cigars* (Wermen and Schorr), *Anheuser-Busch Inc.* (Gardner Advertising), *Genesee Brewing Co.* (McCann-Marschalk), *National Brewing Co.* (W. B. Doner & Co.)

Princess Margaret's Wedding, April 21, 10:30-11 p.m., May 6, 4 p.m. & 7:30-8:30 p.m.  
*Frigidaire div. of General Motors* (Dancer-Fitzgerald-Sample)

**Paramount-CBS Deal:** A production marriage not unlike that existing between Warner Bros. and ABC-TV may be in the making between Paramount Pictures Corp. and CBS-TV. On March 25, CBS-TV Pres. James T. Aubrey Jr. and Paramount Pres. Barney Balaban announced an agreement "opening Paramount's vast Hollywood production facilities to the network," and termed it "the beginning of a continuing & growing relationship between our organization & CBS-TV."

No immediate avalanche of Paramount-produced TV programming will hit CBS-TV channels, however. So far, the deal calls for CBS-TV to move its own house-produced or CBS-owned film packages—such as *Gunsmoke* and *Have Gun, Will Travel*—to the Paramount lot. CBS will also use Paramount as its Hollywood production base on new film pilots, filmed inserts in programs, etc. Co-production deals, a la the Warner-ABC alliance, may come later, and there's every likelihood that they will.

Salaries of CBS Inc. directors who made more than \$30,000 in 1959, as reported in the proxy notice to stockholders for the annual meeting April 20 in N.Y.: Chmn. William S. Paley, \$150,000 salary plus \$144,375 additional paid-out & \$5,625 deferred additional compensation; Pres. Frank Stanton, \$150,000 plus \$144,375 plus \$5,625; CBS-TV network div. Pres. James T. Aubrey Jr., \$68,942 plus \$20,000 paid-out; vp Henry Bonfig, \$50,000; CBS Electronics Pres. Arthur L. Chapman, \$60,000 plus \$12,500 plus \$7,500; Louis G. Cowan, who resigned last year as CBS-TV pres., \$69,808; CBS Radio Pres. Arthur Hull Hayes, \$60,000 plus \$17,500 plus \$2,500; CBS-TV stations Pres. Merle S. Jones, \$75,000 plus \$35,000 plus \$5,000; Columbia Records Pres. Goddard Lieberson, \$67,500 plus \$21,875 plus \$13,125. These amounts are in addition to pension benefits.

Boston affiliation shuffle is currently taking place in the wake of the NBC-RKO general swap of Boston stations (WNAC-TV & WNAC) for a pair of outlets in Philadelphia (WRCV-TV & WRCV). CBS-TV announced March 24 that, not later than Jan. 1, 1961, WHDH-TV—currently a basic ABC-TV affiliate—will become a primary CBS-TV affiliate (since CBS had been displaced from WNAC-TV, which will become an NBC o&o). In the game of network musical chairs, this left ABC-TV and Westinghouse Bcstg.-owned WBZ-TV lined up as potential partners, and ABC-TV station relations vp Julius Barnathan told us his network was studying the situation closely." WBC already has a station affiliated with ABC-TV (Baltimore's WJZ-TV).

TV has spurred voters "to participate in the choice of our national leadership," said CBS News Pres. Sig Mickelson, speaking on "TV & the Election Year" to the St. Louis Rotary Club. Mickelson traced the increasing complexity of political coverage by the networks—with emphasis on the heavy 1960 convention-election coverage planned by CBS-TV. Although "TV is an enormous force on the political scene," he pointed out that political education can't be done by the TV-radio industry alone. "Training the human mechanism to accept a greater volume of information and thus stimulating greater understanding is a job for all of the educational forces in society, including the home, the school, the church, the club and all communications media."

Second British commercial TV firm to pick a U.S. agency this season is Granada TV network, which has named Papert, Koenig, Lois Inc., to handle U.S. advertising. Earlier Associated-Rediffusion appointed McCann-Erickson International to handle its advertising here.



## Film & Tape

**WGA MAY DROP KEY ISSUE:** First hopeful note in the 10-week-old strike of Writers Guild of America vs. Alliance of TV Film Producers and major-studio TV operations came last week, when it was learned that WGA may drop its demand for foreign residuals on telefilms—the single issue which has prevented agreement. In return, WGA would ask a more generous pension fund. (Our strike chart is on the next page.)

Because it's in the midst of delicate negotiations with non-Alliance producers, WGA was guarded when we asked confirmation. A spokesman said only that "it has been considered, but is only one of several approaches discussed."

WGA, which had granted an extension of its contract with non-Alliance producers to March 26, let the pact lapse without strike action. But producers were informed they can be struck on 48-hours notice if negotiations collapse. WGA has called a membership meeting for March 31 to seek strike authorization covering live TV, radio and freelancers in the network field, as well as some non-Alliance producers. The network contract expires March 31. Extension of the strike to non-Alliance producers was not considered a serious possibility last week, since both sides reported good progress was being made.

### Modified Demand on Foreign Payments

WGA had submitted a modified demand on the foreign residuals. Under this proposal writers would get \$1 a film per country as advance payment against 2% of the global gross after the producer recouped his distribution costs. After the producer had received an amount twice his distribution cost, the figure would go to 4% for the writers.

While this was more palatable than WGA's original demands, producers still didn't want to open the door to foreign residuals at this time, because if they did other guilds and unions would want a slice of the same pie. Solution here appeared to be a better pension plan.

In SAG-major negotiations, post-1960s had replaced post-1948s as the major problem. The studios rejected a SAG proposal that actors get 7½% of the gross of post-1960 movies sold to TV, countered by offering all guilds & unions 20% (after deducting 40% for distribution) on movies which made a profit. SAG turned this down.

SAG accused the producers of deliberately stalling in negotiations and some SAG sources asserted this was because an 8-week strike would enable the majors to drop more personnel off the payroll under *force majeure* clauses. A major-studio source dismissed this as "nonsense."

An intangible which is delaying progress in the movie negotiations involves personalities. Major-studio negotiators feel they are not dealing with actors of stature, said one. "We're talking with some bit players & some actors who haven't been in movies for years, and they're telling us how much we've got to pay," scoffed one executive. At the same time it was conceded that SAG faces a problem in that top movie stars usually have their own production companies, so cannot serve as SAG negotiators inasmuch as they are both producers & actors.

Meanwhile, SAG revealed a new policy of signing independent movie-makers even though they are financed by or aligned with major studios. First such company to be signed was Atlantic Pictures, which has a distribution deal with Allied Artists. Contract calls for payment on TV-movies to be a producer-paid pension & welfare plan.

**Four Star's Big Year:** Four Star Television Pres. Dick Powell, who is consistently accurate in predicting his company's future, expects to have a record number of 15 or 16 series for his firm before the buying season ends. Four Star has 10 series now, and, with 5 new sales already made for next season, is in good position to nail down the No. 2 spot in the Hollywood TV film industry—behind Revue Studios. Here's how Powell broke it down for us:

**New sales:** *The Tom Ewell Show*, *The Westerner*, *Stagecoach West*, *The Law & Mr. Jones*, and *The Peter Lind Hayes-Mary Healy Show*, bought by Procter & Gamble.

**Anticipated renewals:** Dick Powell's *Zane Grey Theatre*, *Black Saddle*, *The Rifleman*, Robert Taylor's *The Detectives*, *Wanted—Dead or Alive*, *The June Allyson Show*, *Johnny Ringo*, *The Plainsman*.

**Pilots close to deals:** *Michael Shayne* (60-min. private eye made for NBC-TV) and *Willie Dante*.

A Stewart Granger adventure project is problematical because of script problems. Added Powell: "I haven't even mentioned our Westerns. We're also planning a 60-min. series, *The Corrupters*, and an anthology called *Six Star*, for David Niven, Charles Boyer, Joan Crawford, Jack Lemmon, Robert Ryan and Jane Powell." The company is renewing its lease at Republic.

**MGM-TV '61-'62 Plans:** MGM-TV, now lining up properties for the 1961-62 TV season, has signed Jose Ferrer to produce & star in a 60-min. mystery series, *Hercule Poirot*, based on Agatha Christie's French detective. Ferrer will soon check in on the lot to begin developing the property. He owns a piece of the show.

While there is a slight possibility that MGM-TV's pilot, *The Paradise Kid*, may be sold for next season, the studio is not showing it, planning to submit it for 1961-62. It doesn't consider this a good season to submit Westerns. This studio's 60-min. pilot, *Asphalt Jungle*, now being finished, is also a likely 1961-62 submission. Rexall has bought half of MGM-TV's *National Velvet*, and is currently seeking an alternate sponsor & a time slot.

\* \* \*

20th Century-Fox TV will be back to its 1959 network level this fall, with 3 major series airing nationally. ABC-TV has announced purchase of new, 60-min. *Hong Kong* (starring Rod Taylor) and sale of a major slice of it to Kaiser Industries. Program vp Tom Moore also told us that *Adventures in Paradise*, which got off to a rocky start but has gained steadily, will also be renewed for another season at the end of its 52-wk. run. TCF-TV's 3rd show, *The Many Loves of Dobie Gillis*, has been a hit almost from the beginning on CBS-TV. (But *5 Fingers*, cancelled early in the season on NBC-TV, was not.) . . . Added note on *Hong Kong*: It will be launched by Kaiser this fall in a Wed. 7:30 p.m. slot in a direct attempt to buck top-rated *Wagon Train* on NBC-TV, just as Kaiser's *Maverick* combatted the Steve Allen & Ed Sullivan shows.

\* \* \*

**Hong Kong is hot this year as a TV backdrop.** In addition to the above, on March 28, CBS News will launch a special sales campaign for "William Holden's *Hong Kong*," a 60-min., one-shot, filmed-on-location news special with actor Holden as host & narrator. It's due to be aired soon in a nighttime prime-time slot. Jack Paar, upon his return to NBC-TV, enthused on his show about the British Crown colony; Arthur Godfrey has dropped in to gather material for his shows; and ABC Films' *Counterthrust* series will feature espionage segments shot in Hong Kong.

## STRIKE SITUATION AT A GLANCE

| Union   | Strike vs. TV-Film Makers?  | Strike vs. TV Networks?   | Strike vs. Movies?   | Effects on TV Management  | Prognosis for TV  |
|---|---|---|--|---|---|
| WGA<br>(Writers Guild of America)                               | Yes. Against Alliance of TV Film Producers and TV operations at major studios. Began Jan. 16 over residual proposals, including a foreign residual demand which may be dropped in favor of better pension deal. WGA extension of contract with non-Alliance TV film producers expired March 26, but no strike is imminent as negotiations progress—although a WGA membership meeting is scheduled for March 31 to authorize a strike. | Yes. WGA struck TV film at networks March 18, after latter refused to grant foreign residual demands. Contract with networks covering live TV-radio & network staff writers, now in negotiation, expires March 31. Strike authorization vote to be taken March 31. Same key issues as those in strike against TV-film makers. | Yes. Strike began Jan. 16 over demands for share of post-1948 film sales to TV.  | Some producers feel script shortage, some pilots have been hindered, but production generally has not been hit badly. Producers are obtaining scripts from various sources, including non-Guild writers; are also remaking previously-filmed scripts. Some Guild writers are working under pseudonyms despite WGA orders. If strike doesn't end in few weeks, it can seriously affect next season's production. | WGA's consideration of pension plan in lieu of explosive issue of foreign residuals may pave way for settlement in several weeks. Key factor here is IATSE threat to seek more residuals if TV producers grant talent-guilds residuals. Pension plan would by-pass residuals. Many writers grumbling about being unemployed 10 weeks. Most optimistic view: Settlements late in April with Alliance and TV operations at majors; earlier with non-Alliance group. |
| SAG<br>(Screen Actors Guild)                                    | Doubtful. Extension of contract with TV producers expires May 31, and negotiations haven't begun yet. SAG may settle for reopening clause, make no issue of overseas residuals demand. SAG strike vs. major studios, on since March 7, doesn't involve their TV operations.   | Doubtful. Extension of TV film contract expires May 31. Situation same as with Alliance.  | Yes. SAG struck major studios March 7 over issue of post-1948 movies sold TV. Majors have offered SAG retroactive \$1.5-million pension plan to drop post-1948 demands. SAG has reacted favorably, but is holding out for \$3.5 million. New key issue: post-1960 movies sold to TV. SAG wants 7% of gross. Majors offer 20% (after deducting 40% for distribution) for all guilds & unions, but only for those movies which profited at boxoffice. SAG cool to this proposal. Pay TV another issue. SAG wants reopening clause. Majors consider pay TV an extension of theatrical box office. Little hope for early settlement. | SAG strike has shut down majors' movie production but not their TV-making. No early release of post-1948s to TV is seen even if settlement is made, since majors will sell only when in need of cash.   | With SAG striking majors, Guild has no desire to extend strike to TV. Neither side considers this likely.   |
| IATSE<br>(International Alliance of Theatrical Stage Employees) | No. However, IATSE threats of residual demands in event producers allow them to guilds have hindered negotiations. Circumvention of residuals via pension plan is best bet.   | No.   | No. Contracts of studio unions don't expire until Jan. 1961. Negotiations begin in Nov. IATSE threat to demand its share of post-1948 money is key factor in SAG-majors agreement on pension plan instead of post-1948s.   | None.   | IATSE seeking residual provisions in contracts with new TV film companies. Won't press post-1948 demands unless SAG or WGA gets such money from majors.   |
| SEG<br>(Screen Extras Guild)                                    | No. Contract expired Apr. 2, 1959. SEG filed unfair labor practices with NLRB last week vs. Alliance of TV Film Producers, alleging Alliance refused to bargain separately with SEG and apart from Assn. of Motion Picture Producers.   | No. Contract expired Apr. 2, 1959, negotiations still going on.   | Negotiating with Universal-International. Also meets this week with major independents releasing through United Artists.   | None.   | Same as SAG.  |
| DGA<br>(Directors Guild of America)                             | No. Contract expires Apr. 30. Proposals presented to Alliance include modified overseas demands. No date set for negotiations. DGA overseas demand is much less than WGA's & it doesn't ask percentage of gross.  | No. Contract expires Dec. 31.   | No.  | None.   | No majors crisis anticipated.   |

Reruns of Rory Calhoun's *The Texan*, now in first-run on CBS-TV, have been sold to ABC-TV for next season, and Calhoun will star in a new 60-min. adventure series on CBS-TV. This neat double-play, executed by Desilu exec. vp Martin Leeds, involves an estimated \$1.2 million for 78 episodes from ABC-TV which will daytime-strip the Western. While Rorvic Productions made *The Texan* series with Desilu, its principals, Calhoun and Orsatti, have formed a new company, Calvic, which with Desilu will produce the 60-min. series. It's tentatively set for 7:30 p.m. Mon. Still untitled, the show will present Calhoun as a Barbary Coast adventurer. Giraud Chester, ABC-TV daytime program vp, negotiated *The Texan* purchase.

TV's impact has forced movies to become "a more selective & discerning medium than it has been in the past," Motion Picture Assn. Pres. Eric Johnston stated before the 36th annual conference of the Child Study Assn. of America in N.Y. last week (March 21). "The movie theater," said Johnston, who pointed out the steady dwindling of brick-&-mortar theaters from 22,000 in the late 1940s to only 13,000 today, "once America's massive popular love, has been jilted for that glassy-eyed siren in the living room." Have TV-caused changes improved movies? "As responsible parents, we should all welcome this growing-up . . . to more mature subjects [which] has resulted in more fine motion pictures than in any previous Hollywood period."

## NEW YORK ROUNDUP

Add film projects planned: Cal. National Productions and Fremantle International have blueprinted a 104-episode series of 5-min. children's TV films titled *Henry & His Claymates*, produced by Art Clokey. CNP will handle U.S. distribution; Fremantle will sell it overseas . . . NBC-TV has signed 3 more new film series for possible scheduling during the 1960-61 season: the 60-min *Michael Shayne* (Four Star), the 30-min. *The Westerners* (Four Star), the 30-min. *Big Jake* (Louis F. Edelman) . . . Jackie Coogan, onetime child star, has been signed by CBS Films programs vp Robert F. Lewine to co-star with Reed Maxwell in the pilot of a new adventure series, *Call Me First*.

Fremantle International has signed another co-production deal for a juvenile TV series, this time with Cullen Associates (independent documentary producers), the Golden Press (Golden Books), Hudson Productions, (Little Golden Books) and the Weston Printing Co. The series title is *Goldentoons*, and will feature animated versions of at least 130 Golden books & records. The series is designed to be a segment in a network children's show. Fremantle will hold world distribution rights outside the U.S.

Iron-Curtain sale has been scored by ITC for its syndicated series, *The Four Just Men*. Purchaser is the state-owned TV system in Czechoslovakia. The deal, made by ITC international sales dir. Abe Mandell, is actually the 2nd time ITC has sold a telefilm show to the other world-politics camp. Recently, the *Lassie* series was purchased for telecasting in Yugoslavia.

Foreign-produced TV cartoons are being launched as a new TV syndication package by Cinemagic International Corp. Pres. Arthur Epstein. Titled *Hound for Hire*, the 55-cartoon, 5-min. package is being animated in Europe by studios in France, Germany, England & Yugoslavia. Central cartoon character is "Sam Basset," a dead-pan, sad-faced private-eye type, aided by his sidekick, "Chapultepec," a guitar-strumming Chihuahua. TV-radio writer (*The Danny Thomas Show*, *Father Knows Best*, others) Phil Davis, vp of Cinemagic, created and is producing.

CBS Films Inc. sales staff will hold special sales meetings in N.Y. & Chicago March 31 and April 1, prior to the NAB convention to review sales plans and screen new fall product. Merle S. Jones, CBS Films pres., will officiate.

Screen Gems has sold a group of 12 telefilm series, including *Dennis the Menace*, *Father Knows Best*, and *Rescue 8*, to Tasmanian TV Ltd., new commercial TV outlet in Hobart, Tasmania (Australia).

Add syndication sales: Ziv-UA's *Home Run Derby*, now in 87 markets, has been sold to International Harvester dealers in a major regional buy . . . Official Films' *Almanac*, filmed 5-min. strip series, was bought by 5 stations last week . . . WPIX N.Y. has now lined up 23 station customers for syndicated showings of its 60-min filmed news special, "The Secret Life of Adolf Hitler."

Warner Bros.' *Alaskans*, one of several 60-min. slow starters on ABC-TV this season, scored a 35% share of audience in the latest (Feb.) National Nielsen. *Alaskans* gets 1.9 adults per set in its audience, "ranking first among all 136 nighttime TV programs in this area," the ABC Research Dept. pointed out.

## HOLLYWOOD ROUNDUP

Veteran Hal Roach Sr. came out of retirement last week to say he is reactivating Hal Roach Studios, which he founded. He plans an \$8,420,000 movie & TV-film production program, contingent on obtaining financing as well as approval from the trustees. The studio is in bankruptcy, following Hal Roach Jr.'s partnership with Alexander Guterman. Roach said he has a group of businessmen interested, but declined to identify them. His son will not be involved in the proposed operation.

RonCom Productions exec. producer Alvin Cooperman is casting for the leads in a new action-adventure series, *Arena*. He has virtually set Dan Tobin for a supporting role. RonCom has just finished 2 more pilots, *Harry's Business*, a comedy starring Ray Walston & Elena Verdugo, and *Happy*, another comedy starring Yvonne Lime & Ronnie Burns . . . Production resumed last week on the *All Star Golf* series near Indio, Cal. Show is on ABC-TV.

Warner Bros.' Efrem Zimbalist Jr., star of 77 *Sunset Strip*, threatened to quit the series when the studio refused to lend him out for several movies. The actor was pacified by a meeting with studio Pres. Jack L. Warner, who assured him of consideration in future loan-out requests. Currently in a 4-month walkout on *Strip* is Edd Byrnes, who seeks a revised contract.

Columbia Pictures producer Charles Schneer has entered into a co-production deal for a series, *Sinbad the Sailor*, with the studio's subsidiary, Screen Gems. Sidney Cole will produce the series for Schneer . . . Screen Gems has assigned Winston O'Keefe as producer of its *Tom Sawyer* pilot.

Industry Film Producers Assn. gave its award of merit to CBS Pres. Frank Stanton at its first annual awards banquet in Los Angeles March 26. The prize was for outstanding public service in filmed documentaries, specifically *CBS Reports'* "Biography of a Missile." CBS News producer Jack Beck accepted the award for Stanton.

Anthony George has received his release from Desilu's *The Untouchables*, after appearing in 13 episodes . . . Darryl Hickman and Dick Davalos will star in NBC-TV's *The Blue and the Gray*, being produced by Gordon Kay . . . Screen Gem's *Alcoa-Goodyear Theater*, an anthology series, has been axed.

Revue Studios is planning a pilot for *Defiance*, a 60-min. adventure series starring Don Megowan, Bing Russell and Denny Miller. John Champion is producer-writer of the pilot, which goes into production this week . . . Producer Jack Chertok will begin production of his pilot *Port of Entry*, this week. Paul Comi stars.

Walden Productions' *The Secret Life of James Thurber*, starring Arthur O'Connell, has been sold, and a time slot for next season is now being sought.

NT&T and its subsidiaries, including NTA, National Television Investments Inc. and Williamsport Cable Corp., moved into their new building in Beverly Hills this week.

Screen Actors Guild and AFTRA have given their members permission to appear free on the Cinema-industry-sponsored Academy Awards telecast on NBC-TV April 4 . . . Academy of TV Arts & Sciences' Emmy telecast on NBC-TV June 20 will be sponsored by P&G and Greyhound.

## Technology

**NEW VIDEO RECORDERS:** A "new approach" to TV tape recording will be placed on the market within about a year by Telechrome Mfg. Corp. So said Telechrome Pres. J. R. Popkin-Clurman in an address to N.Y. security analysts, confirming our story of last Dec. (Vol. 15:51 p3). The new machine, designed to sell at substantially lower price than present video-tape recorders, is being developed as a result of an agreement between Telechrome and Epsilon Ltd., a div. of Britain's Stone-Platt Industries.

Popkin-Clurman hopes to demonstrate the new recorder within 4 months. It is understood to be incompatible with the Ampex & RCA 4-head machines. Telechrome's pres. told us earlier that it is "similar in principle to the Toshiba recorder," which uses a single recording head and is now in production by Tokyo Shibaura Electric Co. and scheduled to go on sale this summer in Japan.

The Toshiba recorder is one of 2 known TV tape recorders developed in Japan—both incompatible with Ampex-RCA recorders and with each other. The Victor Co. of Japan has developed a video-tape recorder with 2 recording heads. This mutual incompatibility has led the Japan Broadcasting Federation, a station trade group, to begin a study on the advisability of the setting up of a single TV tape recorder standard to insure compatibility of tapes used by its member stations. Only U.S.-made recorders are currently in operational use in Japan.

### How Toshiba Recorder Works

Toshiba's recorder features continuous diagonal recording of video signals on a single tape track. According to Toshiba officials, this is how it works: Recording tape from the feeding reel is wound spirally around the guide drum and is reeled in the winder while being fed at a fixed rate of speed determined by a capstan. The guide drum at the center is divided into upper & lower parts with a slight space left in between.

The head disc, provided with the video recording head, revolves at high speed in this space and the contact point of the recording head & the tape pass along the track. TV picture frames are recorded at every revolution of the guide drum on the even-spaced track. The tape can then be broadcast without special synchronization. The head can be changed easily and there is no need for matching recording heads. The recording process can be monitored with the special monitoring head provided in the assembly.

Production of video tape has been begun in Japan by TDK Electronics Ltd. & Fuji Photo Film Co. Output is due to reach 600 reels a month in May.

In the U.S., meanwhile, Minnesota Mining & Mfg. Co. has lost its monopoly on the production of video tape. Reeves Soundcraft announced it is now in regular production of tape for TV recorders. Minnesota Mining last week announced a reduction of about 8% in the price of video tape in lots of 48 one-hour reels—3rd cut in 19 months.

Ampex's Videotape demonstrations at the NAB convention April 3-6 will feature new production facilities including still-frame viewing of recorded tapes. With all improvements to date, the Ampex tape system now has a 6-db improvement in signal-to-noise ratio.

Ampex denied reports that it has dropped plans to manufacture Videotape recorders in Japan. Press reports in Tokyo stated that Ampex had reached an agreement under which Sony Corp. would make its VTRs.

Completely new film-projection system, developed by Eastman Kodak, will be unveiled by GE at the NAB convention. Designed for use with a Vidicon camera, the system is claimed to project 16-mm images with clarity & sharpness previously obtained only from 35-mm film. The optical system has tilting, rotating mirrors which follow the film as it passes over the projection gate—reflecting an immobilized, stable image. Action is "continuous"—that is, film motion is not intermittent as in standard projectors, but smooth and at constant speed. GE claims the new projector "practically eliminates the effects of scratches & dirt particles on 16-mm film, and projects a steadier image."

Western Union's transcontinental microwave network (Vol. 15:44 p3) is taking on substance with the awarding of contracts for a system to link Boston & Los Angeles. Pres. Walter P. Marshall said the network will cover some 3,700 miles and is slated for completion late next year. GE will engineer the system. RCA will supply the basic radio equipment. WU has indicated that it plans to have a "video" channel, but it hasn't disclosed whether this would be capable of handling TV or would be used only for non-TV pictorial matter. The system will provide a broad-band circuit to be leased to the Air Force, as well as telegraph channels for WU's private-wire, facsimile and other services. WU is procuring sites for 160 relay stations to be located 25-30 miles apart along the route.

Complete film-room mechanization could be attained through novel approaches based on equipment which can be produced today, it was suggested in a paper at last week's IRE convention by chief engineer J. H. Greenwood of WTAE & radio WCAE Pittsburgh. Among his proposals: (1) Slide projection could be mechanized and made more flexible through use of cathode-ray storage tubes to show the picture while slides are being changed. (2) Film projectors which can be started instantly at full speed could be attained by using the technique of audio-tape machines which keep the motor & drive mechanism in operation during the "standby" period. (3) Cartridge-loaded film projectors could be used for short program segments.

RCA 4½-in. image orthicon camera will be unveiled at the NAB convention in Chicago next week. It's the first U.S.-made 4½-in. TV studio camera to be announced—although Ampex is selling the British Marconi 4½-in. camera, and Telechrome will show 4½-in. British EMI cameras, and the Pye counterpart is also due to be merchandised in this country (Vol. 15:51 p7). The new RCA camera, with a unique keystone-shaped case, is designed for maximum clarity in studio & tape use. It has only 2 main operating controls, meaning that a single operator can handle a group of cameras simultaneously. Designated TK-12, it weighs only 130 lb., is one of the first pieces of equipment to use RCA's thimble-size nuvistor tubes.

Outer-space radio signal was scheduled to be beamed live to TV viewers March 27 on NBC-TV's "Time: Present—Chet Huntley Reporting." Pioneer V is estimated to be 2 million miles from Earth. The program, a detailed examination of how Pioneer V works, arranged to pick up the signal at a U.S. tracking station in Hawaii, and transmit it from there to N.Y. for broadcasting.

Industrial Television, 7940 Fareholm Dr., Los Angeles, reports that it has installed more than 70 translator (booster) TV stations, as well as 40 microwave installations. It also manufactures TV & FM transmitters, closed-circuit & studio equipment.

## The FCC

Lar (America First) Daly, Chicago's die-hard politician whose equal-time beefs led to Congressional amendment of the Communications Act's Sec. 315 last year, has lost 3 arguments with FCC on the same subject. In separate letters to Daly, Commission rejected pleas by Daly for: (1) Equal time on CBS to reply to comments on a news discussion program. (2) Reconsideration of FCC's denial of his request for time on "6 TV and/or radio networks and 23 TV licensees" to reply to newscasts. (3) Reconsideration of FCC's rejection of his plea for dual equal time as a 2-ticket candidate.

Radio-equipped birds—"experimental birdcasting" is FCC's designation for the in-air communications development—will be set loose by U. of Minn. in a study of their flight & nesting movements. Approving an experimental radio research grant for a National Science Foundation-financed project at the Cloquet Forest Research Center, FCC authorized installation of tiny transmitters on 6 male ruffed grouse. Powered by one-oz. batteries, the radios will transmit different-frequency signals to biologists stationed within a one-mile area.

Transfer of control of WJPB-TV (Ch. 5) Weston, W.Va. from J. Patrick Beacom to Pittsburgh Pirates major stockholder Thomas P. Johnson & George W. Eby (Vol. 16:8 p13) has been protested by WBOY-TV (Ch. 12). It alleges that the WJPB-TV principals made numerous misrepresentations, including concealment of ownership changes & agreements.

License renewal hearing for radio KDB Santa Barbara may be necessary because of "overall programming operations & disparity between program representations & actual operations," FCC notified the station in a letter. The action was another indication of Commission's closer scrutiny of renewal applications.

Engineering data in AM applications must conform after April 25 with new FCC requirements in Form 301 for detailed information on interference studies. FCC has revised the form to speed up processing of applications, putting the engineering data "on a more uniform basis."

WHP-TV (Ch. 55) Harrisburg, Pa. wants to move to Ch. 21, according to a petition filed with FCC. The switch also would require these CP-holders to shift: WRAK-TV Williamsport from Ch. 36 to Ch. 73; WLAN-TV Lancaster Ch. 21 to Ch. 55; WTLF Baltimore Ch. 18 to Ch. 66.

Translator CPs granted: Ch. 73, Yakima & Selah, Wash., & Ch. 78, Cowiche & Naches Hts., Wash., to Yakima Wireless Community TV Assn.; Ch. 71, 77 & 80, Memphis, Tex., to Cap Rock Translator System; Ch. 76, Honohina, Hawaii, to Kaiser Hawaiian Village TV.

KTSF (Ch. 10) Scottsbluff, Neb. received authority to identify itself with Gering, Neb. as well as Scottsbluff. FCC has also rescinded the authority granted WLOS-TV (Ch. 13) Asheville, N.C. to identify itself with Greenville & Spartanburg, S.C.

FCC Comr. Robert E. Lee will keep the store during the NAB convention—remaining in Washington while all other members go to Chicago.

Unfair labor charges against WTVM (Ch. 28) Columbus, Ga., accused by IBEW's radio & TV local 662 of refusing to bargain, have been dismissed by NLRB. It held that the union didn't have a majority of station's employes.

## Congress

"Mess in Washington grows & grows," Rep. Bennett (D-Fla.) complained in a *Congressional Record*. He said he himself wasn't pointing "any finger of scorn at anyone," but he cited an editorial in the *Florida Times-Union* of Jacksonville which had scored ex-FCC Chmn. Doerfer's conduct in office, and said new Chmn. Ford "is going to be on the spot." The editorial warned: "Unless he moves fast & in the right direction, the public may be clamoring for a wholesale housecleaning of the FCC to straighten up this phase of the mess in Washington."

TV's "adverse publicity" has been brought on by "the venal & fraudulent efforts of the few" within the industry who have embarrassed it, according to Rep. Blatnik (D-Minn.). "There are producers to whom public service means more than a slogan, and those whose taste earns them a place on my screen," he told the House. As an example of "constructive work" in TV, Blatnik cited Four Star's projected series on men & women in the Foreign Service, planned in cooperation with the State Dept.

"National AGVA Week" would be observed June 5-11 under terms of Congressional resolutions (S. J. Res. 168 & H. J. Res. 624) introduced by Sen. Keating (R-N.Y.) & Rep. Halpern (R-N.Y.). Keating called on the country to "resoundingly applaud the 20,000 members & their families who make up the National American Guild of Variety Artists." Halpern said that "this wonderful group of Americans has an outstanding record of devoted service to every cause without regard to color or creed."

Budget increase of nearly \$82 million to about \$480 million has been voted by the House Appropriations Committee for the U.S. Office of Education, which administers audio-visual research programs under Sec. VII of the National Defense Education Act. It was part of \$197.4 million added to funds of the Health Education & Welfare Dept. above monies requested by President Eisenhower.

Samoan natives who are U.S. nationals—but not citizens—would be authorized to operate radios aboard their own craft, under special legislation (S-3181) introduced by Senate Commerce Committee Chmn. Magnuson (D-Wash.). The measure was requested by Asst. Interior Secy. Roger Ernst, who said that inability of Samoans to get radio licenses from FCC "imposes a serious handicap upon shipping operating in & from the waters of American Samoa." FCC can issue licenses only to U.S. citizens now.

Another booster bill, amending the Communications Act to permit FCC to legalize the devices, has been introduced in the House by Rep. Dixon (R-Utah). The measure (HR-11333) is patterned after legislation (S-1886) co-sponsored by Sens. Moss (D-Utah) & Murray (D-Mont.) which was passed by the Senate last year (Vol. 15:37 p3) but has had no House action.

Budget increase of \$66,595 to \$291,595 for 1960 for the Senate Commerce Committee headed by Sen. Magnuson (D-Wash.) has been approved in a floor vote. Magnuson said more money was needed for stepped-up committee work in jurisdictions ranging from fisheries to surface transportation and including such communications areas as allocations, pay TV, networks, ETV, CATV & boosters.

Ex-President Truman stars in the first of a new series of 13 "public service" TV films to be produced in the Senate studios by Sen. Hart (D-Mich.) for release to home-state stations.

## Programming

**Block that Song Plug:** To curb the possibility of payola in the use of TV background & theme music, the American Society of Composers, Authors & Publishers last week drew up a new set of rules concerning royalties to be paid in TV for such music. The main change is in terms of the distribution to music writers of ASCAP royalties, although the new regulations call for a royalty reduction on background music heard twice or more times weekly to 25% of the maximum paid for such music on a once-weekly basis. The total amount of ASCAP royalties paid by networks is not affected.

ASCAP's move has been made with the blessing of the Justice Dept., since ASCAP is currently operating under a consent decree in exchange for a govt. promise to cease anti-trust proceedings. ASCAP Pres. Stanley Adams stated that the move will "curb incentives for artificial stimulation of performances."

WNTA-TV's N.Y. Storevision experiment is showing results, NTA o&o stations vp Ted Cott stated last week. Cott cited Feb. 29-March 5 Nielsen figures for N.Y. which indicated that the station's *Day Watch* program, telecast 9 a.m.-6 p.m., is now reaching "approximately 1,390,000 unduplicated TV homes." This level, said Cott, is "nearly double the number of *Day Watch* homes that saw the show during the premiere week, Jan. 18-23." *Day Watch* is also seen on nearly 3,200 store TV sets.

Hubbell Robinson Jr. is out as production chief of the troubled Ford *Startime* specials series on NBC-TV. Last week, his N.Y. office closed down and, based in Hollywood, he will direct his further activities toward new TV series. There have been reports, in addition to the show's other problems (Vol. 16:12 p13), of recent sharp disputes between Robinson's firm and the show's sponsor and agency J. Walter Thompson.

Quiz probe is on again in N.Y. as a result of DA Frank S. Hogan's March 23 announcement that he'll probe "any false statements" made by quiz contestants & producers before a grand jury within 2 months. Hogan's quiz probe last fall resulted in a presentment, suppressed at first, but eventually turned over to Congressional probers (Vol. 15:44 p2 et seq.) to trigger the quiz chain-reaction whose effects are still being felt.

"TV 'Free' Film Source Book," 8th edition, published by Broadcast Information Bureau, lists 5,069 public-relations films, of which 1,552 are new titles. Editor Judy Dupuy estimates that the informational films represent an investment topping \$250 million. The source book is obtainable from BIB, 535 Fifth Ave., N.Y. 17.

TV Guide's awards to 7 winners of its readers' poll were presented Friday night during the 60-min. Chrysler-sponsored "TV Guide Award Show," colorcast via NBC-TV. The first nationwide balloting of TV viewers attracted 176,532 votes which selected 5 nominees in each of 7 categories. In the 2nd balloting, readers chose these winners in each category: *Father Knows Best* (favorite 30-min. series), *Perry Mason* (favorite 60-min.-or-longer series), "Turn of the Screw," starring Ingrid Bergman (best single dramatic program), "Another Evening With Fred Astaire" (best single musical or variety program), *Huntley-Brinkley Report* (best news or information program), Raymond Burr (most popular male personality), Loretta Young (most popular female personality).

WCBS-TV N.Y. granted "equal time" immediately after it launched its first on-air TV editorial Mar. 18. In it, the o&o's vp & gen. mgr. Frank H. Shakespeare Jr. had taken a televised swipe at proposals to legalize off-track betting, charging that it would draw most of its revenue from those New Yorkers least able to afford it. Chmn. Robert W. Dowling, of the Mayor's Committee to Legalize Off-track Betting, accepted the station's offer to reply, taped a statement on March 22, and saw it aired at 11:15 p.m. the following night (the same time slot used by Shakespeare for his original 10-min. criticism—which had been repeated on Sat. March 19). Another rebuttal was aired by WCBS-TV on March 19 when state Sen. Joseph Zaretsky, minority leader (D), disagreed with the station's editorial during an appearance on WCBS-TV's *Eye on New York* public-affairs series.

TV's "minuscule percentage of wrongdoing should be weighed in proper perspective with the medium's overwhelming record of public responsibility," NBC standards & practices vp James Stabile told Pittsburgh's radio-TV club. He cited the network's *American Heritage* and *World Wide 60* series as "exemplifying TV's continuing effort to provide quality public-service programming to the maximum number of viewers." Terms such as payola & plugola "which fit neatly into headlines, have diverted attention from TV's consistent record of supplying to some 52 million homes quality entertainment & enlightenment 19 hours a day, 365 days a year," said Stabile.

MCA is entering sports field in TV with the representation of a \$3-million, network-level package on behalf of the American Football League. Both NBC-TV and ABC-TV (which recently landed much of the Gillette sports business) are reported interested. A total of 30 weekend TV grid games will be included in the deal, selected from a total of 56. Harry Wismer, sportscaster & pres. of the New York Titans (one of the league's new teams), stated last week that the American Football League's deal via MCA will offer TV advertisers "twice as many" games as the National Football League, for the same amount of money.

Two instances of station & police dept. cooperation have turned up recently. In Miami, WCKT has set up a lending library of police-series TV shows (*Man Hunt*, *Highway Patrol*, *Decoy*, others) for the city's police dept. to use for "illustrating certain techniques of crime investigation" in its training courses. And in Seattle, KOMO-TV is televising police dept. mug shots & descriptions several times weekly on its 11 p.m. news show. In one campaign against bad-check passers, 33 arrests resulted from 100 telecasts. Several people have turned themselves in after seeing their own faces on screen.

KOMO-TV Seattle scheduled a local public-service double header last week: A 60-min. live telecast from the new Seattle Public Library to celebrate its opening, and the debut of a 30-min. 4-part series, *Alumni Fireside*, featuring distinguished U. of Wash. alumni in conversation with University faculty members. KOMO-TV news editor Herb Robinson is the series host.

Lawrence H. (Bud) Rogers II, recently named operations vp of Taft Bcstg. Co., has instituted a regular series of broadcast editorials for the Taft stations (WKRC-TV & WKRC Cincinnati; WTVN-TV & WTVN Columbus; WBRC-TV & WBRC Birmingham, Ala.; WBIR-TV & WBIR Knoxville, Tenn.; WKYT Lexington, Ky.). Rogers writes the editorials and delivers them on camera.

# Television Digest

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WALTER H. ANNENBERG, President

PUBLICATION OFFICE Rodnor, Pa., MURroy 8-3940, TWX: Rodnor 1028

JAMES T. QUIRK,  
Business Manager

MERRILL PANITT, *Editorial Director*  
HAROLD B. CLEMENKO, *Managing Editor*  
DAVID LACHENBRUCH, *Associate Editor*  
HAROLD RUSTEN, *Associate Editor*  
PAUL STONE

JAMES B. DELEHANTY,  
Asst. Business Mgr.

## WASHINGTON BUREAU

Wyott 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, Chief  
DIANE SCHWARTZ

## WEST COAST BUREAU

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

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**Personals:** John H. Mitchell, former vp in charge of ABC's KGO-TV & KGO San Francisco, appointed mgr. of Central American TV Network (51% owned by ABC) . . . Ralph S. Mann named dir., NBC talent & contract administration . . . Bart Swift, ex-TelePrompTer, named national sales development dir., Theatre Network Television . . . Harry A. Babcock, FTC exec. dir. who joins Washington communications law firm of Weaver & Glassie this week (Vol. 16:12 p18) after 38 years with agency, has been awarded FTC's distinguished service award for "exceptional accomplishments."

Joseph M. Dealey elected pres. of the A. H. Belo Corp., owner of WFAA-TV & WFAA Dallas, succeeding his father E. M. (Ted) Dealey, now chmn. James M. Moroney Sr. promoted from senior vp to vice-chmn.; Joe A. Lubben, from vp to senior vp; H. Ben Decherd Jr. and James M. Moroney Jr. elected vps.

Tom Coleman, ex-asst. dir. of Assn. of American Medical Colleges, Evanston, Ill., appointed Greater Washington (D.C.) Educational TV Assn. exec. vp . . . W. A. MacDonald named CBC PR dir. . . . Cleveland Lane named exec. vp, John Sutherland Productions (industrial & educational film producers).

Jay L. Schiller, ex-Lennen & Newell, named RAB research mgr. . . . Dr. John W. Meaney, U. of Houston radio-TV-film center dir. and mgr. of educational KUHT & KUHF, takes leave to join U.S. Office of Education as TV consultant . . . Russell C. Tornabene, NBC Washington correspondent, elected treas. of Washington chapter of Sigma Delta Chi, professional journalistic fraternity.

## Obituary

Franklin P. Adams, 78, noted newspaper columnist and panelist on *Information Please*, died March 23 of hardening of the arteries. He is survived by his second wife, Mrs. Esther Root, 3 sons and a daughter.

John Lardner, 47, TV-radio columnist for *The New Yorker* as well as *Newsweek's* sports columnist, died March 24 of a heart attack. Coincidentally, Lardner, son of late writer Ring Lardner, was writing the *Newsweek* obituary for his father's colleague, Franklin P. Adams, when he suffered his heart attack.

Former President Harry S. Truman will receive the Broadcast Pioneers' Distinguished Service Award in Chicago April 5 at the banquet held in conjunction with NAB's convention April 3-6. The Pioneers will present to the former chief executive a tape collection of his speeches for the Harry S. Truman Library in Independence, Mo.

RCA Chmn. David Sarnoff was awarded Italy's medal of Commendatore of the Order of Merit at a ceremonial dinner at the Italian Embassy in Washington for his contributions to telecommunications development in Italy. He won the Prize Cristoforo Colombo in Genoa last year.

Meetings this week: Pa. Assn. of Bcstrs. legislative luncheon (March 29), Congressional Hotel, Washington . . . ANA workshop on "How to Use Advertising Effectively in Introducing New Products." (29), Hotel Ambassador, Chicago . . . Assn. of Bestg. Executives of Texas (31), Statler-Hilton Hotel, Dallas . . . National Assn. of FM Bcstrs. business meeting (April 2), Hilton, Chicago.

Meetings next week: Ore. Assn. of Bcstrs. annual meeting (April 8-9). Howard Bell, asst. to pres. of NAB, will speak, Eugene, Ore. . . . Disc Jockey Assn. membership meeting (9-10), Minneapolis.

"Charley Weaver's Family Album," picture book by Cliff Arquette, will be published April 4 by the John C. Winston Co. (\$1.95).

## Auxiliary Services

Intelligent national pay-TV decision "has been made almost impossible for millions of set owners and for the FCC itself," according to the Fund for the Republic. It's "occasional paper," titled "To Pay or Not to Pay" and written for the Fund's Center for the Study of Democratic Institutions by Robert W. Horton, cites "expensive gestures of lavish hospitality and contact with members of Congress in 1958 by a major TV network as a factor in frustrating pay TV in its early stages." As a result of such persuasions, says Horton, the Interstate & Foreign Commerce Committee of the U.S. Senate "apparently yielded to strong outside pressure and requested FCC to postpone pay-TV experiments when the service was about to be initiated in March 1958." Pay-TV interests also "have handled the matter of fees in vague contradictory terms," Horton reports, "and have made no comprehensive or concerted effort to produce realistic estimates of what the public might expect." Horton adds that the pay-TV supporters have strengthened their opponents' hand by ignoring the public "which must ultimately decide the issue."

Television Industries Inc. stock can't be sold by the various firms (Judson Commercial Corp., Mideast Securities Corp., Silver Co.) to which Matthew M. (Matty) Fox, pres. of Skiatron of America pledged his 68,840 shares against loans—at least, not unless the stock is registered with SEC. That's what we were told in N.Y. last week by a spokesman for the SEC office, who added there had been "no new developments since Fox signed a consent decree" (Vol. 16:12 p18). "We've litigated this position over a period of time," said our SEC source.

Jerrold's expansion plans (Vol. 16:10 p20) were further delineated last week in an unusual *Wall Street Journal* ad. "We are interested in purchasing this electronics company," read the caption. The text stated that Jerrold wants to buy a company specializing in design, development & manufacture of radio-frequency measuring devices "with sales of from \$100,000 to several million dollars annually."

# Trade Report . . . .

MARCH 28, 1960

**NEW TAPE CARTRIDGES & NEW CONFUSION:** The candidacy of tape as a mass-market competitor to the stereo disc last week received an important boost—or setback, depending on how you look at it—with the unveiling of 2 new easy-as-a-record stereo tape cartridges.

Most promising was the widely-publicized Minnesota Mining-CBS Labs system, now virtually ready for production and due to be used next year by Zenith and Grundig (Germany), probably also Columbia and some other domestic & foreign phono makers. As demonstrated by CBS Labs Pres. Peter Goldmark—father of the LP disc—at last week's IRE convention in N.Y., it seemed certain to stir up another LP-vs.-45-rpm war—that is, unless it and its competitors kill each other off in a cloud of confusion.

Thus Goldmark again challenges RCA, which has been marketing its own non-compatible tape-cartridge system for 9 months. The 3M-CBS tape cartridge is ingenious, convenient, compact, has excellent tonal reproduction—and, backed by Zenith, should give RCA cartridge a run for its money.

New cartridges are designed to sell for price of LP records "plus or minus 20%," employ brand new type of tape. Tiny cartridge (3½-in. square, 5/16-in. thick) looks like a slightly oversized graham cracker. It plays up to 64 min. at 1⅞-in. per sec. on new narrow tape only 150 mils (about 1/7 in.) wide, completely enclosed within the plastic cartridge. Five or 6 hours of programming can be carried in the coat pocket, and the tapes can be stacked on automatic tape player for continuous music (Zenith's upcoming set will play up to 6 hours). Home recordings can be made on blank-tape cartridges.

One big breakthrough in the new development is preservation of good frequency response at slow speed ("essentially flat" response from 50 to 15,000 cycles is claimed). To prove this achievement, Goldmark played parts of a regular 15-in.-per-sec. master tape played alternately with same selection on new cartridge. Although there was some dispute among audio engineers attending the demonstration, our ears could discern little or no difference.

More confusion may be added by the provision in the 3M-CBS cartridges for an "optional 3rd track" on the stereo tapes. This track would not affect conventional 2-channel tape reproducers, but special players with a 3rd-channel amplifier would reproduce a "reverberation track." Goldmark said that CBS Labs experiments "have shown that in [the] average living room, a much more exciting & realistic sound can be produced [by reverberation], giving an illusion of 'being there.'" The reverberation track would contain "the stereophonic sum signal delayed & reverberated to an optimum degree."

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RCA's tape cartridges, which contain 2 reels and conventional ¼-in.-wide tape, are considerably larger than 3M-CBS's, and can't be stacked on a changer. Recorded at 3¾-in. per sec., they sell at \$4.95-\$6.95, vs. \$5.95 for most stereo LP discs. RCA has about 100 titles in its cartridge catalog, adds about 6 a month.

"Consumer acceptance of the RCA tape cartridge has reaffirmed our belief that this is the answer to tape recording & reproduction for the mass market," said RCA Sales Corp. Pres. Jack S. Beldon, when asked to comment on the new development. "Sales of our first 2 player-records using this system—one stereophonic & one monaural—have met our expectations for a pioneering product and are showing steady increases in areas where dealers are actively promoting & demonstrating the instrument."

Bell Sound Systems, which makes 6 models of recorder-players for the RCA tape cartridge, says it has sold "less than 400 of them—but we feel sales are going well."

Armour Research Foundation, which holds many basic magnetic recording patents, also showed a tape cartridge at last week's IRE meeting. Tape is enclosed in a half-in. thick disc, 3¾-in. in diameter, plays at 3¾-in. per sec. Like 3M-CBS cartridge, the ARF units can be stacked for automatic playing—but they can



also be played on present manual machines. Because 3M-CBS system already has some important industry backing, there seems to be less chance of widespread acceptance for the ARF approach.

Pre-recorded stereo-tape industry, which suffered an almost disastrous depression a year ago as a result of the perfection of the stereo disc and the talk of impending tape cartridges, picked itself off the ground and has been gathering momentum as result of new standards adopted by most tape music manufacturers (Vol. 15:21 p16). Industry standard for pre-recorded tapes is 7½ in. per sec., 4 tracks (2 in one direction, 2 in other), open reels (no cartridge).

The 3M-CBS tape-cartridge development has been demonstrated to most phono & tape-recorder manufacturers—including RCA. Whether tape emerges from the cartridge race as a new & formidable competitor to the stereo disc is anybody's guess—but don't bet if you want to be paid off in the next 2 years.

**WHAT TYPE STEREO 'LISTENS BEST'?** Which approach to stereo provides most pleasure for the listener? If you disregard economics, forget about furniture, ignore convenience features—in other words, just listen—which type of stereo will your ear like best?

GE's radio receiver dept. undertook such a study and came up with "stereophonic home phonograph system rating guide," which, according to advanced project development engineer Harwood B. Moore, "at least shows a significant trend."

Describing results of limited tests in a paper at last week's IRE convention in N.Y., Moore explained that listeners—one at a time—were placed in a room equipped with loudspeakers and switch control and told to compare "System A & System B" 5 different times—systems being changed after each decision. In each case, a standard full-frequency 2-speaker stereo system was compared with all other systems.

Compared in 2 separate series of tests were a monophonic system, normal full-frequency 2-speaker stereo system, single-cabinet stereo console, a 3-speaker system with mixed lows from both channels in the center speaker, a 2-speaker system with mixed lows in the right speaker, a 2-speaker system with "phantom center speaker," and a "spread stereo" console system in which sound is supposed to appear to come from "beyond the cabinet" through enhancement of the "difference" information.

Four tests were made with two sets of 12 subjects taking 2 tests each. Subjects were technicians, secretaries & other GE employees who did not know which systems they were testing and were asked to compare "sound panorama" of the various systems in "order of preference." Quality of equipment, frequency response & volume were kept identical for all tests. One set of tests used a stereo disc, the other a tape. Separate tests were conducted with subject sitting directly in front of speakers and off-center.

Results could have been influenced by size of room, type of furnishings, statistical method (using normal 2-speaker stereo as standard of comparison), as well as many other non-electronic factors—but nevertheless outcome of experiments are interesting. Here is the summary as outlined by Moore:

Listeners expressed "large preference for normal stereo"—a 2-speaker system with the speakers 10 ft. apart (subject was 10 ft. from speakers). While single-cabinet stereo was widely preferred over monaural, all types of wide-angle and "spread" systems got the nod over one-cabinet 2-speaker sound. For listeners sitting front-&-center of speakers, "phantom center channel" system came out ahead of 2-cabinet "normal stereo" in disc tests, but its popularity went way down when subject moved off-center. Summing up, Moore concluded that "subjective listening tests indicate that 2 full-range speakers widely separated are most preferred for stereo." For complete tables of the test results, see p. 20.

**TV-RADIO PRODUCTION:** EIA statistics for week ended March 18 (11th week of 1960):

|                   | March 11-18 | Preceding wk. | 1959 week | '60 cumulative | '59 cumulative |
|-------------------|-------------|---------------|-----------|----------------|----------------|
| TV .....          | 106,733     | 102,939       | 91,416    | 1,343,551      | 1,186,116      |
| Total radio ..... | 349,896     | 350,468       | 170,655   | 3,813,217      | 3,074,365      |
| auto radio .....  | 132,255     | 149,147       | 40,218    | 1,632,202      | 1,162,191      |

Country of origin must be labeled plainly on consumer electronic items imported into Canada beginning April 1, under a new order issued under Canada's Marking Act. Products covered are TV & radio receivers, radio-phono combinations, phonos, record players, tape recorders.

Magazine for distributor salesmen covering the industrial electronics market has been introduced by RCA's electron tube div. *Industrial Market Product & Commercial Tips* will be issued bi-monthly to keep salesmen posted on latest RCA industrial products & promotions.

**IRE HIGHSPOTS:** While space electronics, microminiaturization, computers, medical electronics and direct conversion of heat to electricity dominated the huge IRE international convention last week, there was something for everybody—as usual—among the more than 800 exhibits and 54 technical sessions. The only difficulty was finding it.

Being principally interested in consumer electronics, we again leave the subject of coil-winders, thermothrockles and canuten-valves to the technical journals, and present herewith some capsule summaries of developments, exhibits & papers which were of most interest to us last week at the N.Y. Coliseum & Waldorf-Astoria:

**TV devices:** (1) Corning Glass showed its new non-glare laminated "cap" for 19- & 23-in. picture tubes. The treated cap diffuses 75% of reflected light without perceptible loss in resolution, according to the company. Spokesmen told us that several manufacturers are using the new cap in 19-in. sets, although they have been less quick to accept it for 23-in. tubes. (2) Union Carbide (Eveready) displayed a flat 15-volt alkaline battery developed for direct-view transistor TV sets. Weighing 6½ lb., it can be used for about 4 hours, recharged in 10 hours, takes about 50 recharges. A company official said it can be mass-produced as soon as there's a demand.

**Stereo & hi fi:** In addition to the papers on new tape cartridges and listener stereo ratings (see pp. 18 & 19), 2 new devices described by CBS Labs engineers aroused interest: (1) A wireless ultrasonic continuously variable remote control unit for stereo phonos, controlling volume, balance & record-reject. (2) An automatic stereo phaser for use in record labs & radio stations (now being tested at CBS's KMOX St. Louis) which keeps left & right signals in their proper channels regardless of phase changes.

**New tubes:** There's plenty of life in the vacuum tube yet, and these new types for TV, radio & hi-fi were shown or described at the convention: (1) RCA's thimble-sized nuvistors, now in commercial production, were shown in 2 vhf TV tuners, 2-stage & 3-stage TV IF amplifiers, a uhf tuner and an FM tuner. An 18-nuvisor TV set was shown in operation. (2) GE showed a new "shadow grid" tube (6FG5), which incorporates extra grid, eliminates some circuit components, drastically reduces noise levels in TV tuners and increases amplification in IF operation. GE also showed a full line of 11 new reliable high-performance audio hi-fi tubes and a TV rectifier tube with new tubular cathode which acts as its own heater and permits a 40% power saving. (3) Amperex Electronics introduced new frame-grid tubes for TV tuners & IF stages, whose gain is claimed to be high enough to eliminate an IF stage.

**Transistors:** Two RCA engineers described a developmental double-emitter transistor, combining oscillator & mixer functions, for portable & auto radios. This 2-in-1 transistor will make possible simpler & improved transistor radio designs.

**Ultrasonic cleaners:** First such unit "designed for the mass consumer market as well as for laboratories & industry" was introduced by Narda Ultrasonics Corp., Westbury, N.Y., to sell for "less than \$100." Suggested home uses of the transistorized ultrasonic cleaner: Cleaning contact lenses, eyeglasses, parts & tools for do-it-yourself projects, jewelry, silverware, etc. Principal markets at which the new cleaner is aimed are dental & medical offices, laboratories, barber & jewelry shops, plants handling small parts. Westinghouse, meanwhile, introduced its first portable industrial ultrasonic cleaners for industrial plants.

### More about

**LISTENER STEREO RATINGS:** Preference for 2 widely-spaced (10 ft.) full-range speaker systems in reproduction of stereo discs & tapes was expressed by experimental listeners in GE's recent subjective tests of stereo systems (see p. 19). Two sets of tests were conducted—one using stereo discs, the other tape—with each of 12 people taking each test twice.

GE engineer Harwood Moore, who conducted the tests, said that instrumental selections featuring small musical groups were used for the experiments. In each case, the program material was screened to select recordings in which instruments were grouped so that distinctive sounds originated from left, right & center. He conceded that results might have been different if large-group recordings—symphonies, for example—had been used.

For the disc tests, Moore used the Capitol stereo record, *Donnybrook with Donegan* (3 instruments). In 2nd series of tests, RCA stereo tape *Love in the Afternoon* (5 instruments), was used for program material. In both disc & tape tests, listeners were tested separately sitting 10 ft. in front of speakers at apex of equilateral triangle formed by the 2 widest-spread speakers ("on-center" position), and seated 10 ft. in front but "off-center."

Same stereo-system approaches were compared in both disc & tape tests, except that "spread stereo console" was substituted for "monaural" in the tape tests. No tests of "spread stereo" were made using discs as program material. "Spread stereo" is the system in which sound supposedly seems to originate from beyond the confines of the cabinet.

Here are the listener ratings, as compiled by totaling the number of preferential votes each system received (a vote was allocated to a system for each favorable decision it received by a listener):

#### STEREO PHONOGRAPH RECORD

| System                     | Votes<br>(on-center) | Votes<br>(off-center) | Total<br>Votes |
|----------------------------|----------------------|-----------------------|----------------|
| Normal stereo .....        | 49                   | 52                    | 101            |
| Phantom center channel ..  | 52                   | 32                    | 84             |
| Mixed lows in center ..... | 28                   | 48                    | 76             |
| Mixed lows at right .....  | 31                   | 32                    | 63             |
| Stereo console .....       | 19                   | 13                    | 32             |
| Monophonic .....           | 1                    | 3                     | 4              |

#### STEREO TAPE

|                            |    |    |     |
|----------------------------|----|----|-----|
| Normal stereo .....        | 48 | 54 | 102 |
| Mixed lows at right .....  | 45 | 41 | 86  |
| Mixed lows in center ..... | 37 | 38 | 75  |
| Phantom center channel ..  | 34 | 35 | 69  |
| Spread stereo console .... | 11 | 6  | 17  |
| Stereo console .....       | 5  | 6  | 11  |

**EIA Board Actions:** The EIA board of directors, at its recent spring meeting in Washington (Vol. 16:12 p20), opposed pending legislation which would give the Secy. of Labor broad authority to investigate industry costs & profits before recommending higher tariff rates to offset lower wage levels in countries exporting goods to U.S. In a summary of other actions, in addition to those reported here last week, EIA announced that its board also urged the repeal or modification of the Walsh-Healey Act. Admission of 13 new members raised EIA membership to 342:

Electronic Consultants Inc., Hempstead, N.Y.; Electronics Investment Management Corp., San Diego, Cal.; Harman-Kardon, Westbury, N.Y.; McDonnell & Co., N.Y.; McDonnell Aircraft Corp., St. Louis; Polytronics Labs, Clifton N.J.; Ruder & Finn, N.Y.; Standard Rectifier Corp., Santa Ana, Cal.; Stanford Research Institute, Menlo Park, Cal.; Syntron Co., Homer City, Pa.; Tucor Inc., S. Norwalk, Conn.; U.S. Transistor Corp., Syosset, N.Y.; Vought Electronics div. of Chance Vought Aircraft, Dallas.

**MORE NIPPON COLOR SETS:** Japan's interest in the U.S. color-TV market is shifting from academic to epidemic. Last week came word that giant Hitachi Ltd. of Tokyo has swung into mass production of a 21-in. model that is America-bound. The Sampson Co. of Chicago disclosed that arrangements are being finalized for U.S. distribution of the Hitachi set—soon. The color-TV model is slated to debut at the May parts show in Chicago and to hit U.S. sales outlets in the fall.

It's a sure bet that this is only the beginning. Previously, Thompson-Starrett's Delmonico International div. reported that it is preparing for the debut of a still-unnamed Japanese color set—also 21-in. (Vol. 16:12 p21). Other Japanese majors—Toshiba, Sony, Matsushita—are known to be gearing for color, and certainly there'll be no dearth of distributors for Yankee markets.

In keeping with its "policy to license responsible companies here & abroad to use RCA's patent rights on reasonable terms," color-promoting RCA has been responsive to bids from Japanese set & tube makers. Obviously, the prospect that RCA-licensed Japanese color sets may come home to roost is not a worrisome thought—because anything that boosts color TV in the U.S. helps RCA. (Japan recently adopted the NTSC color standards.)

#### Plans U.S. Marketing This Fall

The Hitachi 21-in. color set is being produced under RCA license, at Hitachi's new Yokohama plant. The picture tube also is being produced by Hitachi. The set, of course, is compatible with U.S. standards and will require no changes or modifications for U.S. reception.

Pres. Robert Sampson of the Sampson Co. said that a team of Sampson executives is in Japan finalizing distribution arrangements. Although the distributor hopes to have the Hitachi color sets "in American stores this fall," Sampson said, price & delivery data will not be available until various details are settled. One detail concerns the completeness of the import. Sampson said it is possible that only the Hitachi chassis & tube will be imported, to be married here to an American cabinet, to save shipping charges. Interestingly, Delmonico International is planning on importing chassis & cabinet, but adding the picture tube in this country. The Hitachi set reportedly uses 28 tubes, 6 diodes and a full-wave silicon rectifier.

Meanwhile, back in Japan, Tokyo-published Feb. *Radio & TV* reports: "The Ministry of Postal Services is in the optimistic opinion that the mass production of color-TV sets will be easier than that of non-color TV sets in the early stage. As regards the price, the domestically-made color-TV sets are 300,000 yen [\$680] a set, while in the U.S.A. it is said to be 200,000 yen [\$520] per set. When they are put into quantity production, it is expected to be lowered to 170,000 yen [\$442], and further to 100,000 yen [\$260] in a few years."

\* \* \*

Sony's Canadian distributor, Winnipeg-based General Distributors Ltd., has been named exclusive Canadian rep of the Japanese concern's newly-formed & wholly-owned Sony Corp. of America distributorship (Vol. 16:10 p16). General Distributors took over the Sony radio line in 1955. Since then, the Canadian distributor reports, it has made Sony "the most wanted brand of transistor radios on the market," has pushed it to the "top sales position with an estimated 30% of total Canadian unit sales against 23 competing name brands."

Sony's battery-portable TV—in its premiere U.S. showing—was a traffic-stopper at the IRE convention last week in N.Y. Even though the Sony booth was tucked in an out-of-the-way corner of the N.Y. Coliseum, there was a continuous crowd watching the tiny 8-in. transistor set (Vol. 16:4 p15)—and asking questions. The model, a pre-production unit, was housed in a transparent plastic cabinet to reveal the neat arrangement of its innards on printed-circuit boards. It gave an excellent picture in the Coliseum, operating on line power or self-contained battery pack and using its own single-rod telescoping antenna. Sony representatives told us it will sell in this country at about \$200, that samples would be here soon, but there will be no large quantities until next year. The set weighs 13 lb. with battery, but feels much heavier because of its compactness. The 12-volt lead-acid battery will operate the set for 3 hours, then must be charged for 10 hours from the power line. The set may be off or on while battery is being charged. The battery can be recharged about 100 times, Sony officials said. In addition to its 8-in. 90-degree tube, the set has one power tube (for charging the battery and operating on line power), 23 transistors, 14 diodes.

First U.S.-made FM-AM transistor portable has been put into distribution by Zenith at \$189.95. Designated the "Trans-Symphony," the deluxe indoor-outdoor radio has 5x7-in. oval speaker, 500-milliwatt undistorted power output, automatic frequency control (AFC), 3 antennas (one for AM, built-in & telescoping antennas for FM), 11 tuned circuits on FM & 8 on AM. It weighs 11¼ lb., is designed to operate 300 hours on 8 flashlight batteries.

**17- & 21-IN. NOT DEAD YET:** Just as Motorola caused raised eyebrows when it introduced 6 new 21-in. sets as forerunners of its 1961 line (Vol. 16:11 p20), RCA showed its confidence in the popularity of an old standby last week when it announced 4 new 17-in. portables.

Two of the 17-in. sets, designated "Sportabouts," are equipped with a new "Wireless Wizard" remote control which turns the set completely off in addition to performing the traditional remote functions. The remote sets feature a "touch bar" channel-selector. The low-end 17-in. non-remote portables start at a suggested retail price of about \$169.95. Some 14-in. portables are retained in RCA's line.

Also introduced by RCA were 2 new color sets—in early American maple and modern—both carrying "open" list and in the higher-priced bracket.

Although most manufacturers are due to emphasize 19- & 23-in. sets this year, no set maker has unequivocally announced that it will eliminate both the 17- & the 21-in. sizes. Some undoubtedly will, however. Admiral is dropping all 17-in. sets and has indicated that it hopes to drop the 21-in. this summer unless there is special demand. Hoffman is known to be planning to drop both sizes. Sylvania, which discontinued 21-in. sets last year, is expected to discontinue the 17-in. size this spring. Westinghouse probably will have only one 21-in. set in its new line, holding over perhaps a couple of 17-in. portables.

Sales of magnetic tapes aren't subject to the manufacturer's excise tax on phono records, the Internal Revenue Service has decided (Rev. Rul. 60-105). Answering questions raised by an unidentified producer of tape-recorded religious music & songs, IRS said such tapes aren't taxable records because they aren't intended "for reproduction by means of a phonograph [or] radio & phonograph."

**Trade Personals:** Theodore S. Hoffman named Hoffman industrial relations vp . . . James W. Evans, dir. of Hazeltine Electronics advanced planning group, named vp . . . William H. Weed named Raytheon industrial components div. ad & sales promotion mgr. . . . S. Champion Titus, ex-BBDO, appointed Ampex Audio ad & sales promotion mgr.

Edward O. Johnson promoted from advanced development mgr., RCA semiconductor & materials div., to chief engineer for the div. . . Carl W. Burrows Jr., ex-Hoffman, named hq sales dir., Stromberg-Carlson . . . Charles W. Carruthers named electromechanical components operations chief engineer, Raytheon industrial components div. . . Frederick H. Brooke Jr. named mktg. mgr., Raytheon A.G., Raytheon wholly-owned European mktg. subsidiary. He will headquarter in Zug, Switzerland . . . Jack A. Rickel to head new Dage Washington office (905 16th St.) . . . Lothar Stern resigns as electronics editor, *Popular Mechanics* magazine, to join Motorola PR dept.

Excise tax status of some TV tuner makers who have been tangled up in a 1955 technical ruling by the Internal Revenue Service would be clarified under a bill (S-3244) by Sen. Hartke (D-Ind). He said his measure is intended to validate procedures by which makers of non-taxed tuners sold them tax-free to set manufacturers although tubes used in the tuners were taxable. Under "the technically correct procedure" of the 1955 ruling, Hartke said, the tuner manufacturers should have paid excises on the tubes, then recovered the taxes from manufacturers of the sets which were taxed. The IRS is now trying to collect tube taxes from the tuner makers although the taxes already have been paid by the set makers, Hartke said.

Radio will outstrip TV in set sales by a ratio of 4-to-one between now & Jan. 1, 1970, predicted RAB Pres. Kevin Sweeney last week before the Spokane Ad Club. Americans, said he, will buy "200 million new radios" by 1970. "A generous estimate," he added, "will give TV another 50 million set sales, of which all but 20 million will be replacements. If newspapers have another 6 million copies daily potential annually by 1970, it will surprise their most enthusiastic advocates, and the chances are that magazines will not gain anywhere nearly as much."

National Co. Inc. has acquired Servo-Dynamics Corp. and will operate the Somersworth, N.H. maker of electromechanical components as a wholly-owned subsidiary. Herbert C. Guterman, chmn. of Malden (Mass.) based National, said Servo-Dynamics' present plant & more than 100 employes will be retained. The new subsidiary was acquired from Saco-Lowell Shops.

Most extensive spring advertising-merchandising program in Motorola's history will be keyed to its portable & car radio lines. Robert G. Farris, consumer-products ad & sales promotion dir., said the program will include national magazines, local newspapers, professionally installed window displays and radio-set selling displays.

Dual-function audio signal generator has been designed by Packard Bell Electronics for measuring distortion in hi-fi amplifiers and frequency response of test equipment, hi-fi amplifiers, tone controls and phono equalizers.

New-type TV aerial cable which uses foamy polythene as screening against high-frequency interference, such as that caused by passing traffic, has been introduced by N. V. Hollandsche Draad-en Kabelfabriek, Amsterdam. Low impedance of the cable requires use of adapting transformers at either end.

## Finance

Admiral's sales & earnings "should continue to increase in 1960," Pres. Ross D. Siragusa predicted in the company's annual report. He stated, however: "Your management is not in complete accord with economists who have been predicting a boom in 1960. While our outlook is cautiously optimistic for the nation's economy, we believe the effects of the prolonged steel strike will be felt for some time. Of greater concern to us is the specter of increasingly strong competition for American products on the world market from the many nations which have been receiving billions of dollars from the U.S. since World War II." Reviewing Admiral's 1959 operations, Siragusa said: (1) Admiral's portable-TV remote control "helped the company attain first place in the portable field." (2) The company sold more color sets during 1959 than during the previous 5 years it offered the product. (3) Admiral's transistor radio sales increased 25% despite Japanese competition. (4) The \$1-million expansion program begun at Electronics City, Harvard, Ill., will make it the world's biggest single TV plant. Admiral's financial report for the year ended Dec. 31 (preliminary report in Vol. 16:10 p19):

|                        | 1959          | 1958          |
|------------------------|---------------|---------------|
| Sales .....            | \$199,605,609 | \$170,777,126 |
| Net earnings .....     | 4,108,450     | 1,375,017     |
| Per common share ..... | 1.71          | 57¢           |
| Common shares .....    | 2,405,471     | 2,372,476     |

Sonotone capped its 30-year history with record sales & earnings in 1959. Pres. Irving I. Schachtel told stockholders in the annual report that profits soared 41% over the 1958 level and sales gained 15%. The multi-product electronics firm, he said, will add to its line this year its first TV remote-control unit and new stereo phonograph pickups "to cover the entire range of manufactured sets." For the year ended Dec. 31:

|                             | 1959         | 1958         |
|-----------------------------|--------------|--------------|
| Net sales .....             | \$24,756,708 | \$21,513,064 |
| Net earnings .....          | 1,132,302    | 800,473      |
| Per com. share (after pfd.) | 96¢          | 71¢          |
| Common shares .....         | 1,148,287    | 1,070,169    |

Allied Radio Corp., Chicago, reports a moderate profit increase on a sharp sales rise in the 6 months to Jan. 31. For the quarter ended Jan. 31, net income was \$390,639 (38¢) vs. \$348,161 (34¢) in the same 1959 quarter. The 1959 per-share earnings are based on shares now outstanding. For 6 months to Jan. 31:

|                         | 1960         | 1959         |
|-------------------------|--------------|--------------|
| Net sales .....         | \$17,448,535 | \$14,967,902 |
| Net income .....        | 592,805      | 536,787      |
| Per common shares ..... | 58¢          | 53¢          |

Muntz TV profit rose 2½ times plus on a marked sales increase in the 6 months ended Feb. 29:

|                             | 1960        | 1959        |
|-----------------------------|-------------|-------------|
| Net sales .....             | \$5,939,772 | \$3,652,746 |
| Net income .....            | 698,705     | 252,572     |
| Per com. share (after pfd.) | 59¢         | 23¢         |
| Common shares .....         | 1,165,376   | 1,115,376   |

Emerson has submitted an SEC registration statement (File 2-16310) covering 107,434 capital shares to be offered under its key employes' restricted stock-option plan.

### Common Stock Dividends

| Corporation            | Period | Amt. Payable | Stk. of Record |
|------------------------|--------|--------------|----------------|
| General Dynamics ..... | Q      | \$0.50       | May 10         |
| Packard Bell .....     | Q      | .12½         | Apr. 25        |

ITT posted record profit, sales & revenues and order backlog in 1959, Pres. H. S. Geneen told stockholders last week in the company's annual report. Consolidated worldwide sales & revenues jumped 11% over the 1958 total, consolidated net income rose about 9%. The order backlog at 1959's end totaled \$551 million, up from \$511 million at the start of the year. For the year ended Dec. 31 (1958's per-average-share net income is adjusted for a 2-for-1 split):

|                         | 1959          | 1958          |
|-------------------------|---------------|---------------|
| Sales & revenues .....  | \$765,639,896 | \$687,451,445 |
| Net income .....        | 29,035,688    | 26,600,168    |
| Per average share ..... | 1.90          | 1.85          |

ITI Electronics, Clifton, N.J. manufacturer of TV gear, electronic components and communications & test equipment, posted record sales & earnings in the 1960 fiscal year ended Jan. 31. Sales rose 102% over fiscal-1959's level, profit jumped 69%. Pres. Horace Atwood Jr., in the first annual report since the 13-year-old concern became publicly owned last year, forecast "even better results" for the current fiscal. For the 1960 fiscal year ended Jan. 31:

|                        | 1960      | 1959      |
|------------------------|-----------|-----------|
| Total sales .....      | \$781,475 | \$387,162 |
| Net profit .....       | 38,181    | 22,605    |
| Per common share ..... | 22¢       | 18¢       |

Sprague Electric, North Adams, Mass. producer of electronic components, transistors and electrical parts, recorded record sales & profits in 1959. Chmn. Robert C. Sprague & Pres. Julian K. Sprague forecast increased sales & earnings in 1960 and reported plans for expanded transistor production this year. For its 33rd year ended Dec. 31:

|                        | 1959         | 1958         |
|------------------------|--------------|--------------|
| Net sales .....        | \$56,351,571 | \$43,193,717 |
| Net profit .....       | 3,502,328    | 1,761,719    |
| Per common share ..... | 2.61         | 1.41         |
| Common shares .....    | 1,340,229    | 1,247,912    |

American Electronics, Los Angeles development & production concern which produces electronic components & magnetic tape recorders among its various products, recovered from 1958's loss year with profit & increased sales in 1959. The 1958 loss is net after giving effect to a \$1,047,621 tax credit. For the year ended Dec. 31:

|                             | 1959         | 1958         |
|-----------------------------|--------------|--------------|
| Net sales .....             | \$25,019,132 | \$17,396,064 |
| Net income (loss in '58) .. | 609,599      | (2,285,826)  |
| Per common share .....      | 70¢          | —            |
| Common shares .....         | 874,994      | 869,994      |

General Transistor Corp. reports a sag in profits despite a healthy gain in sales in the year ended Dec. 31 (1958 shares adjusted to reflect 2-for-1 split in July 1959):

|                        | 1959         | 1958        |
|------------------------|--------------|-------------|
| Net sales .....        | \$10,278,585 | \$6,867,879 |
| Net income .....       | 537,306      | 591,356     |
| Per common share ..... | 61¢          | 77¢         |
| Common shares .....    | 884,978      | 769,462     |

Federal Pacific Electric Co. has accepted tenders for more than 80% of the outstanding common stock (512,390 shares) of Cornell-Dubilier Electric and has extended to March 31 its offer to exchange one share of \$23 par, 5½% convertible 2nd preferred stock for each C-D share. (Vol. 16:7 p24). The new Federal Pacific issue (500,000 shares created in Feb.) is convertible, in turn, into Federal Pacific common at \$28.50 per share.

Telechrome Mfg. Corp. is acquiring the remaining 50% of Hammarlund Mfg. Co. from Pres. Lloyd A. Hammarlund, according to Telechrome Pres. J. Raymond Popkin-Clurman. The total price of the acquisition, he said, will be "well under \$1 million." He predicted that sales of the company & subsidiaries will total about \$8 million in the fiscal year ending June 30, 1960, up from \$1,641,194 in fiscal 1959, and profits of \$850,000 vs. \$54,768. In the company's annual report for fiscal 1959, issued this week—although the earnings statement had been reported earlier—Pres. Popkin-Clurman stated that Telechrome had originally underestimated its potential in the automation field, that its export business to Japan (mainly color-TV equipment) increased fivefold in fiscal 1959 and that the firm expects to open engineering & manufacturing facilities in England, Germany & Japan.

Varian Associates, Palo Alto, Cal. producer of microwave equipment and specialty power tubes for radar & uhf TV, anticipates sales of \$50 million for the 1960 fiscal year ending Sept. 30, up from \$38,130,311 in fiscal 1959. Finance vp Myrle R. Zinser reports that new orders are running 35% ahead of the year-ago volume and that backlog totals \$23 million vs. \$17 million 12 months ago. For the 2nd fiscal quarter ending Mar. 31, he anticipates about the same performance as that of the first quarter, which produced a profit of \$755,710 (24¢ a share) on \$10,677,551 sales. Varian will complete this year at Palo Alto an expansion program which will step up production capacity to serve a sales volume of \$75 million. Zinser believes Varian should reach that sales level in 2-3 years.

General Mills is negotiating to acquire 2 closely-held electronics firms—Daven Co. (Livingston, N.J.) and Laible Mfg. Co. (Manchester, N.H.), manufacturers of electronic components, instruments and test equipment. C. H. Bell, pres. of the flour, cereal and food giant, said the move is in keeping with General Mills's diversification program. Conclusion of the negotiations may be weeks away, Bell added, but "it is appropriate at this time to say it is the intent of General Mills to operate the business as a subsidiary and to continue to maintain & expand the operations at their present locations." Lewis Newman is pres. of the 2 electronics companies which, combined, employ 1,200.

Andrea Radio Corp. stock is publicly held for first time following offering by radio-TV pioneer Frank A. D. Andrea of 120,000 shares of common at \$16 per share through an underwriting group headed by W. C. Langley & Associates. The shares were sold for Mr. Andrea, the company's sole stockholder, and none of the proceeds went to the company. Following the sale, Mr. Andrea continues as the principal stockholder, holding 130,700, or 52% of the outstanding common stock. Andrea manufactures TVs, radios & stereo for eastern distribution, military electronics.

Latest financing activity by Electronics Capital Corp., San Diego, small business investment company: Purchase of \$800,000 convertible debentures & long-term notes of Duncan Electronics Inc., Santa Ana, Cal. manufacturer of multi-turn potentiometers & component sub-systems. The debentures—amounting to \$500,000—are convertible into 68% of Duncan common stock.

Canadian Marconi Co., Montreal-based TV-radio manufacturer, rebounded from 1958's net loss of \$386,844 with a healthy \$523,686 net profit in 1959. Pres. S. M. Finlayson said sales increased over 1958 "despite a generally reduced market" and increased competition from Japan and Europe.

Ampex Corp. reports profits for the 9 months ended Jan. 21 were double those of the same period the preceding year, while sales were substantially ahead. Chmn. Alexander M. Poniatoff & Pres. George I. Long Jr. told shareholders in an interim report that the 3rd fiscal quarter "saw a fall-off in sales to govt. activities of both data & professional products, and a change in the mix of our over-all product picture from that previously planned." However, they expressed the opinion that the company would realize the \$60-million sales & \$3.9-million earnings they predicted at the beginning of the fiscal year (Vol. 15:26 p19). A stock split Feb. 1 increased the shares outstanding to 7,217,943 after the close of the 3rd fiscal quarter. For 9 months ended Jan. 31:

|                             | 1960         | 1959         |
|-----------------------------|--------------|--------------|
| Net sales .....             | \$46,271,000 | \$26,829,000 |
| Net income .....            | 2,446,000    | 1,219,000    |
| Per common share .....      | 1.02         | 66¢          |
| Common shares .....         | 2,405,981    | 1,835,662    |
| For 3 months ended Jan. 31: |              |              |
| Net sales .....             | \$16,269,000 | \$10,682,000 |
| Net income .....            | 683,000      | 554,000      |
| Per common share .....      | 28¢          | 30¢          |

Wometco Enterprises (WTVJ Miami, WLOS-TV & WLOS Asheville, 47½% of WFGA-TV Jacksonville) will report strong increases in gross income & profit from 1958 to 1959 this week in its first annual report to stockholders since it became a publicly-owned corporation. The consolidated balance sheet of the company, which also owns a theater chain and a food & vending-machine business (recently expanded to include the Bahamas), shows total assets of \$10,540,046 at the end of 1959. Current assets exceeding liabilities by \$1,098,047. The company's first stockholders meeting will be held April 11 at company hq in Miami. For the year ended Dec. 31 (1959 net income includes non-recurring gains of \$228,786):

|                        | 1959         | 1958        |
|------------------------|--------------|-------------|
| Gross income .....     | \$10,364,753 | \$9,366,098 |
| Net income .....       | 936,336      | 588,737     |
| Per common share ..... | 1.04         | 65¢         |

Gross Telecasting Inc. (WJIM-TV & WJIM Lansing-Flint) reports declines in revenues & net income for 1959 as compared with 1958. For the year ended Dec. 31:

|                          | 1959        | 1958        |
|--------------------------|-------------|-------------|
| Broadcast revenue .....  | \$2,562,605 | \$2,769,918 |
| Net income .....         | 672,418     | 766,373     |
| Per com. & B share ..... | 1.68        | 1.91        |
| Common & B shares ....   | 400,000     | 400,000     |

Times-Mirror Co. (KTTV Los Angeles, *Los Angeles Times*, *Los Angeles Mirror*) and the New American Library of World Literature Inc. will merge through a stock exchange. The latter is one of the world's largest publishers of paperback books (Signet, Mentor, etc.). It will become a Times-Mirror wholly-owned subsidiary, but will operate as an autonomous unit. For the first half of fiscal 1960, ended Dec. 31, the book concern recorded earnings of \$619,606 on \$7.8 million sales.

Reports & comments available: Magnavox, report, Blyth & Co. Inc., 14 Wall St., N.Y. 5 . . . Consolidated Electronics Industries, study, Jesup & Lamont, 26 Broadway, N.Y. 4 . . . Pentron Electronics Corp., prospectus, Stanley Heller & Co., 30 Pine St., N.Y. 5 . . . Decca Records, review, Gruntal & Co., 50 Broadway, N.Y. 4 . . . Collins Radio, prospectus, Kidder, Peabody & Co., 17 Wall St., New York 5, N.Y.

Pentron Electronics, Chicago manufacturer of tape recorders, components and other electronic products, is offering 250,000 shares of common (\$3 a share) through investment banker Stanley Heller & Co. The proceeds will be used in part for plant renovation & new equipment. After the present financing, Pentron's outstanding capitalization will comprise \$680,186 of sundry debt & 815,000 common shares. For the 6 months ended Dec. 31, the company reported, net income totaled \$103,638 (18¢ a share) on consolidated net sales of \$1,690,161.

General Atronics Corp., Bala-Cynwyd, Pa. firm engaged in research & development of advanced electronics techniques, has submitted an SEC application (File 2-16276) for registration of 155,660 common shares for public sale. The offering, at \$3.50 per share, would be handled by an underwriting group headed by Harrison & Co. Of the outstanding stock, 181,200 shares (35.3%) are owned by Chmn.-Pres. David E. Sustein, 79,000 (15.3%) by Phyllis Sustein.

Lab for Electronics, Boston maker of electronic equipment, plans a subscription offering of new common stock to raise capital & reduce bank loans, according to a prospectus filed with SEC (File 2-16273). At the same time, the company applied for registration of 75,000 common issued or issuable on conversion of outstanding 5½% subordinated debentures, due 1973, which are to be called for redemption in May.

GT&E offering of 775,000 shares of common stock, priced at \$73.62½ per share, is being made by an underwriting group of 119 members headed by Paine, Webber, Jackson & Curtis; Stone & Webster Securities Corp.; Mitchum, Jones and Templeton. GT&E, parent of Sylvania Electric Products, will add the net proceeds from the stock sale to corporate funds. After the offering, GT&E will have 22,896,194 common shares outstanding.

Kollsman Instrument Corp., optical- & precision-instrument producing subsidiary of Standard Coil Products, Melrose Park, Ill. maker of TV tuners, has purchased for an undisclosed cash sum Richardson-Allen Corp., College Point, N.Y. The acquisition will be operated as a Kollsman wholly-owned subsidiary. Richardson-Allen's principal products are rectifiers and DC power supplies.

International Rectifier Corp. offering of 120,000 shares of common stock, at \$30.75 per share, is being made by an underwriting group headed by Blyth & Co. Half the offering represents new financing by the El Segundo, Cal. maker of electron tubes & semiconductors. The balance of 60,000 shares is being offered for selling stockholders. Proceeds from the sale of the company's 60,000 shares will be added to general funds.

Telectro Industries Corp., which makes magnetic tape recorders & other electronic equipment at Long Island City, N.Y., proposes public sale of \$1 million of 6½% convertible subordinated debentures, due 1970, in an SEC registration statement (File 2-16283). Underwriters are headed by Milton D. Blauner & Co. Price: 100% of principal amount.

Transitron Electronics Corp. anticipates that sales in its 1960 fiscal year (ending June 30) will rise to \$45-50 million from \$30.9 million in fiscal 1959. The Bakalar brothers (Chmn. Leo & Pres. David), in a March 23 N.Y. *Times* profile on the Wakefield, Mass. concern, noted that Transitron has no plans to sell its semiconductors to TV-radio manufacturers. The TV-radio industry is "too seasonal," reasons Chmn. Leo.

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

## SUMMARY-INDEX OF WEEK'S NEWS

**WITH THIS ISSUE:** Special Supplement—FCC Public Notice on Sponsor Identification  
First-Quarter 1960 Index to Television Digest Newsletters

### Stations

NAB's **CRISIS-LADEN CONVENTION** offers traditional agenda of assemblies, speeches, exhibits, parties—but items No. 1 & 2 are industry self-examination & self-defense (p. 1).

**STATION COLOR STATUS:** 327 network affiliates now equipped to telecast network color; 111 stations can transmit local color; 47 have live color cameras (p. 3).

**"CLEAN IT UP;" SAYS KINTNER** to payola practitioners, or FTC will keep on until job is done (p. 5).

**EDUCATIONAL KPEC-TV (CH. 56)** Tacoma, Wash., 47th U.S. non-commercial outlet, raises on-air total to 562 stations (p. 5).

### FCC

**FCC INSISTS ON FREE-RECORD ANNOUNCEMENTS**, voting 3-2 to keep interpretation of law in effect while asking industry for legal arguments with May 2 deadline (p. 2).

### Auxiliary Services

**ZENITH-RKO GENERAL** join for Hartford pay tests; will apply for 3-year experiment using uhf WHCT, hoping to attract up to half of area's 200,000-300,000 set owners (pp. 3 & 6).

### Networks

**THREE 'NEW LOOKS' AT TV** are available to admen in the form of new Nielsen studies of the characteristics of TV households, nighttime & daytime network standings (p. 9).

### Manufacturing & Distribution

**A LANDMARK PASSES** as TV manufacturing-broadcasting pioneer Du Mont Labs is sold to expanding Fairchild Camera (pp. 4 & 19).

**MORE COLOR ACTIVITY**, but no landslide, shown in survey of set makers. Magnavox, Emerson, Du Mont, others to add color sets in fall (p. 17).

**TEST OF CONSUMER RATINGS** due in courts, as hi-fi manufacturer files test suit against Consumers Union, charging "false reports" (p. 18).

**FULL JAPANESE TV LINE** to be imported for 2nd-half distribution by Delmonico International, made by Victor Co. of Japan (p. 20).

### Advertising

**SPOT SALES ROSE 18% IN 1959** to \$605,603,000. TvB report spotlights P&G as top spot buyer, Lestoil as top brand, food & grocery products as most lucrative source of spot dollars (p. 7).

### Film & Tape

**BIDS TO END WGA STRIKE FAIL:** Alliance rejects Wasserman-WGA proposal; WGA kills Alliance bid; writers' strike stalemate continues; SAG-major negotiations bog down (p. 12). Chart (p. 15).

### Other Departments

**CONGRESS** (p. 10). **PERSONALS** (p. 15). **PROGRAMMING** (p. 15). **FINANCE** (p. 21). **ETV** (p. 24).

**NAB'S CRISIS-LADEN CONVENTION:** Self-examination & self-defense—if not self-reproach for TV & radio sins & scandals—are themes running deeply through traditional agenda of NAB's 38th annual convention this week in Chicago, where record registration of more than 2,500 broadcasters is expected.

NAB faces some hard facts of broadcasting life in a time of previously-unexperienced quiz & payola embarrassments: (1) Furious attacks & threats of punitive laws from Congress. (2) Swift & far-reaching forays by FTC against deception & fraud on air. (3) Get-tough crackdowns on licensees by newly-militant FCC. (4) Defensive position with regard to public confidence despite general industry affluence.

Will broadcasters come alive to their perils? That was big & worrisome question for NAB staffers who laid groundwork for the crucial April 3-6 meeting in Conrad Hilton Hotel without the guidance—for first time in 10 years—of Harold E. Fellows. NAB's late president had spent his last days imploring industry to stand up to perils with more self-regulation—or suffer more govt. regulation.

Industry's salvation lies in NAB good-conduct codes, Fellows was convinced. Corridor caucusing on his successor will be prime business of delegates throughout convention, from opening address by keynoter Clair R. McCollough to closing banquet entertainment featuring Roberta Sherwood. But with crossed fingers, NAB hq men hoped that sessions devoted to Fellows' major objective—all-industry acceptance of codes—will be week's biggest item, obscuring such regular convention highlights as speeches, exhibits, parties.

NAB's repeated pleas for more & more subscribers to broadened & tightened codes have won more professed station adherents than ever. Just before convention, TV Code roster reached unprecedented total of 380, up from 269 only 5 months earlier. Radio Code subscribers total more than doubled to 1,305 within same period. NAB membership itself hits new records—357 TV, 2,066 AM & FM. But in preparing their convention reports, TV Code Review Board Chmn. Donald H. McGannon and Chmn. Cliff Gill of radio's Standards of Good Practice Committee agreed with other thoughtful broadcasters that these results weren't nearly enough.

TV Code pledges still represent few more than 2/3 of 561 TV stations on air—and NAB staffers, who have been combing field, privately despair of raising that percentage without some new stimulus. Radio's Code subscribers have been limited until now to NAB members, but all 4,100 AM & FM stations—in & out of NAB—are now becoming eligible.

Broadcasters still have far to go—by Fellows' standards, at least—before they can boast that their own house is securely in order and in no need of additional outside police help. And while they count hopefully on Chicago convention to produce extra impetus toward that goal, there are those in NAB who ruefully recall happenings at last broadcasters' get-together at which Fellows presided.

Self-controls vs. govt. controls was topmost subject on program of convention preview in Feb., when presidents of state associations of broadcasters held conference in Washington. They passed strong resolutions in favor of one against other. But at conference's concluding roundtable session, debate & discussion centered not on implementation of Codes but on such questions as how to obtain distinctive license plates for station-owned cars. Congress & federal regulatory agencies will watch Chicago sessions this week for some surer signs than that of industry's awareness.

**FCC INSISTS ON FREE-RECORD ANNOUNCEMENTS:** Broadcasters will have to make their own judgments of how to operate in light of FCC's now-famous "sponsor identification" public notice on free records, etc. (Vol. 16:13 p1) because the Commission last week declined to suspend its effect. By narrow 3-2 vote (Ford, Craven & Cross forming majority, Hyde & Lee favoring suspension, Bartley absent, one vacancy), Commission acknowledged that industry may differ in its strict interpretation of law—and it invited everyone to file legal arguments by May 2.

So the document is still law of the land, and all must comply however they can. In light of Commission's re-emphasis of its points and its failure to suspend the document after considering objections of NAB, networks & stations, we've published full text of the public notice as a special supplement, included herewith.

Decisions on compliance are up to each broadcaster. CBS & NBC o&o's were among first to try. CBS first made announcements to effect that some records had been supplied free by manufacturers & distributors. By last week, however, it had segregated its library and started buying all records played—and dropping the announcements. Spokesman said it didn't have too much trouble determining which records were free, which bought. He said, also: "We find that making the announcements required by the FCC disrupts the pace & entertainment level of the programs." NBC was in process of similar segregation and record-buying operation, was making announcements about free records meanwhile. ABC had no comment, but its WABC N.Y. is making free-record announcements.

No one knows how tough FCC will be with transgressors—nor in fact exactly when transgressions occur, in borderline cases. However, FCC sources call attention to last paragraph of the public notice, wherein Commission talks seriously about "wilfulness, misrepresentation or serious neglect." Commission has recently renewed licenses of stations which accept single "sample" copies of records and hasn't announced names of donors. In future, however, stations are expected to announce free records as they're played—probably every 15 min. or less.

Commission's decision is expected to stand for some time. Here's what Hyde said, Lee concurring: "I concur in the action taken in so far as it invites comment on the public notice of March 16, 1960, FCC 60-239. However, I am of the view that this notice issued as an interpretive ruling as to the requirements of Section 317 may be found, upon further consideration, to go beyond the intent & purpose of the statute. Since the notice has inherent characteristics of rule making involving substantial impact on interested parties, I believe that its effective date should be suspended until it can be considered in the light of the comment of such parties. This, of course, would not excuse licensees in the meantime from compliance with the obvious and well understood requirements of Section 317."



**ZENITH-RKO GENERAL JOIN FOR HARTFORD PAY TESTS:** Though Zenith has formally announced its pay-TV test plans—with RKO General the broadcaster, Hartford the market, WHCT (Ch. 18) the station—it may be long time before experiment will start under FCC's tight ground rules.

Not only must FCC take time to examine carefully the application, which is promised "within the next few weeks," but RKO is buying the station from Edward D. Taddei & his associates, and this may bring a protest & FCC hearings.

But project is in the works, regardless of delays, and Zenith certainly has funds to strive for goal sought so long & so vainly by its late Pres. Eugene F. McDonald.

Just preceding NAB convention in Chicago, in Zenith's own backyard, announcement of plans is regarded as an effort to wean telecasters from traditional anti-pay position. Since start of Paramount's wired toll operation in Toronto, pay-TV forces have been warning that success of wired systems might produce dangerous competition for stations. Engineers assert that Toronto cables can carry 12 video signals. Said an RKO General spokesman: "RKO is interested in bringing entertainment to the public and in the protection of our broadcast investment against the encroachment of wire and the AT&T."

When we interviewed Zenith Pres. Joseph S. Wright & his toll-TV asst. Pieter E. van Beek in Washington last week, they gave impression of determination to see project through, regardless of costs. No specific amount has been budgeted, Wright said, but "RKO General & we are prepared to spend what's necessary."

Wright estimated capital costs—covering everything except program procurement & telecasting operations—will run about \$100 per home if more than 100,000 homes are equipped with decoders. He said that some 200,000-300,000 TV homes can receive WHCT's signal, and intention is to equip every set-owner interested. He believes that "up to 50%" of homes will want device.

Set-owner can't buy decoder, under FCC's rules, but rental may be charged, and Zenith is considering \$1-\$2 monthly. Programs will run about \$1 each, Wright said, but could go higher or lower for some material.

Wright said that plan is to test 3 years, "but I would think that everyone would know it's a good business before 3 years and we'd be off & running. I don't think FCC or broadcasters would hesitate."

It's no great surprise that RKO General is telecaster involved, because Pres. Thomas F. O'Neil has long shown some leanings toward toll TV. For example, he once permitted Skiatron to use his WOR-TV N.Y. for technical tests. Nor is use of uhf in Hartford a surprise. Originally a uhf-only market, virtually all its sets can get uhf. WHCT is independent, so viewers won't be deprived of network programs. Per FCC rules, it will also program regular fare, running pay-TV unspecified number of hours daily. Taddei will continue as mgr. Incidentally, RKO (55%) & Gannett newspapers (45%) started the station in 1954, sold it in 1956 to CBS, which sold it to present owners in 1958.

If project gets FCC go-ahead, that sews up Hartford for testing purposes. FCC specified that it will allow only one system per market & one market per system. Previously, there had been speculation that Zenith would choose WXIX (Ch. 18) Milwaukee, also a large-market independent uhf. Skiatron once urged FCC to confine pay TV to uhf only, was also thinking about Hartford—before it developed problems with SEC and before it began talking about cable when FCC & Congress tightened up.

If test is success and if Congress & FCC allow pay TV to become a permanent service, RKO is in position to do something about it, for it will have, in addition to WHCT, vhf stations ready & waiting in N.Y., Los Angeles, Philadelphia, Washington & Memphis, plus partly-owned one in Windsor, Ont. serving Detroit.

For details on program plans, decoding equipment, etc., see p. 6.

**STATUS OF COLOR STATIONS:** There's unquestionably more interest in color today than there has been in several years. And, while there's certainly no stampede, the number of stations equipped to telecast color is gradually increasing.

Some 327 network affiliates (or 79% of all affiliated stations) are now equipped to telecast network color. This includes 165 of the 190 NBC-TV affiliates, 149 of the 201 CBS-TV affiliates, and 123 of the 209 ABC-TV affiliates—although ABC-TV has never telecast a color show, and CBS-TV put on only a handful of color shows last year. (Figures total more than 327, because of inclusion of stations with more than one network.)

Total of 111 stations can now transmit some form of local color—live, film, slide or all 3. Some 47 stations are equipped for live colorcasts. These include 28 NBC affiliates, 9 CBS affiliates, 12 ABC affiliates, 3

independents. Equipped for film and/or slide originations in color are 104 stations— 54 NBC, 27 CBS, 24 ABC, 9 independents. Most live color stations also originate film & slides and are included in both tabulations.

New list of color-equipped stations—compiled from information supplied by NBC, CBS and the equipment manufacturers—is a feature of our forthcoming spring-summer TV Factbook No. 30, out this month.

For report on the status of color-receiver market, and set manufacturers' thinking on color TV, see p. 17.

**A LANDMARK PASSES—DU MONT SOLD:** Sale of Allen B. Du Mont Laboratories, pioneer in TV, came as no surprise. For years there have been negotiations with various entities in electronics & aircraft fields. Nevertheless its proposed stock-exchange acquisition by progressive, fast-rising Fairchild Camera & Instrument Corp.—subject to directors' & stockholders' approval—underscores end of great pioneering era in TV.

Founded in the depths of the depression on a capital of \$1,000—and an abiding faith in the future of the cathode-ray tube—by Dr. Allen B. Du Mont, one of the industry's great gentlemen and one of its most respected scientists, Du Mont sold the first all-electronic TV set in this country in 1939, once made about 10% of the picture tubes used by the industry, owned a TV network and a thriving broadcast-equipment business.

Organizational difficulties & friction between largest stockholder—Paramount Pictures—and Du Mont management have been blamed for gradual decline of Du Mont Labs. In 1955, with new banking blood infused in the organization's top level, Du Mont's telecasting properties (the network had been discontinued) were spun off into Metropolitan Bcstg. Co., later sold to present ownership group headed by John Kluge. In 1956, former Raytheon senior vp David T. Schultz was called in as pres., and in the ensuing years, he succeeded in whipping the company back into profitable shape—disposing of its TV-radio business through sale to Emerson, dropping picture-tube production.

Now down to fighting trim and concentrating on military & commercial electronics, instrumentation, test equipment, special-purpose CR tubes, Du Mont is once again in the black, has paid off its debts and has a tax-loss carry-forward of about \$10 million—all of which make it very attractive to Fairchild, whose product line complements that of Du Mont.

Fairchild Camera is involved in diversification project, attempting to get more commercial business, reducing dependence on military. The electronics & photographic firm recently announced its first consumer product—low-cost home sound-movie camera & projector (Vol. 16:5 p21). However, Fairchild management has no plans to re-enter Du Mont in consumer-products market. It will operate Du Mont as a div., retaining the personnel, but probably with no Du Mont representation on Fairchild board. Dr. Du Mont's own plans weren't revealed, and he could not be reached for comment. Paramount's 26% interest in Du Mont won't make it an important stockholder in Fairchild.

Fairchild exec. vp is well-known engineering & management veteran of TV business—Richard Hodgson, 1947-50 TV dir. of Paramount Pictures and 1950-56 pres. of Paramount-controlled Chromatic TV Labs, developer & promoter of Lawrence color tube. Du Mont currently is developing color-TV receiver design for Lawrence tube, under contract to Paramount, which may soon announce the "perfection" of this somewhat lower-cost approach to color reception.

For further details of the Fairchild-Du Mont merger, see p. 19.

**QUARTERLY INDEX BOWS:** To enhance its utility as a ready record reference for this industry, Television Digest introduces with this issue its quarterly index service. Our indexes, previously issued only annually, will now reach you four times a year. Although this first index covers only the first 13 weeks of 1960, the next, in July, will include the year's first half, and so on cumulatively until the fourth index appears with the full year's record. The new service should be useful to broadcasters, manufacturers, advertisers, agencies, and the TV-film industry. Since publication of our first index in 1949, Television Digest has been the only completely indexed journal of record in these fields.

Cabinet status for USIA and related govt. offices dealing with international "information, cultural & educational fields" is recommended by the U.S. Advisory Commission on Information in its 15th report to Congress. The Commission, headed by Yale's Mark A. May, said the foreign communications programs could be administered more effec-

tively in the 1960s if they were to be integrated into one cabinet-level dept. The Commission also foresaw "eventual construction of a space satellite capable of transmitting TV & radio throughout the world." It called on the govt. to "move ahead with the scientific & experimental work" necessary for "world-wide audio-visual communication."

## Stations

**'Clean It Up,' Says Kintner:** The broadcasting industry & related business were warned again last week by FTC Chmn. Earl W. Kintner to eliminate payola practices themselves—or the govt. will do it for them. In a speech to the Washington Kiwanis Club, he said FTC—which already has issued complaints in 70-odd payola cases and has about 80 more docketed for investigation—is determined to see to it that payola is stopped, one way or another.

Failure of the industry to “clean up,” Kintner said, can only bring “more govt. regulation—and this I don't like.” He also repeated a warning that he has voiced in other speeches, that FTC may move against false & deceptive advertising by local businesses as well as those engaged in interstate commerce. Kintner said a new interpretation of the Federal Trade Commission would be needed for such local policing, but that most advertising—on TV & radio and in newspapers—crosses state lines now.

In a new payola complaint filed at last week's end, FTC hit Mercury Record Corp., 35 E. Wacker Dr., Chicago and 3 subsidiaries which distribute records it makes. They are Mercury Record Distributors Inc. of Ohio, 1737 Chester Ave., Cleveland; Mercury Record Sales Corp., 549 W. 52nd St., N.Y., and Midwest Mercury Record Distributors Inc., 2021 S. Michigan Ave., Chicago. Each was accused of illegal payoffs to unnamed TV & radio disc jockeys.

Meanwhile, 2 affiliated record distributors—Ideal Record Products Inc., 549 W. 52nd St., N.Y., and Ideal Record Products of N.J., 357 Lyona Ave., Newark—asked FTC to dismiss payola complaints against them. They said payola isn't illegal and that they've violated no laws.

**Triangle Adopts 'Clipp Plan':** An autonomous continuity acceptance dept. is being set up by Triangle Publications, Inc. for its TV & radio stations. The new unit will carry out industry proposals made by radio & TV div. vp Roger W. Clipp for previewing programs & commercials prior to broadcasts (Vol. 16:10 p9). Edward H. Sheaffer, now editing & acceptance dir. of CBS central div. continuity acceptance office in Chicago, and a veteran of 8 years with the network, will join Triangle April 18 at its Philadelphia hq in a new post of continuity acceptance dir. He will report only to top management. Announcing these developments April 3, Clipp said:

“There is wide industry support for the previewing plan, and I believe it will inevitably be adopted. In the meanwhile, however, in the absence of a nationwide industry previewing program, we at Triangle Stations [WFIL-TV & WFIL Philadelphia, WNBF-TV & WNBF Binghamton, WFBG-TV & WFBG Altoona, WLYH-TV Lebanon, Pa., WNHC-TV & WNHC New Haven-Hartford, KFRE-TV & KFRE Fresno] have decided to establish our own independent dept. to examine program & commercial content prior to acceptance.”

Guidelines for acceptance of commercial copy for the Triangle Stations will be NAB's TV & Radio Codes and Triangle's own policy book, Clipp said. He added that this policy has been followed by the stations, but “we are taking this vital responsibility out of the hands of our program executives & our individual station mgrs.” because: “Broadcasting—particularly TV broadcasting—has become such a complex pursuit that our program personnel do not have the time to combine the demanding tasks of administration with the all-important function of intensive pre-examination of our total program & commercial product.”

**NEW & UPCOMING STATIONS:** KPEC-TV (Ch. 56) Tacoma, Wash. educational outlet got program test authorization April 1 after being on proof of performance tests since March 7 (Vol. 16:13). It has a GE transmitter and a 175-ft. self-supporting tower, purchased from defunct KTRX (Ch. 31) Kennewick, Wash. Owner is Clover Park School Dist. No. 400. Staff includes following, from local schools: J. Albert Brevik, program-production dir. & film buyer; Fred V. Miner, technical dir., and Cloise H. Turner, engineer. New starter raises U.S. operating total to 562 (87 uhf), of which 47 are non-commercial (13 uhf).

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

WJPB-TV (Ch. 5) Weston, W.Va., delayed by severe snowstorms, has changed target for programming with ABC-TV & CBS-TV to May 1, reports Pres. J. Patrick Beacom. It will use 5-kw GE transmitter with 35-kw amplifier and 510-ft. Blaw-Knox tower on Fisher Summit, Jane Lew, W.Va. Base hour will be \$225. Rep will be Gill-Perna.

KIFI-TV (Ch. 8) Idaho Falls, Ida., with GE transmitter due in mid-June, is holding to Aug. programming target, writes J. M. Brady, pres.-gen. mgr. of grantee Eastern Idaho Bcstg. & TV, which also operates radio KIFI. Construction of studio-transmitter building started last Feb. It will use 300-ft. Swager tower. Network affiliation hasn't been signed as yet and rates haven't been set. Rep will be Gill-Perna.

KCBY-TV (Ch. 11) Coos Bay, Ore. hasn't a fixed target, reports S. W. McCready, gen. mgr. of owner KVAL-TV (Ch. 13) Eugene, Ore., although earlier it hoped for start next summer (Vol. 15:43). It has 2-kw RCA transmitter on order as well as 6-bay antenna. Construction of studio-transmitter building and tower has been delayed. Base hourly rate is expected to be about \$150. Reps will be Hollingbery and Art Moore (Ore. & Wash.).

KCDA (Ch. 3) Douglas, Ariz. plans to be on the air next summer, according to Mike Ling, national sales mgr. of owner Electron Corp., which also is providing equipment for low-power operation. It plans to use 150-ft. Rohn tower. Base hour not set. Rep not chosen.

KSAN San Francisco last week filed a \$200,000 suit against disc jockey George Oxford and 20 unnamed record companies & distributors. It charged Oxford played payola records on his show and that this should have been classified as advertising and therefore paid for at regular rates. KSAN also charged that Oxford had received \$40,000 in payola since he joined the station in 1955. Oxford didn't deny receiving payola—“as everyone else in the business has”—but he denied that amount. He said the suit was the result of a feud with Norwood J. Patterson, gen. mgr. of the station, and that this stemmed from his joining KDIA Oakland effective April 1, when his KSAN contract was to expire. Oxford claimed that KSAN has known for years that he took payola.

Campaign to boost TV-radio as selling media is being offered the broadcasting industry by Westinghouse Bcstg. Co. Details of the plan were announced April 1 by WBC sales vp A. W. Dannenbaum Jr. at a Westinghouse management meeting held at Absecon, N.J. To promote radio, WBC will offer 10 recorded jingles and 22 live tags, starting with demonstrations at the NAB convention. The TV promotional spots are still in the planning stage.

**Canadian Crackdown:** Two Canadian stations on the U.S. border were warned last week by the Board of Broadcast Governors to change their program practices—or lose their licenses. CKLW-TV Windsor, Ont.—across the river from Detroit—was granted a limited renewal of its license to March 31, 1961, and told by BBG that it should demonstrate its intention & ability to meet the govt.-prescribed minimum of 45% Canadian program content by that date. CKLW-TV is two-thirds owned by RKO Teleradio's Canadian subsidiary.

CKWS-TV Kingston, Ont., bordering on N.Y. state, had its license renewed for 2 years, was warned to show evidence of increased local programming "of a satisfactory quality."

The BBG also approved a new CBC TV station at Sturgeon Falls, Ont., and CBC satellites at Sudbury, Ont. and Nelson & Courtenay, B.C.

\* \* \*

Five applications have been received for one TV outlet in Ottawa and 2 applications for another in Halifax. Hearings will be in June. Ottawa applicants are Ernest Bushnell, former CBC vp & gen. mgr.; Grattan O'Leary, pres., *Ottawa Journal*, controlled by Sifton FP Publications which also publishes *Winnipeg Free Press*; Lawrence Freiman, dept. store owner, associated with Southam Publishing Co.'s *Ottawa Citizen*, and Ken Soble, gen. mgr. of CHCH-TV Hamilton; CFRA-TV Ltd., owned by CFRA Radio Ltd.; Roger N. Sequin, Ottawa business executive, and associates.

Halifax applicants are radio CJCH; vp Finlay MacDonald of Franklin & Herschorn Theatre Co. and associates.

\* \* \*

Montreal's TV licenses have been awarded by the BBG to Canadian Marconi Co. Ltd. (English language) and Paul L'Anglais & Associates (French). Canadian Marconi (which operates radio CFC Montreal) is 50.6% owned by Canmar Investments Ltd., formed by British electronics interests to keep Marconi's overseas communications in British & Canadian hands. Canadians hold 59% of the balance. The sole competitor for this license (after 2 others withdrew) was Mount Royal Independent TV Ltd. The new station will be called CFCF-TV, using Ch. 12. Paul L'Anglais & Associates won the French-language license over a joint application from Radio CKVL Ltd. and United Amusement Corp. Two other applicants, including French-language daily *La Presse*, withdrew. The new station will operate on Ch. 10. Neither station may be operating until late 1961. BBG has approved a requirement that both new stations must share with CBC's present 2 stations the same antenna on Mount Royal, making rebuilding necessary. BBG did not indicate the term of license, but usually it is for 5 years.

— ■ —

WLUK-TV (Ch. 11) Marinette, Wis. will become identified with Green Bay, following FCC's final rule-making decision shifting its channel & modifying its license. The vote was 4-3, Comrs. Bartley, Lee & Ford dissenting.

WJHL-TV (Ch. 11) Johnson City, Tenn. has sold its radio adjunct WJHL to James C. Wilson, ex-WPOI Bristol, Tenn., for \$230,000.

KVUE (Ch. 40) Sacramento, Cal. left the air March 21 for 90 days because of "technical difficulties"—second in as many weeks. KLOR-TV (Ch. 11) Provo, Utah went off March 18 for same reason; requested only a 15-day hiatus.

## Auxiliary Services

### More about

**PHONEVISION TESTS:** Principal program fare for the Zenith-RKO pay-TV tests in Hartford (see p. 3) will probably be movies, sports, opera and drama, Zenith Pres. Joseph S. Wright told us last week in an interview. He had this to say about prospects for getting program material:

"No firm commitments or deals have been made, but we've had extensive negotiations & we're confident of cooperation. I'm satisfied that the movie industry recognizes that subscription TV is an extension to the boxoffice. We won't replace the movies. We'll open up audiences they just don't have. Incidentally, we don't intend to repeat movies as often as they do in Toronto. And it will be a completely new business for broadcasters."

Zenith will make the transistorized decoders which, initially, won't be coinbox type—as they are in Toronto. They'll have tape which makes record of the programs seen, plus their cost. Subscriber will remove tape periodically, send in check. Duplicate of tape will be kept in machine, not accessible to subscriber, but available for Zenith's inspection. "If a coinbox proves more desirable," said Wright, "we'll have it ready."

Security of system, resistance to "bootlegging," is quite adequate, according to Wright. "Anything coded can be decoded," he said. "However, we've designed a reasonable amount of security in the system. Someone with a computer and an array of instruments could break the code to see a dollar show, but I doubt whether it will be done. An ordinary serviceman or tinkerer couldn't do it. But if more security is needed, we can provide it. After all, the telephone company could make a pay phone which would accept only an absolutely genuine dime—but it has found the extra cost wouldn't be worth it."

### Code Number is Key to Program Reception

Wright envisions *TV Guide* & newspapers printing price & code number with each pay program. If more security is needed, he said, each set owner could have own code for each show, getting information in mail.

Stations would need no coding equipment under Zenith system. Rather, a coding center would be set up, taking signal from station by cable, garbling it and sending it back to station for transmission. Thus, Wright said, any station could participate, and all decoders would unscramble all stations' coded signals.

Zenith & RKO are hoping road is clear in Congress & FCC—since both bodies agreed last year that tests could be conducted under certain carefully limited ground rules (Vol. 15:13). By narrow 11-10 vote, House Commerce Committee agreed to go along with FCC's rules. After the vote, Chmn Harris (D-Ark.) stated:

"The vote here today shows that some individuals [on the Committee] are opposed to the system to the extent that they don't even want to permit any tests . . . Under the limitations of the [FCC rules], the financial risk is placed where it belongs—namely, on the promoters of subscription TV—and these promoters are on notice that there is no assurance that at the end of the [3-year test] they will be granted authority for continued operation."

Wright said that plan is to test 3 years "but I would think that everyone would know it's a good business before 3 years and that we'd be off & running. I don't think that the FCC or broadcasters would hesitate."

# Advertising

**1959 SPOT SALES ROSE 18%:** TvB & N. C. Rorabaugh last week confirmed that 1959 was most certainly a good year for spot TV. National & regional gross time billings climbed hand over fist to \$605,603,000—a solid 18% increase over 1958's \$511,770,000 spot-TV business and, of course, a new high.

Although night TV got the larger share of the business, as usual, with billings of \$306,406,000 (vs. \$273,162,000 in 1958), its share-of-business dropped to 50.6% from 53.4% in 1958. Increased day & late-night activity enabled the former to produce \$223,495,000 or 36.9% of total business (vs. 1958's 35.7% or \$182,730,000); while the latter pulled in \$75,702,000 or 12.5% (vs. \$55,878,000 or 10.9%).

Announcements gained as the dominant format of spot activity with a 76.1% share (\$460,706,000) of the total revenue (vs. 72.7% or \$371,931,000 in 1958). Programs were down with a 13.2% share or \$80,385,000 (from 16.2% or \$83,014,000). IDs also fell—percentage-wise—to 10.7% or \$64,512,000 (from 11.1% or \$56,825,000).

The year's top spot spenders by product category: Food & grocery products, with a \$165,725,000 investment, were up 18% from 1958's \$135,687,000 budget. Other heavy spenders: drug products, \$53,478,000 (a 20% gain), cosmetics & toiletries, \$52,512,000 (up 12%), household cleaners, waxes, etc., \$45,165,000 (up 52%). (See complete list of product classifications below.)

Procter & Gamble was 1959's top national spot-TV advertiser (as well as top network spender—Vol. 16:13 p10). The soap giant spent more than \$45 million for spot-time buys. In 2nd place was Adell Chemical, with an \$18-million investment. In the No. 100 spot: Kroger Co. (meat & grocery products), with \$1.2 million for spot billings. (See accompanying list for 1959's top 100 spot advertisers.)

Lestoil was largest single-brand user of spot TV, with way-out spending of \$17.6 million. Duncan Hines mixes took 2nd place with \$7.2 million. Runners-up: Maxwell House Coffee, \$6 million; Kellogg Cereals, \$5.9 million; Mr. Clean, \$5.8 million; Alka-Seltzer, \$5.7 million. TvB's expenditure estimate by national & regional spot-TV advertisers and by product classification:

|  |              |
|--|--------------|
| AGRICULTURE .....                          | \$ 1,782,000 |
| Feeds, Meals .....                         | 1,005,000    |
| Miscellaneous .....                        | 777,000      |
| ALE, BEER & WINE .....                     | 47,840,000   |
| Beer & Ale .....                           | 42,945,000   |
| Wine .....                                 | 4,895,000    |
| AMUSEMENTS, ENTERTAINMENT .....            | 1,019,000    |
| AUTOMOTIVE .....                           | 18,175,000   |
| Anti-Freeze .....                          | 158,000      |
| Batteries .....                            | 449,000      |
| Cars .....                                 | 12,143,000   |
| Tires & Tubes .....                        | 1,715,000    |
| Trucks & Trailers .....                    | 303,000      |
| Miscellaneous Accessories & Supplies ..... | 3,407,000    |
| BUILDING MATERIAL, EQUIPMENT               |              |
| FIXTURES, PAINTS .....                     | 2,827,000    |
| Fixtures, Plumbing, Supplies .....         | 503,000      |
| Materials .....                            | 746,000      |
| Paints .....                               | 1,012,000    |
| Power Tools .....                          | 231,000      |
| Miscellaneous .....                        | 335,000      |
| CLOTHING, FURNISHINGS, ACCESSORIES .....   | 16,273,000   |
| Clothing .....                             | 12,206,000   |
| Footwear .....                             | 2,911,000    |
| Hosiery .....                              | 803,000      |
| Miscellaneous .....                        | 353,000      |
| CONFECTIONS & SOFT DRINKS .....            | 28,192,000   |
| Confections .....                          | 13,427,000   |
| Soft Drinks .....                          | 14,765,000   |
| CONSUMER SERVICES .....                    | 17,531,000   |
| Dry Cleaning & Laundries .....             | 35,000       |
| Financial .....                            | 2,975,000    |
| Insurance .....                            | 3,770,000    |
| Medical & Dental .....                     | 197,000      |
| Moving, Hauling, Storage .....             | 488,000      |
| Public Utilities .....                     | 7,861,000    |

## 100 Largest TV-Spot Advertisers of 1959

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.....  | \$45,046,800 | 51.  | Max Factor .....      | \$ 2,423,490 |
| 2.   | Adell Chemical .....   | 18,132,030   | 52.  | Carling Brewing ..    | 2,395,710    |
| 3.   | General Foods .....    | 14,599,400   | 53.  | Jacob Ruppert .....   | 2,213,820    |
| 4.   | Lever Brothers .....   | 14,118,940   | 54.  | Eso .....             | 2,198,650    |
| 5.   | Colgate-Palmolive ..   | 13,879,890   | 55.  | National Biscuit ..   | 2,130,880    |
| 6.   | Continental Bakg. ...  | 10,806,480   | 56.  | Wander .....          | 2,075,850    |
| 7.   | Warner-Lambert .....   | 10,690,620   | 57.  | Falstaff Brewing ..   | 2,061,370    |
| 8.   | Amer. Home Prod. ...   | 10,657,620   | 58.  | Sun Oil .....         | 2,038,840    |
| 9.   | Brown & Williamson ..  | 9,252,640    | 59.  | U.S. Borax .....      | 1,998,720    |
| 10.  | Miles Labs .....       | 7,830,830    | 60.  | Pharma-Craft .....    | 1,973,510    |
| 11.  | Bristol-Myers .....    | 7,744,650    | 61.  | Associated Prod. ...  | 1,956,140    |
| 12.  | International Latex .. | 7,381,340    | 62.  | Helena Rubinstein..   | 1,920,480    |
| 13.  | Kellogg .....          | 5,988,600    | 63.  | Hertz Corp. ....      | 1,915,420    |
| 14.  | Texize Chemicals ...   | 5,360,900    | 64.  | Quaker Oats .....     | 1,859,690    |
| 15.  | Philip Morris .....    | 4,887,270    | 65.  | Schlitz Brewing ...   | 1,850,150    |
| 16.  | Reynolds Tobacco ...   | 4,252,450    | 66.  | Minute Maid .....     | 1,822,880    |
| 17.  | Corn Products .....    | 4,226,190    | 67.  | Hamm Brewing ...      | 1,821,880    |
| 18.  | P. Lorillard .....     | 4,177,170    | 68.  | Ralston-Purina .....  | 1,808,340    |
| 19.  | Standard Brands ...    | 4,135,040    | 69.  | Helene Curtis .....   | 1,787,350    |
| 20.  | Merchants & Mfrs. ...  | 3,840,970    | 70.  | Std. Oil (Ind.) ..... | 1,767,900    |
| 21.  | J. A. Folger .....     | 3,722,440    | 71.  | Ward Baking .....     | 1,748,460    |
| 22.  | Avon Products .....    | 3,677,040    | 72.  | Gallo Winery .....    | 1,640,110    |
| 23.  | Sterling Drug .....    | 3,660,910    | 73.  | Interstate Bakeries   | 1,586,800    |
| 24.  | Anheuser-Busch .....   | 3,649,070    | 74.  | Fels & Co. ....       | 1,549,600    |
| 25.  | Coca-Cola .....        | 3,567,960    | 75.  | Atlantic Refining ..  | 1,543,390    |
| 26.  | Carter Products .....  | 3,474,300    | 76.  | Alberto-Culver .....  | 1,535,130    |
| 27.  | American Tobacco ..    | 3,467,440    | 77.  | Exquisite Form .....  | 1,507,730    |
| 28.  | Ford .....             | 3,438,840    | 78.  | M. J. B. Co. ....     | 1,505,720    |
| 29.  | Revlon .....           | 3,284,050    | 79.  | Continental Wax ..    | 1,496,130    |
| 30.  | General Mills .....    | 3,237,710    | 80.  | Piel Bros. ....       | 1,487,830    |
| 31.  | Vick Chemical .....    | 3,115,200    | 81.  | Nat. Dairy Prod. ...  | 1,445,980    |
| 32.  | Lanolin Plus .....     | 3,047,290    | 82.  | Safeway Stores .....  | 1,430,470    |
| 33.  | B. T. Babbitt .....    | 2,992,150    | 83.  | Chesebrough-Ponds     | 1,419,880    |
| 34.  | Pepsi Cola .....       | 2,984,590    | 84.  | Plough .....          | 1,405,460    |
| 35.  | Liggett & Myers ...    | 2,948,590    | 85.  | Atlantis Sales .....  | 1,403,850    |
| 36.  | Andrew Jergens .....   | 2,923,670    | 86.  | Wilson & Co. ....     | 1,401,800    |
| 37.  | Wesson Oil .....       | 2,883,440    | 87.  | General Motors .....  | 1,370,030    |
| 38.  | Borden .....           | 2,824,470    | 88.  | Schick .....          | 1,348,040    |
| 39.  | Food Mfgs. ....        | 2,769,580    | 89.  | Pam Industries .....  | 1,328,560    |
| 40.  | Wrigley .....          | 2,749,420    | 90.  | Phillips Petroleum    | 1,325,310    |
| 41.  | Gillette .....         | 2,745,350    | 91.  | E. F. Drew & Co. ...  | 1,320,230    |
| 42.  | Drug Research .....    | 2,742,900    | 92.  | Parker Pen .....      | 1,317,120    |
| 43.  | Pillsbury .....        | 2,712,080    | 93.  | Armour .....          | 1,291,160    |
| 44.  | Pahst .....            | 2,710,170    | 94.  | Charles Pfizer .....  | 1,279,910    |
| 45.  | Nat. Grape Co-op. ..   | 2,601,350    | 95.  | Vic Tanny Enter. ..   | 1,277,630    |
| 46.  | Nestle .....           | 2,581,390    | 96.  | Heublein .....        | 1,273,310    |
| 47.  | Norwich Pharmacal ..   | 2,534,960    | 97.  | National Brewing..    | 1,258,700    |
| 48.  | American Chiclé .....  | 2,496,540    | 98.  | Block Drug .....      | 1,250,630    |
| 49.  | Shell Oil .....        | 2,451,710    | 99.  | Pacific Tel. & Tel.   | 1,243,960    |
| 50.  | General Motors .....   | 2,427,260    | 100. | Kroger .....          | 1,232,020    |

|  |                    |
|--|--------------------|
| Religious, Political, Unions .....           | \$ 969,000         |
| Schools & Colleges .....                     | 185,000            |
| Miscellaneous Services .....                 | 1,051,000          |
| <b>COSMETICS &amp; TOILETRIES .....</b>      | <b>52,512,000</b>  |
| Cosmetics .....                              | 11,844,000         |
| Deodorants .....                             | 5,870,000          |
| Depilatories .....                           | 152,000            |
| Hair Tonics & Shampoos .....                 | 10,982,000         |
| Hand & Face Creams, Lotions .....            | 3,982,000          |
| Home Permanents & Coloring .....             | 5,326,000          |
| Perfumes, Toilet Waters, etc. ....           | 1,822,000          |
| Razors, Blades .....                         | 2,412,000          |
| Shaving Creams, Lotions, etc. ....           | 1,488,000          |
| Toilet Soaps .....                           | 7,103,000          |
| Miscellaneous .....                          | 1,531,000          |
| <b>DENTAL PRODUCTS .....</b>                 | <b>13,571,000</b>  |
| Dentifrices .....                            | 8,806,000          |
| Mouthwashes .....                            | 3,898,000          |
| Miscellaneous .....                          | 867,000            |
| <b>DRUG PRODUCTS .....</b>                   | <b>53,478,000</b>  |
| Cold Remedies .....                          | 16,655,000         |
| Headache Remedies .....                      | 10,823,000         |
| Indigestion Remedies .....                   | 10,310,000         |
| Laxatives .....                              | 3,031,000          |
| Vitamins .....                               | 4,026,000          |
| Weight Aids .....                            | 1,911,000          |
| Miscellaneous Drug Products .....            | 5,625,000          |
| Drug Stores .....                            | 1,097,000          |
| <b>FOOD &amp; GROCERY PRODUCTS .....</b>     | <b>165,725,000</b> |
| Baked Goods .....                            | 28,736,000         |
| Cereals .....                                | 15,266,000         |
| Coffee, Tea & Food Drinks .....              | 36,501,000         |
| Condiments, Sauces, Appetizers .....         | 7,121,000          |
| Dairy Products .....                         | 7,919,000          |
| Desserts .....                               | 1,366,000          |
| Dry Foods (Flour, Mixes, Rice, etc) ..       | 19,489,000         |
| Fruits & Vegetables, Juices .....            | 9,551,000          |
| Macaroni, Noodles, Chili, etc. ....          | 2,163,000          |
| Margarine, Shortenings .....                 | 8,942,000          |
| Meat, Poultry & Fish .....                   | 8,909,000          |
| Soups .....                                  | 988,000            |
| Miscellaneous Foods .....                    | 7,850,000          |
| Miscellaneous Frozen Foods .....             | 1,502,000          |
| Food Stores .....                            | 9,449,000          |
| <b>GARDEN SUPPLIES &amp; EQUIPMENT .....</b> | <b>808,000</b>     |
| <b>GASOLINE &amp; LUBRICANTS .....</b>       | <b>22,890,000</b>  |
| Gasoline & Oil .....                         | 21,449,000         |
| Oil Additives .....                          | 1,285,000          |
| Miscellaneous .....                          | 156,000            |

|  |                       |
|--|-----------------------|
| HOTELS, RESORTS, RESTAURANTS .....           | \$ 568,000            |
| HOUSEHOLD CLEANERS, CLEANERS                 |                       |
| POLISHES, WAXES* .....                       | 45,165,000            |
| Cleaners, Cleansers* .....                   | 38,128,000            |
| Floor & Furniture Polishes, Waxes .....      | 3,540,000             |
| Glass Cleaners .....                         | 659,000               |
| Home Dry Cleaners .....                      | 569,000               |
| Shoe Polish .....                            | 1,725,000             |
| Miscellaneous Cleaners .....                 | 544,000               |
| HOUSEHOLD EQUIPMENT—APPLIANCES .....         | 4,971,000             |
| HOUSEHOLD FURNISHINGS .....                  | 3,564,000             |
| Beds, Mattresses, Springs .....              | 1,785,000             |
| Furniture & Other Furnishings .....          | 1,779,000             |
| HOUSEHOLD LAUNDRY PRODUCTS .....             | 36,727,000            |
| Bleaches, Starches .....                     | 6,702,000             |
| Packaged Soaps, Detergents* .....            | 27,987,000            |
| Miscellaneous .....                          | 2,038,000             |
| HOUSEHOLD PAPER PRODUCTS .....               | 4,558,000             |
| Cleansing Tissues .....                      | 666,000               |
| Food Wraps .....                             | 1,524,000             |
| Napkins .....                                | 314,000               |
| Toilet Tissue .....                          | 1,162,000             |
| Miscellaneous .....                          | 892,000               |
| HOUSEHOLD GENERAL .....                      | 5,617,000             |
| Brooms, Brushes, Mops, etc. ....             | 603,000               |
| China, Glassware, Crockery, Containers ..... | 941,000               |
| Disinfectants, Deodorizers .....             | 1,156,000             |
| Fuels, (heating, etc.) .....                 | 309,000               |
| Insecticides, Rodenticides .....             | 1,701,000             |
| Kitchen Utensils .....                       | 106,000               |
| Miscellaneous .....                          | 801,000               |
| NOTIONS .....                                | 325,000               |
| PET PRODUCTS .....                           | 6,689,000             |
| PUBLICATIONS .....                           | 679,000               |
| SPORTING GOODS, BICYCLES, TOYS .....         | 4,893,000             |
| Bicycles & Supplies .....                    | 36,000                |
| Toys & Games .....                           | 4,530,000             |
| Miscellaneous .....                          | 327,000               |
| STATIONERY, OFFICE EQUIPMENT .....           | 222,000               |
| TELEVISION, RADIO, PHONOGRAPH.               |                       |
| MUSICAL INSTRUMENTS .....                    | 1,171,000             |
| Radio & Television Sets .....                | 381,000               |
| Records .....                                | 280,000               |
| Miscellaneous .....                          | 510,000               |
| TOBACCO PRODUCTS & SUPPLIES .....            | 31,490,000            |
| Cigaretts .....                              | 28,756,000            |
| Cigars, Pipe Tobacco .....                   | 2,330,000             |
| Miscellaneous .....                          | 404,000               |
| TRANSPORTATION & TRAVEL .....                | 3,911,000             |
| Air .....                                    | 2,734,000             |
| Bus .....                                    | 422,000               |
| Rail .....                                   | 718,000               |
| Miscellaneous .....                          | 37,000                |
| WATCHES, JEWELRY, CAMERAS .....              | 3,830,000             |
| Cameras, Accessories, Supplies .....         | 1,170,000             |
| Clocks & Watches .....                       | 22,000                |
| Jewelry .....                                | 174,000               |
| Pens & Pencils .....                         | 2,211,000             |
| Miscellaneous .....                          | 253,000               |
| MISCELLANEOUS .....                          | 8,600,000             |
| Trading Stamps .....                         | 953,000               |
| Miscellaneous Products .....                 | 3,655,000             |
| Miscellaneous Stores .....                   | 3,992,000             |
| <b>TOTAL</b> .....                           | <b>\$ 605,603,000</b> |

\* In 1959 liquid cleaners (i. e. Lestoil) included in sub-class "Cleaners, Cleansers."

**Net TV Up 10% in Jan.:** The 1960 national ad volume got off to a healthy start with January posting a 9% gain over the year-ago business, *Printers' Ink's* latest ad index shows. Sizable increases were recorded by most major media: newspapers 15%, magazines 12%, network TV 10%. The poorest showing was recorded by network radio, which ran 34% below the Jan.-1959 performance. The index for the first time includes a spot-TV report which will be adjusted quarterly. Spot TV in 1959's final quarter was 9% ahead of 4th-quarter '58; 2% ahead of 3rd-quarter '59.

| Medium                   | Index        |              | % Change from  |               | 1959<br>year<br>average |
|--------------------------|--------------|--------------|----------------|---------------|-------------------------|
|                          | Jan.<br>1960 | Jan.<br>1959 | 1 month<br>ago | 1 year<br>ago |                         |
| General Index .....      | 227          | 209          | - 2            | + 9           | 225                     |
| Total Magazines .....    | 182          | 162          | + 1            | +12           | 173                     |
| Weekly .....             | 195          | 175          | - 1            | +11           | 192                     |
| Women's .....            | 141          | 124          | + 1            | +14           | 128                     |
| General Monthly .....    | 228          | 206          | - 1            | +11           | 217                     |
| Farm .....               | 122          | 110          | +36            | +11           | 105                     |
| Newspapers .....         | 202          | 176          | - 6            | +15           | 206                     |
| Network Television ..... | 471          | 430          | 0              | +10           | 452                     |
| Network Radio .....      | 21           | 32           | 0              | -34           | 24                      |
| Business Papers .....    | 226          | 229          | - 2            | - 1           | 232                     |
|                          | 4th Qtr. '59 | 4th Qtr. '58 | 3rd Qtr. '59   | 1 year ago    |                         |
| Spot Television .....    | 742          | 683          | + 2            | + 9           | 708                     |

All indexes have been seasonally adjusted. The index shown for each medium is based on estimated total advertising investments in the medium, including talent, production and media costs. For each medium, the base (100) is an average of total investments in the years 1947-1949 except for the TV base, which covers the years 1950-52. Spot TV is not reflected in the general index.

Another whiskey rebellion has broken out in broadcasting—this time in Baltimore's Dundalk suburb, where radio daytimer WAYE is carrying commercials for Kentucky Gentleman bourbon. Baltimore's Strakes agency placed the R. W. L. Wine & Liquor Co. account with the non-NAB 500-watter after it had been turned down by other stations. The soft-sell commercials don't mention liquor or drinking. Typical copy: "Who's your friend, honey?" "Why, that's Kentucky Gentleman." No alarm over WAYE's defiance of the industry's taboo on hard liquor advertising was professed at Washington hq of NAB, where Code sources told us they've had no reports that the Dundalk revolt is spreading elsewhere in radio—or in TV.

**Ad People:** William M. Nagler elected a Young & Rubicam vp . . . Barron B. Boe and Herbert A. Ericson named BBDO vps . . . Joseph Stone appointed a vp & associate creative dir., McCann-Erickson . . . Sy Radzwiller and West P. Woodbridge Jr. named Ted Bates vps . . . Charles A. Farrington named recruitment ad mgr., Fuller & Smith & Ross's new Boston office (137 Newbury St.), established to serve client Raytheon's recruitment program.

**U.S. Station Rate Increases**

| Station                    | Base Hour          | Minute                      | Date    |
|----------------------------|--------------------|-----------------------------|---------|
| WRCA-TV New York .....     | \$9200 to \$10,200 | \$2300 (no change)          | Feb. 1  |
| WCBS-TV New York .....     | 8250 to 10,000     | 2100 to \$2400 <sup>1</sup> | Dec. 21 |
| WRVC-TV Philadelphia ..... | 3700 to 4000       | 850 to 880 <sup>1</sup>     | April 1 |
| WHDH-TV Boston .....       | 3000 (no change)   | 600 to 700                  | April 1 |
| KRON-TV San Francisco .    | 2100 to 2350       | 675 to 775                  | April 1 |
| KTVI St. Louis .....       | 1150 to 1400       | 287 to 325                  | April 1 |
| WGR-TV Buffalo .....       | 1300 to 1400       | 300 to 320                  | April 1 |
| WFBS-TV Indianapolis ..... | 1300 (no change)   | 350 to 400                  | April 1 |
| WAVE-TV Louisville .....   | 1100 to 1150       | 250 to 275                  | March 1 |
| KMTV Omaha .....           | 900 to 1000        | 225 to 250                  | April 1 |
| WSAZ-TV Huntington .....   | 1000 (no change)   | 180 to 220                  | April 1 |
| KXLY-TV Spokane .....      | 625 to 800         | 165 to 220                  | April 1 |
| KARD-TV Wichita .....      | 700 to 800         | 145 (no change)             | March 1 |
| WJRT Flint .....           | 700 to 800         | 140 to 150                  | April 1 |
| WLDF-TV Orlando .....      | 400 to 500         | 80 to 90                    | March 1 |
| WTVC Chattanooga .....     | 400 to 450         | 80 to 100                   | March 1 |
| KNTV San Jose .....        | 325 to 400         | 80 to 100                   | April 1 |
| WBTW Florence, S.C. ....   | 375 to 400         | 85 to 90 <sup>1</sup>       | March 1 |
| KVAL-TV Eugene .....       | 360 to 396         | 86 to 99 <sup>2</sup>       | March 1 |
| KLAS-TV Las Vegas .....    | 250 to 275         | 50 to 60                    | April 1 |
| KTEN Ada, Okla. ....       | 225 to 250         | 30 to 40                    | March 1 |
| KCTV San Angelo .....      | 200 to 225         | 34 to 42                    | March 1 |

<sup>1</sup> 20 Sec. only. <sup>2</sup> Combination rates with KPIC, Roseburg, Ore. from \$434 to \$464 (Hour), \$99 to \$110 (Min.).

Arthur Murray Inc., whose *Arthur Murray Party* is an NBC-TV staple, has been charged by FTC with deceptive TV-radio-newspaper promotional schemes to "decoy" customers into more than 450 licensed dance studios. FTC's complaint against local telephone quizzes, crossword, "dizzy dance" and "Lucky Buck" contests, also named company officials Arthur & Kathryn Murray and David A. Teichman. FTC said this Arthur Murray promotion isn't bona fide, that it's "a deceptive form of 'bait' or 'decoy,' attractive to the innocent, unwary and unsuspecting." Among techniques used to "mislead & coerce" dance-lesson customers, FTC said, was: "The use of 'relay salesmanship,' involving a number of Arthur Murray representatives who sign up a lone prospect by force of numbers & unrelenting sales talks, sometimes aided by hidden listening devices monitoring conversation with the pupil." In N.Y., the company issued a statement conceding that "on occasion" some Arthur Murray Studio employes have "engaged in isolated practices not approved by our organization." But it maintained that the business conduct of most employes has conformed with "highest standards."

## Networks

**THREE 'NEW LOOKS' AT TV:** Socio-economic factors of TV households, nighttime network audience standings and daytime competitive TV patterns were examined last week by a trio of new Nielsen-based studies available to admen. Highlights:

**TvB-Nielsen study:** One of TV's most popular fallacies is that TV viewing falls off as income & educational levels rise. A special Nielsen study for TvB, however, deflates this notion. Upper-income homes (over \$8,000 annually) account for 19% of U.S. households—and these same households account for 19% of U.S. TV viewing. Middle-income homes (37% of households) account for 40% of all TV viewing, while 44% of U.S. homes in the low-income brackets (under \$5,000), account for only 41% of viewing.

Education relates to, rather than reacts against, TV viewing, the Nielsen qualitative analysis revealed. Homes with a college-educated adult (31% of all homes) account for 32% of viewing. And homes whose most-educated adult had less than a high school education (33% of homes) provided only 32% of TV viewing. Somewhat similar patterns appeared in terms of family size & age. Large (5 or more people) families amount to 23% of the U.S., but provide 30% of viewing. What TvB termed "the important young homes" (with the head of household under 40, and representing 34% of U.S. homes) actually provide 40% of TV viewing—18% more than the proportionate share.

**Nighttime network standings:** ABC-TV is now a strong contender for over-all national rating honors. CBS-TV still leads the field, and NBC-TV runs in 3rd position. The first of the March Nielsen reports on the all-evening (6-11 p.m., Mon.-Sun.) network national picture revealed these average-audience ratings: ABC-TV—20.4; CBS-TV—22.1; NBC-TV—19.3. Audience shares showed this line-up at 31.3, 35.1, and 30.0, respectively.

In the "prime" of prime-time periods (8-10:30 p.m., Mon.-Sun.), national average-audience standings: ABC-TV—22.0; CBS-TV—23.6; NBC-TV—20.1. Coupled with ABC's lower gross time costs, the resultant cpm figures let ABC claim an average cpm of \$2.78 in the 8-10-30 p.m. hours, vs. \$3.17 for CBS and \$4.17 for NBC.

**Daytime competitive areas:** Nielsen figures show early results of the recent addition to the NBC-TV daytime schedule of *Loretta Young Theater*, *Comedy Playhouse* and *Adventure Time*. In the 24 cities where Nielsen measures 3-network direct competition, NBC has moved from 14% behind CBS (average-audience ratings in the 10 a.m.-1 p.m. & 2-5 p.m. periods) to 3% ahead. NBC has also widened its lead over ABC's daytime TV schedule, advancing from a 5% lead in the Feb. 5 Nielsen competitive report (before the programming changes) to a lead of 23% in the March 4 Nielsen report (with new schedule in effect).

The actual rating levels look like this: NBC-TV up from a 6.7 to an 8.0. CBS-TV holding with a 7.8 average before & after the NBC program changes. ABC-TV—a slight gain, from 6.4 to 6.5, but not enough to make up the daytime difference with NBC. One major victory for NBC-TV has been in throwing the *Loretta Young* reruns against CBS-TV's highest-rated daytime show in the Nielsen multi-network areas, *House Party*. The latter has now slipped back to being the 5th-rated CBS show in the 24 Nielsen competitive cities.

CBC has applied for a license to establish a TV station at Pembroke, Ontario to serve 63,000 persons outside the "B" contour of existing English-language TV stations, Pres. Alphonse Ouimet reported recently. The new service would be a satellite transmitter, on Ch. 5, which would carry the programs of CBOT, Ottawa. The application is subject to recommendation by the BBG and approval by the Dept. of Transport.

South African visa was refused to NBC News' Cairo correspondent Welles Hangen on grounds that NBC was "prejudged the issue" in the current racial flare-ups there. According to NBC News vp William R. McAndrew, it was a case of guilt-by-association, inasmuch as the Union of South Africa's complaint was apparently over comments made by NBC News' Chet Huntley March 28 & 29 in the network's Texaco-sponsored *Huntley-Brinkley Report*.

CBS-TV has shelved plans for additional construction at Television City in Hollywood, apparently as the result of a recent survey & a comparatively light schedule of live production from the network this summer.

### NETWORK SALES ACTIVITY

#### ABC-TV

- Princess Margaret's wedding, May 6, 5-5:30 p.m., full sponsorship.  
*Yardley of London* (N. W. Ayer)
- Sugarfoot-Bronco, Tue., 7:30-8:30 p.m., and various daytime participations.  
*Simoniz* (Young & Rubicam)
- NCAA football telecasts, eff. Sept. 17, Sat. afternoons, quarter sponsorships.  
*Liggett & Myers* (McCann-Erickson)  
*Humble Oil* (McCann-Erickson)
- Jeannie Carson Show, Thur., 9-9:30 p.m., reruns starting in July, full sponsorship.  
*Procter & Gamble* (Grey)
- The Flagstones, Fri., 8:30-9 p.m., eff. fall 1960, alt. wk. sponsorship.  
*Miles Laboratories* (Geoffrey Wade)  
*R. J. Reynolds* (William Esty)

#### CBS-TV

- June Allyson Show, Thur., 10:30-11 p.m., renewal of full sponsorship.  
*DuPont* (BBDO)
- DuPont Show of the Month, 1960-1961 season, renewal of full sponsorship.  
*DuPont* (BBDO)
- Arthur Godfrey Show, May 6, 9-10 p.m. Second Godfrey special of 4 planned this year.  
*Greyhound Corporation* (Grey), *Sears, Roebuck & Co.* (Cunningham & Walsh), *Sara Lee* (Cunningham & Walsh)
- Rawhide, April 2, Fri. 7:30-8:30 p.m., one-third alt. wk. sponsorship.  
*Gulf Oil* (Young & Rubicam)
- Jack Benny Show, Sun. 10-10:30 p.m., eff. Oct., co-sponsorship.  
*State Farm Mutual Insurance Co.* (Needham Louis & Brorby)

#### NBC-TV

- Conventions 1960, April 24, 5:30-6 p.m., full sponsorship.  
*Kemper Insurance Co.* (John W. Shaw)

**CBS Denies 'Tough' Policy:** A report that CBS-TV was turning down a number of new & old TV shows because they didn't measure up to the network's new program-practice standards gained wide circulation last week. New shows like *The Law & Mr. Jones* (Four Star, P&G sponsoring), *Time Out for Ginger* (Ziv-UA, Kellogg part-sponsor), *Dr. Kildare* and *National Velvet* (both MGM-TV) and the new Peter Lind Hayes show, *Peter Loves Mary*, were said to have been handed thumbs-down notices.

That CBS was suddenly taking a stiff attitude toward outside program packages was flatly denied in N.Y. by various network spokesmen. CBS Inc. Pres. Dr. Frank Stanton, although seldom directly concerned these days with individual program problems on the network, nevertheless told us that "CBS has no intention of controlling all its shows. This would be a violation of anti-trust laws."

Vp John P. Cowden threw additional light on the situation, telling us: "Business has been booming at CBS, and our fall schedule is becoming locked-in fairly early. As a result, the number of open time periods is dwindling, and many programs are under consideration to fill them. Some programs we've discussed will probably fall by the wayside, not because we don't like them or because they have no intrinsic merit, but because we just can't fit them in."

What gave strength to the reports, apparently, has been the fact that CBS has made no bones, in a number of recent instances of controlling program content on the network. The trend began last fall, in the wake of quiz hearings, with a Stanton-ordered axing of *Name That Tune*, and continued with a flurry of program-practices memos covering everything from tape labels to canned laughter.

NBC wants to reinstate call letters WNBC-TV, WNBC and WNBC-FM for its N.Y. o&o's, says William N. Davidson, NBC vp & gen. mgr. of the N.Y. stations, and has filed with FCC. The stations have been using WRCA call letters since 1954. Prior to that, the radio o&o's used WNBC, the TV outlet, WNBT. The WNBC call letters are currently assigned to the TV station for New Britain-Hartford, Conn., which NBC recently sold to Conn. TV Inc. (Vol. 15:30 p9). The proposed call letters "better identify" the N.Y. stations with the network, said Davidson. WRCA will go to an RCA marine station.

Trial of \$15 million suit by KTNT-TV Tacoma against CBS & KIRO-TV Seattle, alleging that KIRO-TV obtained CBS-TV affiliation illegally through its AM tie-in with the network (Vol. 14:37 p8), has been set tentatively for July 12 in Tacoma. Anti-trust law infractions by CBS & KIRO-TV are charged in the triple-damage suit, which is scheduled to be tried by U.S. District Court Judge William J. Jameson.

Radio Free Europe seeks \$10 million in a new TV-radio drive due to be launched April 24. On March 28, a taped, closed-circuit RFE appeal was made from N.Y. to affiliates, which featured appearances by top officials of the 3 networks (AB-PT Chmn. Leonard H. Goldenson; CBS Inc. Pres. Dr. Frank Stanton; NBC Chmn. Robert W. Sarnoff) and Donald H. McGannon, Westinghouse Bestg. pres. & chmn. of Broadcasters for Radio Free Europe. The campaign will include special TV-radio programs, a saturation schedule of spot announcements, special RFE kits for broadcasters, and other electronic appeals. Radio Free Europe now exists as a 28-station network in West Germany and Portugal that broadcasts 3,000 hours weekly to a potential audience of 76 million people behind the Iron Curtain.

## Congress

**DICK CLARK DATE SET:** House Commerce Committee investigators who have been plodding through tedious legislative hearings on ethics-in-govt. bills (Vol. 16:13 p3) last week set April 21 as a tentative date to return to more glamorous work—payola probes. ABC-TV headliner Dick Clark, 20-30 disc jockeys, music publishers and record promoters in the Philadelphia area—and probably network officials—were billed by Chmn. Harris (D-Ark.) as leading witnesses for the new round of payola hearings by his Legislative Oversight Subcommittee.

Harris also interrupted last week's legislative hearings by the full Committee for CAB, FTC, SEC and ICC to announce that a long-rumored study of TV & radio rating systems is being farmed out by the subcommittee to the American Statistical Assn., financed from Oversight funds, results of a 3-man ASA survey probably won't come in until after the Nov. elections, at least—and Harris indicated no hearings on ratings will be held before fall, if then.

### Clark Questions Previewed

What Clark will be in for when he keeps his payola-probe date was indicated by the Oversighters' counsel Robert W. Lishman in a memorandum on the case, which has been a subject of Subcommittee bickering (Vol. 16:12 p17). Among questions he wants to ask, Lishman said, are these:

(1) "Have records or musical compositions been broadcast on the network programs *American Bandstand* and *The Dick Clark Show* because of payments of money or other valuable considerations?" (2) "Have such payments been made to Dick Clark directly or indirectly through corporations owned or controlled by him, or through his third party agents or representatives?" (3) "Has the licensed broadcasting station over which the Clark shows originate lived up to its responsibility concerning material that should be broadcast, or has it surrendered control over that material entirely to mercenary interests?" (4) "Has Dick Clark, through record pressing & other corporations, exacted tribute from composers & talent in order that their compositions or recordings may be aired on his shows?"

Clark has been under investigation by subcommittee staffers since last Nov. and under subpoena as a witness since Jan. Rep. Moss (D-Cal.), one oversighter who had called for careful preparations for Clark's hearing—vs. demands by Rep. Bennett (R-Mich.) that they be speeded up—said questioning of the ABC-TV jockey would be "as thorough as the facts will permit." Clark could be sure of one thing—he'll have a full house for his appearance.

Meanwhile House Judiciary Committee Chmn. Celler (D-N.Y.) also got into the payola act. He introduced a bill (HR-11397), patterned after ASCAP proposals (Vol. 16:12 p5), to make payola a crime punishable by \$1,000 fines and/or one-year jail terms. Another Celler bill (HR-11398) would permit FCC to limit license renewals to one year instead of 3 in cases where it finds evidence of payola practices at stations.

No payola-like sensations were expected from the Harris-subsidized ratings inquiry. Harris himself said one rating service already had offered "a comprehensive & candid study of its statistical methods"—and that other services were lining up to follow suit.

If past Congressional experience in Congressional hearings on the subject is any guide, any public inquiry by Harris into ratings & how they are computed will run



into a problem of shutting witnesses up rather than extracting damaging evidence from them. Sen. Monroney (D-Okla.) found that out when he ran one-man Senate Commerce Committee proceedings on the subject in 1958 (Vol. 14:26 p2). He was overwhelmed with statistical data & lectures on mathematical equations in audience samplings.

Conducting the ratings study for the ASA will be Dr. William G. Madow, Stanford Research Institute, Menlo Park, Cal., Chmn.; Dr. Raymond J. Jessen, General Anlysis Corp., Los Angeles; Dr. Herbert Hyman, Columbia U.

\* \* \*

In N.Y., A. C. Nielsen Co., largest of the broadcast measurement firms and a research organization likely to be affected considerably by any govt. move in the ratings field, took a we-have-nothing-to-hide position concerning a probe. Vp & best. div. mgr. Henry Rahmel told us that, if there was a need for more information on rating services in Washington, a Harris study "should prove helpful." He also repeated an invitation to "pay us a visit" at Nielsen's Chicago hq, adding that "a first-hand inspection would provide a background of confidence in Nielsen services."

CATV-regulation bill (S-2653) which has been pending in the Senate since last session, when it was written & recommended by the Commerce Committee (Vol. 15:38 p5), has been bypassed again. Opposed by the National Community TV Assn. because of language which directs FCC to consider "continued operation of the local station" in licensing CATV systems, the bill came on the Senate floor on the consent calendar. But a quick vote on it was prevented by objections raised by Sen. Fulbright (D-Ark.) & others. Also passed over on the Senate floor was an FCC-recommended bill (S-1734), approved last session by the Commerce Committee (Vol. 15:32 p6), which would prevent ex-parte presentations in adjudicatory cases after they have been designated for hearings.

Congressional review of legislative rule-making by FCC & other federal regulatory agencies is provided in a bill (HR-11411) by Rep. Moulder (D-Mo.) amending the Legislative Reorganization Act of 1946. Under its terms, "any proposed rule or regulation having the effect or import of legislative action to carry out the purposes of an act of Congress" would have to be submitted for Senate & House committee approval before being issued. If there's no committee action, agency rules could become effective 15 days after they are filed with Congress. Intra- and inter-agency administrative regulations would be excepted from the requirement.

Tower painting & lighting bill (S-2812), requiring that unused as well as used broadcasting structures must be marked & illuminated (Vol. 16:11 p13), has been approved by the Senate. The measure, sponsored at FCC's request by Senate Commerce Committee Chmn. Magnuson (D-Wash.), was sent along to the House, where an identical bill (HR-10259) by House Commerce Committee Chmn. Harris (D-Ark.) is pending.

Another "influence" bill, barring officials of FCC & other govt. regulatory agencies from "unlawful & unethical" outside contacts, was promised last week by Sen. Butler (R-Md.). In a speech prepared for Senate delivery, he said his proposed measure would amend the Administrative Procedure Act of 1946 to outlaw ex-parte approaches to the agencies. But his "code of conduct" would "leave to the discretion of the respective officials the degree of conduct, social & business, they would have with the industry."

## The FCC

**FORD'S TRAFFIC-MOVING PLANS:** Several ideas for improving & moving FCC's work have been broached to colleagues by new Chmn. Frederick W. Ford, and they may go into effect soon. Though uppermost in his mind are upcoming decisions on such major matters as payola, deception, programming (main topic of his NAB convention speech), TV allocations, etc., he's giving much thought to administrative job.

He has strong hopes that an expediter will be a great help—someone who will "bird-dog" major projects and "program" Commission activity to keep decisions rolling out. It's understood that he'll soon name the man, James B. Sheridan, asst. chief of the economics div. Sheridan has been with the Commission 19 years. He worked with Ford on many major cases—such as the Richards news-slanting hearing and the ABC-Paramount Theaters merger—when Ford was a top staff attorney in 1947-53. As an economist, Sheridan has worked on almost all major Commission problems, has an exceptionally broad knowledge of the industry and is articulate about it. It's not intended that Sheridan be an "executive director," such as those in some govt. agencies, with a substantial voice in policy decisions. Commissioners don't go for that, don't want a buffer between them & staff.

Another Ford objective: "I'd like to acquaint my colleagues & myself with problems as fast as they hit the Commission, not a couple of months after the staff has worked on them. The Commission should have closer control of staff wrk, give mre direction, not lost track of anything, assign the priorities."

Ford is enjoying excellent press, meanwhile. For example, April 1 *Washington Post* editorial titled "Sins of Commission," devoted primarily to the problems of the Federal Power Commission, said this:

"Frederick W. Ford, the new chairman of the Federal Communications Commission, has espoused a commendable philosophy without the need of a new law. 'I've no problem acting like a judge,' Mr. Ford said in a recent interview, 'I bet I haven't had a visitor a month—people just don't come to see me.'"

On March 28, *Washington Daily News* editorialized: "Congressmen who turned up the FCC scandals and others here in Washington seem to think if anybody can restore the agency to good standing, the new chairman, Frederick W. Ford, is the man. Among those who believe this is Mr. Ford.

"In his 2½ years on the FCC, he says, he didn't find ethics to be any problem. Judging by his reputation, there was no 'problem' because he had a clear understanding of the difference between right & wrong, and the intelligence to apply this understanding."

Govt. regulation of CATV receiving towers, which run as tall as 750 ft., would be authorized by legislation proposed by FCC to Congress. The proposed bill would cover all receiving antennas, which are now exempt from rules governing transmitting antennas. National Community TV Assn. exec. dir. Edward Whitney said that NCTA supports the proposal, in fact has always urged members with tall towers to comply with FCC transmitter-tower regulations despite the absence of laws covering their structures. He said that he's sure all CATV towers of substantial height do comply.

**Boston Radios Answer FCC:** General & specific defenses of their policies were filed last week by 4 Boston area radio stations which were challenged by FCC to show why their licenses should be renewed in the face of alleged payola practices and infractions of FCC rules (Vol. 16:10 p5).

Also submitted to FCC in the 4 cases were petitions by the AFM and its Boston Local 9 for permission to intervene if license hearings are held. The musicians' union said FCC should put this new issue into the proceedings involving WMEX, WILD, WORL and WHIL: "Whether applicant should be required, as a condition of renewal of its license, to present local live musical programs."

None of the stations in their replies to FCC's letter conceded that they had knowingly been involved in payola. WORL, for instance, said it was aware that employes received a few Christmas gifts, total value not exceeding \$200. As for free records used by the station, WORL said they were just like books sent by publishers to newspapers for review. WHIL said it had issued strict no-payola orders to its employes as long ago as last Nov. 25.

As for programming defaults, which FCC cited against all of the stations except WORL, a typical defense was filed by WMEX. It said that FCC wasn't keeping up with the broadcast times when it complained that WMEX had too much news-&-music and too few agricultural, educational, talk and religious programs. "The yardsticks which were evolved approximately 15 years ago for measuring station programming do not lend themselves to a fair evaluation of present day methods of operation of broadcast stations," WMEX said.

The stations' replies were accompanied by affidavits, program logs and other exhibits intended to show that they have been operated in the public interest and are entitled to have their licenses renewed.

Rules for vhf boosters (repeaters) were considered again by FCC last week, but no decision was reached. Meanwhile, the Commission again extended for 90 days, from March 31, the grace period during which it will not proceed against the boosters, which operate without Commission authorization. A new proposal, offered by one Commissioner, is that each booster operator be required merely to "register" with FCC, that each be permitted to continue as long as it creates no interference, that no new vhf boosters be permitted.

Another "Kohler hearing" reprimand was delivered by FCC last week, to WATR-TV Waterbury, Conn. The station was reminded of the sponsor-identification requirements of the Communications Act. It had carried, without identifying the source, films of Senate hearings supplied by the National Assn. of Manufacturers. About 25 stations had carried the films, and most have been warned by FCC (Vol. 14:16 et seq.).

Short-spaced vhf allocations rule-making deadline for comments was extended from April 19 to June 20 (replies July 5), as the FCC acted on a petition of the Assn. of Federal Communications Consulting Engineers. The first deadline was Feb. 19, later extended to April 19 (Vol. 16:2 p1, 16:5 p1).

Letter covering TV allocations, including the status negotiations with OCDM, was sent by FCC April 1 to the Senate Commerce Communications Subcommittee, headed by Sen. Pastore (D-R.I.). The Senator was out of town; therefore the contents were not released.

## Film & Tape

**BIDS TO END WGA STRIKE FAIL:** Hollywood's turbulent labor scene last week was marked by dramatic but unsuccessful attempts to end the 11-week old strike of Writers Guild of America against the Alliance of TV Film Producers, and a setback in negotiations between Screen Actors Guild and the Assn. of Motion Picture Producers, struck by SAG March 7. Optimism that the disputes would soon be settled was shattered.

For the first time, the 2 largest talent agencies—MCA and William Morris—became involved in attempts to settle the TV strike, but plans projected by them were rejected. Here's the sequence of events:

A WGA committee met with MCA boss Lew Wasserman. They conceived a dramatic plan which called for scrapping the present residuals system and replacing it with an arrangement giving writers 2.2% of telefilm gross, foreign & domestic. Writers would receive \$1,000 for a script—considered an advance against the gross. WGA liked the formula because (1) it gave them a foot in the foreign market, and (2) would give them residuals in perpetuity. But the Alliance rejected the WGA-Wasserman plan immediately.

Explained an Alliance source: "It was a radical, ingenious plan which might upset our relationships & rates with the various guilds. Under this plan we would have to overhaul the entire residuals structure. The actors might want a lot more, for example." WGA met again with Wasserman, asked him to exert influence to end the strike.

### **WGA Rejects Alliance Proposal**

The Alliance then came up with its own proposal, which ironically, was drawn up with the aid of the Morris Agency. This plan called for writers to receive a 10% increase in minimums the first 2 years of a new contract, another 5% hike the 3rd year, and 5% based on agreed compensation (but no more than double minimum) to go into a pension fund. This plan skirted the ticklish foreign issue by offering WGA a favored nations clause, whereby WGA would receive foreign residuals if any were given to other guilds.

The Alliance plan was told to the Guild the day of its membership meeting (March 31) and WGA executives first believed it contained recognition of the principle of foreign residuals. As a result they were optimistic and felt the strike would end. However, when they received the actual proposals and recognition of the foreign principle was not included, they presented it to the membership with a recommendation that it be rejected. All but 2 or 3 of the 400 writers at the meeting turned the proposal down.

Previously, in informal discussions WGA had asked for a 15% minimum raise for 3 years, plus 5% for a pension fund and recognition of the foreign residuals principle, but the Alliance rejected this. Although they rejected the Alliance proposal, the writers authorized their negotiators to resume talks with the producers in an effort to find a solution.

At its membership meeting, WGA members authorized a strike against non-Alliance producers, & against the networks in live TV, radio and freelance, since the network contract expired March 31. However, progress is being made in negotiations with the networks so no strike call is planned, and the networks have been given an extension.

As for the SAG-major negotiations, what began as a week promising settlement ended in name-calling and an

indefinite termination of negotiations. Hollywood trade papers headlined that a settlement had been reached, but this was not true. Nor were the terms printed by such papers. AMPP vp Charles S. Boren said: "It is not correct to say that at any time negotiations had reached a point which 'should settle the strike.'" Although considerable progress had been made, the differences in the positions of the producers and of the Guild represented millions of dollars to the industry. Boren said negotiations have been interrupted because the producers have to take time to "explore thoroughly the economic implications of the present proposals," and said talks will resume once this is completed.

Boren's comments were motivated not only by the false alarms of a settlement, but by a statement from SAG which termed AMPP's postponement of negotiations "shocking."

#### SAG May Withdraw Offer

SAG said it had offered substantial compromises, and claimed that on March 26 both the producer and Guild committees knew that the strike could be settled on terms offered by SAG. They blame company presidents for refusing to support the positions of their committees. SAG said: "We have no intention of being the sacrificial lamb for the producers. If the producers intend to continue the strike, the Guild will be compelled to withdraw its compromise offer, which was designed to end the strike."

Actually, the disputants were apart not in the area of principle, but in dollars & cents. SAG had asked \$3 million for its pension fund (in lieu of post-1948 payments); the producers were offering \$1.8 to \$2.1 million.

SAG wanted 6% (minus 40% for distribution) of post-1948 films sold to TV; producers don't want movies which lost money at the boxoffice included, but SAG rejected this. (Producers said 710 movies made last year lost money.) Producers also wanted a 10-year "freeze" on post-1960s once agreement is reached, but SAG also rejected this.

SAG made a concession in the pay-TV area, when it agreed to go along with majors' contention that pay TV is an extension of theatrical boxoffice. However, this would have been for the duration of the new contract only.

Directors Guild of America, meanwhile, asked producers for a health & welfare plan, with employers to pay 3½% of DGA members' salaries or 3½% of producers' gross on post-1948 movies sold to TV.

**Block-booking Trial:** Assumption that block booking by TV film distributors is proved was termed "premature" last week by Federal District Court Judge Archie O. Dawson in the current government anti-trust suit against 6 feature-film distributors. Judge Dawson again told the court he "probably would not grant renegotiation of contracts," but would decide solely on the block-booking issue. If he sides with the govt., stations may then sue film companies individually for renegotiation of contracts, he said. "This court, however, won't be used as a collection agency for stations," Dawson added.

Testifying last week were William L. Putnam, pres., Springfield TV Broadcasting Corp.; Wallace Sawyer, film mgr., Springfield Bestg.; Seymour Horowitz, program mgr., WTCN-TV Minneapolis; Frank Bignell, asst. gen. mgr., WKOW-TV Madison, Wis.; Martin F. Memolo, former pres., WARM-TV Scranton, Pa.; Morris E. Greiner Jr., mgr., KMBC-TV Kansas City, Mo.; Edgar T. Bell, exec. vp & gen. mgr., KWTW Oklahoma City. The trial is expected to last at least 3 more weeks.

## HOLLYWOOD ROUNDUP

Negotiations are under way for sale of *The New Bob Cummings Show*, an adventure-comedy series. Included in the package now being discussed are four 60-min dramatic shows to be called—*Bob Cummings Theatre*—which would star Cummings and be produced by his own company, Laurel Productions. These would be on film or tape. Cummings told us he had originally planned a pilot for his new venture, but the Writers Guild strike intervened. Consequently the negotiations are being made by presentation. If the strike continues, he will film the series abroad.

Bristol-Myers is negotiating for alternate sponsorship of *Boston Terrier*, a half-hour private eye. The other half has already been bought by R. J. Reynolds. No time or network has been set. Tom Waldman and Blake Edwards of Terrier Productions are with the series, which stars Robert Vaughn. Waldman will produce. Also in the venture are Don Sharpe and Warren Lewis.

Producer Larry Berns, with CBS-TV for 18 years, has left the network to join a co-production venture with Nannette Fabray and her husband, Randal MacDougall. The trio plans a comedy series, *Yes, Yes, Nanette*, to be produced by Berns. They will seek to sell it via presentation instead of a pilot.

Producer Hal Hudson (*Dick Powell's Zane Grey Theatre*) is considering leaving Four Star Television to form his own telefilm company . . . Producer John Robinson is planning a series called *Kovack*, about a newspaper columnist . . . Westwood Productions producer Edmund Hartmann plans to pilot *Going On Seventeen*.

Twentieth Century-Fox TV may not use Ron Ely as alternating star, with Gardner McKay, on *Adventures in Paradise* next season. Ely was originally scheduled for this season, but McKay protested vigorously, wishing to remain the sole star of the series. The studio has not yet reached a decision.

CBS-TV staff producer-dir. Fred de Cordova will leave the network when his contract expires April 17 . . . Screen Gems has signed director Oscar Rudolph to a 3-year contract . . . William Morwood, ex-CBS Films, has become associate producer of *GE Theater* at Revue Studios.

Jack Benny-owned J&M Productions has sold a new series, 60-min. *Checkmate*, to CBS-TV for next season. The deal is for 26 segments of the suspense show . . . Production has been finished on this season's *Dick Powell's Zane Grey Theater*.

Howard Christie, producer of *Wagon Train*, has been named a vp of Revue Studios . . . Serge Valle named NTA research director . . . Daniel Goodman has been named eastern sales mgr. & Robert Newgard midwest sales mgr. for Screen Gems.

H. Weller Keever, ex-Cal. National, has been named sales vp for Filmaster . . . Producer William Goetz has signed Jeff Chandler to star in two 60-min. Biblical dramas being produced in Israel for ABC-TV.

Jack Linkletter's *On the Go* on CBS-TV has been renewed . . . Phil Karlson plans a series, *Tolliver's Trolley*, written by Steve Allen and Karlson.

Raylock Productions will produce a series based on Ripley's "Believe It or Not."

## NEW YORK ROUNDUP

CBS Films 26-episode N.Y.-taped *Robert Herridge Theatre* has been sold to the Australian Bestg. Commission for 6 stations. Individual episodes in the series also have been sold in West Germany, Sweden, Denmark and Norway. And a 4-station CBC lineup has picked up the full package for Canadian telecasting. No U.S. station or network deal has yet been lined up, although CBS Films began production of the taped 30-min. drama series nearly a year ago. One likelihood: CBS Films is still trying for a network sale on the show in preference to launching it in U.S. syndication.

Ben-Hur will be on TV this season—at least, some of the physical props will. Producers John Lee Mahin and Martin Rackin, who are currently shooting *The Barbarians* as a 60-min. NBC-TV fall entry near Rome, and who know a good standing set when they see one, plan to film part of the series on the giant sets left over from MGM's huge "Ben-Hur" production, we have learned. How MGM will react to the sight of the sets from history's costliest feature serving as a backdrop for a TV show isn't known.

Wonderama, 3-hr. weekend cartoon-&-games package of WNEW-TV N.Y., is adding moppet-slanted political features as a new public-affairs approach. Senators John Kennedy (D-Mass.) & Hubert Humphrey (D-Minn.), rival Presidential hopefuls, have recorded 60-sec. explanations of the political primaries, to be used in a series of 15-min. news-in-depth discussions on *Wonderama*. Kennedy's message is video-taped; Humphrey's a beeper-phone recording.

Westerns are still active, with 2 new ones being bought for next season. ABC-TV has ordered 26 of 60-min. *Stagecoach West*, produced by Vincent Fennelly, for Four Star Television. Robert Bray, Richard Eyer and Wayne Rogers star. And NBC-TV has bought 39 of *The Tall Man*, a Revue Studios-Nat Holt series starring Barry Sullivan and Clu Gulagur.

NTA's tape-syndicated *Open End* series became a TV-radio simulcast April 3 in a move by origination point WNTA-TV N.Y. to broaden the show's audience. First discussion topic to be seen on WNTA-TV & heard on WNTA, with David Susskind as host: "Crisis in the South," a roundtable discussion of integration issues.

John Jack Cron has resigned as pres. of Bernard L. Schubert Inc., N.Y. & Los Angeles TV film packager-distributor . . . Howard Lindsay will narrate NBC-TV's *Project 20* showing of "Mark Twain's America," April 22.

Add syndication sales: Official Films' *Almanac* package has been sold to 5 additional stations: WRGP-TV Chattanooga; KLRJ-TV Las Vegas; KOOL-TV Phoenix; KTVO Kirksville, Mo.; and WLOF-TV Orlando.

Cinema-Vue Corp. will distribute Pathe News' 260-episode *Milestones of the Century*, with narration by Ed Herlihy. The series is now available in 3½-min. versions for daily stripping.

Laurence S. Untermeyer, ex-NBC producer-dir.-writer, has been appointed associate producer of Transfilm-Wylde Animation . . . Willard Block has been named international sales mgr., CBS Films.

AFM won an NLRB election to represent musicians in TV film at CBS-TV, getting 122 votes vs. 90 for MGA.

**Unlucky Mr. Lucky:** Blake Edwards, creator of *Peter Gunn*, *Mr. Lucky* and *The Boston Terrier*, has told us he'll quit TV for the movies if he ever runs into as extreme a case of interference as he encountered on *Mr. Lucky* this season. Such interference, added the producer-director-writer, paves the way to mediocrity.

Recounting his experience with *Mr. Lucky*, he said, "First CBS-TV & the sponsor objected to the gambling ship locale. I was apprehensive at their insistence on a nightclub, but I went along. Then, during my absence working on movies, they took most of the comedy out of the series. I told them my deal gave me creative control, and I took my name off the show. I don't want ulcers, and I don't want to go back to my analyst.

"I had come up with the idea of *Mr. Lucky*. Don Sharpe sold it, and though I was to be in charge of it, I didn't like being partner with a network. From the beginning there was nothing but trouble. The network said it objected to the 'morality areas' [the gambling]. I was for not giving in, but didn't want to see Don Sharpe get hurt financially, so went along and did it their way. But as the show moved away from comedy & the gambling ship, I thought it was terrible. What they are now doing is a bad *M-Squad*. The ratings are not as good as they have been, and in that time slot you ought to get a good rating with a bridge game."

Edwards added that *Peter Gunn* has done so well because it has never encountered such interference, either from the sponsor or NBC-TV. Next season he'll shoot *Gunn* in Eastman color, and he plans other changes, such as replacing Mother's nightclub with one owned by the feminine lead (Lola Albright). He will also expand story lines to cover situations all over the world, removing them from the confinement of "typical underworld crimes."

**Maverick Mutiny:** Warner Bros. has begun a campaign to woo back TV stars who claim they're no longer under contract, as a result of the studio exercising *force majeure* clauses in their contracts—allegedly because of the Writers Guild of America strike.

The Burbank studio made its first move by sending Clint Walker, star of *Cheyenne*, a check retroactive to March 3, the date he was placed on layoff—and reinstating him on its payroll. But the Warner lot was in for trouble with *Maverick* stars Jack Kelly & James Garner. Both, off the payroll on *force majeure* since March 3, had said that as a result they no longer considered themselves under contract. Kelly declared himself a free agent, and said his agent was lining up personal appearances & offers to work in other series.

Kelly told us last week that if WB sends him a check to reinstate him on the payroll, he will return it. His co-star was equally vehement, saying he, too, would return any such check. Garner received a letter from WB stating it was looking around for other work for him in the entertainment field and wanting to know if he would take such jobs. Via his attorney, Garner replied by telling the studio, in effect, "We fired you when you violated our contract." Garner, incidentally, was upset last week, but not by his tiff with the studio. While he was golfing with Mauri Orr, sister of WB TV exec. producer William T. Orr, his ball struck & broke her nose.

Late last week, Warners filed suit against Garner, seeking to determine whether it has the right to suspend him under *force majeure*. Warner contended that its contract prohibits Garner from offering his services elsewhere.

## STRIKE SITUATION AT A GLANCE\*

| Union   | Strike vs. Movies' TV Operations?   | Strike vs. Alliance of TV Film Producers?   | Strike vs. Non-Alliance Independents?   | Strike vs. Network TV Film?  | Strike vs. Live Network?  |
|---|---|---|---|--|---|
| WGA<br>(Writers Guild of America)                               | Yes. Began Jan. 16 residual proposals. Employers favor pension plan instead. Majors in TV have not been hit hard by strike. Some using non-Guild writers and Guild members who write under pseudonyms. However, there is concern over production for next season. | Yes. Began Jan. 16 over residuals. Alliance last week rejected plan conceived by WGA and MCA's Lew Wasserman to replace residual system with formula giving writers 2.2% of gross, foreign and domestic. Alliance still seeks more generous pension plan in lieu of increased residuals. Production not badly hit, but producers are worried about scripts for next season. | No. Extension of WGA pact with non-Alliance group lapsed March 26, but Guild not likely to call strike since progress is reported in negotiations. However, WGA could call strike on 48-hour notice. Non-Alliance group comprises only Hollywood TV film makers not struck. | Yes. WGA struck March 18, following network refusal on foreign residuals. Most series produced by networks had finished production by that date. | No. Contract expired March 31, but WGA granted extension since progress is being made in negotiations for live TV-radio & staff writers at networks. However WGA membership authorized strike in event negotiations collapse. |
| SAG<br>(Screen Actors Guild)                                    | Doubtful. Extension of contract expires May 31. Negotiations haven't begun yet. SAG strike vs. major studios, which began March 7, doesn't involve their TV operations.   | Doubtful. Extension of contract expires May 31. Negotiations haven't begun yet.   | Doubtful. Extension of contract expires May 31. Negotiations haven't begun yet.   | Doubtful. Extension of contract expires May 31. Negotiations haven't begun yet.  | No. SAG has jurisdiction over TV films; AFTRA over live TV. AFTRA contract with networks expires Nov. 15. Preliminary negotiations will probably begin in Sept.   |
| IATSE<br>(International Alliance of Theatrical Stage Employees) | No. Contracts of studio unions don't expire until Jan. 1961. Negotiations begin in Nov.   | No. However, IATSE threats of residual demands in event producers grant them to guilds have hindered negotiations. Pension plan as means of circumventing IATSE threat best bet.  | No.   | No.  | No. IBEW & NABET have jurisdiction at networks.   |
| SEG<br>(Screen Extras Guild)                                    | No. Contract expired April 2, 1959.   | No. Contract expired April 2, 1959. SEG charged. Alliance with unfair labor practices, alleging it won't bargain separately with SEG and apart from Assn. of Motion Picture Producers.  | No. Contract expired April 2, 1959.   | No. Contract expired April 2, 1959.  | No. SEG doesn't have jurisdiction in live network; AFTRA does. Its contract expires Nov. 15.  |
| DGA<br>(Directors Guild of America)                             | No. Contract expires April 30. Negotiations haven't begun.  | No. Contract expires April 30, negotiations haven't begun. DGA seeks additional 25% payment on all foreign sales of a film if it has had 6 U.S. & Canadian runs prior to overseas release. Also seeks pension plan.   | No. Contract expires April 30. Negotiations haven't begun.  | No. Contract expires April 30. Negotiations haven't begun.   | No. Contract expires Dec. 31.   |

\*As it pertains to branches of TV film and TV live programming. For movie strike developments, see p.12.

In restraint-of-trade trial against Screen Gems brought by the govt. (Vol. 16:13 p6), Federal District Court Judge William B. Herlands was told last week by 3 defense witnesses that feature films aren't different from other types of programming and are used and sold interchangeably with 30-min. syndicated shows, cartoons and other programs. The witnesses were Jerome Hyams, vp & gen. mgr., SG; Frank Pellegrin, partner & vp, H-R reps, & Irwin H. Ezzes, vp & gen. sales mgr., TV Industries Inc. In cross examination, the govt. attempted to show that feature films are a distinct line of commerce, set apart from other types of programming. The prosecution's case is relying mainly on a point of law to substantiate its claim that the acquisition by SG of the distribution rights to the Universal Pictures library was contrary to anti-merger provisions of the anti-trust laws. The trial will now enter its 4th week.

"First independent TV-tape studio in the Midwest" has been opened by Giantview TV Network, Detroit closed-circuit producer & equipment manufacturer.

**TCF-TV into Public Affairs:** Twentieth Century-Fox Television is planning a half-hour public-affairs series. Peter Levathes, pres., told us the series will include a variety of subjects and has been discussed with agencies & networks.

Levathes added that Twentieth will have more production next season than it had this year. He listed as definite sales the 26 60-min *Hong Kong* episodes; a half-hour series, *Down Home*, starring Pat Buttram; expected renewals of *The Many Loves of Dobie Gillis* and *Adventures in Paradise*. He was optimistic about the company's pilots of *Picture Window* and *Whodunit*. The latter is currently under option to NBC-TV.

To build up the TV audience for the Academy Awards show on Mon. April 4, the Motion Picture Assn. of America has sent out an extensive press book to 17,000 U.S. theaters, 2,000 more in Canada and to all NBC and CBC TV & radio stations. The cinema super-promoters estimate that the Oscar ceremonies will reach an audience in the U.S. & abroad of 300 million.

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JAMES T. QUIRK, Business Manager  
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6362 Hollywood Blvd.  
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Hollywood 5-5210  
DAVID KAUFMAN

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## Programming

**NBC's NFL Lineup:** Starting this fall, NBC-TV will carry a pro football schedule of 4 pre-season exhibition games and 12 regular-season games of the world champion Baltimore Colts and Pittsburgh Steelers of the National Football League. Sponsorship deals are now being discussed.

CBS-TV has virtually had a corner on NFL games, although the deals were actually made on a club-by-club basis and no NFL package was involved. But CBS-TV will still be able to choose from the games of 11 other NFL teams, and is already talking contract terms with such clubs as the N.Y. Football Giants.

NBC, which is rapidly filling up any gaps in its sports schedule caused by the exodus of much Gillette business to ABC-TV (Vol. 16:12 p11), will have a sizable TV grid schedule this fall. In addition to the pro *Game of the Week* contests, the network will also have "at least 8" major college and pro bowl and other post-season classics, including the pro championship game, Rose Bowl, Sugar Bowl and Shrine East-West game.

**Scott's Rerun Coup:** *Father Knows Best* will be back in CBS-TV's lineup this fall—but the 1960-61 season will be filled with rerun episodes culled from the show's backlog (which extends back to Oct. 1954). Scott Paper Co., a sponsor of the show from the beginning (and recently co-sponsoring with Lever Bros.), arranged the rerun deal with producers Robert Young and Eugene Rodney virtually at the last minute before an April 1 deadline to go ahead, or not go ahead, with the situation comedy series.

The reruns won't air in their regular Mon.-night 8:30-9 p.m. on CBS-TV; that spot will be filled by another Scott buy, a full-sponsorship purchase of a new 30-min. comedy series, *Bringing Up Buddy*, produced by Joe Connelly & Bob Mosher, the team responsible for *Leave It to Beaver*. Instead, *Father Knows Best* will shift to Tues. 8-8:30 p.m. on CBS-TV in Sept., replacing Oldsmobile-sponsored *The Dennis O'Keefe Show*.

Another sidelight to Scott's deal for reruns of the *Father Knows Best* series is that it puts a freeze, for as long as 2 years, on plans of ABC-TV to schedule the full rerun package as a daytime strip show or—as Scott and CBS-TV are planning—as a once-weekly nighttime series.

**The Trouble with Comedy:** There's an ample supply of comedians today, but there is so much censorship they can't express themselves. That was the consensus expressed by a panel of comedians at the Academy of TV Arts & Sciences in Hollywood last week.

Groucho Marx said comedians today are subconsciously "brainwashed," that they take lines out of the script even before the censor sees them because they know they will be blue-pencilled. Speaking with vigor & anger, Marx commented: "There's a curtain of fear over the whole country today that's a hangover from the McCarthy days." He was much applauded. "A comedian is basically a rebel," continued Marx. "But today if he comments on something he's in trouble. Comedians have no freedom of speech. The networks claim they're not responsible. If a sponsor gets 8 anonymous letters from plumbers saying they didn't like a joke about a plumber, he's terrified. He doesn't think of the millions who enjoyed the joke. That's why there is very little satire on TV." Others on the panel were Robert Young, Carl Reiner and Steve Allen.

**Personals:** Leonard Allen named NBC foreign news mgr., Donald V. Meaney, national news mgr. . . . Richard H. Close, NBC Spot Sales dir., named vp-national spot sales.

Stephen A. Mann, pres. of Intercontinental Services Ltd. (overseas station reps), named ABC international div. sales mgr. . . . William F. Schmick Sr. retires as pres. of A. S. Abell Co. (WMAR-TV Baltimore and Baltimore Sunpapers), succeeded by his son William F. Schmick Jr. . . . Ken Easton, ex-Rediffusion, Montreal, becomes engineering chief of Trans-Canada Telemeter, the Paramount Pictures associate conducting cable-fed pay-TV experiments in Etobicoke, suburb of Toronto.

John Devine, commercial mgr. of KVOO-TV Tulsa, named also station mgr. . . . Charles Keys named KVII Amarillo (Tex.) gen. mgr. . . . Virgil V. Evans, ex-radio WBT Charlotte, N.C. named asst. gen. mgr. of WCSC Inc., Charleston, S.C. & national sales mgr., WCSC-TV, eff. May 1 . . . Leonard Traube, ex-*Variety*, named WCBS-TV (N.Y.) information services & advertising dir., eff. April 11 . . . Jack Hooley named news dir., WROC-TV Rochester . . . Norman B. Harrington named news dir., KOOL-TV & KOOL Phoenix, Ariz. . . . Howard W. Coleman, ex-Gross Telecasting, appointed promotion dir., WTCN-TV & WTCN Minneapolis-St. Paul . . . Lawrence (Larry) Weiland, ex-NBC advanced planning mgr. for engineering, joins Ampex Professional Products as staff asst. to Charles Ginsburg, video engineering mgr. . . . David Brinkley, NBC news, succeeds John H. Secondari as pres. of Washington chapter of Academy of TV Arts & Sciences.

John Tillman appointed news dir., WPIX N.Y. . . . John J. Tormey named radio vp-N.Y., Avery-Knodel; Thomas J. White named TV vp-N.Y.; Roger O'Sullivan, radio vp-Chicago; Raymond M. Neihengen, TV vp-Chicago.

## Obituary

A. Frank Katzentine, 58, longtime civic & political leader in Miami Beach and owner of radio WKAT which he founded in 1937, died there March 27 of a heart attack. He was 1932-34 mayor of Miami Beach and subsequently organized & led the Crime Commission of Greater Miami. His wife survives him.

Michael Dreyfuss, 32, a dir. of CBS-TV's *U.S. Steel Hour*, died March 30 of a heart attack in his N.Y. home.

# Trade Report . . . .

APRIL 4, 1960

**MORE COLOR-TV ACTIVITY, BUT NO LANDSLIDE:** Consumers may have choice of 6 to 10 makes of color sets by next Christmas, but no full-scale push to "put color over" is yet on horizon. Increasing color set sales by RCA & Admiral have softened the attitude of some manufacturers—to the point where they're ready to get their feet wet again—but it's good to be that many makes of sets on market this year will be sisters under the skin, born at RCA's color receiver plant in Bloomington, Ind.

Our survey of manufacturers finds no expectations of any gold rush—but there's a more critical scrutiny of the market. Some of those which said "maybe" in our survey last Nov. (Vol. 15:45 p3) are now saying "yes;" some which said "no" are saying "maybe."

Here is color status at the moment: Now selling color sets—RCA, Admiral, Packard Bell. To have new color lines this summer—Magnavox, Emerson-Du Mont, one or 2 others. By fall—perhaps a couple more. Some Japanese color sets may be on U.S. market—including one made by RCA affiliate Victor Co. Japan, to be distributed here under the Delmonico label by Delmonico International as part of a full line of color and b&w Japanese-made sets (for details, see p. 20).

RCA says color sales by its distributors are running 35% ahead of last year, factory sales even further ahead, with no inventory at factory level. It's production line at Bloomington—which makes chassis for Admiral as well as RCA, and will supply other manufacturers—has capacity of one set a minute. There are indications that RCA may initiate another line in a few months.

Admiral says first-quarter color sales have been good—and that in the last 9 months it has sold more color sets than in the 5 years it was previously in color field.

Packard Bell color sales have been "very good," says consumer products vp Ken Johnson. "We ran out of sets 3 months faster than anticipated—in Jan., instead of April. Our sales are up 3 times above last year. Our volume isn't big, but it's consistent."

Magnavox, which has been supplying color sets individually on request of dealers, will become active in field again this fall, showing high-end (\$750-\$995 range) color TV line at Music Show in N.Y. this summer. Color will be backed by national ad campaign as part of Magnavox line.

Emerson & Du Mont will introduce 3-set color lines this fall, returning to market after hiatus of few months. Pres. Benjamin Abrams tells us he doesn't expect "any substantial increase—it will take a year or 2 before color business is substantial." Nevertheless, he feels "time is right" to get back into market.

Big chain stores are re-evaluating color, too. Montgomery Ward has been handling RCA sets in some of its biggest retail outlets for about a year. The number of stores and amount of sets has been "stepped up," we were told by a Ward's official. There are "less than 100 stores" handling color, but they're the largest stores in all regions of the country. "The sales level is extremely limited," we were told, "but offering & displaying color sets does have its effect." Ward's has no present plans to offer color set under its own Airline label—"the market is too limited."

Sears Roebuck says it's "studying the market." It has no plans to bring out a color set in "the next few months"—but if it does, it will be under Sears' own Silvertone brand.

Manufacturers not now in color market express many shades of opinion—but most have one thing in common: They still say they're "studying the market closely," and this time they seem to mean it more than before. Here are some reactions:

Zenith conducted special survey of color set market, according to Zenith Sales Co. Pres. Leonard Truesdell. The 80-market study, covering nearly 300 large dealers, showed that "very few are really inter-

ested in color, and the ones which handle it are selling at reduced prices." He adds: "We've given it much thought, but at the present time we don't think it's ready as a business, and we don't think it will be this year."

Hoffman is "looking into the possibility of color sets, but has no definite plans at this time," says consumer products vp-gen. mgr. Ray Cox.

GE seems to be veering toward entrance into color field. Says TV receiver gen. mgr. Herbert Riegelhan: "We are watching for significant increases in consumer demand for color sets and have plans for supplying color sets when the demand warrants it."

Westinghouse has no color plans for this year at least, says TV-radio mktg. mgr. C. J. Urban. He agrees that there is increased manufacturing talk about color—but wryly adds that this is normal for this time of year.

Motorola says it has "no present plans to introduce color TV in 1960," but is "watching closely." Philco, too, is "watching," but won't comment on plans.

Manufacturers are very cautious about revealing their plans—but it's good bet that several more will get into the market on test basis via the no-risk route of RCA-made chassis. It's obvious from their attitudes that color market is coming under closest scrutiny, that color hasn't yet "caught fire," but that some set makers think it could be a profitable business—next year.

**LEGAL TEST OF CONSUMER RATINGS:** A \$150,000 suit against Consumers Union, publisher of Consumer Reports—brought by a small manufacturer of hi-fi loudspeakers—will be watched closely by many consumer-goods manufacturers. The action by Hartley Products Co., charging commercial libel, pinpoints increasing power of consumer test organizations, whose adverse ratings often trigger sales declines.

In such "enthusiast" fields as component hi-fi, Consumer Reports has far more influence than its 800,000 circulation (and claimed 2-million readership) would indicate. The non-profit Consumers Union, which tests products ranging from canned peas to automobiles, has caused particular concern in recent years with its hi-fi product ratings, and there has been criticism of its reports by several hi-fi publications (but none has ever effectively proved CU's methods to be faulty).

Component hi-fi basically is a small-business field, and several firms have soared to the top after receiving good ratings from CU. Conversely, others claim to have suffered after poor ratings.

Hartley's suit, due to be filed this week in Bronx Supreme Court, specifically charges that CU's tests do not reflect actual conditions of use—insofar as loudspeakers are concerned. It is seeking to recoup \$50,000 it allegedly lost as result of an adverse Consumer Reports rating; \$100,000 in "exemplary damages" for libel.

Hartley showed continuous growth & acceptance from 1950 until Consumer Reports published its loudspeaker ratings in its Sept. 1958 issue, owner Robert Schmetterer told us. "Then, when our increase should have been greatest because of the growth of stereo, our gross fell off 60%. We're hanging on by the skin of our teeth. We've lost dealers as well as retail customers."

As described in the 1958 article (which reportedly called the Hartley speaker "unacceptable"), the CU tests "were conducted under conditions radically different from the conditions under which said loudspeakers were designed to be used," the Hartley suit alleges. Among other charges brought by Hartley, through N.Y. attorney Elliott L. Biskind:

CU's statements about the Hartley loudspeaker "are false & defamatory, known by the defendants to be false & defamatory, are malicious and made with intent to deceive in that the quality of a loudspeaker depends upon an individual's personal reaction to the sound emanating therefrom as affected by the method of housing the loudspeaker, method of treating the interior of the enclosure, and by such factors as size, shape and acoustics of the room in which a loudspeaker is operating, the emotional state of the individual listening to such speaker, atmospheric changes, the effect upon an individual's ears to degrees of loudness, type of music played, the musical instruments used or the voice or voices rendering the music, and other subjective factors not capable of precise scientific measurement."

CU Director Dexter Masters had no comment on the suit, saying merely that the matter had been turned over to CU's lawyers.

If court battle goes the full route, it may serve to delineate powers & responsibilities of consumer testing organizations. It's known that other manufacturers will be watching the suit closely. One firm, a giant which grosses more than \$1 billion annually, is also understood to be studying various possible avenues of



recourse against CU. In another case, the president of a TV-radio-phono firm was so incensed by a recent CU report on record changers that he has written a bitter letter to Consumer Reports blasting its test methods.

**TV-RADIO PRODUCTION:** EIA statistics for week ended March 25 (12th week of 1960):

|                   | March 18-25 | Preceding wk. | 1959 week | '60 cumulative | '59 cumulative |
|-------------------|-------------|---------------|-----------|----------------|----------------|
| TV .....          | 104,233     | 106,733       | 94,378    | 1,451,646      | 1,279,222      |
| Total radio ..... | 343,023     | 349,896       | 259,070   | 4,160,193      | 3,333,898      |
| auto radio .....  | 126,041     | 132,255       | 97,621    | 1,759,283      | 1,259,772      |

**More about**

**FAIRCHILD-DU MONT MERGER:** Although details are still to be worked out and directors & stockholders of both companies must approve the deal, it seems fairly certain that the acquisition of Du Mont Labs by Fairchild Camera & Instrument Corp. (see p. 4) will go through.

The terms of the proposed merger call for an exchange of one share of Fairchild common for each 15 shares of Du Mont common and each 5.7 shares of Du Mont 5% pfd. This would involve a transfer of about 157,000 shares of Fairchild stock—or some 12% of the outstanding common. At the current price of about 140, the exchange would involve transfer of some \$22 million in Fairchild stock.

For this stock expenditure, Fairchild inherits a \$10-million tax-loss carry-forward plus a company ideally suited to its drive for expansion in the commercial field. Fairchild has been working with Du Mont in certain military activities, and exec. v.p. Richard Hodgson says the 2 firms have a "great community of interest." Du Mont's display tube work, for example, will complement Fairchild's computer work. Du Mont's activity in closed-circuit TV & related fields fills an electronic gap in Fairchild's photographic activities.

Du Mont announced a breakthrough into the black in the 16 weeks ended last Oct. 11 (Vol. 15:45), and is understood to have further enhanced its financial recovery in recent months. A shadow of its former self, but profitable at long last, Du Mont now has working capital of about \$8 million, and is now consolidated in its single remaining plant at Clifton, N.J. Its last financial statement reported sales of \$5.5 million, profit of \$148,426 for 16 weeks ended Oct. 11, 1959. Fairchild, with hq at Syosset, N.Y., reported net sales of \$26.8 million, net profit of \$1,375,000 for 9 months ended Sept. 30.

Both companies have featured prominently in merger talks in the last few years, Fairchild recently having unsuccessfully sought to acquire R. C. Allen Business Machines. Also talking merger recently with Du Mont was Republic Aviation, and in the past there have been reports & rumors of Du Mont negotiations with Raytheon, Daystrom and Borg-Warner.

Four transistor manufacturers have signed cross-license agreements to make & sell Philco's MADT transistor (Micro Alloy Diffused-Base Transistor): General Transistor Corp., CBS Electronics, Sprague Electric, Semiconductors Ltd. of Great Britain. Philco, in a full-page *Wall St. Journal* announcement last week, said Sprague and Semiconductors Ltd. already are "in full automated production," that CBS Electronics and General Transistor "are currently installing the equipment and adopting the manufacturing techniques to mass produce MADTs with extreme precision & uniformity." Philco says it has "produced & delivered more very-high-speed, high-frequency transistors than all other manufacturers combined."

**Symphonic Enters TV:** A full line of TV sets will be made & marketed by Symphonic Electronic Corp., big package hi-fi manufacturer, Pres. Max J. Zimmer officially announced last weekend (Vol. 16:11-12). He said the decision was made after a survey of Symphonic distributors showed that less than 10% of them currently carry a TV line and that "the majority were most enthusiastic."

The new line, to be shown at the Music Show (N.Y.) and possibly at the home-furnishings markets (Chicago) this summer, will include "portables, table models, consoles and stereo home-entertainment systems with AM-FM, each model available in 2 or more finishes." The line will use 19- & 23-in. short-neck tubes. The 23 will be of the bonded-shield type; no decision yet on 19-in. type.

Symphonic also expects to furnish private-label sets. It has a large private hi-fi business and Zimmer has offered its TV facilities "to any of our valued contract accounts."

Production will begin in late May or early June at Symphonic's New Brunswick (N.J.) plant, for introduction to distributors at a mid-June meeting. Zimmer promised "most modern circuits, highest quality components, thin-line models, remote control." Prices will be "competitive," he said, but "we do not intend to be the lowest-cost set on the market."

Semiconductor industry, now 12 years old, probably is "the world's fastest growing big business," notes *Business Week* in a detailed cover-story report on semiconductors in its March 26 issue. "Perhaps the most striking evidence of the gulf between transistors and tubes," says *Business Week*, "is that the nation's No. 1 & No. 2 makers of semiconductor devices—Texas Instruments Inc. and Transitron Electronic Corp.—attained their leads without ever turning out a tube. And although most major tube manufacturers at the outset made & marketed semiconductor devices, they soon suffered some severe cases of indigestion. As a result, such companies as GE, RCA, Raytheon and Sylvania have divorced the two and set up completely autonomous semiconductor operations." The industry, says the article, will soon feel the full impact of the mesa transistor—the most promising type of mass-produceable transistor. More than 20 companies plan to turn it out. In a "partial who's who" of the semiconductor industry, *Business Week* lists these firms, in addition to Texas Instruments & Transitron: The "front ranks" include GE, RCA, Westinghouse, Hughes Aircraft, Philco, Sylvania & Raytheon. Other highlighted companies are Bendix Radio, Motorola, Delco-Remy div. of GM, Minneapolis-Honeywell, Allis-Chalmers, CBS Electronics, Clevite, Hoffman Electronics, International Rectifier, Sperry-Rand.

U.S. Underseas Cable Corp. has been jointly organized by Northrop's Page Communications Engineers, Phelps Dodge and West Germany's Felten & Guillaume to design & construct long-distance underwater systems. Page's engineering vp Herbert H. Schenck was named exec. vp.

**JAPANESE TV LINE DUE:** Japan made its most ambitious move toward the U.S. TV market last week. Hep, aggressive importer-distributor Delmonico International signed a "long-term agreement" with Victor Co. of Japan Ltd., RCA's Tokyo-based affiliate, then announced it was bringing in for 2nd-half distribution a complete line of Japanese TVs—ranging from 8-in. transistor portables to 23-in. consoles, and including 21-in. color (Vol. 16:12 p21).

Price, delivery and distribution data will remain under wraps, Delmonico said, until the unveiling of the Japanese TV line at the May 16-18 Parts Show in Chicago. However, the importer indicated that the 8-in. battery portables and the other b&w models will be on U.S. sale by late June, followed shortly thereafter by the 21-in. color sets. The complete line—which will be marketed under the Delmonico label—will include 8-, 17-, 19-, 21- and 23-in. models, Delmonico exec. vp Herbert Kabat told us. He said the chassis will be imported and married to American-made picture tubes in the concern's 90,000-sq.-ft. assembly plant at Corona, N.Y. "In most cases, depending on model," he added, "we will also import the cabinets with the chassis. Some chassis will be assembled here into cabinets obtained from U.S. manufacturers."

Delmonico's venture should shed some important light on the question of whether Japan can hurdle the obstacles of shipping cost, price and foreign styling to become any kind of a factor in the U.S. TV market. Previously, another major U.S. distributor, the Sampson Co. of Chicago, announced that it was arranging to bring in a Hitachi-made 21-in. color set (Vol. 16:13 p21). However, the size of the U.S. color market and Japan's own inexperience with the product would indicate that Nippon color sets will prove more a novelty than a sales threat.

#### Will TV Imports Follow Radio Pattern?

An assault on the U.S. market by a complete Japanese b&w TV line could be a horse of another color—if the Nippon manufacturers can take the hurdles. At this stage, it's a huge if. The price & quality of Japanese transistor radios proved more than a match for the resistance of American shoppers. But it still has to be proved that Japan can offer sufficient quality & price advantages to lure a profitable volume of Americans into taking a chance on a high-price, foreign-made electronic product as complicated as TV. The Delmonico venture does stimulate a variety of interesting questions: Who will be first American TV maker to import Japanese video components or even complete chassis? What will Japanese TV do to the price structure of American-made sets? Will Japanese TVs follow the distribution trail of transistor radios and wind up in drug stores, jewelry shops and the other imaginative outlets which helped Japan expand and then gobble a larger share of the U.S. radio market?

Lending weight to the impact of the Japanese TV move is Delmonico International, which takes 2nd place to no importer when it comes to sagacious selection and hard-hitting promotion & sales of foreign products. Indicative of Delmonico's quick-footedness is its rapid tie-up with Victor Co. of Japan after losing its Sony affiliation when that Japanese firm decided last month to handle its own U.S. distribution (Vol. 16:10 p16). Delmonico has made a name for itself as an importer & assembler of highly salable German- & Japan-made hi-fis, radios, tape recorders. Since Nov. 1, 1958 it has been a division of Chi-

cago-based Thompson-Starrett Co. Inc., which acquired Delmonico International Corp. of Long Island City, N.Y. for one million shares of common stock. Thompson-Starrett concentrates on general contracting & construction work, and turned in a 1958 profit of \$298,105 on sales & revenues of \$7,032,180.

Adding fuel to the fire Japan has started to build under the TV market, mass-producer Mitsubishi Electric Mfg. Co. of Tokyo has announced a 17-in. color tube made entirely of Japanese parts. The tube is described as a 3-gun shadow-mask type with 70-degree deflection. TV-radio maker Hitachi Ltd. also made TV news last week when an official declared that export of Japan-made color tubes to the U.S. is impossible now because Nippon manufacturers aren't turning them out in commercial quantities. However, he pointed out, export of color chassis without picture tube has "great possibilities."

**TV Technical Advances:** Previews of new engineering developments in TV & radio receivers will be highlighted at the IRE's Chicago Conference on Broadcast & TV Receivers at the Graemere Hotel June 20-21, coincidental with the opening of the summer International Home Furnishings Market. Scheduled papers & discussions:

Color TV experiments using the Land technique, by W. L. Hughes, Iowa State U. Tunnel diode applications, Eric Gottlieb, GE. Transistorized deflection circuits for 110-degree picture tubes, G. W. Fyler et al., Zenith. Transistorized FM & TV limiters, C. R. Gray & T. C. Lawson, Philco. Wide-deflection picture tube, Mr. Bisbing et al., Philco. Low heater-power CR tube, H. E. Smithgall, Sylvania. Scan magnification in picture tubes, W. F. Niklas & P. J. Dolon, Rauland. Electrostatic scan magnifier, Fred M. Bruno & Henry Schmaltz, Tung-Sol.

Survey of unconventional flat picture tubes, E. G. Ramberg, RCA. New picture-tube developments, panel headed by Robert Adler, Zenith, and including Norman Parker, Motorola; Zbigniew Wieniec, Warwick; and others to be announced. Japanese TV survey, Milton Goldstein, American Institute of Engineering. New ultrasonic TV remote control, J. A. Cunningham, Admiral. Low-cost pneumatic ultrasonic remote control, P. Tappan et al., Warwick. Transistorized remote control, Robert Wolff, Admiral.

Transistorized TV, L. J. Mattingly, Motorola. Nuvistor vhf tuner, G. C. Hermeling, RCA Victor. Low-noise transistorized TV tuner, C. D. Simmons & J. Specialny, Philco. Four-tube AM superhet receiver, W. J. Sember, Sylvania. Automatic gain control for TV sets, P. H. Amooory, Zenith.

Emerson and Du Mont introduced "new-shape" TV sets last week. Du Mont became the 2nd manufacturer to announce a 19-in. set (Admiral had been first). The Decorette "Nineteener" is a table model with non-bonded picture tube (separate safety glass). It will sell for \$198 in hand-rubbed mahogany finish, and at \$208 in walnut or limed oak. Emerson's new sets are stereo-TV and stereo-TV-AM-FM combinations. They feature 23-in. bonded-shield tubes, in 4 basic models, each available in mahogany, limed oak or walnut. Prices range from \$328 to \$488.

Portable electronic refrigerator, which can be operated from an automobile battery and will provide a drop of 70-85 degrees, was announced in England by GE Ltd. Prototypes of commercial models have been produced, GE said. The refrigerator harnesses the Peltier effect—the cooling provided when current is passed through the junction of 2 dissimilar metals. Westinghouse, RCA and other companies have demonstrated experimental electronic coolers in this country, but the British refrigerator is the first such unit said to be already designed for the consumer market.

Transistor sales in Jan. were nearly double those of Jan. 1959, and considerably higher than sales in Dec. 1959, according to EIA figures. Here are the factory sales totals for Jan. 1960, with comparative figures for Jan. & Dec. 1959:

|                     | Units     | Dollars      |
|---------------------|-----------|--------------|
| January 1960 .....  | 9,606,630 | \$24,714,580 |
| December 1959 ..... | 7,826,194 | 22,819,931   |
| January 1959 .....  | 5,195,317 | 13,243,224   |

**Trade Personals:** Leland W. Aurick named industrial market ad & sales promotion mgr., RCA electron tube div. . . . Robert E. Wilson appointed mgr. of RCA's new industrial electronics plant, Cañonsburg, Pa. . . . John W. Brazil named Raytheon industrial mobilization planning dir. . . . Ralph E. Leader named mgr., Raytheon microwave cooking dept. . . . John E. Meegan, ex-Zenith, named ad mgr., Admiral Sales Corp., Chicago div. . . . Howard Burgess, ex-Raytheon, named mktg. mgr., Cornell-Dubilier mica capacitor div. . . . Howard Turner named sales mgr., Du Kane Corp. audio visual div., continuing as export mgr. for the entire company and asst. mgr. of the div.

Irving Rossman, Pentron exec. vp, elected pres. of the Assn. of Electronic Parts & Equipment Mfrs. (EP&EM). Other officers: Warren Stuart, Belden Mfg. Co., 1st vp; Bruce Vinkemulder, Centralab, 2nd vp; Kenneth Hathaway, Ward Leonard, treas.; Kenneth C. Prince, exec. secy. . . . Raymond V. Pepe, vp of James B. Lansing Sound Inc., elected pres. of Institute of High Fidelity Mfrs.; he has been acting pres. since Jan. . . . Sidney T. Kitrell named sales mgr., Hy-Gain Antenna Products Corp. . . . Carl Muelhaupt Jr. named American Microphone sales mgr.

RCA dropped its Monogram line of picture tubes, effective last week, in favor of a Red Label line containing all new parts & screens, but with some re-used glass envelopes. The Silverama line of all-new tubes will be continued, selling at an average of about 26% above the Red Label line in popular 21-in. types. Red Label tubes will be priced in a range "generally comparable" to the Monogram line. Meanwhile, antenna-maker Channel Master Corp., which for the last year has also been selling hi-fi components & Japanese-made transistor radios, confirmed plans to enter rebuilt picture tube manufacturing on a nationwide basis, after a year of trial merchandising of rebuilt tubes on West Coast.

"Socket antenna" manufacturer last week signed a consent judgment in N.Y. Supreme Court in which he agreed to stop advertising that the "Radarex-Tenna," when plugged into a wall outlet, would convert house wiring into a giant TV antenna. The N.Y. state attorney general's office charged that Charles Torelli, doing business as Moto-Matic Co., had collected \$117,000 from consumers who bought the gadgets at \$3.98 & \$4.98. The judgment required that \$10,000 be placed in escrow with the attorney general's office to back up refund payments to disappointed customers. A National Better Business Bureau report last Nov. assailed "house-wiring-antenna" claims by socket-antenna makers (Vol. 15:47 p20).

**New plants & expansions:** Standard Coil Products will lease from the Oshkosh, Wis. Industrial Commission a 58,000-sq.-ft. production plant to be completed there in Aug. Increased demand for TV tuners necessitates the expansion, but Standard will use the new facility for multi-product production . . . Westinghouse is adding a building to its Youngwood, Pa. semiconductor operation. The structure is scheduled for summer occupancy and will expand semiconductor facilities by 30% . . . Sylvania Electronic Systems is planning a 90,000-sq.-ft. expansion, including a new hq building and applied research lab. The buildings, each approx. 45,000 sq. ft., will be constructed on a 55-acre site adjacent to present facilities in Waltham, Mass.

Following trend among importers, Transistor World Corp. has reduced list prices on 9 Toshiba transistor radios by amounts varying from \$5 to \$8.

## Finance

**FOX & STOCKS:** The borrowings of Matty Fox were in the news again last week in published & unpublished (though reliable) reports.

The pres. of Skiatron of America and of Television Industries Inc. was featured in a series of articles by N.Y. *Herald-Tribune* financial writer Richard Phalen, describing how SEC rules on stock registration can be skirted by pledging unregistered stock as security on loans, then defaulting payment—in which case the lender sells the unregistered stock on the open market.

Then there was the report that a globe-circling film magnate had endorsed a Fox note for \$25,000, which the film magnate had to pay when Fox defaulted.

Financial circles were also interested in word of a recent short-term loan of \$450,000 obtained by Fox at 1% interest—per week.

By pledging stock as security for loans, and then defaulting, Fox unloaded nearly 1.1 million shares in 3 companies on the public in the last 5 years, the *Herald-Tribune* article states. The companies: Skiatron TV & Electronics, Television Industries, Guild Films. Also noted in Phalen's 4-article roundup:

Both Fox and the money lenders made money on the deals. For example: Fox acquired 265,000 shares in Skiatron TV (not his own Skiatron of America) under options at \$1.75 to \$3. SEC charges he pledged 70,000 shares with Judson Commercial Co. at between \$5 & \$6 a share—when the stock was selling on the open market at 8-9—at an interest rate of 24% a year or more. Except for the interest charges, "which were multiplying at lenders all over town like an amoeba gone amok," Fox made a gain of \$3 a share. Fox "never made any cash payments" on these loans during 1959, SEC says, and the lenders unloaded the stock—forcing Skiatron's price down from 10¼ to 5⅝.

Fox's activities in disposing of Television Industries stock were similar, according to SEC, which charged that he pledged 68,840 shares with lenders, then defaulted. When the lenders sold his securities, SEC charges, they "indirectly did for him what he could not do on his own—distribute Television Industries stock without registering it." Last month Fox signed a consent decree in federal court, agreeing not to sell or offer Television Industries stock without registering it (and denying past wrongdoing), thereby blocking any further SEC action.

Regarding lenders' sales of unregistered stock held as security on defaulted loans, SEC secy. Orval L. Dubois outlined the Commission's position to us this way: "The law says that any public offering of stock by an issuing company or by an underwriter or a person in a controlled relationship with an issuer shall first be registered with the Commission.

"The Commission's position in the Matty Fox case is that he was an underwriter or controlling person and that the Television Industries stock couldn't be sold without its having been registered by the company. And stock pledged by him with a lender could not legally be sold publicly without being registered.

"In this case, certainly Fox at least was at fault. And the lending agencies had an obligation to see whether the stock had been registered, but I wouldn't attempt to determine how culpable they were in selling the unregistered stock. What we could do beyond the injunction already issued, I don't know now. Any willful violation of Commission regulations by the lending agencies—such as collusion—could be subjected to prosecution, of course."

**RECORD AB-PT SALES:** A record gross of \$287,957,000 was reported by AB-PT for 1959 in its annual report, issued last week—along with a 49% increase in net earnings. Pres. Leonard H. Goldenson reported record income & earnings, too, for the ABC broadcasting div. Broadcast operations in 1959 contributed 60% of the parent company's operating income, vs. 1958's 55%.

ABC's o&o TV & radio stations, said Goldenson, showed higher sales & earnings, and the radio network improved its operation, but continued to operate at a loss. The TV network, he said, "achieved 2nd position among the 3 networks in terms of its share of the total national TV audience in the 7:30-10:30 p.m. prime evening time period." In other AB-PT operations:

The theater div. reported improved earnings (on a lower gross), while Am-Par Records "had its best year in 1959." Referring to the projected Central American TV network, in which ABC owns 51% interest (Vol. 16:8 p9), Goldenson said, "it is expected that minority interests will be acquired in the [5] stations participating in that network." Disneyland Park, in which AB-PT has a 35% interest, reported record attendance revenues last year. The 3 electronics firms in which the company has ownership (25% in Microwave Associates, 21% in Technical Operations Inc., 33% in Dynametrics Corp.) reported over-all improvement in income and expansion of the scope of their operation. For the year ended Dec. 31:

|                             | 1959          | 1958          |
|-----------------------------|---------------|---------------|
| Consolidated gross income   | \$287,957,000 | \$244,821,000 |
| ABC operating income..      | 172,469,000   | 136,967,000   |
| theater operating income    | 91,139,000    | 94,280,000    |
| merchandise & other....     | 24,349,000    | 13,574,000    |
| Net profit .....            | 8,154,000     | 6,116,000     |
| Per com. share (after pfd.) | 1.92          | 1.40          |
| Common shares .....         | 4,149,362     | 4,149,363     |

Time Inc. (KLZ-TV & KLZ Denver, WOOD-TV & WOOD Grand Rapids, WFMB-TV & WFMB Indianapolis, WTCN-TV & WTCN Minneapolis, magazine publishing and paper products) reports record revenues for 1959 and increased net income—although profit margins dipped to 5.3% from 6.6% in 1958 because of "substantial costs in the first of a 3-year program to broaden the base of magazine-publishing operations," according to Pres. Roy E. Larsen & Chmn. Maurice T. Moore. For the year ended Dec. 31:

|                        | 1959          | 1958          |
|------------------------|---------------|---------------|
| Revenues .....         | \$271,373,088 | \$245,107,397 |
| Net income .....       | 9,003,890     | 8,737,313     |
| Per common share ..... | 4.60          | 4.47          |
| Common shares .....    | 1,955,779     | 1,954,819     |

Storer Bestg. Co. reports sales & profit increases in 1959. Net profit in 1958 was depressed because of a \$2,233,271 loss in the abandonment of WVUE Wilmington-Philadelphia. The company's consolidated balance sheet as of Dec. 31, 1959, shows total assets at \$31,107,318, current assets \$6,058,927, current liabilities \$2,867,429. For the year ended Dec. 31:

|                            | 1959         | 1958         |
|----------------------------|--------------|--------------|
| Operating revenues .....   | \$28,114,937 | \$25,176,710 |
| Net profit .....           | 5,336,682    | 1,676,754    |
| Profit, com. & B shares .. | 2.16         | 68¢          |
| Common & B shares .....    | 2,474,750    | 2,474,750    |

General Transistor Corp. has registered 64,500 common stock shares with SEC (File 2-16395), 50,000 for the company's savings-stock purchase plan for salaried employees, 14,500 reserved for exercise of options.

General Tire & Rubber Co. set record first-quarter sales & earnings in the fiscal period ended Feb. 29. Pres. William O'Neill noted an increase of 35% in the quarter-to-quarter "net income of our radio-TV subsidiary, RKO-General" (WNAC-TV & WNAC Boston, KHJ-TV & KHJ Los Angeles, KFRC San Francisco, WOR-TV & WOR N.Y., WHBQ-TV & WHBQ Memphis, radio WGMS Washington, 1/3 of CKLW-TV & CKLW Windsor-Detroit). "It should be noted," he cautioned, "that earnings of this subsidiary will probably not continue for the year" at the first-quarter level, "due to seasonal variations and because income in the latter part of the year will require a provision for income taxes." Consolidated report for the fiscal quarter ended Feb. 29:

|                             | 1960          | 1959          |
|-----------------------------|---------------|---------------|
| Net sales .....             | \$167,518,280 | \$137,388,355 |
| Earnings .....              | 6,448,523     | 6,034,547     |
| Per com. share (after pfd.) | 1.16          | 1.16          |
| Common shares .....         | 5,311,562     | 4,962,554     |

Times-Mirror Co. (KTTV Los Angeles, *Los Angeles Times*, *Los Angeles Mirror*) posted strong rises in revenue & income for year ended Dec. 31:

|                        | 1959         | 1958         |
|------------------------|--------------|--------------|
| Total revenues .....   | \$97,672,928 | \$85,649,154 |
| Net income .....       | 4,800,196    | 3,303,718    |
| Per common share ..... | 4.17         | 2.86         |
| Common shares .....    | 1,152,000    | 1,152,000    |

Oak Mfg. Co., Chicago components maker, reports a healthy step-up in sales & profits in 1959. The company reported to stockholders: "TV set sales were slightly up for the year 1959 as compared to 1958 and we held our share of this market in supplying parts to the set manufacturers. However, of significance, we enjoyed improvement in sales of commercial parts as contrasted against TV components. Our volume in military components for 1959 was good, exceeding the volume in 1958. We closed the year 1959 with a substantial backlog, up 20% from the previous year end." Preliminary report for the year ended Dec. 31:

|                        | 1959         | 1958         |
|------------------------|--------------|--------------|
| Sales .....            | \$18,442,747 | \$15,537,850 |
| Net income .....       | 991,685      | 624,426      |
| Per common share ..... | 1.51         | 95¢          |
| Common shares .....    | 656,129      | 656,129      |

National Co., Malden, Mass. manufacturer of communications systems, electronic components and industrial products, netted record sales & a 300% profit increase in 1959. Pres. Herbert C. Guterman told the annual meeting: "We expect 1960 to be one of the best years in the history of the company. The record growth achieved in 1959 in new products, business booked, billings and improved financial strength, provides a firm base for continued growth." For the year ended Dec. 31:

|                        | 1959         | 1958        |
|------------------------|--------------|-------------|
| Net sales .....        | \$12,942,987 | \$7,433,813 |
| Net profit .....       | 351,834      | 109,063     |
| Per common share ..... | 47¢          | 13¢         |

General Dynamics Corp., which includes Stromberg-Carlson among its various divisions, reported a decline in 1959 profits despite a marked sales increase. The consolidated report includes in the figures for each year the earnings of Material Service Corp., merged with General Dynamics Dec. 31, 1959. For the year ended Dec. 31:

|                     | 1959            | 1958            |
|---------------------|-----------------|-----------------|
| Net sales .....     | \$1,811,871,384 | \$1,626,015,489 |
| Net income .....    | 31,056,069      | 43,395,158      |
| Common shares ..... | 9,944,488       | 9,909,822       |

**Tung-Sol Electric**, Newark, N.J. maker of electron tubes, semiconductors and electrical products, expects that the first quarter ended March 31 will produce higher sales but lower profit compared with the year-ago period. Pres. Milton R. Schulte said a sales drop in March, due to unusually bad weather, "will probably cause our results to be off from the extremely good first quarter of last year." For the 1960 year, however, Schulte forecast a 35% profit increase on a 10% sales gain over the 1959 performance. He noted that Tung-Sol's semiconductor division has not yet reached the break-even point, but "our 1960 program shows us reaching that point late in the year."

**Reeves Bestg. & Development Corp.**, formed in Feb. in a merger of Southern Bestg. Co. (WUSN-TV Charleston, S.C.), Reeves Sound Studios Inc. and Reeves Products Inc., proposes a public offering of 300,000 common stock shares. Terms of the sale—at \$5 per share with Laird & Co. as principal underwriter—were outlined in an SEC registration statement (File 2-16393) covering 487,392 shares, 187,392 of them to be purchased by Christiana Oil Corp. for dividend distribution to its stockholders. Hazard E. Reeves, Southern Bestg.'s pres., is head of Reeves Bestg. & Development, in which he holds 611,442 shares (66.3%) of outstanding stock.

**Magnavox** sales for 1959 totaled about \$108 million, of which the consumer-products div. accounted for \$70.5 million, govt. & industrial div. \$37.5 million. This is the estimate of broker Blyth & Co. in an elaborate new brochure on Magnavox. Since Magnavox has just changed to a calendar-year basis, no directly comparable figures are available, but total sales for the fiscal year ended June 30, 1959, were \$90,624,000, of which \$59,413,000 were consumer products and \$31,311,000 govt. & industrial. Blyth's report estimates the company's sales & profits for 6 months ended Dec. 31, 1959 at \$60,795,000 & \$3,400,000, record highs.

**Siegler Corp.**, which embraces Olympic Radio & TV, David Bogen Co., Presto Recording, Hallamore Electronics, other divisions & affiliates, is interested in acquiring Jack & Heintz, Inc., Cleveland manufacturer of aircraft & missile components and electric control systems. Exploratory negotiations, involving an exchange of stock, already have been held and are expected to be resumed shortly. Jack & Heintz in 1959 earned \$640,000 (76¢ a share) on sales of \$15,365,000. Siegler's 1959 net income was \$2,203,022 (\$1.36) on \$77,074,442 sales.

**Reports & comments available:** AB-PT, review, Ira Haupt & Co., 111 Broadway, N.Y. 6 . . . General Instrument Corp., prospectus, Carl M. Loeb, Rhoades & Co., 42 Wall St., N.Y. 5 . . . P. R. Mallory, review in *Investor's Reader*, Merrill, Lynch, Pierce, Fenner & Smith, 70 Pine St., N.Y. 5 . . . CBS, analysis, Penington, Colket & Co., 70 Pine St., N.Y. 5 . . . Avco, review, Francis I. duPont & Co., One Wall St., N.Y. 5 . . . Magnavox, report, Schweickart & Co., 29 Broadway, N.Y. 6 . . . ITT, comments, Van Alstyne, Noel & Co., 52 Wall St., N.Y. 5 . . . Cohu Electronics, review, Winslow, Cohu & Stetson, 26 Broadway, N.Y. 4.

**Thurrow Electronics Inc.**, Tampa distributor of electronic products, has submitted an SEC registration statement (File 2-16329) for public offering of 200,000 Class A common shares at \$3 per share. Half of the shares would be offered by Thurrow, half by Pres. H. M. Carpenter, with Donald V. Stabell of St. Petersburg handling the sale on a "best efforts" basis.

**Zenith** sales for first-quarter 1960 have set a new all-time high.

**Newark Electronics Corp.**, Chicago distributor of electronic parts, seeks SEC registration (File 2-16271) of 200,000 class A shares for public sale through underwriters headed by H. M. Byllesby & Co. Inc., price & terms to be supplied by an amendment to the application. All outstanding class A & B shares are owned now by Pres. Sam Poncher & secy. Abe L. Poncher.

**General Instrument Corp.**, Newark-based manufacturer of electronic components & devices, has made a public offering of 200,000 shares of common stock (\$27.25 per share) via an underwriting group headed by Carl M. Loeb, Rhoades & Co. The company will use \$3 million of the net proceeds to repay all outstanding bank loans and will add the balance to working capital. Offering was oversubscribed.

**Reeves Soundcraft Corp.** Danbury, Conn. magnetic recording tape producer, will put 125,000 outstanding common stock shares on the American Stock Exchange for sale—or offer them otherwise—according to an SEC registration statement (File 2-16394). Selling stockholders include Bernard E. Smith, who will offer 92,400 shares for his own account.

**Esquire Radio & Electronics Inc.**, new N.Y. company organized to take over Esquire Radio Corp., N.Y. contract designer & maker of radios, stereo phonos and hi-fi units, has submitted an SEC registration statements (File 2-16381) for public sale of 150,000 common shares at \$5 per share. The underwriter is Myron A. Lomasney & Co.

**Thompson Ramo Wooldridge** has acquired control of Good-All Electric Mfg. Co., Ogallala, Neb. producer of components for TV-radio, industrial and military use. The acquisition involves the exchange of TRW stock for 80% of Good-All shares. The amount of shares involved was not disclosed.

**Ets-Hokin & Galvan Inc.**, San Francisco electronics contractor for missile & satellite work, seeks SEC registration (File 2-16328) of 250,000 common stock shares for public sale at \$5.30 per share. Underwriters are headed by Van Alstyne, Noel & Co.

**Canadian Westinghouse** net income sagged to \$2,113,502 (\$3.45 a share) in the year ended Dec. 31, compared with the 1958 net of \$2,605,484 (\$4.26).

**General Precision Equipment Corp.** reports record sales in 1959 and a more than tenfold increase in net profit, as compared with 1958. For the year ended Dec. 31:

|                             | 1959          | 1958          |
|-----------------------------|---------------|---------------|
| Net sales . . . . .         | \$215,588,430 | \$168,333,316 |
| Net profit . . . . .        | 4,198,200     | 304,267       |
| Per com. share (after pfd.) | 2.63          | —             |
| Common shares . . . . .     | 1,126,625     | 1,125,810     |

**Clarostat Mfg. Co.**, Dover, N.H. maker of resistance devices for the electronics & electrical industries, increased profit more than 12-fold on a sharp sales rise in the year ended Dec. 31:

|                            | 1959        | 1958        |
|----------------------------|-------------|-------------|
| Net sales . . . . .        | \$8,998,940 | \$6,808,779 |
| Net profit . . . . .       | 265,512     | 20,860      |
| Per common share . . . . . | 60¢         | 5¢          |
| Common shares . . . . .    | 437,867½    | 417,992½    |

| Corporation                  | Common Stock Dividends |        |         | Stk. of Record |
|------------------------------|------------------------|--------|---------|----------------|
|                              | Period                 | Amt.   | Payable |                |
| Daystrom . . . . .           | Q                      | \$0.30 | May 16  | Apr. 27        |
| Aeds & Northrup . . . . .    | Q                      | .15    | Apr. 25 | Apr. 11        |
| Leetronics . . . . .         | —                      | .05    | Apr. 6  | Mar. 31        |
| National Video "A" . . . . . | —                      | .22½   | May 16  | Apr. 29        |
| Howard W. Sams . . . . .     | Q                      | .15    | Apr. 25 | Apr. 8         |
| Warner Bros. . . . .         | Q                      | .30    | May 5   | Apr. 15        |

## Educational Television

**YOUTH CONFERENCE BACKS ETV:** A 19-point pronouncement on TV & radio, including endorsement of "public & private" financial aid to educational TV, and criticism of programs which "glamorize socially undesirable behavior," was produced last week in Washington by the White House Conference on Children & Youth.

Mass-communications work groups, picked from among 7,000 delegates who swarmed through Washington for the conference, drafted & redrafted resolutions on broadcasting's blessings & faults before coming up with an agreed-on list. Final wording was much more restrained than criticisms hurled by some speakers.

In the area of education by broadcasting, a conference forum on mass media: (1) Suggested financing of ETV at "local, state and national levels." (2) Urged teachers to be more aware of TV & radio as school aids, (3) Called for more TV & radio courses in teacher-training schools. (4) Said FCC should give "major consideration" to promised programming for children—as a specific category—when stations are licensed. (5) Asked FCC to assign more vhf channels for educational purposes.

On the subject of broadcast programs generally, which some delegates wanted to blast in a broadside manifesto, the mass-media forum voted to "urge less emphasis on

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programs & advertising which glamorize socially undesirable behavior." The resolution deplored "emphasis on horror, crime and its techniques, and unnecessary violence."

Other session speakers included editor Eva H. Grant of the *National Parent-Teacher Magazine*, who "dared" the networks to hire an independent research organization to find out what programs the public really wants.

Also recommended by the communications work groups—4 of them in TV & radio alone—were: (1) White House consideration of appointment of "a high-level advisory board" to study & make recommendations to "appropriate agencies" on program content. (2) Parental supervision of TV viewing by children. (3) "Greater responsibility" and increased compliance with NAB Codes by the industry. (4) Consultation by broadcasters with groups "concerned with the effects of TV & radio on children & youth."

Another section of the forum report said: "We commend those responsible [in] TV & radio for that current creative & constructive programming which elevates taste & standards of children and enhances their knowledge."

On the other hand, Dr. Leo H. Bartmeier, Baltimore psychiatrist, said TV generally has "salubrious effects" on young viewers. I. Keith Tyler of Ohio State U. said children spend more time watching & learning at TV sets than they do listening to their teachers in school. N.Y. Rabbi Bernard Mandelbaum said he thought improvements in public taste must come before general improvements in TV programming.

\* \* \*

TIO dir. Louis Hausman snapped off a reply last week to Eva H. Grant, accusing her of choosing "to overlook a thoughtful project which has been widely publicized." The project: The nationwide survey to determine viewer preferences, announced by CBS Inc. Pres. Dr. Frank Stanton in a Dec. 3, 1959 talk in N.Y. before the ATAS. The challenge from Miss Grant, Hausman pointed out, "has been accepted months before it was ever issued."

**Ford Foundation Grants:** Educational TV got another big financial boost last week with the announcement by the Ford Foundation that it has awarded grants totaling \$2,761,250 to 8 colleges & universities to initiate new teacher-education programs. Foundation vp Clarence H. Faust pointed out that classroom experience in the use of TV, tape recordings and films is among innovations introduced by grantees in their teaching-teacher programs.

Other recent ETV grants announced by the Ford Foundation include an additional \$750,000 (\$500,000 was granted in Feb.) to the Purdue Research Foundation for the Midwest Council on Airborne TV Instruction project (Vol. 15:42 p3); and \$100,070 to Wayne State U., Detroit, to finance the TV-teaching of 8 college-level courses via closed-circuit next fall.

The Fund for Adult Education (Ford Foundation offspring) awarded fellowships totaling \$210,000 last week to finance special studies by 40 educators, broadcasters and newspapermen.

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